

**MINUTES OF THE
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-ninth Session
May 11, 2017**

The Senate Committee on Transportation was called to order by Chair Mark A. Manendo at 8:40 a.m. on Thursday, May 11, 2017, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Mark A. Manendo, Chair
Senator Kelvin Atkinson, Vice Chair
Senator Don Gustavson
Senator Patricia Farley

COMMITTEE MEMBERS ABSENT:

Senator Scott Hammond (Excused)

GUEST LEGISLATORS PRESENT:

Assemblyman Chris Edwards, Assembly District No. 19
Assemblyman John Ellison, Assembly District No. 33

STAFF MEMBERS PRESENT:

Michelle Van Geel, Policy Analyst
Darcy Johnson, Counsel
Tammy Lubich, Committee Secretary

OTHERS PRESENT:

Brian O'Callaghan, Las Vegas Metropolitan Police Department
Fran Almaraz, Teamsters
Andrew MacKay, Executive Director, Nevada Franchised Auto Dealers
Association

Alfredo Alonso, Alliance of Automobile Manufacturers

CHAIR MANENDO:

We will begin with the hearing on Assembly Bill (A.B.) 334.

ASSEMBLY BILL 334 (1st Reprint): Prohibits a driver from operating a motor vehicle in the extreme left lane of a controlled-access highway under certain circumstances. (BDR 43-154)

ASSEMBLYMAN JOHN ELLISON (Assembly District No. 33):

Every year our roads see a lot of traffic from the visitors coming to Nevada traveling from Las Vegas or on Interstate 80 (I-80) going north. Nevada also has a large freight transport presence that adds to already existing traffic. At times, Nevadans find themselves in slow moving, congested and unsafe traffic, which causes delays, frustration, road rage, accidents and other negative consequences. Assembly Bill 334 designates the left-hand lane for specific purposes to encourage safe traffic movement. The complaints received were from incidents that happened on I-80.

Assembly Bill 334 is not taking away the personal rights to move freely across the State, but is stating the left-hand lane is for the specific purpose of moving fast traffic. This is a common sense solution to make our roads safer for the traveling public.

We met with the Nevada Department of Transportation who will post signs on I-80 stating, "Slower moving traffic, please move to the right." The main problem is in the mountain passes where people are staying in the left-hand lane and other faster drivers are trying to dodge in and out of traffic.

The Department of Motor Vehicles (DMV) found that the question of which lane to travel in was no longer asked during the testing for a driver's license or on the exams. Therefore, DMV is going to put that question back into the exams and the testing for a driver's license.

We are trying to put signs out to educate the slower driving public to keep to the right-hand lane and use the left-hand lane for passing or driving at an accelerated speed. The signs are important due to most of the people who are driving slow in the left-hand lane are from out-of-state.

The biggest problem is in the mountain passes. Trucks will be going over the passes and the cars will get right beside but do not pass, causing the traffic to start backing up. The next thing you know, they are beeping horns trying to go off the side of the road and it is ridiculous. We can address these issues with education, getting the signs out and getting this law passed. It has gotten to the point that people who are going across the State stay to the left instead of the right, and that is the issue we are running into.

CHAIR MANENDO:

We have found one letter of support on the Nevada Electronic Legislative Information System, are there other letters?

ASSEMBLYMAN ELLISON:

I will send you copies of other letters we have received.

ASSEMBLYMAN CHRIS EDWARDS (Assembly District No. 19):

Every one of us has been frustrated on the road by having to get somewhere a bit faster and quicker than we normally would, and then have somebody in your way in the left lane slowing you down and not moving over. A lot of people seem to forget that the right lane is considered the travel lane, and the left lane is the passing lane. Travelling down the road you should always be in the right lane and use the left lane for passing. With A.B. 334, we are trying to make sure that drivers travel in the right lane and pass in the left lane, so traffic can flow smoothly, nobody gets obstructed or angry, and they get to their destination safely.

CHAIR MANENDO:

What I thought I heard you say, is the left lane is for people trying to get somewhere faster, going the speed limit, and people who are going under the speed limit should move over. That way we are not speeding, we are just going the posted speed limit.

