MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TRANSPORTATION

Seventy-Ninth Session
May 11, 2017

The Committee on Transportation was called to order by Chairman Richard Carrillo at 3:20 p.m. on Thursday, May 11, 2017, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B 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/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblyman Richard Carrillo, Chairman
Assemblywoman Ellen B. Spiegel, Vice Chair
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman John Ellison
Assemblyman Ozzie Fumo
Assemblyman Richard McArthur
Assemblywoman Daniele Monroe-Moreno
Assemblyman Michael C. Sprinkle
Assemblyman Justin Watkins
Assemblyman Jim Wheeler

COMMITTEE MEMBERS ABSENT:

Assemblywoman Melissa Woodbury (excused)

GUEST LEGISLATORS PRESENT:

Senator Joyce Woodhouse, Senate District No. 5
Senator James A. Settelmeyer, Senate District No. 17

STAFF MEMBERS PRESENT:

Jann Stinnesbeck, Committee Policy Analyst
Darcy Johnson, Committee Counsel
Joan Waldock, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Erin Breen, Director, Vulnerable Road Users Project, Transportation Research Center, University of Nevada, Las Vegas
Jeanne Cosgrove Marsala, Executive Director, Safe Kids Clark County
Laura Gryder, Project Director, Center for Traffic Safety Research, Department of Surgery, University of Nevada, Reno School of Medicine
Leandra Cartwright, representing Property Casualty Insurers Association of America
Pearl Gallagher Driscoll, Private Citizen, Henderson, Nevada
Elizabeth Brickfield, Private Citizen, Henderson, Nevada
April Sanborn, Services Manager 3, Division of Management Services and Programs, Department of Motor Vehicles
Marty Elzy, Management Analyst, Central Services and Records Division, Department of Motor Vehicles
Jon Sasser, Statewide Advocacy Coordinator, Washoe Legal Services; and representing Legal Aid Center of Southern Nevada
Dan Wulz, Deputy Executive Director, Legal Aid Center of Southern Nevada
George O. West III, Private Citizen, Las Vegas, Nevada
Craig B. Friedberg, Private Citizen, Las Vegas, Nevada
Corinne Kirkendall, Vice President of Compliance and Public Relations, PassTime USA, Littleton, Colorado
Shaun K. Petersen, Senior Vice President of Legal and Government Affairs, National Independent Automobile Dealers Association
Milo Trevizo, Director of Finance, CAG Acceptance, LLC.
Jennifer Gaynor, representing Nevada Credit Union League
Jeanette Belz, representing Property Casualty Insurers Association of America
Alfredo Alonso, representing Alliance of Automobile Manufacturers
Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association
Cory Hunt, Deputy Director, Office of Economic Development, Office of the Governor

Chairman Carrillo:
[Roll was called. Committee protocols and rules were explained.] We will open the hearing on Senate Bill 156 (1st Reprint). [Assemblywoman Spiegel assumed the Chair.]

Senate Bill 156 (1st Reprint): Revises provisions relating to the transportation of children in motor vehicles. (BDR 43-349)

Senator Joyce Woodhouse, Senate District No. 5:
Motor vehicle injuries are the leading cause of death among children in the United States. In 2014, 602 children aged 12 years and younger died as occupants in motor vehicle crashes. More than 121,350 children aged 12 years and younger were injured in crashes. Many of these deaths could have been prevented by the use of appropriate child restraint systems.

In an effort to prevent unnecessary injury and death among children of Nevada, Senate Bill 156 (1st Reprint) enhances safety requirements for child restraint systems in motor vehicles. Specifically, this bill requires a child in a motor vehicle to be secured in a child restraint system if he or she is less than 8 years old and less than 57 inches tall.

Section 2 of the bill requires a child who is less than 13 years old to wear a safety belt and sit in the back seat of a motor vehicle unless the airbag on the passenger side of the front seat is deactivated and:

a) Special health care needs require the child to ride in the front seat;
b) All of the back seats in the motor vehicle are occupied [by other children under the age of 13]; or
c) The vehicle does not have back seats.

Section 3 of the bill requires a child who is not subject to child restraint requirements to wear a safety belt. In addition, the failure of a child to wear a safety belt as required is an offense for which the driver of the vehicle must be cited. If the child's parent or guardian is present during such a violation, he or she must be cited as well.

Senate Bill 156 (1st Reprint) brings Nevada up to the national standards. This concludes my presentation. With the indulgence of the Chair, I would like us to go to southern Nevada to hear further testimony from Erin Breen, Jeanne Cosgrove Marsala, and Dr. Paul Chestovich, who are the experts in this field. This bill is being presented because we believe that we must improve child safety here in Nevada. I urge your support.

Erin Breen, Director, Vulnerable Road Users Project, Transportation Research Center, University of Nevada, Las Vegas:

On behalf of the Strategic Highway Safety Plan for the state of Nevada, I was the one who asked Senator Woodhouse to bring this bill forward this session. On March 7, 2017, I presented to this Committee the Advocates for Highway & Auto Safety's report on the 15 laws that are proven to save lives. At that time, I gave you Nevada's information. Senate Bill 156 (1st Reprint) is one of the laws I reported you would be hearing because our current child passenger law is rated as inadequate. Our 2015 data backs that up.

You probably do not remember, but our 2015 data showed no motor vehicle occupant fatalities for children under the age of four. This is primarily true because of child restraints and because in 2015 children involved in crashes were all properly restrained. When we do see fatalities, 90 percent of the time it is because a child was not properly restrained. In 2015, we had six fatalities for children ages five through nine, because seat belts simply do not fit small bodies.

At that presentation, I also told you that throughout this session I would bring you the experts. That is, in fact, what I have done today. I would first like to introduce Jeanne Cosgrove Marsala. Jeanne is a nurse, the head of Safe Kids Clark County, and the trauma manager for Sunrise Children's Hospital. In place of Dr. Chestovich, Laura Gryder will be presenting trauma statistics from a database matching Nevada crashes to Nevada trauma centers.

Jeanne Cosgrove Marsala, Executive Director, Safe Kids Clark County:
I have been a registered nurse for 27 years, certified in both trauma, and pediatric and neonatal intensive care. Thank you for giving me the opportunity to speak to you today about the importance of upgrading our law to meet the national standard. Safe Kids Clark County is a nonprofit organization dedicated to the prevention of accidental deaths and injuries to children. We are part of the Safe Kids Worldwide campaign, which is the first and only international organization with this cause. Safe Kids Worldwide is the certifying body for over 600,000 nationally certified Child Passenger Safety technicians in the United States. Safe Kids works with the National Highway Traffic Safety Administration (NHTSA), the American Academy of Pediatrics, and the National Child Passenger Safety Board to set the safety standards for children during transportation. Safe Kids Clark County has been housed in the trauma services department at Sunrise Children's Hospital since 1993.

My background includes being the first child passenger safety instructor for the state of Nevada and the 49th certified child passenger safety technician in the nation. I am here to educate you on the importance of upgrading our law to meet the national recommendation. It is important for you to know that 23 other states currently have this law in place.

When a child is between the ages of six and eight years old, national recommendations indicate the child needs to be placed in a booster seat. The reason for this is, as Erin stated, seat belts in cars are designed for adult passengers. Picture yourself in the driver's seat position. When you hit the brakes, you feel the seat belt lock. That is because the seat belt fits you correctly. What a booster seat does is boost children up so that the seat belt fits them properly. This includes making children taller so the shoulder belts do not cross their necks or faces, but are positioned correctly across their collarbones and sternums. It allows a place for their knees to bend so they stay in position in the seat belt. It also positions the seat belt to fit snugly over the hips and upper thighs, not across the belly, which can cause abdominal injury.

Most children need this boost until they are about 4 feet 9 inches tall and around eight years of age. When children are in seat belts prematurely, they are at risk of being ejected out of the seat belt and out of the car, which could lead to death. If children are lucky enough not to be ejected out of the car, they are at risk for severe brain injuries, spinal cord injuries, and abdominal injuries from not having properly fitted seat belts. In addition, most children will put a seat belt that does not fit properly behind their backs or under their arms, which also leads to the risk of ejection.

If we increase the Nevada law to meet the national recommendations, we will be extending our protection of children up through age eight. Parents believe that when they are following the law they are doing what is best for their children. Unfortunately, Nevada law does not indicate what is best for children. If a child in that age group is hurt or killed because the parents thought they were doing the right thing, the child was actually killed because of this loophole in our Nevada law.

Now I would like to address the back seat portion of the bill. Air bags are designed to protect adults as long as they are hit in the sternum by the air bag. Air bags can deploy at 80 to 200 miles per hour. This is not a problem for an adult, as long as the bag hits the sternum, but if it hits a child in the face or the head, it could lead to death. A deployed air bag can actually snap a child's neck. Every single car manufacturer has a warning label on the visor that indicates this. Each car has a warning that states children 12 and under may be injured or killed by an air bag, and that the back seat is the safest place for children to sit. In newer cars with advanced air bags, the label on every visor indicates that even with advanced air bags, children 12 and under may be injured or killed by an air bag. Yet, our Nevada law does not indicate that.

Therefore, based on the facts that I have brought before you today, you can see that I am in strong support of S.B. 156 (R1). I have brought with me a copy of an article on the policy statement of the American Academy of Pediatrics (Exhibit C), a study done by Boston Children's Hospital (Exhibit D), and a study on booster seats done by Safe Kids Worldwide (Exhibit E).

Vice Chair Spiegel:
Is there anyone else that is a part of your presentation?

Senator Woodhouse:
I believe there is a third person waiting to present.

Laura Gryder, Project Director, Center for Traffic Safety Research, Department of Surgery, University of Nevada, Reno School of Medicine:
I am speaking in place of Dr. Chestovich. You should have a copy of my presentation, titled "SB 156, Transporting Children Safely" (Exhibit F), on Nevada Electronic Legislative Information System (NELIS). We are funded by a grant from the Office of Traffic Safety.

One of the main objectives of our study is to take data from Department of Transportation (NDOT) crash reports and link it to trauma center records. Nevada has four trauma centers. The three in the south are St. Rose Dominican Hospitals, Sunrise Hospital and Medical Center, and University Medical Center of Southern Nevada. Renown Regional Medical Center is the trauma center in the north. We analyze the records and link patients to crashes so we can ask what the trauma outcomes are of not having children in booster seats. Are fatalities higher? Are injury scores higher? Do those children stay at the hospital longer? Are hospital charges higher? I will be presenting that information to you today.

Slide 3 in my presentation gives you information about the existing law. Current law requires children under 6 years of age and weighing 60 pounds or less to be in a child restraint system. The proposed bill will include children of ages 6 to 7. It will also require that children under the age of 13 ride in the back seat when practicable.

We have a variety of data from other studies showing that child safety seats reduce the risk of injury by 71 to 82 percent, and the risk of death by 28 percent as compared to seat belts. For children aged 4 to 8 years old, the ages we are seeking to cover completely in this bill, booster seats reduce injury risk by 45 percent compared to seat belts alone. The American Academy of Pediatrics recommends that children who have outgrown a forward-facing seat should use a booster seat until the lap-and-shoulder belt fits properly, generally when a child is 4 feet 9 inches tall and between the ages of 8 and 12. They also recommend that children ride in the back seat until 13 years of age.

Slide 4 (Exhibit F) is the beginning of our data. We can look at injury severity in children. I broke the data down into three categories. The first category is children having no injuries, and compares those who were in a child restraint system to those who were not in a child restraint system. For those in a child restraint system, there were more patients in the trauma center with no injury. The second category is children who had minor to moderate injury. You see that the number is much higher for those not using a child restraint system: 106 injuries compared to 42 for those in a child restraint system. The third category is children who had serious to critical injuries. Again, the number is much higher for those not in a child restraint system—44 compared with 14 for those in a restraint system. This data is for children 4 to 7 years old, the entire age range we are proposing to cover in this bill.

