

**MINUTES OF THE
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-ninth Session
May 2, 2017**

The Senate Committee on Transportation was called to order by Chair Mark A. Manendo at 9:06 a.m. on Tuesday, May 2, 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 Scott Hammond
Senator Patricia Farley

GUEST LEGISLATORS PRESENT:

Assemblyman Paul Anderson, Assembly District No. 13
Assemblyman Nelson Araujo, Assembly District No. 3

STAFF MEMBERS PRESENT:

Michelle Van Geel, Policy Analyst
Darcy Johnson, Counsel
Debbie Shope, Committee Secretary

OTHERS PRESENT:

Nick Vassiliadis, Nevada Resort Association
Brian Rothery, Enterprise Truck Rental, Enterprise Holdings
Paul Enos, CEO, Nevada Trucking Association

CHAIR MANENDO:

We generally take work sessions first, but we have two Assembly members here that need to be in other meetings. We will hear their bills first. We will open the hearing on Assembly Bill (A.B.) 96.

ASSEMBLY BILL 96 (1st Reprint): Revises provisions governing motor carriers.
(BDR 58-118)

ASSEMBLYMAN NELSON ARAUJO (Assembly District No. 3):

Joining me is Nick Vassiliadis representing the Nevada Resort Association. We are here to discuss A.B. 96.

Over the years, the Nevada Resort Association has undergone various changes in management structure. It has gone from a system where there were many individual resort hotels owned by individuals or shareholders to a system that may now have parent companies and holding companies owning multiple resorts. For instance, Caesars Entertainment Corporation and MGM Resorts International both own approximately ten resort hotels each. In northern Nevada, the Peppermill Casinos, Inc., owns two.

The current exemption from regulation by the Nevada Transportation Authority applies to the license holder, which is the individual property not the parent company. Assembly Bill 96 expands the exemption to the parent company, thereby allowing the parent company to take advantage of centralized purchases and resources. If enacted, the only thing A.B. 96 would change is that the parent company would now be able to own the vehicles rather than having each licensed property purchase its own vehicles. To be clear, licensed resort hotels would still be transporting their guests and employees at no fee. These hotels are not in the transportation business, they are simply using these vehicles to fulfill their business purpose. I would also like to note we have worked with Livery Operators Association to ensure there is no unintended impact on common carriers. At this point, I would like to quickly walk you through the language of the bill and then turn it over to Mr. Vassiliadis for additional context.

Under section 1, this bill amends *Nevada Revised Statute* (NRS) 706.741 to contain the following pieces of language. Subsection 1, paragraph (a) adds an affiliate of the owner or operator. Subsection 1, paragraph (a), subparagraph (5) changes "owner's or operator's name" to "name of the owner or operator, or an

affiliate of the owner or operator." Subsection 1, paragraph (b) adds "or an affiliate of the owner or operator." Subsection 2 changes "an" owner or operator to "the" owner or operator, and adds "or affiliate of the owner or operator." Subsection 3, paragraph (a) establishes that affiliate has the meaning ascribed to it in NRS 463.0133. Finally, under section 2, this bill becomes effective on July 1.

NICK VASSILIADIS (Nevada Resort Association):

This is a bill our industry views as important as it helps reflect the changing structure and how these properties are owned. It is no longer each property being an individual entity; they now have parent companies that umbrella over many of these properties or entities. The way the current law is structured, in order to get a restricted gaming license, the restricted gaming license will still go to the individual property, it does not go to the parent company. However, many of these properties are owned by a single parent company, and it would be more reflective of our industry if we were allowing the parent company to own these vehicles, not each individual property. That is the purpose of this bill, to reflect how the structure has changed.

CHAIR MANENDO:

If you pick up a guest from the airport and they want to make a stop before going to the hotel, are they allowed to do that?

MR. VASSILIADIS:

I will need to check with the people that I work for, as I do not know the answer to that question. I will get back to you.