ASSEMBLYMAN ELLISON:

Yes, that is correct.

SENATOR FARLEY:

It is necessary to start reeducating drivers not only on the right travel lane, but that drivers need to yield to emergency vehicles. Particularly in Las Vegas, I have seen emergency personnel taking their lives into their own hands trying to

get around drivers who do not move out of their way. There may be a way we could help the emergency personnel with A.B. 334.

ASSEMBLYMAN ELLISON:

When the bill was first drafted, the Nevada Highway Patrol (NHP) told us that the current fines were higher than what we requested in the bill. The NHP also stated that cars backing up traffic, slowing down traffic and creating an emergency could be ticketed. I believe the first fine is around \$285. With A.B. 334, we are trying to get people to move over by educating them that the left lane is for emergency vehicles and for passing only.

BRIAN O'CALLAGHAN (Las Vegas Metropolitan Police Department):
We are in support of A.B. 334.

CHAIR MANENDO

How often do you see people not moving over for medical, fire or police vehicles going to a call with lights and siren? I was taught to always move to the right, not just the right lane, but get all the way over and stop if possible. There are more people ignoring the emergency vehicles even when they roll right up to a car.

MR. O'CALLAGHAN:

I see more of it down south than up north. I have noticed a lot of northern people, especially in Carson City and Reno, pull over to the right.

I have also stopped people that follow behind an ambulance as they clear a path through traffic lights to get where they are going faster. I have ticketed people for being closer than the 500 feet allowed to follow an emergency vehicle. It is the same as not moving over to the right for an emergency vehicle.

Sometimes drivers cannot move over and are backed up on the lights, and the ambulance or emergency vehicle has to take a different route or shut their lights off.

SENATOR FARLEY:

I know we are off topic on the bill, but is it worthwhile to have a campaign to start actually ticketing people who are not getting out of the way?

I live in the Summerlin area where there will be an ambulance or fire truck going through an intersection and a vehicle will be within five to seven feet behind the emergency vehicle and follow it through. This is very frustrating because that could be me in that ambulance or me they are on their way to help, and they are stuck behind traffic. The emergency vehicles could have to make risky moves in traffic because people just will not move over.

CHAIR MANENDO:

This is a serious issue which could cause more crashes. It could be your loved one they are going to help. People need to move over and let the experts do their jobs. There are more people who are just opportunists and will do anything to better self-serve themselves.

MR. O'CALLAGHAN:

It has occurred where a loved one is concerned and the emergency vehicle has been stopped, but there have been mitigating circumstances where they can continue.

FRAN ALMARAZ (Teamsters):

We are in support of A.B. 334 as amended.

CHAIR MANENDO:

We will close the hearing on A.B. 334 and open the hearing on A.B. 410.

ASSEMBLY BILL 410 (1st Reprint): Authorizing a new vehicle dealer to file a claim for compensation with a manufacturer of motor vehicles under certain circumstances. (BDR 43-1024)

ANDREW MACKAY (Executive Director, Nevada Franchised Auto Dealers Association):

This bill is related to used vehicles with open recalls that are subject to stop-sell or stop-drive orders from the National Highway Traffic Safety Administration (NHTSA). Assembly Bill 410 seeks to permit a dealer to seek compensation at a rate of 1 percent per month if repairs are performed on a vehicle of a line, make or model that the dealer is authorized to sell.

At the present time, if there is a recall and a vehicle is subject to a stop-sell stop-drive order and a consumer seeks to trade in his or her vehicle, the dealers have a couple of options to offer. The first option dealers can offer is a

depressed trade-in value on the vehicle because they do not know how long the vehicle will stay in their inventories. The alternative is the consumer may have to make up the difference between the resale value of the vehicle and the down payment. The majority of money that goes to a down payment on a vehicle is because of a consumer's trade-in. These are not the common recalls, such as a misprint in an owner's manual or a faulty radio knob. These are safety-related recalls where vehicles are subject to stop-sell or do-not-drive orders, either by the manufacturer or by NHTSA.