Slide 5 focuses on the age range not currently covered. You can see that it pretty much follows the same pattern as the previous group, but the differences are even bigger. For example, with minor to moderate injury, there were 73 injuries for those who were not in child restraint systems, compared with 15 who were restrained—a bigger difference. In the serious-to-critical injury category, you have 21 patients injured who were not in a child restraint system, compared to only 4 who were seriously or critically injured while in a child restraint system.

Slide 6 deals with hospital data that we collect. We can see the hospital charges for children in a child restraint system as averaging $15,478. For children not in a child restraint system, the charges averaged $34,924, a difference of about $19,000 in hospital charges per child aged 4 to 7. From the year 2005 to 2014, which is the time our data covers, we could have saved over $4 million or $420,000 per year in hospital charges had these children been properly restrained.

Slide 7 covers just the age range 6 to 7 years—the children not currently covered. The average hospital charges for a child in a restraint system was $15,130. The average for a child not in a restraint system was $32,533. We have a potential savings over a 10-year period of time of over $2.8 million had that age range of children been covered and every parent had their children properly restrained as a result of that law, assuming 100 percent

compliance. Passage of this law should result in decreased injuries to children involved in motor vehicle crashes in Nevada. We care about the lives, but the money is telling. Hospital charges can indicate how critical and severe an issue these injuries are.

Slide 8 (Exhibit F) addresses whether children under the age of 13 should ride in the back seat. Slide 9, using data from 2005 to 2012, shows that 32 percent of children aged 0 to 12 who rode in the front seat suffered serious to critical injuries based on their New Injury Severity Score (NISS) that ranges from 0 to 75, 0 being no injury and 75 being most critical. Trauma surgeons use this score to assess the severity of injury. They take different regions of the body—extremities, head or neck, abdomen—and use a formula that calculates injury severity. You can use that score as a proxy for how injured these people are. You can see from the same cohort, the same age range, that only 32 percent were seriously to critically injured, reflecting a NISS of nine or more.

Slide 10 shows the cost difference in hospital charges among these children. If children in this age range are in the back seat, the average hospital charges are around $33,000, but if they are in the front seat, charges go up to an average of around $40,000.

In conclusion, booster seats do save lives and reduce injuries. We can see that with the data from Nevada—our population. Two gaps need to be addressed, and they are addressed in this bill. We should be covering children aged six to seven, as recommended by the American Association of Pediatrics. We would also be covering those children under the age of 13 who may currently be riding in the front seat and are at increased risk for injury and death.

Vice Chair Spiegel:
I have questions from the Committee for all those who have spoken so far.

Assemblywoman Bilbray-Axelrod:
Thank you for bringing this bill. This is something I am quite passionate about as a mom. I was excited when I read it. To be honest, I was hoping it would go a little further. I do not understand why Nevadans do not have children in rear-facing seats up until the age of two. It would be too late for this bill, but it may be something we can think about in the future.

The other thing I was concerned about is that we do not talk about the height of 13-year-olds. I was not finished growing taller when I was 13; I was still quite a shrimp at that time. I would not have been tall enough to safely sit in the front seat. I know that you probably have statistics about rear-facing seats. I know that California, New Jersey, and Oklahoma have that in statute. Would you address that?

Senator Woodhouse:
The speakers in Las Vegas have those statistics.

Jeanne Cosgrove Marsala:
What our Nevada law has in it that other states do not have is police officers can give tickets for misuse. The car seat has to be installed according to manufacturers' instructions according to our law. With that component of the law, infant seats must be rear-facing. I believe we discussed that when we were trying to prepare this bill but were concerned there was not enough support for it across the nation.

The issue you brought up was being a certain age to sit in front of an air bag. The height requirement is very important because the air bag needs to hit a person in the chest, at the sternum. Our bones are not developed enough to withstand that impact until we reach puberty. Car manufacturer engineers believe that by age 13 a child will have reached puberty, so their labels warn that children 12 and under should sit in the back seat. When children reach puberty, their bone development is much stronger. We would still educate families about the dangers for petite children—that they should ride in the back seat or put the seat all the way back so the child is out of the zone of the air bag.

Safe Kids does seat belt checkpoints at elementary schools, which enroll students up to age 11. We find that 90 percent of elementary school children are riding in the front of the car, in front of an air bag, on their way to school. When we ask parents why, they say it is just a short distance or they do not live very far away. But statistics show us that most crashes happen within a three-mile range from home. We need that back seat law. We also need to educate on height to protect those who are petite at that particular age. I think that if we follow the vehicle manufacturers' instructions—having children ride in the back seat until age 13—we will be doing a very good thing.

Additionally, the manufacturers' instructions on many car seats also say that babies should be rear-facing until age two. So that part would be covered under the manufacturers' instructions.

Assemblyman Watkins:
This bill got me thinking about my two young daughters. They still ride in booster seats at ages six and four. The first thing that comes to my mind when I think about safety and car seats is that I feel most unsafe traveling with my children when I am in a taxicab, which is exempt from any booster or car seat law. Have there been any discussions about addressing that or providing that public transportation in the form of passenger cars—such as taxicabs, shuttles, transportation network companies (TNCs)—would have to have an option available to someone who calls? When I travel to New York City, I can call Uber and request a car seat. It takes a few minutes longer, but I do have the option.

Senator Woodhouse:
What you brought up is of great concern. When we were working on this bill, both last session and this one, that issue had not come up. As Assemblywoman Bilbray-Axelrod mentioned, there are more things we can do. I agree with you that we need to address that.

Jeanne Cosgrove Marsala:
Unfortunately, taxicabs fall under the same category as buses—they are public transportation. Because buses, including school buses, are large in size, travel during daylight hours, and have compartmentalization in the seats, NHTSA does not require seat belts on school buses or other buses. There are options for special needs students on school buses. There are a few seats on public transportation that have seat belts.

The problem is that taxicabs fall into the same category. That is why we have not addressed taxicabs. The good news is that a couple of the cab companies here in Las Vegas have created a policy that states they will not transport children unrestrained. There are cab companies taking it seriously and developing policies for their drivers. Car seats are also available for rent through car rental agencies, which do not allow children to ride in rental cars unrestrained.

Assemblyman Watkins:
The reading and interpretation of current black letter law, which would now be moved to section 2, subsection 8 if this bill were to pass, provides an exemption for public transportation. I think it is enforced to apply to all forms of transportation including taxicabs, TNCs, shuttles, limousines, and all forms of public transportation. Is that your understanding of how it is currently enforced? Or, does that need to be clarified?

Senator Woodhouse:
I do not have an answer for that. If our experts in Las Vegas do not have an answer, we will have to look into it.

Jeanne Cosgrove Marsala:
Uber and Lyft also have a policy that states that their drivers cannot take unrestrained children. They fall in the public transportation realm, but they have their own policy that says they cannot transport children who are unrestrained.

Erin Breen:
We will get you the definitive answer on the taxicabs. Several sessions ago, the issue came up when the taxicab companies came to the Legislature to be included in the seat belt law in the state. It may have been part of that policy change they wanted. It used to be that you did not need to wear a seat belt in a taxicab cab either, but now you do.

Vice Chair Spiegel:
In section 3, subsection 3, lines 24 through 26 talk about when citations may be issued. The bill says they may be issued "only if the violation is discovered when the vehicle is halted or its driver is arrested for another alleged violation or offense." The digest for the bill says that section 3 would make this a primary offense. My question is, is the digest outdated or am I missing something in the bill?

Senator Woodhouse:
This is an issue we went round and round on in the Senate. It is my understanding from the Legal Division of the Legislative Counsel Bureau, as well as from Erin Breen and Jeanne Cosgrove Marsala, that this is already a primary offense. We are not making this a primary offense. They can correct me if I did not state it properly.

Erin Breen:
It is currently a primary offense through age 6 and 60 pounds. What we are asking is that you extend the primary enforcement for transporting children through age 13 in the back seat of a car.

Vice Chair Spiegel:
It is common for parents to carpool. As a practical matter, how can a person driving in a carpool contest it if given a ticket for a violation based on the age or weight of somebody else's child?

Senator Woodhouse:
As stated in the language in this bill and in current law, a person driving with other people's children in the car is responsible and can be cited.

Vice Chair Spiegel:
This could happen right when a child is at the cusp of a weight restriction. A parent can think the child weighs enough to not have to ride in a booster seat. How can proof be established, one way or another? How could a driver contest it or how could law enforcement prove it?

Senator Woodhouse:
When we brought this bill two years ago, we were using age, height, and weight measures. In this bill, we specify 57 inches tall and 8 years of age. The national standards no longer use weight; they just use height. That is why the bill addresses it in this way. It is confusing with young children, because some are smaller than others. We want parameters in statute so that we do everything we can to keep our children safe.

Vice Chair Spiegel:
We will move on to testimony in support of Senate Bill 156 (1st Reprint).

Leandra Cartwright, representing Property Casualty Insurers Association of America:
We are here in support of Senator Woodhouse's bill. We think this is a great idea. We also think parents should talk to their children about the properties of seat belts, car seats, and staying in car seats when riding in the vehicle.

Vice Chair Spiegel:
Is there anyone else in Carson City in support? [There was no one.] Is there anyone in support in Las Vegas? [There was no one.] Is there anyone in Carson City in opposition? [There was no one.] Is there anyone in Las Vegas? [There was no one.] Is there anyone in

either location in neutral? [There was no one.] Senator Woodhouse, do you have closing comments? [She had none.] We will close the hearing on Senate Bill 156 (1st Reprint) and open the hearing on Senate Bill 215 (1st Reprint).

Senate Bill 215 (1st Reprint): Revises the circumstances under which the holder of a driver's license or identification card must report a name change to the Department of Motor Vehicles. (BDR 43-673)

Senator Joyce Woodhouse, Senate District No. 5:
The need for Senate Bill 215 (1st Reprint) was brought to me by a constituent and friend, Elizabeth Brickfield. You will be hearing from her in just a few minutes. Senate Bill 215 (1st Reprint) revises the circumstances under which the holder of a driver's license or identification card must report a name change to the Department of Motor Vehicles (DMV). Sections 5 and 6 of the bill set forth the situations under which a person must change his or her full name on a driver's license or identification card, including legal changes indicated on a court order, an adoption decree, a marriage certificate, or a divorce decree. The measure also allows a person whose name has not been legally changed in accordance with these situations to request the change of his or her full name upon adoption, marriage, divorce, or the death of a spouse. The person is required to include an original or a certified copy of the certificate or decree evidencing the applicable event. Under both situations, a person may choose various options for the full name, including a hyphenated last name, replacing a middle name with his or her last name, and using the last name of his or her adoptive parents or spouse. Finally, the bill allows the DMV to charge the same fees for these licenses or cards as is currently provided by law. The remaining sections of the bill make conforming changes. That concludes my presentation.

After the Senate Committee on Transportation first heard this bill, I worked with staff from DMV to make sure their concerns were addressed. I believe that has been accomplished in this first reprint. Elizabeth Brickfield is prepared to address you from southern Nevada. With her is Pearl Gallagher who will share her personal story as to why this measure is so important.

Pearl Gallagher Driscoll, Private Citizen, Henderson, Nevada:
I am the former Pearl Gallagher. I am testifying in support of S.B. 215 (R1), specifically the provision allowing a person to move a maiden name to a middle name without a court order. I started practicing law under my maiden name. I was married a couple of years later and did not change my name at that time. After my first child was born, I decided to change my name. When I did that, I wanted to keep my maiden name as my middle name so that I could continue to practice law under that name and reap the benefits of whatever recognition I had gained in my career.

When I went to the DMV, they told me I needed to go to the Social Security Administration office to do the name change there first. I was able to do that with no problem. I took the paperwork to the DMV. They would not allow me to move my maiden name to my middle name. They told me my only options were to get a court order or to hyphenate. The problem

with hyphenating is that would not give me the same last name as my children. I wanted to be able to pick them up from school and make appointments for them. The only way DMV would allow me to do that was with a court order.

