

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Eightieth Session
May 14, 2019**

The Committee on Growth and Infrastructure was called to order by Chair Daniele Monroe-Moreno at 2:05 p.m. on Tuesday, May 14, 2019, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Daniele Monroe-Moreno, Chair
Assemblyman Steve Yeager, Vice Chair
Assemblywoman Shea Backus
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Richard Carrillo
Assemblyman John Ellison
Assemblyman Glen Leavitt
Assemblywoman Rochelle T. Nguyen
Assemblyman Tom Roberts
Assemblyman Greg Smith
Assemblyman Howard Watts
Assemblyman Jim Wheeler

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Dallas Harris, Senate District No. 11
Senator James A. Settelmeyer, Senate District No. 17
Senator Scott Hammond, Senate District No. 18



STAFF MEMBERS PRESENT:

Michelle L. Van Geel, Committee Policy Analyst
Jessica Dummer, Committee Counsel
Joan Waldock, Committee Secretary
Alejandra Medina, Committee Assistant

OTHERS PRESENT:

Neal Tomlinson, Managing Partner, Hyperion Advisors, Carson City, Nevada
Mulugeta Abraham, President, Abraham Limo Service, Inc., Las Vegas, Nevada
Brent Carson, Attorney, Brent Carson LLC, Las Vegas, Nevada
Sean P. McDonald, Administrator, Division of Central Services and Records,
Department of Motor Vehicles

Chair Monroe-Moreno:

[Roll was called. Committee rules and protocol were explained.] We will not be following the order found on the agenda. We will start with our work session on Senate Bill 300 (1st Reprint). We will then hold the hearing on Senate Bill 496 (2nd Reprint).

Senate Bill 300 (1st Reprint): Revises provisions governing the rates charged by electric utilities. (BDR 58-302)

Michelle L. Van Geel, Committee Policy Analyst:

Senate Bill 300 (1st Reprint) is sponsored by Senator Chris Brooks, Senate District No. 3 ([Exhibit C](#)). It was heard in Committee on May 9, 2019. It requires the Public Utilities Commission of Nevada (PUCN) to adopt regulations establishing procedures for an electric utility to apply to the Commission for the approval of an alternative rate-making plan, which establishes the alternative rate-making mechanisms that the utility is authorized to use to set rates during the time period of the plan.

The bill authorizes an electric utility to submit an application to the Commission to establish an alternative rate-making plan pursuant to the regulations adopted by the Commission. The Commission must approve or deny the application not later than 210 days after receiving the application, unless that time limit is extended for good cause. The Commission may extend the time for an electric utility to submit its next general rate application while an application for the approval of an alternative rate-making plan is pending before the Commission. Such an application may include a mechanism for earnings sharing with the customers of the utility, a provision authorizing the filing of a complaint against the utility, and a term or condition waiving the requirement for the utility to file a general rate application every 36 months.

The attached amendment was offered by Senator Brooks. It makes various changes including:

1. Changes the definition of "Earnings-sharing mechanism";
2. Adds additional requirements for the regulations that must be adopted by the PUCN;
3. Provides that an electric utility serving a less densely populated county may apply to establish an alternative rate-making plan up to a year earlier than an electric utility serving a more densely populated county;
4. Allows the Commission to substitute just and reasonable rates, regulations, practices, or services for those established through an alternative rate-making plan, under certain circumstances;
5. Deletes *Nevada Revised Statutes* 704.777: "Commission required to open investigatory docket to establish methods to determine impact of net metering on rates; biennial report to Legislature."

Chair Monroe-Moreno:

We heard this bill with the amended language as presented by Senator Brooks. Are there any questions? [There were none.] May I have a motion to amend and do pass?

ASSEMBLYMAN ROBERTS MOVED TO AMEND AND DO PASS
SENATE BILL 300 (1ST REPRINT).

ASSEMBLYWOMAN NGUYEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Assemblyman Smith will take the floor statement. We will close the work session.

Senate Bill 496 (2nd Reprint): Revises provisions relating to limousines. (BDR 58-1086)

Senator Dallas Harris, Senate District No. 11:

I am here to present Senate Bill 496 (2nd Reprint). Existing law authorizes a person who holds a certificate of public convenience and necessity to operate a taxicab to lease to an independent contractor. The independent contractor may operate the taxicab as a taxicab to the extent authorized by the certificate holder's certificate and to provide transportation services under an agreement with a transportation network company (TNC). With that in mind, S.B. 496 (R2) authorizes the operator of a limousine who holds a certificate to similarly lease the limousine to an independent contractor.