To demonstrate this point, a study commissioned by the National Auto Dealers Association was conducted by J.D. Powers & Associates ([Exhibit C](#)), to examine the respective holding costs of these types of vehicles. The study determined the holding cost of a grounded vehicle, on average, due to an open recall and subject to a stop-sell or do-not-drive order, is 2.43 percent a month. The terms of A.B. 410 is set at a 1 percent per month rate. This is consistent with existing federal law on new vehicles subject to these same recalls. There is nothing in federal law to address the issues relative to used vehicles.

Nevada is not unique in moving such legislation through our respective State Houses. Last year, Maryland and Virginia passed legislation that is virtually identical, word for word, to that being proposed in A.B. 410. The main points are 1 percent per month and then only if parts are not ready for 30 days.

Oregon is running the legislation now and Utah will when they reconvene. Washington and Arizona passed a bill that was signed by their governors last week to address this. In total, there are 16 other states including Nevada and Arizona that have recall legislation on the books.

We met with Alfredo Alonso and his client, the Alliance of Automobile Manufacturers, as well as the Global Auto Makers Trade Associations, and with their proposed amendment ([Exhibit D](#)), they are no longer opposed to A.B. 410. In the proposed amendment, [Exhibit D](#), minor language has been added to the end of subsection 8, to which we have no objection.

It is very important to note with respect to the compensation of 1 percent per month, we do not want to collect a penny of this. The reason is simple, it means the open recalls, the parts and remedies to fix the problems have been done. Therefore, we will never have to file a claim for compensation with the manufacturers. I am submitting a letter of support ([Exhibit E](#)).

SENATOR GUSTAVSON:

I know through experience, that it can take months to get your vehicle back, and there seems to be no hurry to get it done. There are different levels of safety, some are a real hazard, and the vehicle should not be driven. Others are just minor safety issues, and hopefully, nothing happens before you can get the recall completed. Even though you do not want to see any money because of the recalls, there are times the car cannot be fixed right away.

MR. MACKAY:

I want to be clear, in terms of compensation from the dealers, that means these fixes are there and are occurring. The reason for the 30 days is to give the manufacturer some semblance of lead time in order to be able to create the fixes and remedies. The way the bill was initially drafted, the compensation could have been collected immediately upon bringing the car in when the stop-sell or do-not-drive notification was issued. It was a completely reasonable request by the Alliance to add in the 30 days.

The manufacturers are working to get the remedies, but if there is not an economic reason, they could push a recall down the road.

The dealers and manufacturers recognize the problem and have been great to work with in finding common ground on the bill.

ALFREDO ALONSO (Alliance of Automobile Manufacturers):

This has been a national issue with several issues in different states. Some auto dealers actually attempted to use this process as a revenue stream to take in as many recall vehicles as possible, sit them in the back and collect the money. This is not the case in Nevada. Our dealers are responsible partners, and this is why you have A.B. 410 before you.

The only change we are requesting is in section 8 to the sentence as shown in green on the proposed amendment ([Exhibit D](#)); we would add "that includes in its precautionary advice to the vehicle owner an unconditional instruction to not drive the vehicle until the recall remedy is complete." We are simply asking the customer to be informed, which is consistent with what is being done across the Country.

SENATOR GUSTAVSON:

The additional wording could put the owners into a situation where they do not have a vehicle to drive. Would they receive any compensation?

MR. ALONSO:

It is always the manufacturer's intent to get the vehicles fixed as quickly as possible. Obviously, when something new arises, whether it is the engineering or software, the attempt is to complete it as quickly as possible. Depending on the severity of the recall, if it is a stop-drive, there are ways to make sure the customer is taken care of during that process.

SENATOR GUSTAVSON:

Some manufacturers are reluctant to do this because it will cost them more money, but you do not want to put the owner in trouble with not having something to drive.

MR. ALONSO:

This bill is dealing strictly with the taking of vehicles that are on a stop-drive recall and how the dealer will deal with that portion.