Luckily for me, I worked at a law firm, and Elizabeth Brickfield was kind enough to walk me through the process. Even with those resources, it cost several hundred dollars and required a lot of extra time and effort. There were notification and publication requirements. Once I had the court order, I was able to change my name at the DMV.

Elizabeth Brickfield, Private Citizen, Henderson, Nevada:
I am a 20-year resident of Henderson, Nevada; I am a Nevada attorney; I am a former board member of the Southern Nevada Association of Women Attorneys; and the chair of the Probate and Trust Section of the State Bar, but I am testifying for myself and not on behalf of my law firm or the organizations to which I belong. I am testifying in support of Senate Bill 215 (1st Reprint) which simplifies the process of a name change for a driver's license or an identification card.

Under current DMV regulations, *Nevada Administrative Code* (NAC) 483.012 defines "full legal name" as a natural person's "first name, middle name and family name or last name". For changing of a name, NAC 483.05552, subsection 3 reads: "Upon request, the Department shall indicate the full legal name of the person requesting the change of his or her full legal name on a driver's license, motorcycle driver's license or identification [ID] card in a manner that combines the maiden name and the married name of the person as a hyphenated last name." Subsection 4 goes on to say, "The maiden name of a person may not be used as a middle name on a driver's license, motorcycle driver's license or identification card unless documented by an original or certified copy of any document of proof of the change of the person's full legal name . . . ."

We all know the dictionary defines a "maiden name" as a woman's surname before it is legally changed by marriage. The regulation, which this legislation would fix, falls disproportionately on women and those individuals who culturally use two last names. They are forced to choose between an expensive court process and having a name that is not their name on their driver's licenses. The regulations make no provision for a woman whose marriage is terminated by death or divorce, when she did not reclaim her original given surname. The result is that people like Pearl, who want their names to be accurately shown on a driver's license—the single most important piece of identification that we use in our day-to-day lives—are forced to obtain a court order at great expense. The court process involves legal resources, a filing fee, publication costs, and an in-person court appearance. If you do not qualify for legal aid assistance, you are forced to spend significant personal resources to simply obtain a driver's license that accurately states your name. Our judicial resources are being unnecessarily spent on people seeking court orders to put their names on their driver's licenses.

I first learned about this problem from Pearl. It was happening to professional women. I have spent a lot of volunteer hours working with Nevada residents who are seeking to become United States citizens. They present U.S. government documents with their full names without hyphens, but the women's driver's licenses have their names hyphenated.

If you are a man and you go to DMV and want your full name on your license without a hyphen, there is no problem; they will do it. We know that DMV can accommodate these requests for women to have their names without hyphens; this is not a programming change or anything. If you show up with a court order, they will do it.

Our government-issued driver's licenses are the ID we most frequently use in our daily lives—to open bank accounts, to travel, to pick up our children, and for employment. We need it to be able to go about our daily lives without being misidentified and without having to explain it all the time. When traveling, I have had difficulty when I arrived at the Transportation Security Administration checkpoint and my ticket was missing the last two letters of my first name. Can you imagine the difficulty if you show up with a driver's license and it does not match the name on your ticket?

This is not a perfect bill, but it is an excellent first step that can benefit all Nevadans. This is a small thing, but it can really change a person's everyday life. I was involved in a pro bono case once that involved a paternal grandmother seeking guardianship for her minor grandchild so the child could be enrolled in school. We learned and arranged that the child's birth certificate be amended so that it had her first name on it and her father's last name, because nobody should go through life with a birth certificate that identifies you only as "Baby Girl" with the last name of the mother who abandoned you when you were born. In that same vein, nobody should have to carry a driver's license that does not have your name on it.

Thank you for your time. This is just a way to simplify a process. It is less time-consuming for DMV. An individual will not have to explain to everyone why his or her name has to appear this way even though it is not your name. I urge you to support this bill.

Vice Chair Spiegel:
I am someone who has gone through this. I took my maiden name and made it one of my middle names. I understand the issue completely and personally. I know how difficult it can be. It took me 16 years to get my last name change done. That was finalized about two weeks ago. This is a definite issue. Are there questions from Committee members?

Assemblyman McArthur:
Which cards does this bill refer to? In the digest, there is mention of driver authorization cards and identification cards, but that does not appear in the bill itself. The bill talks about driver's licenses and motorcycle driver's licenses.

Senator Woodhouse:
The bill applies to the identification card as well. I will check to see how that was missed and how we could provide a technical adjustment if that is necessary. The intent of the bill throughout is that it would apply to driver's licenses and ID cards.

Darcy Johnson, Committee Counsel:
All of the cards are covered. Section 5 of the bill deals with driver's licenses and motorcycle licenses. In the driver's license provision in *Nevada Revised Statutes* (NRS), there is existing language that anything that applies to a driver's license applies equally to a driver authorization card. Section 5, by virtue of addressing driver's licenses, also addresses the driver authorization cards. Section 6, near the bottom of page 4, addresses the identification cards. So, section 5 takes care of driver's licenses, which encompasses authorization cards, learner's permits, and all of that. They are all in there; it just is hard to understand that.

Vice Chair Spiegel:
Are there any further questions? [There were none.] We will move to testimony in support, either up here or down south. [There was none.] Is there anyone wishing to testify in opposition in Carson City or in Las Vegas? [There was no one.] Is there anyone wishing to testify as neutral?

April Sanborn, Services Manager 3, Division of Management Services and Programs, Department of Motor Vehicles:
We appreciated the opportunity to work with Senator Woodhouse on the amendment, which alleviates the DMV's concerns.

Assemblyman Ellison:
What had your concerns been? What changes were made to alleviate them?

April Sanborn:
We had submitted a couple of items that were concerns of ours in the use of the term "full name" as opposed to "full legal name." We were also concerned about a 30-day requirement that was in the original bill and the maiden name portion. The amendment was done on that. I have a copy of the letter we sent, which I can send you. The concerns mostly dealt with unintended consequences. As an example, in the original language a marriage certificate was required to prove the name change request was within 30 days of the marriage. From our experience, that could make it even more complicated for a woman to be able to change her name. She would have to obtain a newly-issued marriage certificate in order for us to accept it. That provision was removed from the bill.

Assemblyman Wheeler:
In looking at the bill, I do not see a fiscal note or fees. Why does it then require a two-thirds majority vote for passage?

Darcy Johnson:
Section 6, subsection 5 says that the Department may charge and collect a fee for the change. Any time we allow them to charge a fee, we presume they will.

Vice Chair Spiegel:
With that, we will close the hearing on Senate Bill 215 (1st Reprint) and will open the hearing on Senate Bill 339 (1st Reprint).

Senate Bill 339 (1st Reprint): Revises provisions relating to the issuance of vintage license plates. (BDR 43-80)

Senator James A. Settelmeyer, Senate District No. 17:
Senate Bill 339 (1st Reprint) deals with what are known as vintage plates. Vintage plates are allowed to be issued to cars of the year that the vehicle was manufactured. This bill started before all of us were here, but it only went to the year 1942. In the state of Nevada, in the beginning, every year you were issued a new license plate. We allowed remakes of those old plates up to the year 1942. I am showing you a plate for my 1937 Chevrolet, showing the year 1937. We quit this in 1942 because of World War II. Beginning in 1943, you were given a little metal plate to put over the 1942 to turn it into 1943. Now with 3M printing technology, we can easily remake these plates. The bill seeks to allow issuance of plates through 1961. The reason that year was chosen is that was the last year you were sent an individual plate for each year. They skipped from 1961 to 1965, then did it again in 1969. I am showing you an example of a plate that is for a car from 1919. In my father's safe deposit box, I found my great-grandfather's license plate with a tiny medallion from 1914. In 1914, you were not given a license plate. You could make one if you wanted and attach it to your car, but you were just given a medallion.

The bill seeks to take vintage plates from their current level of 1942 and extend it to 1961. I talked to several automobile enthusiast organizations. They appreciate this. They are finding that the number of people who drive or wish to drive 1937 cars is declining. Enthusiasts now prefer to drive a car their dad had, which puts it in the realm of the 1950s. There are many who have cars from the 1950s who would appreciate these plates.

Assemblyman Ellison:
The bill seeks to reissue the vintage plates for vehicles manufactured not later than 1961. Can we move that up to 1965?

Senator Settelmeyer:
I appreciate the concern, but from 1961 to 1965 the state did not issue individual license plates. That is why we left it at 1961—the last year the DMV sent car owners an individual license plate yearly. If you changed the year to 1962, DMV could not comply because the plate does not state that it was issued in 1962.

It is nice to have these plates. If you ever go to an old car show, you can look at the plate and tell that a car is a 1937. I would not approve such an amendment, because it would be problematic for the DMV.

Assemblyman Ellison:
The new plates are not stamped.

Senator Settelmeyer:
The traditional manufacturer we have been utilizing is the 3M Company. The plates are not stamped by the prison anymore. These are simply remakes that are smooth. As we have seen with our own legislative plates—some years they are smooth, some years they are flat. It always comes down to economics.

Vice Chair Spiegel:
Are there any other questions for Senator Settelmeyer? [There were none.] With that, we will move to support in Carson City or in Las Vegas. [There was none.] Is there anyone here to testify in opposition? [There was no one.] Is anybody neutral?

Marty Elzy, Management Analyst, Central Services and Records Division, Department of Motor Vehicles:
I am here on behalf of the Department to speak in the neutral position on this bill. As amended, S.B. 339 (R1) will not have a fiscal impact on the Department.

Vice Chair Spiegel:
Senator Settelmeyer, do you want to wrap up?

Senator Settelmeyer:
My goal was to make this the shortest license plate bill you have ever had.

Vice Chair Spiegel:
You may have succeeded, Senator. I will close the hearing on Senate Bill 339 (1st Reprint) and open the hearing on Senate Bill 350 (2nd Reprint).

Senate Bill 350 (2nd Reprint): Revises provisions governing the installation and use of certain technology devices in a motor vehicle. (BDR 52-575)

Jon Sasser, Statewide Advocacy Coordinator, Washoe Legal Services; and representing Legal Aid Center of Southern Nevada:
I understand that Senator Atkinson will not be able to join us so, with your permission, I will present the bill. I will first give you a little background.

This bill deals with what are called "vehicle interruption" or "starter interruption" devices on motor vehicles. This is the third legislative session in which this issue has come before the body. It came up in Assembly Bill 187 of the 77th Session, when one of the manufacturers of these devices sought a bill to legalize their use in Nevada to acknowledge that they could

be used and were an exception to what is called the "single document rule," which says that all of the terms of a retail installment sales contract must be in one document. We worked to amend that bill, establishing a number of rules governing the use of those interrupters in Nevada. The bill passed out of the Assembly, went to the Senate, and was not heard there.

[Assemblyman Carrillo reassumed the Chair.]

Jon Sasser:
Assembly Bill 228 of the 78th Session was brought forward by the manufacturers of the device. It contained what, in our opinion, were minor rules for the use of these devices. It passed out of the Assembly Committee on Commerce and Labor and went to the Assembly floor, where it died. At the floor, Chairman Carrillo, Vice Chair Spiegel, Assemblymen Sprinkle, Ellison, and Wheeler voted against it, and it died there.

This time, we brought the issue back in front of the Senate. First, we sought to basically ban the use of these devices. We were not successful with that, but worked with both parties in order to come up with a bill that we think provides reasonable rules for the use of these devices in Nevada. We worked with all the stakeholders—the Franchised Auto Dealers Association, credit unions, manufacturers, and others—in order to come up with a bill that everyone agreed was fine. One group was not at the table—the National Independent Automobile Dealers Association (NIADA), made up of used car dealers primarily in Las Vegas. They testified against the bill but did not participate in the discussions in working out a compromise. The bill passed in the Senate, 21-0, and is here before you today.