I will now walk you through the provisions of the bill. Section 1, subsection 1 authorizes a certificate holder who is an operator of a limousine in a county with a population over 700,000—currently, Clark County—to lease a limousine to an independent contractor who is not a certificate holder. A certificate holder may only lease one limousine to each independent contractor with whom the person enters into a lease agreement. Additionally,

the limousine may be used in a manner authorized by the certificate holder's certificate of public convenience and necessity.

Section 1, subsections 2 and 3 require a certificate holder to obtain approval of the lease agreement from the Nevada Transportation Authority of the Department of Business and Industry, and prohibits the Authority from limiting the number of lease agreements or the days for which a lease agreement remains in effect. Additionally, section 1, subsection 9 prohibits a certificate holder from having a number of unexpired leases that exceeds 75 percent of the number of limousines they are authorized to operate.

Section 1, subsection 4 requires the certificate holder to inspect the limousine not less than once each month. Section 1, subsection 5 prohibits an independent contractor from operating more than one limousine pursuant to a lease agreement with a certificate holder during any one 24-hour period. Additionally, section 1, subsection 6 requires the independent contractor to charge and collect the applicable technology fee for the use of a computerized, real-time data system for the purposes of offering cooperative dispatch and electronic hailing services to the public; and to remit to the Authority, not later than the tenth day of each month, all technology fees collected for the immediately preceding month.

Section 1, subsection 7 establishes that a certificate holder who leases a limousine is jointly and severally liable with the independent contractor for any violation of the provisions of *Nevada Revised Statutes* (NRS) relating to motor carriers, or the regulations adopted pursuant thereto. The certificate holder is required to ensure that the independent contractor complies with such provisions and regulations. Section 1, subsection 8 authorizes the Authority or any of its employees to intervene in a civil action involving a lease agreement entered into pursuant to section 1 of this bill. Finally, sections 2 through 5 make conforming changes.

Chair Monroe-Moreno:

Are there questions?

Assemblyman Ellison:

Would casino limousines be excluded from this? The limousines are owned by the casinos, not by independent contractors.

Neal Tomlinson, Managing Partner, Hyperion Advisors, Carson City, Nevada:

Most of the casinos operate pursuant to an exemption where the limousines they have in-house are ancillary to their service, so they do not typically charge customers for that. This would only apply in Clark County. It would apply to carriers that are currently certificated and regulated by the Nevada Transportation Authority.

Senator Harris:

Currently, there are no independent contractors. This bill seeks to bring into the industry an ability for an independent contractor to lease and operate a limousine.

Assemblyman Leavitt:

Upon the lease of a limo, would the driver be able to use the vehicle with a TNC?

Neal Tomlinson:

When the taxicab provision was passed initially [Senate Bill 376 (2nd Reprint) of the 78th Session], it was contemplated that this could happen. What actually happened is the rideshare companies do not want to allow their service to be used with either taxicabs or limousines, so it is not happening.

Senator Harris:

Neither the Uber nor the Lyft app has an option to call a limousine. This is not a service they have been interested in offering, at least not through this type of mechanism. As technology and markets develop, it may be a service they eventually offer.

Assemblyman Leavitt:

When an independent contractor leases a vehicle and is involved in an accident, are both the certificate holder and the lessee on the hook?

Neal Tomlinson:

Yes. This bill provides for joint and several liability; so both the independent contractor and the certificate holder are jointly and severally responsible for anything that happens, including making sure they follow all the rules and regulations promulgated by the Nevada Transportation Authority.

Assemblyman Leavitt:

Is there indemnification to the certificate holder?

Neal Tomlinson:

No. The leases this bill contemplates are mutually agreed-upon leases that have to be approved by the Transportation Authority. As part of that, the certificate holder agrees to be jointly and severally liable. Both the drivers and the limousine companies feel this will be beneficial to everybody. They think it will benefit the industry because the drivers can have increased control of their shifts and customers. The companies benefit because they have increased utilization of their vehicles.