CHAIR MANENDO:

We will close the hearing on A.B. 410 and bring it back to Committee. Senator Hammond is in the Assembly testifying. I do not believe there will be too much controversy on the work session bills and Senator Hammond will have the opportunity to have his vote recorded later. We will begin the work session with A.B. 60.

ASSEMBLY BILL 60 (1st Reprint): Revises provisions governing the initial issuance and reinstatement of certain licenses relating to vehicles. (BDR 43-221)

MICHELLE VAN GEEL (Policy Analyst):

Assembly Bill 60, among other things summarized in the work session document (Exhibit F), establishes a late fee of \$25 for the reinstatement of expired licenses and registrations that are required by the Department of Motor Vehicles (DMV) for the operation of certain businesses relating to vehicles. The types of businesses to which this late fee applies include vehicle transporters, manufacturers, distributors, dealers, rebuilders, brokers, wreckers, salvage pools, body shops, and garages. The bill also requires that the application form

necessary to apply for initial licensure to operate as an automobile wrecker, a salvage pool, or a body shop must designate the persons whose names must appear on the form and whose fingerprints have to be taken and forwarded to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation. There were no amendments for this measure.

SENATOR ATKINSON MOVED TO DO PASS A.B. 60.

SENATOR FARLEY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR MANENDO:

We will proceed with the work session for A.B. 234.

ASSEMBLY BILL 234 (2nd Reprint): Revises provisions governing motor carriers.
(BDR 58-651)

MS. VAN GEEL:

The work session document ([Exhibit G](#)) outlines that A.B. 234 requires certain motor carriers of passengers that provide paratransit services to certain persons with disabilities to ensure that each vehicle used for such services is equipped with first-aid equipment and that the drivers of such vehicles receive training in first-aid and cardiopulmonary resuscitation. The bill requires that the company that employs the drivers is responsible for their training, will pay for the training, and will compensate the drivers for time spent in training.

The attached amendment in [Exhibit G](#) was offered by the Regional Transportation Commission of Southern Nevada. The amendment changes the effective date to January 2, 2020; removes section 6; and adds provisions to exclude taxicabs and transportation network companies from the provisions of the bill.

Please note that the effective date is to be January 1, 2020.

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CHAIR MANENDO:

Please note that in the attached amendment [Exhibit G](#) reflects the January 1, 2020 effective date.

DARCY JOHNSON (Counsel):

I want to point out that by changing the effective date to January 1, 2020, section 6 is no longer required. It was a transitory section dealing with the previous effective date. Taking section 6 out is not a substantive change and it is unnecessary due to the effective date change.

SENATOR GUSTAVSON MOVED TO AMEND AND DO PASS AS AMENDED A.B. 234.

SENATOR FARLEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR MANENDO:

We will proceed with the work session for A.B. 335.

ASSEMBLY BILL 335 (1st Reprint): Revises provisions governing motor vehicles and off-highway vehicles. (BDR 43-670)

MS. VAN GEEL:

The work session document ([Exhibit H](#)) for A.B. 335 requires, with certain exceptions, that a person driving a moped travel in the extreme right-hand lane if the highway has two or more clearly marked lanes for traffic traveling in the same direction. There were no amendments for this measure.

SENATOR GUSTAVSON MOVED TO DO PASS A.B. 335.

SENATOR FARLEY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR MANENDO:

Seeing no public comment or further business before this Committee, we are adjourned at 9:26 a.m.

RESPECTFULLY SUBMITTED:

Tammy Lubich,
Committee Secretary

APPROVED BY:

Senator Mark A. Manendo, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	1		Attendance Roster
S.B. 410	C	5	Andrew MacKay / Nevada Franchised Auto Dealers Association	J.D. Power & Associates Supplemental Analysis
S.B. 410	D	1	Alfredo Alonso / Alliance of Automobile Manufacturers	Proposed Amendment
S.B. 410	E	1	Andrew MacKay / Nevada Franchised Auto Dealers Association	Support Letter
A.B. 60	F	1	Michelle Van Geel	Work Session Document
A.B. 234	G	2	Michelle Van Geel	Work Session Document
A.B. 335	H	1	Michelle Van Geel	Work Session Document