After Senate Bill 350 (2nd Reprint) passed the Senate, NIADA found a lobbyist group here in Nevada. We met with them shortly thereafter. We asked them to bring forward any changes they wanted made to the bill. About eight days later, they sent us what was, in essence, the same bill the five of you voted against on the floor last session. It would not, in our opinion, regulate the use of these devices very severely.

The big contention here is that in Nevada we have a contract that was adopted by the Division of Financial Institutions, Department of Business and Industry, that says that you cannot repossess a vehicle until a payment is 30 days late. The loan is not in default until that point of time in your contract. You are "late" at a stage earlier when you can still pay a late fee, but you are not in default until 30 days have passed.

Users of these devices want to use them to remotely shut down a vehicle when you are a few days late on a payment, not waiting until you are in default. In our minds, that is the same thing as repossession, as your car is inoperable. We think they should have to wait until you are in default. At the Legal Aid Center, we have been involved in some litigation that centers on whether or not this is repossession of a vehicle. Most of those cases have settled out.

This bill, first of all, says that it is a constructive repossession if you use the device to shut off a vehicle before the contract is in default. If you do that, it constitutes a deceptive trade practice. The proposal the used car dealers sent us basically said that it is not a deceptive trade practice, and the devices can be used at a much earlier stage. Negotiations did not go further.

I would like to briefly walk through the bill. Unfortunately, Sophia Romero from Las Vegas could not be here. Her testimony is on the Nevada Electronic Legislative Information System (NELIS) (Exhibit G). I will hit the high points of that testimony, with Chairman Carrillo's permission. I also have Dan Wulz from the Legal Aid Center of Southern Nevada at the table in Las Vegas. He is not going to testify, but he is my subject matter expert and can answer the questions I cannot.

There are three proposed amendments to the bill, two of which I understand the sponsor considers friendly; one just came in today and we will need to look at it a little bit more. One is from the manufacturers of the device that further clarifies that certain entities associated with the manufacturers are not covered by the bill. There are some suggestions by credit unions that were agreed upon in the Senate, but the language from the Legislative Counsel Bureau was not quite to their satisfaction. Their amendment is on NELIS (Exhibit H). Right before this hearing, Mr. Nick Vassiliadis came to me with something I think we can work on, but it was too late to get the sponsor's approval or to give it a thorough review.

Turning now to S.B. 350 (R2) itself, the first sections deal with definitions. Section 28 says that before these devices can be installed on your motor vehicle, you have to first agree to it. Then it goes through the various notifications that would have to be in the contract—what the devices are, how they might be used, and so on. Finally, it says these devices can only be used after you are in default and defines use before the 30 days as constructive repossession. It also talks about what happens if your vehicle is turned off when you are in an unsafe situation or an emergency situation—there has to be a phone number you can call to have the device turned back on for a period of 24 hours. You have to be warned 48 hours in advance that your car will be remotely shut off so that you will not find yourself in an unsafe situation or in the middle of a road trip. It also provides that you cannot be charged a fee to have this on your car. Section 28, subsection 3, paragraph (b), subparagraph (2) is the carveout for the motor vehicle manufacturers.

Section 29 gives the standards for installation. We are told that these devices cannot cut a car off while it is moving or after it has been started, if properly installed. Shortly, I will give you some examples of people we have dealt with who have had their cars stopped while they were moving. I would assume, then, those devices were not properly installed, so we have included installation standards in the bill. All of these standards have been agreed to by the Franchised Dealers Association. These devices not only have a remote cut-off, but they use global positioning satellite (GPS) technology so that a creditor can know where the car is at any moment in time. This makes it easy to find and repossess the car. The data that is gathered—telemetry data—contains private information about you and where you have been. We have rules about the data's use and about destroying it after a certain period of time.

In section 30, we get to the enforcement mechanism, which is to make this a deceptive trade practice if these rules are not followed.

I would now like to briefly hit the highlights of Ms. Romero's written testimony (Exhibit G). She first goes through several client stories of people she has dealt with in the past. One, Ms. T. Candice Smith Marshall, has provided written testimony on NELIS (Exhibit I).

Ms. Smith was driving on the freeway in Las Vegas when her car was shut off. She testified to that fact in previous sessions. Ms. Romero also refers to Ms. Mary Gibbs who was in the same situation, and whose story was featured in the *New York Times* and on *Good Morning America*.

There is also testimony of Ms. Lynch that can be found on NELIS (Exhibit J). Her car was not shut off while it was moving, but she had other difficulties. She left the dealership after having made a down payment, thinking she had purchased a vehicle. She was called back to have a GPS installed, and was told that it was, in fact, an interruption device. Her payments were due every two weeks. Her car was shut off on numerous occasions. She was not able to have her car turned back on until her next paycheck. She had to go without her car for long periods of time.

Ms. Romero's testimony refers to cases we have had in which cars were turned off before the 30 days expired, so before the loan was in default. It is her position that people do not really bargain for this. It is not as if they are told that with the device on the car, they will be extended credit they otherwise would not qualify for or, if they accept the device, they will get a lower interest rate than otherwise. People usually make the deal, then are brought back into the dealership. Their interest rates are not lowered. The deal was already made before they came back in.

With that, I would be happy to answer any questions you may have. We have Mr. Wulz and some attorneys in Las Vegas who practice in this area who will testify in support.

Chairman Carrillo:
Are there questions from members of the Committee?

Assemblyman Wheeler:
I have a little bit of experience with these types of devices, having been in the automotive industry for a time. I think one thing we are missing is the fact that these purchasers usually have no other way of buying a car. They either have very bad credit, no credit, or no cosigner. The cars are purchased at a "buy here pay here" establishment. In order to build their credit to become good credit risks, they have to make payments biweekly or weekly. I think that is part of what we are missing here.

My first question regards the stories of cars being shut off while moving. I have never seen one of these devices installed where it could shut off the car while it was in operation, and I have seen a lot of them. Usually they are installed on the starter so it would shut the car off the next time the owner tried to start the car. Have those stories been verified? Just because something is on television does not mean it has been verified; it is a story.

I would also like to know about the contracts that are signed. Every contract I have seen tells them, usually in bold print, that there is a disabling device on the vehicle. I wonder what the reason for a separate piece of paper is. This is why I have voted against this bill in the past.

The way I understand it, the normal practice is not to repossess the car until 30 days has passed after the payment was due. I believe that is in statute. The creditor may shut the car off so that the vehicle owner will call, so they can work out a payment plan. The car lots do not want the cars back once they have sold them.

Jon Sasser:
I will attempt to answer your question. I will then have Mr. Wulz answer. He is an experienced consumer attorney in the south, has worked with Ms. Romero, and has seen some of these clients. I will read from the written testimony of Ms. T. Candice [Smith] Marshall (Exhibit I):

> The first time my vehicle turned off I was on my way to work headed south on the I-15. I was to the far left because I was in the express lane. All of a sudden the steering wheel locked up and the car shut off. I was barely able to make it to the left shoulder. I was scared and shaking and had no idea what just happened. My boyfriend was with me and he was also freaking out trying to help me get to the shoulder. After the car came to a complete stop there was a chirping noise. I called the number for the electronic disablement device which I found in the glove compartment and got a code to restart the vehicle. The man said that the vehicle was not supposed to turn off while moving. I let him know that it turned off on me on the freeway. Even though I was able to get my vehicle started, the experience scared me to death, and the hassle and the process made me late to work.

She adds that it happened a couple more times. You and I were not there, but that is her written testimony for the record.

Assemblyman Wheeler:
If the steering wheel locked up, how did she make it to the left shoulder?

Jon Sasser:
I do not know. Mr. Wulz may be able to add something. He was also involved with this client.

As to the fact that these buyers would not be able to get credit any other way, that this enables people to get credit that they would not otherwise get—yes, that is the claim of the creditors, and it has been their claim for two sessions. We have asked them to provide any kind of documentation to support that claim, but we have not received it. The stories of the clients that we have represented say that they were not bargained with. They were not told they could not get credit without having the device installed on their cars, or that they would get a lower interest rate if the device was installed. Typically, the buyers walk away from the car lot thinking they have a deal and then are brought back in, according to the written testimony on NELIS.

Dan Wulz, Deputy Executive Director, Legal Aid Center of Southern Nevada:
I think Mr. Sasser covered it. Insofar as buyers being poor credit risks, they are, but I have never, ever had a client tell me these devices were bargained for. These clients are being sold cars at an interest rate of 29 percent, whether the device is on there or not. I know that the lenders who have testified in past sessions say the installation of the device encourages them to approve buying a retail installment sales contract. The lenders have never shown us any policies, practices, or procedures where they tell a dealer that it is okay to sell at one interest rate if there is no device on the car, and it is okay to sell at a lower interest rate if there is a device.

As far as verifying that the cars were shut off while moving, I am not aware of that having been verified if that means that a mechanic or expert examined it and reached an expert conclusion. I would note that in testimony on Assembly Bill 187 of the 77th Session, Corinne Kirkendall, Vice President of Public Relations, PassTime, USA, which manufactures these devices, was very careful when she said, "When properly installed the device will never shut off while driving." That leads us to believe that if the device is not properly installed, it can shut off a car. That is the reason we have the installation precautions that we do in this bill. It is a matter of public safety. If a car can be shut off if the device is not properly installed, then we need all these details about who installed it, how they were told to install it, and the qualifications of the person installing it.

Jon Sasser:
There is one question from Assemblyman Wheeler that I missed. The law in Nevada by the Division of Financial Institutions is that you are not in default until you are 30 days late. Secondly, a car cannot be repossessed until the buyer is in default, which is under NRS Chapter 104. Is the use of this device a repossession or not? We believe that since it makes the car inoperable, it is in essence a repossession. The only difference is that we now have more sophisticated technology than when we just had a "repo man." We think it should be treated as a repossession. Others have disagreed, which has led to litigation. We would like to clarify in statute that it should be treated the same as a repossession; and, if done before the 30 days, it should be treated as a deceptive trade practice.

Assemblyman Ellison:
Can these devices be installed on new cars and used cars?

Jon Sasser:
The bill would apply to all car sales. The Franchised Auto Dealers, with whom we negotiated over a lot of the terms, primarily sell new cars. They also have used cars on their lots. That organization has approved all of the language and regulations we have. One of their dealers uses them regularly, while others use them sporadically. I understand that this also applies to leases. Leased cars are more expensive vehicles, so they may use one on a rare $100,000 vehicle.

Assemblyman Ellison:
If someone calls in and says the car was stolen, can it be remotely shut down?

Jon Sasser:
Under the standard contract, there are two types of default. One is if the payment is over 30 days late. The other is if the collateral is endangered. If there is reason to believe that the collateral is endangered—if the vehicle has been stolen or if it is being taken out of the country, for instance—that is also defined as default, so the device could be used, even if 30 days have not passed.

Assemblyman Ellison:
It is good to know that you could shut off the car if it were stolen. Was there a problem with these devices? They were set in the jockey box. Is that where the controller is?

Jon Sasser:
I will punt that question down south. I am not familiar with what a jockey box is.

Chairman Carrillo:
Did Mr. Wulz want to answer that question?

Dan Wulz:
I do not have any technical expertise.

Assemblyman Ellison:
A jockey box is a glovebox.

Assemblyman Sprinkle:
Could you tell me what happens if somebody purchases a vehicle that has this device on it, then chooses to sell it to a third party? Would the device still be used, including GPS tracking?

Jon Sasser:
Is your question, If I sell a vehicle with the device on it, what happens?

Assemblyman Sprinkle:
The original buyer has sold the vehicle to a third party under the contractual agreements made. That original purchaser fulfilled the terms of the loan, thereby owning the vehicle outright. The next day, that owner sells the vehicle to another party. Are these devices still active and able to be activated in such a case?