Senator Harris:

To Assemblyman Leavitt's question, the only way to completely rid yourself of liability would be to give up your certificate. The whole point of having the certificate of public necessity and convenience is that you are the responsible party. We cannot give the benefit of being able to operate the vehicle without keeping the certificate holder on the hook.

Assemblyman Smith:

Why did you limit this to a county with a population of 700,000? Why did you exclude Washoe County?

Neal Tomlinson:

This legislation models the taxicab legislation enacted in 2015 [S.B. 376 (R2) of the 78th Session]. That provision was limited to counties with a population of 700,000 or more. The jury is still out on how it has worked for taxicabs. It is possible that one reason why, thinking back to 2015, was just to see how it worked. This is kind of a new thing. The transportation industry is in transition. This is just one more tool that allows the drivers and the companies flexibility. I believe that is why it was limited. This language models the taxicab language enacted in 2015.

Assemblywoman Bilbray-Axelrod:

I talked with you privately but wanted this to be on the record. You have had conversations with individual drivers, and this is something you found they want. Would you please expound on that?

Neal Tomlinson:

We had an excellent hearing on this bill on the Senate side. Numerous drivers testified they would appreciate it. In the limousine industry, the most lucrative shifts are on the weekends, so everybody wants to work weekend shifts. Mondays—not so much. A lot of drivers have full-time jobs doing other things during the week, then on weekends they would like to enter into this type of arrangement to work as independent contractors. We feel it will be beneficial to everyone.

Senator Harris:

I had a concern as well. That is one of the reasons the bill was amended to not allow for more than 75 percent of the limousines to be leased out in an effort to ensure that those limousine drivers who choose to remain employees have the option of doing so.

Assemblywoman Backus:

I would like to follow up on Assemblyman Leavitt's question, focusing on section 1, subsection 7. I looked at that section as regulatory joint and several liability. I am concerned about civil liability. If there was an accident, would the limousine company—the certificate holder—be jointly and severally liable? I am concerned that people's personal insurance companies do not provide for coverage if they are operating a vehicle in the scope of work.

Neal Tomlinson:

The Nevada Transportation Authority mandates coverage for all these limousines. The company is the certificate holder, so they are the ultimate responsible party. They continue to maintain the same insurance they have in place for these. The vehicles are covered exactly the same whether the driver is an employee or an independent contractor. None of that changes whatsoever.

Senator Harris:

We also require that the contracts be submitted to the Nevada Transportation Authority for approval prior to being operative. If someone attempted to subvert his or her liability through contract, we would have an opportunity to catch that.

Chair Monroe-Moreno:

Are there any other questions? [There were none.] Is there anyone present who would like to testify in support of Senate Bill 496 (2nd Reprint)?

Mulugeta Abraham, President, Abraham Limo Service, Inc., Las Vegas, Nevada:

I started this business in 2012 as a driver with one Lincoln Town Car. Now, I have over 50 cars and over 100 employees. I am in support of this bill because this will give us an option to have our chauffeurs either be independent contractors or drivers for our company. This will help the chauffeurs. In the dead times, it will help me by getting independent contractors to come in at their own time and work. I spoke with most of my drivers. They are interested in having independent contracts. This gives them flexibility.

Talking about insurance and the vehicles, we are still going to be responsible for maintenance and insurance for the vehicles—everything stays intact. This just gives us an opportunity to have independent contractors. I have chauffeurs who are willing to do it. It will help us a lot.

Assemblyman Carrillo:

Would you receive a certain percentage of the earnings of an independent contractor? Or would this operate the way it does for a person renting a station at a hair salon? Would independent contractors rent the car, paying you a fee to operate the vehicle?

Mulugeta Abraham:

This is something we will work on to see how much we will charge per day when they are working. It will depend on the shift. By the rules, they cannot work more than 12 hours. We will probably lease vehicles for 12 hours, two shifts. We will come up with a certain amount of money that is comfortable for me and for the independent contractor. That is how we are planning to do it.