CHAIR MANENDO:

We will close the hearing on A.B. 96. We will open the hearing on A.B. 233.

ASSEMBLY BILL 233: Authorizes a lessor of a motortruck to impose certain additional charges. (BDR 43-52)

ASSEMBLYMAN PAUL ANDERSON (Assembly District No. 13):

Assembly Bill 233 is a straightforward bill. In the transportation industry, this specifically references motortrucks, which are U-Haul-type trucks or some other rental truck that would be used to move cargo. That is the type of vehicle we are describing when it references motortruck.

In the rental industry, there is often a discrepancy as to fees that can be charged for specific rentals and if those fees can be charged, how well they are disclosed or not disclosed to the consumer. What we have found is because it is not implicit in the law, fees can be charged. Some entities say, "Well, it is not in the law, so we will not charge it." Other entities say they will charge it. How clear that is to the consumer can become an issue of disclosure. Whether I am seeing the rate on a Website or seeing the rate in an advertisement, once I rent the vehicle, am I actually getting the rate as advertised, or am I now seeing a bunch of add on fees that were in fine print, or maybe the fees were not even disclosed at all.

The purpose or the intent is simple. We want to make sure it is implicit and clear that motortruck leasing companies can charge fees. If they do charge fees, then in section 1, subsection 2, they must disclose those fees so the consumers understand what they are paying for. That is the gist of the bill. It came through the Assembly without any amendments. It came through with a unanimous vote out of both the Committee and the House, but we are certainly looking to improve it, if we can.

SENATOR HAMMOND:

As a summary of this bill, it is a transparency bill. You want to make sure it is a consumer-friendly bill because the consumer will now know what they are being charged. It will be itemized with a slip that comes to them, correct?

ASSEMBLYMAN ANDERSON:

We are not determining how it is disclosed exactly, but want to make sure, no matter what, when the advertisement goes out, it is not stating it is \$9 per day and then when the customer arrives to pick up the motortruck, it is now \$20 per day. You are correct, this is a sunshine bill, we are not dictating to what form they need to disclose the information.

SENATOR GUSTAVSON:

I am glad to see this bill come forward, and I did not realize there was a problem in the rental of trucks. Apparently, the companies I used were reputable.

You stated this came out of the Assembly unanimously. I checked the vote, and it shows there were two votes that were no on this bill. I want to clarify that. There were also four excused. I would like to know on the no votes, why they voted that way?

BRIAN ROTHERY (Enterprise Truck Rental, Enterprise Holdings):

After listening to Senator Hammond's question, that is precisely the point. We see this as an instance where the consumer is going to benefit greatly from the transparency, but the companies will benefit as well. We know that the consumer is going to be able to compare rates. It is not incumbent upon the customer to bring a calculator or a piece of paper and calculate all the various fees that are charged. They can quickly receive a rate and be able to identify what their total cost is going to be. We believe that is an environment where we can be competitive and address the concern that Senator Gustavson had. I am not sure there is necessarily a problem. In other words, I do not believe there are bad actors out there, but in today's environment, absent express permission for the ability to charge fees, we do not charge the fees. We would feel more comfortable with the statute speaking to the express permissibility. In doing so, we would like the statute to reflect that they should disclose the entire amount to the customer.

CHAIR MANENDO:

Some do not charge the fees; others may charge the fees, but you want the public to know what the fees are?

MR. ROTHERY:

If this bill does not proceed, the fees will continue to be charged. The fees may or may not be disclosed, we think they generally are, but there is no requirement that they must be disclosed. We think consumers will benefit greatly by having the requirement to let them know exactly what they are going to pay when they walk into a rental office.

SENATOR GUSTAVSON:

I understand we have many consumer protection laws already, and I assumed that there was something in the law already for motortruck leasing companies for disclosure. Since there is not, I think it is a good bill.