Jon Sasser:
The only part of the bill that I think addresses your question is in the amendment from the credit unions (Exhibit H).

Chairman Carrillo:
Dan Wulz in Las Vegas is trying to get your attention.

Dan Wulz:
I have not seen that happen, but I have a good idea of how it would play out. While the buyer owes money to the assignee of the contract—the one in control of shutting off the car—that means there is still a lien on the car. If the consumer wants to sell the car while still owing money on it, he would need to contact the assignee to inform them that he wanted to sell his car. The creditor would likely want the device back if the car were sold, directing the seller to a dealer who would remove it after the loan was paid off.

Jon Sasser:
The amendment from the credit union says that when the contract is fulfilled, there could be a charge if the customer wants to keep the device. I think that is the only part of the bill that addresses your question.

Assemblyman Sprinkle:
That brings me to my second question, regarding section 29—telemetry gathering. I am somewhat supportive of what you are trying to do here because I have a real issue with the fact they are gathering this information to begin with. I might understand real-time tracking if they were trying to identify where a vehicle was because someone had broken the agreement and they needed to locate the vehicle. I do not understand the need to hold on to this data. With this language, what will happen when insurance companies investigate accidents? My question is not directly related to the intent of this bill, but I wonder if this language could have unintended consequences in regard to what insurance companies are trying to do with similar technology.

Jon Sasser:
I think that may be the subject of the discussion Mr. Vassiliadis requested, an amendment regarding use for insurance purposes. I do not have the specifics of that amendment yet. I will have to defer that question until I have seen the amendment.

Chairman Carrillo:
Do any other members of the Committee have questions?

Assemblyman Watkins:
I have a question about the part of the bill that attempts to address the negotiation of having a device installed as part of the agreement. The Legal Aid Center deals with this every day. We could get contracts that are so cumbersome that when I am at a car dealership, by the end, I will sign anything in order to leave that dealership, because I am so tired of being there. There is no way I am going to look through every page of those 50 or 60 pages. In consumer protection law, we use a separate line item that has to be initialed or signed. I did not see that in the bill. Do you have any thoughts on that?

Jon Sasser:
The portion of the bill that deals with that is found in section 28, subsection 2. Right now we have what is called a "single document rule," under NRS Chapter 97. It says that, for these purchases, everything must be in one single document. This bill would create an exception to that, saying that the creditor must not install the device before the signing of the contract or lease, and that the consumer and the creditor must enter into a written agreement in a document that is separate from the contract or lease, a copy of which must be retained by the consumer and for which the consumer must provide written acknowledgement of receipt.

Chairman Carrillo:
Are there questions from any other members?

Assemblyman Ellison:
Where is the device installed? Is it under the car? If I remember correctly, they were installed in the glove compartment. Is it true that some caught fire?

Jon Sasser:
There are others here who could answer your question. I do not know of any of these devices catching fire.

Assemblyman Ellison:
It would be good to know where the devices are installed. Do they send out a signal if someone tries to dismantle them?

Jon Sasser:
I do not know the answer. I would be glad to try to get you that information if none of the other witnesses can supply it.

Chairman Carrillo:
I have a question regarding considering disabling the vehicle before the loan is in default a deceptive trade practice. You look at it as the same act as a repossession. It seems the only thing that is being repossessed is the ability to drive the car further. The owner is still in possession of the vehicle; he simply cannot drive the vehicle until making arrangements with the lender. If the individual is making weekly payments and is 30 days behind, that is a problem. If the car will not start, the owner needs to make a call to the lender, opening communication between them, unless the owner walks away from the car and forfeits

ownership. The dealership would take the car back, even though it would mean having to resell the car. Could you clarify how you see it as repossession when the consumer still has possession of the vehicle?

Jon Sasser:
What the bill would do is clarify that if you use the device before the owner is 30 days late on payments, that would be treated as a constructive repossession and, therefore, as a deceptive trade practice. As I mentioned earlier, that is what a lot of the litigation has been concerned with—is this a repossession or not? If I buy a car, I buy it for the purpose of transportation, not as a lawn decoration. If it does not fulfill the function for which I bought it, I would still have possession of my lawn decoration, but I do not have possession of what I bought—a means of transportation. That would be our argument of why this should be treated as a repossession.

The device can be used for other things. You know where the car is at all times, which seems to me to be a pretty good protection of credit. The device can send signals, such as for reminders to people when they get behind on payments and that at a certain point the car will be disabled. It could give them information about late charge reminders. The bill says they cannot actually stop the car from running during the period of nonpayment until payment is 30 days late. You can certainly do that after payment is 30 days late, before physically repossessing it—that gives an extra step. There is a lot of expense involved in repossessing a car—such as suing for deficiency judgment. This gives lenders tools. Nevada is unlike a number of other states that allow repossessing cars before payment is 30 days late. We, as a matter of consumer protection, have required the 30 days for some 20 years. We do not believe that, because we have more sophisticated technology, we should undermine that consumer protection rule that we adopted as a matter of public policy.

Chairman Carrillo:
I do not know how long these devices have been in use, but it seems that compared to having a car repossessed, being given some kind of notification of the fact that being late on payments will lead to repossession seems to be better. Nobody benefits from repossession. How will the driver get to work? How will he earn money to make payments? In many cases, people put their heads in the sand, thinking the payments will go away and that, eventually, the car might be taken away. They might store the car in the garage or not tell the lender where they are in order to keep the car from being repossessed physically. If a buyer is on a weekly payment plan as a result of a credit score of less than 640, there is a need to have this starter interruption technology on the vehicle. Ultimately, we are not looking at keeping people from their cars, but nothing in the world is free.

Are there questions from any other members? [There were none.] We will now take testimony in support of S.B. 350 (R2).

George O. West III, Private Citizen, Las Vegas, Nevada:
I have been a lawyer for 26 years, the last 16 of them here in Las Vegas. My practice primarily includes areas of automobile fraud, which includes repossessions. I would like to set the stage with respect to talking about what Assemblyman Wheeler said. I know that Assemblyman Wheeler would be an ethical dealer and would instill good practices within his dealership with respect to what is good business and what is not.

One of things that has not been addressed is, this bill puts payday lenders—buy here pay here dealers—and subprime lenders on an equal footing to those who do not have these devices installed. If you really think about it, most consumer litigation and consumer protection is more along the lines of making sure there is a level playing field for everybody out there. When a buy here pay here lender or dealer has the ability to switch a car on and off, constructively repossessing the vehicle, he is exercising dominion and control over somebody's property against that person's wishes, when we know that in Nevada the buyer has a 30-day right under NRS 97.299 before any repossession can take place. Repossession is exercising dominion and control.

What about those banks out there that do not require the installation of these devices, or dealers that do not require them because of bad or good credit scores? The bank or the dealer that is allowed to switch that device on and off is gaining an unfair advantage over the other bank or dealer that does not have that ability, but has to wait until payment is overdue 30 days. Should not everybody be on par with respect to their ability to exercise repossession rights? I think that, in all fairness, that is the way it should be.

The way I read this bill, it does nothing to affect a secured party's ability to repossess the collateral upon failure to make payments on a car. It does nothing to otherwise ameliorate or lessen a consumer's obligation to make car payments. It is inherently unfair to have buy here pay here lenders be able to essentially switch the device on before payment is 30 days late, whereas other banks have to wait 30 days.

Mr. Sasser has a copy of a 2015 study, titled "Who Drives to Work? [Commuting by Automobile in the United States: 2013]," commissioned by the U.S. Census Bureau. It shows that 86 percent of Americans drove to work in 2013. We know that in Nevada, with the high number of casinos, gambling, and hospitality businesses, a large part of our population works during odd hours—starting at 2:30 a.m., for a swing shift or graveyard shift. To the American consumer, the vehicle is a lifeline. As Chairman Carrillo admitted, your car is your ability to put food on the table, pay your bills, pay your rent, pay your mortgage, or take your children to the doctor. When you improperly take a car away from a person before the 30 days or otherwise disable it, where is he in his ability to provide for his family? It is, in fact, a lifeline. I would venture to say that, especially in this state, the percentage in urbanized areas such as Sparks, Reno, and Las Vegas is even higher than 86 percent, and we all know what the state of our public transportation is.

I urge the Committee to look at this from the standpoint of leveling the playing field for lenders. Give consumers the ability to continue to pay for their livelihood and to take care of their families. Those who do not have the device get a break—their lienholders have to wait 30 days until their loans are in default before repossessing them. The buy here pay here lenders get a special pass to be able to do this, and to do it before the 30 days are up. That does not make any sense to me, even as a consumer attorney.

Assemblyman Wheeler:
I think the sponsors of this bill want to be able to call the use of this device a repossession. Do you know of any court that has adjudicated shutting a car off as a repossession? I think if there were, this would be a little different. I think what this bill is trying to do is force a court to do that.

George West:
Assemblyman Wheeler, that is a very good question and the answer to your question is something I have looked into. There is a database known as Westlaw which most lawyers have access to. I have done the research on this. There are at least two jurisdictions that are struggling with this issue: does it constitute a constructive repossession? Most courts have not gotten to that point yet, and the reason is the Uniform Commercial Code (UCC)—which this state adopted by Legislature in 2001—never addressed this issue covered in the updated Part 6 of Article 9.

Assemblyman Wheeler:
Thank you, Mr. West. I was looking for a yes or no answer. I forgot I was talking to an attorney.

George West:
I would be more than happy to cite the case to the Assemblyman in a letter to supplement the record.

Chairman Carrillo:
Is there anyone else in support in southern Nevada?

Craig B. Friedberg, Private Citizen, Las Vegas, Nevada:
I am here to testify in support of this bill. I am also a consumer protection attorney. I have been an attorney for 30 years; I have been practicing law in Las Vegas for 25 years. I want to address the question in regard to whether this bill is prejudicial in any way to dealerships, but from a different standpoint—the standpoint of the customers. If use of this device is not considered a constructive repossession then, in essence, what you are doing is setting up second-class citizens. You have those people who buy a car and are forced to install a starter interruption device, who may only have a day or two's notice until their ability to use their car is taken from them. You also have people who are able to buy a car without that device and have a full 30 days to be able to correct any potential default that may occur before the default actually kicks in. I urge this Committee to look at this from both vantage points—from the vantage of the lenders and keeping them on a level playing field, but also with

respect to consumers—not allowing what is essentially a bifurcation of consumer class by presenting a different definition for those with these devices from the definition that has been in statute for decades, regarding when a default occurs and when a repossession may occur.

I have had calls from clients with installed starter interrupters. In one instance, the consumer had bought a car with one of these devices on it. Before the first payment was even due, he started having problems with his vehicle. He called the dealership and was told to bring the car in. He did not make the first payment because he did not know what was wrong with the vehicle. On his way to bring the vehicle back to the dealership, the starter interruption device kicked in. He was not even able to get the car back to the dealership to allow them to diagnose what problems the car had and to determine whether the car would have to be taken back and the deal unwound, or so that he could get a car that worked properly.

I also had a call from a young mother who was a casino worker. She worked swing shift and got off at 3 a.m. She walked to the open air parking lot for employees of the casino which was a few blocks away from the casino. She found that her car would not start. She had a young baby at home and she was the baby's primary caregiver. Because there was no warning, for which this bill provides, she had no idea there was a problem. In her case, she thought she had made the payment on time.

There are situations both with the cars being turned off because they were installed improperly, but also where they are turned off in situations and at times that imperil the safety of the consumer who finds he cannot use his car. I would argue that the inability to use that car may not be physically taking the car from the customer, but it sure is the same thing. Neither someone who is seeing his car going off into the sunset on the back of a tow truck nor someone who goes to his car and cannot use it is left with transportation.

Chairman Carrillo:
Is there anyone else in support in Las Vegas? [There was no one.] Is there anyone in support in Carson City? [There was no one.] Is there opposition in northern Nevada?

Corinne Kirkendall, Vice President of Compliance and Public Relations, PassTime USA, Littleton, Colorado:
I am the legislative advisor for the Telematics Solutions Provider Association. A lot of what I was going to say has already been addressed in the questions you asked. I brought a device so that those of you who have not seen one can see what it looks like. It is installed on the starter, not on the engine, so it cannot stop a car while the car is driving. We have emergency override procedures. My company provides a remote. If your car is disabled, you are allowed 24 hours to restart the vehicle using the remote. The remote is placed in the glovebox with a card that explains what the device is and what it does. It also gives an 800 number to call.

We are in opposition to this bill. Our association has worked with dealers, creditors, and consumers for a decade. It was formed to advance the industry while protecting consumers through a series of ethical standards and best practices. During this time, millions

and millions of GPS and starter interrupt devices have been sold throughout the world. Since 2011, PassTime has assisted creditors in deploying over 4,000 of these devices in Nevada alone. One of our partner companies that is part of our association has installed over 131,000 devices in Nevada. The industry supports many tens of thousands of dealers and creditors who have been able to, through the use of devices, open up the chance to finance a vehicle for millions of people who would not have had that ability before.

Let me briefly address some misstatements and the questions we have had already. First, despite previous testimony, the device will not shut off a vehicle while it is driving and there are no proven cases that the device can shut off a car while it is driving. Second, industry best practices dictate that creditors obtain consent and provide disclosures, telling consumers about the devices, how they function, and that the device will shut off a car if they do not make payments. We request that creditors provide a warning, when possible, prior to the vehicle disabling. The warning and methods vary depending on the manufacturer. Consumers are provided with the ability to restart a remotely disabled vehicle for failure to comply with the retail installment sales contract (called override codes) for a period of 24 hours after the initial disablement.

These devices are not a physical or constructive repossession under Article 9 of the UCC. Here are a few reasons why: there is no breach of the peace; there is no ownership transfer when disabling the vehicle; there is no cost to the consumer for the disabling; and it does not hit the consumer's credit report like it would if we were repossessing the vehicle.

We have talked about a lot of the negatives. There are consumer benefits—the payment reminders provide an opportunity for consumers to get a more reliable car than they normally would be able to obtain. There is flexibility for the creditor to work with the consumer if the consumer cannot make payments, instead of repossessing. The sellers are small business owners, so they want to avoid as much risk as possible. It is a benefit to both parties to communicate and create a workable solution. It lowers the risk to lenders so they can originate more loans, thus providing more opportunities for consumers who could not previously obtain financing to get a vehicle. The product may qualify the consumer for a reduced vehicle insurance premium when using the anti-theft feature.

I would like to address a few of the questions that have been asked. The first is the jockey box question. The device is installed under the dashboard of the vehicle and is hard-wired into the vehicle. If it is tampered with, it will provide a notification that it has been tampered with. Power will be cut to the vehicle. If the owner tampers with the device, he is in violation of the retail installment contract. That stipulation is provided in the disclosure that is provided at the time of sale. At that point, the car could be repossessed.

The contracts we provide do have bold wording on the front page. We worked with Consumer Financial Protection Bureau (CFPB), the Federal Trade Commission, and other federal regulators to ensure that our contracts are clear and conspicuous for the consumer.

We have created a one-page briefing that uses bold type that tells consumers what the contract says and why this device is being installed on their vehicles. Someone else will talk about default and missed payments—the day after a payment was due.

I appreciate the time you have given me. If you have any questions, I would be happy to take them.

Chairman Carrillo:
Are there questions from any members of the Committee?

Assemblyman Wheeler:
If you were unable to install these devices in vehicles of people with very low credit scores or people who just started new jobs, would fewer cars be sold? Would fewer of these people be able to purchase a vehicle if this bill passes?

Corinne Kirkendall:
You are correct. I believe one of my colleagues will testify about that. We are not opposed to good regulation such as has been adopted in other states. This bill in particular will make the devices useless in this state. I know for a fact that many of the creditors currently using the devices will remove their businesses from the state. That will put consumers at a disadvantage, as they will not be able to purchase a vehicle as they can now.

Assemblywoman Monroe-Moreno:
You said there is an override. If a consumer can pay the fees necessary to bring payments current, he has 24 hours to use the override. Is that correct?

Corinne Kirkendall:
If they make a payment, they get a code that renews their time on the device. The creditor can reset the device so they continue on a regular payment schedule. If they make regular payments, the device never disables the car. If they do not make a payment, have had their warning, and the vehicle is disabled, they have an override code that lasts for 24 hours. That allows them to drive their vehicle for 24 hours. Some states have put into statute that two override codes are allowed.

Assemblywoman Monroe-Moreno:
What happens if the consumer is not able to make a payment for 48 or 72 hours after the car is disabled? Are there any additional fees associated with reactivating the device?

Corinne Kirkendall:
No fees are charged. The consumer should not pay for the device, the repossession, air time, or for the device to be turned back on. They should just be able to get the device turned back on when they have made the payment.

Shaun K. Petersen, Senior Vice President of Legal and Government Affairs, National Independent Automobile Dealers Association:
Our association represents roughly 38,000 licensed used car dealers across the country, including many thousands here in Nevada. We have been around for 71 years as the primary voice of the independent dealer in Washington, D.C., and in state capitals across the country. Our members are, by and large, small business owners—the quintessential Main Street business in small towns or big cities. Most of our members have fewer than five employees. These are the entrepreneurs who are out there trying to make ends meet.

Many of our members are buy here pay here dealers. You have heard that term discussed. A buy here pay here dealer not only sells vehicles, but also finances the purchases, keeping the paper. They do not assign loans to a third-party finance company. Most of their customers are unbankable, unable to secure financing or credit through other sources. These buy here pay here dealers are assuming a very large risk extending credit. Through the use of these devices, that risk is minimized. It does not mean that the risk is nonexistent, but many among the buy here pay here dealer community feel much more comfortable in extending credit, often on better terms and payment arrangements, putting customers into better vehicles because the risk has been minimized.

Not all dealers—buy here pay here, franchised, or anything in between—make the decision to utilize starter interrupt devices. It is entirely a business decision. Sometimes they will use them for some customers, sometimes they decide not to use them. To address one of the concerns that was raised in the testimony of the proponent of the bill, I do not think we are creating a separate class. It is an individual business decision based upon the terms. The creditor will assess each individual circumstance.

Another issue that came up in prior testimony was that these devices were not bargained for. The use of these devices is the benefit of the bargain. The dealers that decide to use them explain to their customers that the device is on their cars and that they can only lend if the device is installed. The customers then have an opportunity to make a decision to either accept those terms or not. They can make a decision to go somewhere else; they have consumer choice. If they do not want to accept the terms, they can go down the street and attempt to find somebody else who would extend credit to them.

We are opposed to this legislation, not because we are opposed to reasonable regulation of the devices; in fact, we have promoted industry best practices that our dealer members who have decided to use the devices have implemented. We have worked with other state legislatures and with federal lawmakers and regulators to promote the responsible use of these devices. I think it is important to note that not a single jurisdiction that has considered the impact of the device has taken steps to ban them outright, as the original bill was intended to do, and which is the effect the current language would have on banning them. That is why we are opposed to what is on the table.

The Consumer Financial Protection Bureau, a federal agency created as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, was given responsibility to regulate automotive financing, among other things. It has expressly recognized the validity of the responsible use of the devices through their supervisory manual for automotive financing. The devices have been legitimized at the federal level.

As we were having discussions with proponents of the legislation, I asked what they were trying to accomplish through this legislation. The response I got was that they want to keep consumers in their cars. That is exactly our purpose as well; it is also the purpose of the device. The devices are not a repossession tool; they are a communications tool that allows us as creditors to communicate with our customers, to engage them, to work out arrangements with them if they fall behind on payments. The starter interrupt capacity, GPS, and the warning signals all facilitate that type of communication.

We have found in Nevada and across the country that our delinquency and loss rates will decrease significantly through the use of the devices. Only 11 percent of accounts fall into default with payments at 16 to 30 days. Of those using the devices, 4 percent are in default for 31 to 60 days. It helps you understand the use of the device as a tool in promoting payment and customer engagement.

The automotive industry is among the most heavily regulated in the country. We have 85 different regulations and statutes we are required to comply with, many of which touch the use of the devices—the Truth in Lending Act, the Gramm-Leach-Bliley Act, Fair Credit Reporting Act, and the Fair Debt Collection Practices Act.

We are not opposed to responsible regulation of the devices. Part of our best practices is to suggest to our dealers that, if they use the devices, they must disclose in writing to the customers that the device is on the vehicle and how it will be used. Most of those disclosure documents use heavily emphasized font to disclose that the device is installed and that the consumer is agreeing to its use.

One of the other things we suggest as a best practice is requiring the temporary override codes that Ms. Kirkendall mentioned. We are not opposed to providing additional warnings to the customer above and beyond what is stated in the documents disclosing that the device will be used.

We have a concern with the language in this bill regarding the requirement that the consumer be 30 days behind on payments before the device can be used. Most of the customers are deep subprime customers, requiring weekly, biweekly, or semimonthly payments. The terms are not like a loan a prime customer would obtain, with monthly payments. We have found that once a customer is late by one or two installments, the likelihood of their ever being able to catch up becomes significantly lower. It is almost a rarity that someone gets caught back up. If the device cannot be used until a customer is 30 days behind in payments, meaning they are multiple installment payments behind, the likelihood of losing the car is very high.

We want to avoid that. The tools are there to prompt the customer to keep up payments and keep the car.

The bill also talks about deeming the use of the device constructive repossession. You have heard some of the concerns we have about that. I would like to add one other concern. This harms our customers, the people we are trying to help and whom the proponents of the bill are trying to help. If we are forced to treat the use of the device as constructive repossession, if we are reporting credit to credit bureaus, we will have to report the single use of that device as repossession, whether we take the car or not. That will hurt the customer. If the customer's car is already reported as a repossession, why would we not go get it under the appropriate time frame in Nevada law? The customer would now be in a worse situation, because there is an additional repossession on the credit report, when the device was never intended to be a repossession tool.

Finally, I would mention the concern about having certification requirements for the installation of the devices. The manufacturers provide very detailed instructions as to how the device is to be installed. Many of those instructions include videos the installers could watch to receive online training. I am not a technician, but speaking on behalf of technicians, installation is not complicated. Certification would be detrimental, particularly to small businesses, and particularly small businesses in rural areas. If you have to find an installer who is certified by one of these two organizations, it could be costly. It seems a bit counterproductive to me. We do not require certification for installation of components on a vehicle that affect the actual engine, such as alternators or batteries. We do not require certification for those who change our oil, which affects the engine.

I think we all share the same interest. We want to help Nevada consumers. They are our customers. Our dealers do not want to sell one car; they want to sell multiple cars to their friends and to members of their families. The responsible use of the devices helps them be able to do that. We will continue to advocate, as an association, for the responsible use of these devices. We oppose the bill as currently drafted. We encourage the Committee to table the bill, to study the positive impact on consumers and on the Nevada economy. We will make ourselves available to you as you go through that process.

Assemblywoman Spiegel:
In thinking about these devices, it seems to me there are two different components. The first is the credit and collections communication for the vehicle. The second is using the device to repossess a vehicle. My question has to do with the first. For people who are extended credit without these devices installed in their cars, I wonder what the typical credit and collection process is through dunning and reaching out to customers, especially when they are making biweekly payments and there is little time to mail in payments.

Shaun Petersen:
The overwhelming majority of our dealer members engage in every communication method they can, whether they use the devices or not—telephone calls; mail; and text messaging, as compliant with federal, state, and local law.

Assemblywoman Spiegel:
Do they have procedures such as a first communication is sent on the first day after payment was due? How closely do the procedures mirror those used with these devices?