PAUL ENOS (CEO, Nevada Trucking Association):

The Nevada Trucking Association is here to support A.B. 233. We believe this is good for both the truckers who are going to be leasing these vehicles and for the leasing companies. We appreciate the transparency with all the fees that are charged on the trucking side and on the side of the lessors as well. We have both of these members in the Nevada Trucking Association. This will help

provide clarification on what fees they are responsible for to be able to recoup those fees.

To Senator Gustavson, we have had issues in terms of who is responsible for things such as the International Registration Plan and who is responsible for International Fuel Tax Agreement (IFTA). I have actually sat in some of the meetings at the Department of Motor Vehicles (DMV) with some of these truck leasing companies trying to resolve an issue because they did not receive the proper information at the DMV when someone was leasing a truck. They were told, "No, you cannot add that on, you do not own the truck. It cannot be under your name; it has to go under the owner of the truck's name." The lessee goes back and charges the owner of that truck, in some cases hundreds of thousands of dollars in charges on IFTA. The owner of the truck had no control over where that fuel was purchased, over how much fuel was purchased, or over where it was used.

We do feel this bill will help clarify that issue. Yes, you can refute those fees. We do think this is a good piece of legislation that will benefit both the lessor and the lessee.

ASSEMBLYMAN ANDERSON:

I think the key thing to remember is this is not just me going out, renting a truck and moving for the weekend. Sometimes these leases can be for months and years, and those fees, that are possibly undisclosed or might be hidden, can really add up quickly. That is probably where we see the scare factor, when they return the vehicle after a month's worth of leasing. I believe most of this is business to business with approximately 90 percent of these leases. These undisclosed leases and the length of time for them could really add up.

CHAIR MANENDO:

We will close the hearing on A.B. 233.

We will start with the work session on A.B. 11.

ASSEMBLY BILL 11: Revises provisions governing the operation of unmanned aerial vehicles. (BDR 44-137)

MICHELLE VAN GEEL (Policy Analyst):

Assembly Bill 11 was heard in Committee on April 18, 2017. It expands the current prohibition concerning the operation of an unmanned aerial vehicle within certain distances of a transmission line to include any transmission line that is owned, operated, inspected, maintained or repaired in whole or in part by the Colorado River Commission of Nevada. There were no amendments for this measure as noted in the work session document ([Exhibit C](#)).

SENATOR ATKINSON MOVED TO DO PASS A.B. 11.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR MANENDO:

Our last bill in the work session is A.B. 17.

ASSEMBLY BILL 17: Revises provisions governing the duties of a driver when approaching certain authorized vehicles of the Department of Transportation. (BDR 43-140)

MS. VAN GEEL:

Assembly Bill 17 was also heard in Committee on April 18. It requires the driver of a vehicle who approaches an authorized vehicle of the Nevada Department of Transportation (NDOT) that is stopped and displaying a flashing amber light or blue light located at the rear of the vehicle to take the same precautions, which currently apply when approaching an emergency vehicle or a tow truck under those conditions. As noted in the work session document, there were no amendments for the bill ([Exhibit D](#)).

SENATOR MANENDO:

This is an important piece of legislation and big for public safety. We appreciate the Governor; we appreciate the Department of Transportation's director and their people who brought this bill forward. It was an honor and a privilege to work with people on the Assembly side, and I am looking forward to this public safety piece being passed. We will keep in mind the family of the DOT employee who was killed on Interstate 80 near Battle Mountain in 2015, and our extensive NDOT family as we continue to process this piece of legislation.

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SENATOR GUSTAVSON MOVED TO DO PASS A.B. 17.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR MANENDO:

There being no further business to come before the Committee, the meeting is adjourned at 9:28 a.m.

RESPECTFULLY SUBMITTED:

Debbie Shope,
Committee Secretary

APPROVED BY:

Senator Mark A. Manendo, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	3		Attendance Roster
A.B. 11	C	1	Michelle Van Geel / Policy Analyst	Work Session Document
A.B. 17	D	1	Michelle Van Geel / Policy Analyst	Work Session Document