Shaun Petersen:
The procedures vary from company to company, depending on their business model. The overwhelming majority of our buy here pay here members have relationships with their customers that are friendly in nature. Customers frequently call them. Most customers are faithful payers. They will regularly stop by the dealership to make payments. Some dealerships have online payment portals; some have arrangements through services such as PayPal. Ideally, they have relationships with their customers and they never need to utilize the device to disable the vehicle because the customers are current and are making payments. That is what we strive for.

Assemblyman Wheeler:
I bought a new Chevrolet pickup truck about eight months ago. Assemblyman Ellison bought a Ford. My truck has OnStar, his has Sync Connect. Can those services do the same thing? They have the ability to prevent a car from starting if they need to, do they not? Does the technology you are using get you up to date with these new vehicles?

Shaun Petersen:
I am not familiar with OnStar, Ford's Sync Connect, and the technology that Hyundai has. I am sure that most manufacturers have something similar. Many of the features, certainly from the GPS side, are identical. I do not know whether or not they have the starter interrupt capacity. I believe some of them do.

Corinne Kirkendall:
Most of the OnStar vehicles have technology that can disable a vehicle. We have a device that is exactly like OnStar that we sell to people that choose not to have OnStar on their vehicles.

Milo Trevizo, Director of Finance, CAG Acceptance, LLC:
We are a subsidiary of the Chapman Automotive Group. We specialize in the financing of automobile loans. We currently operate in both Arizona and Nevada. Thank you for providing us the opportunity to testify on Senate Bill 350 (2nd Reprint) that prohibits the installation and use of technology devices in motor vehicles. We are opposed to this legislation.

We were initially introduced to starter interrupt technology in 2010 and 2011. Between 2011 and 2016, CAG Acceptance was able to provide financing for approximately 3,200 customers, which is more than a 1,000 percent yearly increase from loans provided to customers prior to this technology. From our experience, the starter interrupt technology has enabled customers who otherwise would not be able to obtain credit, to obtain loans. In our experience, we have seen vehicle repossessions in Nevada double and our delinquency triple. We have seen our loan volume reduced in the absence of the starter interrupt technology.

If the proposed legislation passes as is, we envision a sharp decrease in loans that will lead to a severe reduction in profitability. This will, in all likelihood, force CAG Acceptance to cease conducting business in Nevada. This will also mean that customers of CAG may be left without any avenue to purchase another vehicle.

I can tell you that CAG utilizes the starter interrupt to encourage our customers to contact us, have a conversation with us, and allow us to help them work through the issues they may be experiencing. Starter interrupt and GPS technology similar to the ones we use have proven to be a tool to improve customer payment performance, thereby reducing or eliminating repossession risks and creating a path for better opportunities. Starter interrupt devices will not cause a car to stop while the driver is operating the vehicle. These are designed as starter interrupt devices, not ignition interrupt devices.

The payment reminder system serves to help customers stay current on their loans. Studies have shown that the devices significantly reduce the likelihood of default and repossessions for consumers, thus reducing risk and helping consumers.

The devices can also incentivize customers to work with the creditor on payment plans if they find themselves having a difficult time making payments due to the unforeseen circumstances they may be experiencing. Even when payments are due, however, industry best practices include, but are not limited to, providing devices that are equipped with override codes to allow the driver to restart the vehicle in case they have an emergency. Furthermore, many of the devices have additional features which provide anti-theft and stolen vehicle recovery services which can help lower a customer's insurance premium.

Without this device, many individuals would not have access to the credit necessary to purchase a safe and reliable vehicle to get to work, to the grocery store, or to even pick up their children from school. This device provides additional security to lenders, allowing them to underwrite loans to individuals who would otherwise be unable to obtain credit.

The industry has worked with other states and the federal government, and supports responsible legislation. In fact, the CFPB has included a section in one of its approved examinations manuals that expressly allows creditors to responsibly use GPS and starter interrupt technology. We would like to offer to work with the authors of this bill to modify the legislation from its current form. We support the use of this technology.

Chairman Carrillo:
Are there questions from Committee members? [There were none.] Is there anyone else in opposition? [There was no one.] Is there anyone here as neutral?

Jennifer Gaynor, representing Nevada Credit Union League:
As Mr. Sasser noted, we worked with Senator Atkinson and Legal Aid Center of Southern Nevada to amend Senate Bill 350 (2nd Reprint) from its original form as an outright ban to something where the use of the technology is regulated. We would like to note that Nevada credit union members that utilize such technology felt strongly that it is an important benefit

they want to be able to offer members who would otherwise be too high a credit risk for them to obtain auto loans. We all agreed on some amendment language in the Senate; however, some minor changes were made as this is the second reprint. We proposed a friendly amendment (Exhibit H) that has been vetted by the sponsor. It contains minor clarifications.

Darcy Johnson:
Could you explain to me what you mean on page 4 of your amendment, lines 26 and 27? I want to understand how many times you can use the car and for how long after there has been a shutdown.

Jennifer Gaynor:
We were trying to clarify what can happen after there is a shutdown. The consumer would be able to use a code or otherwise restart the car at least two times during a payment cycle.

Darcy Johnson:
Is that twice during a 48-hour period?

Jennifer Gaynor:
No. Twice during the payment cycle following a missed payment. Each time the car is restarted, it will work for a period of 24 hours during a payment cycle following the missed payment.

Chairman Carrillo:
Would you like to go through the amendment?

Jennifer Gaynor:
I will go through this extremely briefly. All of the changes are in section 28. The first one is in section 28, subsection 2, paragraph (d), subparagraph (3), adding the word "continuous," to make it clear this is a beep that continues instead of one that is on and off. In paragraph (e) we removed some words that could cause confusion or were not clearly defined, such as "easily." Who is to say what "easily" is? In subsection 2(g), we tried to clarify what I just clarified with Committee Counsel—the ability to restart the car should be available at least two times, and each time the car would be able to start for a 24-hour period. In subsection 2(i), we added some language to allow for a consumer wanting to keep the technology after paying off the car—allowing for charging the customer a fee, selling the technology to be used as a LoJack device.

Chairman Carrillo:
Do members of the Committee have any questions regarding the amendment? [There were none.]

Jeanette Belz, representing Property Casualty Insurers Association of America:
I just spoke to Mr. Sasser and appreciate that he is going to work with us to ensure that this does not apply to data that insurance companies would collect for some of the insurance products that they have.

Chairman Carrillo:
Are there questions from Committee members? [There were none.] Is there anyone else wishing to testify as neutral?

Alfredo Alonso, representing Alliance of Automobile Manufacturers:
We have a friendly amendment. Sections 28 and 29 both mention manufacturers and their wholly owned affiliates. This is basically the manufacturers' captive finance arms that are exempt. Not all of the finance arms are wholly owned, some are controlled. We wanted to make it clear that whomever we are using to finance would be allowed to exchange information with us. I believe Mr. Sasser agreed to that.

Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association:
When this bill was initially introduced, as contemplating an outright ban on the devices, we were adamantly opposed to it. We worked on the bill with Mr. Sasser and his crew. Although I think he accepted 90 percent of our suggested changes, there are some that we ultimately agreed to disagree on. That being said, I want to put on the record that, as it relates to these devices and the members of the Nevada Franchised Auto Dealers Association that use them—these devices enable certain vehicle buyers to be able to purchase a vehicle. If there is an outright ban, they simply will not be able to purchase vehicles. We appreciate Legal Aid Center of Southern Nevada and Washoe Legal Services for working with us on this bill.

Chairman Carrillo:
Is there anyone neutral in southern Nevada? [There was no one.] Mr. Sasser, would you like to make any closing remarks?

Jon Sasser:
I will not give you a blow-by-blow response to what you heard today from the people whose job it is to go around the country to testify in front of legislators on this type of legislation making an impressive case for their product. One thing we agreed on is that they, like we, are for responsible regulation of this product. The question for this body is, how will you define responsible regulation? In terms of the specifics in our bill, there was very little that those opposed stated they felt was irresponsible legislation. The main point of contention is, should they be able to use these devices to shut off a vehicle when the consumer is not, under our laws, in default in their contract? Should they be able to use them prior to default to disable the vehicle?

The bill allows them to use the device for other things that would help consumers get credit. They know where the car is at all times because of the GPS device on it; they have the ability to communicate with the consumer through that device to let them know when they are late with a payment or there is a problem with a payment; they can alert the buyer of late fees. The question is, should they be able to use the big club?

Every business is seeking an edge. If I am a consumer and I have rent, utilities, and furniture payments due, and I have to buy medicine and clothing for my children, I have to juggle

which to pay. But creditors using the starter interrupt device will have the biggest club in the room, as they can prevent me from driving my car. Creditors use the device to go to the top of the payment list among those in competition for my dollar.

How are we going to regulate the use of that device in Nevada? A lot of the best practices they talk about are in our bill. We incorporated most of their best practices into the bill. The fundamental thing that has kept us from having further conversations is the opponent's contention that Nevada is irresponsible for allowing 30 days for default, unlike most states.

With that, Mr. Chairman, I will close. I look forward to following up with many of you for any questions you may have after the hearing, prior to the work session on the bill. I would be glad to talk with opponents to the bill, but the 30 days has been the sticking point.

Chairman Carrillo:
We will close the hearing on S.B. 350 (R2). I would like to make a comment. There is a rumor that you are retiring. This may be the last time you present a bill to our Committee. If that is the case, I want to say thank you very much for all that you have done.

Jon Sasser:
Thank you very much, Mr. Chairman. I appreciate that.

Chairman Carrillo:
[The Committee recessed at 5:57 p.m. and reconvened at 5:58 p.m.] Before we open the work session on Senate Bill 141 (1st Reprint), I want to remind everyone that the work session is not a rehearing of the bill.

Senate Bill 141 (1st Reprint): Revises provisions relating to special license plates for veterans with a qualifying service-connected disability. (BDR 43-636)

Jann Stinnesbeck, Committee Policy Analyst:
Senate Bill 141 (1st Reprint) was heard in this Committee on May 4, 2017. [He read from the work session document (Exhibit K).] It expands the conditions under which a veteran of the United States Armed Forces who has suffered a service-connected disability may qualify for certain specially designed license plates and makes various conforming changes. There are no amendments to this bill.

Chairman Carrillo:
Do I have a motion?

> ASSEMBLYMAN WATKINS MADE A MOTION TO DO PASS SENATE BILL 141 (1ST REPRINT).
>
> ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.

Is there any discussion on the motion?

THE MOTION PASSED. (ASSEMBLYWOMAN WOODBURY WAS ABSENT FOR THE VOTE.)

Assemblyman Watkins will take the floor statement.

Senate Bill 226 (1st Reprint): Revises provisions relating to transportation network companies. (BDR 58-486)

Jann Stinnesbeck, Committee Policy Analyst:
The next bill is Senate Bill 226 (1st Reprint) which revises provisions relating to transportation network companies (TNC). This bill was heard in this Committee on May 4, 2017. [He read from the work session document (Exhibit L).] Senate Bill 226 (1st Reprint) requires a driver affiliated with a transportation network company (TNC) to provide verification to the TNC that he or she holds a valid state business registration not later than six months after the driver is allowed to receive connections to potential passengers and annually thereafter on or before the anniversary date of the agreement with the TNC. A TNC must terminate an agreement with a driver who fails to provide this information. The Nevada Transportation Authority must provide the name of each driver affiliated with a TNC to the Secretary of State, who must keep the information confidential. There are no amendments to this bill.

Chairman Carrillo:
Do I have a motion?

ASSEMBLYWOMAN BILBRAY-AXELROD MOVED TO DO PASS SENATE BILL 226 (1ST REPRINT).

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Ellison:
I will vote yes on the bill, but I have some questions. I talked with members of the Senate about them. I reserve my right to change my vote.

THE MOTION PASSED. (ASSEMBLYWOMAN WOODBURY WAS ABSENT FOR THE VOTE.)

Chairman Carrillo:
Assemblywoman Bilbray-Axelrod will take the floor statement.

Senate Bill 283: Provides for the issuance of special license plates indicating support for the Vegas Golden Knights hockey team. (BDR 43-924)

Jann Stinnesbeck, Committee Policy Analyst:
Senate Bill 283 was heard in this Committee on May 4, 2017. [He read from the work session document (Exhibit M).] It provides for the issuance of special license plates indicating support for the Vegas Golden Knights hockey team. Other than the applicable registration and license fees and governmental services taxes, no fees may be charged for the issuance or renewal of these license plates. The bill allows the Department of Motor Vehicles to accept any gifts, grants, and donations or other sources of money for the production and issuance of these special license plates. There is currently one amendment on this bill, brought forward by Sean McDonald, with Nevada's Department of Motor Vehicles. It adds the normal fees for issuing and renewing special license plates. The conceptual amendment is attached to the work session document.

Assemblyman Sprinkle:
In regard to this bill, I have no problem with issuing a Vegas Golden Knights specialized license plate. I have significant issues with section 1.4, as I brought up during the hearing. I want the Committee to know, in bypassing the requirements we have put in place for years, there are many organizations still waiting to acquire specialized license plates: the Grant a Gift Autism Foundation; the Interfaith Council of Southern Nevada; Food Bank of Northern Nevada; the National Association of Social Workers; and Opportunity Village. These are all groups that have been waiting to get specialized license plates. We would now bypass them for the hockey team. I do not think it is right; and I do not think it is fair to the other organizations. That is where I stand. If there is a motion to amend and do pass this bill, I will be voting no.

Assemblywoman Bilbray-Axelrod:
Ditto.

Chairman Carrillo:
Does anyone else have comments? [There was no one.] Do I have a motion?

> ASSEMBLYMAN WHEELER MOVED TO AMEND AND DO PASS SENATE BILL 283.
>
> ASSEMBLYMAN WATKINS SECONDED THE MOTION.
>
> THE MOTION PASSED. (ASSEMBLYMEN BILBRAY-AXELROD, McARTHUR, MONROE-MORENO, AND SPRINKLE VOTED NO. ASSEMBLYWOMAN WOODBURY WAS ABSENT FOR THE VOTE.)

I will take the floor statement.

Senate Bill 452 (1st Reprint): Revises provisions governing certificates of title for vehicles. (BDR 43-1067)

Jann Stinnesbeck, Committee Policy Analyst:
Senate Bill 452 (1st Reprint) revises provisions governing certificates of title for vehicles. The bill was heard in this Committee on May 9, 2017. [He read from the work session document (Exhibit N).] It authorizes a person who is unable to provide satisfactory information to the Department of Motor Vehicles for a certificate of title to obtain a certificate of title by filing a bond with the Department. The bond must be in an amount equal to one and one-half times the value of the vehicle and meet certain conditions, and it must be returned by the Department at the end of three years unless an action to recover on the bond is pending. Similar provisions are set forth regarding salvage titles. Finally, the bill provides that there is no right of action against the Department for certain actions related to providing a bonded title pursuant to this bill.

There is one amendment to the bill put forward by Senator Segerblom. It authorizes the Department to conduct a search of the history of the vehicle and any parts used to repair the vehicle through any national crime information system. It also authorizes the Department to conduct the same search for salvage titles.

Chairman Carrillo:
Do I have a motion?

> ASSEMBLYWOMAN BILBRAY-AXELROD MADE A MOTION TO AMEND AND DO PASS SENATE BILL 452 (1ST REPRINT).
>
> ASSEMBLYWOMAN SPIEGEL SECONDED THE MOTION.
>
> THE MOTION PASSED. (ASSEMBLYWOMAN WOODBURY WAS ABSENT FOR THE VOTE.)

Assemblyman Fumo will take the floor statement.

Assembly Bill 69: Authorizes the use of an autonomous vehicle to transport persons or property in certain circumstances. (BDR 43-246)

Jann Stinnesbeck, Committee Policy Analyst:
Assembly Bill 69 authorizes the use of an autonomous vehicle to transport persons or property in certain circumstances. The bill was heard in this Committee on March 23, 2017. [He read from the work session document (Exhibit O).] It requires Nevada's Department of Motor Vehicles to adopt regulations related to operating and testing autonomous vehicles. The bill requires the Nevada Transportation Authority to authorize the use of an autonomous vehicle or technology by a common motor carrier or a contract motor carrier in certain circumstances. The bill also establishes provisions for taxicab businesses regulated by the Taxicab Authority to use autonomous vehicles or technology. The bill authorizes transportation network companies to use autonomous vehicles or technology. Lastly, the bill

requires Nevada's Department of Motor Vehicles, in consultation with several other agencies, to adopt regulations which must include provisions governing actions to be taken and sanctions that may be imposed if an autonomous vehicle or technology fails or violates any law or regulation of this state.

There is one amendment on this bill, put forward by Cory Hunt, Division of Economic Development, Office of Economic Development, Office of the Governor. The amendment:

- Provides various definitions, limitations, and requirements for autonomous vehicles;
- Authorizes the operation and testing of various levels of autonomous technology and vehicles in this state;
- Authorizes the operation of vehicles using driver-assisted platooning technology with certain limitations;
- Authorizes Nevada's Department of Motor Vehicles to adopt regulations related to the operation and testing of autonomous vehicles and technology;
- Requires that autonomous vehicles meet certain federal safety requirements;
- Provides testing parameters for autonomous vehicles and technology;
- Authorizes transportation network companies to use autonomous vehicles under certain circumstances;
- Requires transportation network companies to obtain a permit from the Nevada Transportation Authority; and
- Specifies the insurance requirements for such vehicles.

Chairman Carrillo:
I know that there are members of this Committee who have questions. The stakeholders have done a lot of work on this bill. I appreciate all the thought and patience that have gone into it. We are still in the first house on this bill as it has been exempted, so it still needs to go to the Senate. There are some concerns that have been brought up since this amendment was submitted.

Darcy Johnson, Committee Counsel:
This has been a comprehensive rewrite. I would like to ask a couple of clarifying questions that came to me as I looked through it. First of all, I have a question about the autonomous vehicle network companies (AVNCs), in the new *Nevada Revised Statutes* (NRS) Chapter 706B. I gather these are patterned after the transportation network companies (TNCs). If that is correct, does the excise tax in NRS Chapter 372B that applies to TNCs apply to these as well?

Cory Hunt, Deputy Director, Office of Economic Development, Office of the Governor:
Yes, our intent is that the autonomous vehicle network companies would be subject to that provision, but it would not be duplicative if a TNC or a cab company was co-operating an AVNC.

Darcy Johnson:
Would the tax be the same 3 percent on a fare, regardless of whether the company is a TNC or AVNC?

Cory Hunt:
That is correct.

Darcy Johnson:
My second question is regarding an assessment of a fee for a permit, as found on page 8. If I operate a TNC and also want to get a permit to operate as an AVNC, do I need both permits? If so, do I pay full rate for each?

Cory Hunt:
Yes, you would need both permits, but our intent is the Nevada Transportation Authority (NTA) would have flexibility to adjust the assessment for the second permit based on the previous assessment that was levied.

Darcy Johnson:
When you say based on the previous assessment, do you mean it is because the NTA would already have much of the information—fingerprints and the rest?

Cory Hunt:
They would not have fingerprints, but the other information would be available.

Darcy Johnson:
The original bill had an effective date of "upon passage and approval" for regulations, and January 1, 2018, for everything else. Is that still your intent?

Cory Hunt:
We would like to have this effective upon passage and approval for the entire bill, if possible.

Assemblywoman Bilbray-Axelrod:
Does this bill with the amendment language require a two-thirds vote?

Darcy Johnson:
That is correct.

Chairman Carrillo:
As there are no further questions, I have a motion.

> ASSEMBLYWOMAN MONROE-MORENO MADE A MOTION TO AMEND AND DO PASS ASSEMBLY BILL 69.
>
> ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblyman Wheeler:
If someone goes out and buys a level 4 or level 5 truck, is he going to have to pay an excise tax on it as a result of this amendment?

Cory Hunt:
Are you talking about a Ford F-150 or Chevrolet, or a semi-truck?

Assemblyman Wheeler:
I am talking about a semi-truck.

Cory Hunt:
As currently drafted, the provisions of NRS Chapter 706B would apply to fully autonomous vehicles that are transporting goods, but we understand that the Nevada Trucking Association has some questions about that.

Assemblyman Wheeler:
As I read the amendment, the owner of an autonomous vehicle at that level would pay an excise tax, where the owner of a self-driven vehicle would not. Is that correct?

Cory Hunt:
That is my understanding.

> THE MOTION PASSED. (ASSEMBLYMEN ELLISON AND WHEELER VOTED NO. ASSEMBLYWOMAN WOODBURY WAS ABSENT FOR THE VOTE.)

Chairman Carrillo:
I will take the floor statement. We are now closing the work session. Is there anyone here for public comment? [There was no one.]

Darcy Johnson:
I have been looking at the excise tax provisions. They only apply to the transportation of passengers. They would not apply to a large commercial vehicle moving goods. The excise tax is on the fare a passenger pays.

Assemblyman Wheeler:
Then I would like to reserve my right to change my vote on the floor.

Chairman Carrillo:
We have put that on the record. This meeting is adjourned [at 6:18 p.m.].

RESPECTFULLY SUBMITTED:

_____
Joan Waldock
Committee Secretary

APPROVED BY:

_____
Assemblyman Richard Carrillo, Chairman

DATE: _____

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.

Exhibit C is an American Academy of Pediatrics Policy Statement on Child Passenger Safety, authored by the Committee on Injury, Violence, and Poison Prevention, originally published online on March 21, 2011, in *Pediatrics*, submitted by Erin Breen, Director, Vulnerable Road Users Project, Transportation Research Center, University of Nevada, Las Vegas.

Exhibit D is a Children's Hospital Boston study titled "Booster Seat Laws Save Lives," published by Safe Kids Worldwide, March 18, 2014, submitted by Jeanne Cosgrove Marsala, Executive Director, Safe Kids Clark County.

Exhibit E is a report titled "Buckle Up: Booster Seats," dated September 2014, published by Safe Kids Worldwide, submitted by Jeanne Cosgrove Marsala, Executive Director, Safe Kids Clark County.

Exhibit F is a copy of a PowerPoint presentation titled "SB 156, Transporting Children Safely," presented by Laura Gryder, Project Director, Center for Traffic Safety Research, University of Nevada, Reno School of Medicine.

Exhibit G is written testimony authored by Sophia A. Romero, dated May 11, 2017, presented by Jon Sasser, Statewide Advocacy Coordinator, Washoe Legal Services; and representing Legal Aid Center of Southern Nevada.

Exhibit H is a proposed amendment to Senate Bill 350 (2nd Reprint), presented by Jon Sasser, Statewide Advocacy Coordinator, Washoe Legal Services; and representing Legal Aid Center of Southern Nevada.

Exhibit I is written testimony authored by T. Candice Smith Marshall, dated May 11, 2017, presented by Jon Sasser, Statewide Advocacy Coordinator, Washoe Legal Services; and representing Legal Aid Center of Southern Nevada.

Exhibit J is written testimony authored by Michelle Lynch, dated May 11, 2017, presented by Jon Sasser, Statewide Advocacy Coordinator, Washoe Legal Services; and representing Legal Aid Center of Southern Nevada.

Exhibit K is the Work Session Document for Senate Bill 141 (1st Reprint), dated May 11, 2017, presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit L is the Work Session Document for Senate Bill 226 (1st Reprint), dated May 11, 2017, presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit M is the Work Session Document for Senate Bill 283, dated May 11, 2017, presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit N is the Work Session Document for Senate Bill 452 (1st Reprint), dated May 11, 2017, presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

Exhibit O is the Work Session Document for Assembly Bill 69, dated May 11, 2017, presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.