Brent Carson, Attorney, Brent Carson LLC, Las Vegas, Nevada:

I have been practicing law in front of the Nevada Transportation Authority for almost 20 years. My wife and I own a limousine company, Strip Limousine Services LLC. In the last 20 years or so, I have had the opportunity to represent large companies, such as Mr. Abraham's company and AWG Ambassador. I have represented smaller companies, such as mine, Eagle Transportation, Vegas Limousine Service, and Stardust Transportation. I have the opportunity to speak with both large companies and smaller companies and have received nothing but strong feedback in support of this bill. It would be a great opportunity for the owners of the companies, but also for the employees who have different schedules and would like to accommodate earning extra money.

I would like to thank Senator Harris and Mr. Tomlinson for the hard work they have done to get this bill before you. They have done a great job with the presentation. This is something that has never happened before. Some issues will come up.

[Assemblyman Yeager assumed the Chair.]

The Nevada Transportation Authority is granted, in this bill, the opportunity to promulgate regulations that will deal with issues such as payment and times, just as in 2015 when the taxicabs obtained the permission and legislation to operate leased vehicles in Clark County. The Taxicab Authority promulgated their own set of rules and regulations. They met with industry owners, as well as the drivers, so it worked out to be a fair and balanced, mutually agreeable working situation. I spoke with Mr. Jim Jimmerson, who is an attorney here in Las Vegas. He is the owner of one of the large limousine companies, Executive Las Vegas LLC. He said I could say that he was in support of this bill too.

Vice Chair Yeager:

Are there any questions? [There were none.] If there is additional supportive testimony, please come forward. [There was none.] Is there anyone present who would like to testify in opposition to the bill? [There was no one.] Is there anyone present who would like to testify as neutral? [There was no one.] Are there any concluding remarks?

Senator Harris:

I would like to follow up on one of Assemblyman Leavitt's questions. After a quick review of NRS and advice from someone who knows it well, it turns out that limousines are prohibited from being used by TNC companies in Nevada because they are designed to carry eight or more persons. This bill would not affect that provision.

As you can see, both owners and drivers would like this flexibility. I say, Why not give it to them?

Vice Chair Yeager:

We will now close the hearing on Senate Bill 496 (2nd Reprint) and open the hearing on Senate Bill 181 (1st Reprint).

Senate Bill 181 (1st Reprint): Revises provisions relating to special license plates. (BDR 43-663)

Senator James A. Settelmeyer, Senate District No. 17:

The first aspect of this bill is for electric vehicles (EVs). Raise your hand if you own an EV. [He alone raised his hand.] Upon purchasing an EV, it became apparent that the money we used to spend to generate revenue to the State Highway Fund no longer existed. Why not? There is no mechanism to allow someone who owns an EV to donate money to the Highway Fund. Many EV owners would gladly pay into the Highway Fund because they agree they need to help out with the roads. Many EV owners would like to have their own license plate as in many other states. This bill came forward as a result. This bill would create money that would go to the State Highway Fund for individuals who choose to purchase an EV license plate, which would only be available for EVs. That is the bill in a nutshell for phase one.

Phase two of this bill is in regard to the sesquicentennial license plate. Many people enjoyed the beauty of the plate and loved the idea that they were contributing to the Division of Museums and History of the Department of Tourism and Cultural Affairs, which is where the excess money in that programs goes. It also goes to the Division of State Parks of the State Department of Conservation and Natural Resources. In that respect, when we decided that plate would no longer be issued, it removed any potential growth for that particular department. We went from 25,000 plates down to 16,000. Once they are no longer in use or if they are lost, they cannot be replaced. We are asking that the sesquicentennial plate once again be allowed to go forward. Why not allow people to contribute their funds where they wish?

Vice Chair Yeager:

Are there any questions?

Assemblyman Smith:

Is there a sunset on these special plates? Or do they go forever like the normal plates?

Senator Settelmeyer:

There would not be a sunset. The intention of this bill is to allow the plates to go on under the current law, which is that as long as they maintain 1,000 specialty plates, they are not cut off. If, at any time, they fall below that threshold—like with all other specialty plates—they would be discontinued. People do not care that they were for the 150th anniversary of the state. They think it is a nice-looking plate, and they like the idea of giving money to the museums. As we found out, it is a very good program to generate funds. There are currently 20,000 Nevada Lake Tahoe plates. There are 93,000 current Las Vegas Centennial plates. Many organizations and entities have been able to benefit from this niche. These plates will not be treated any differently.

Assemblyman Wheeler:

I would like to see the sesquicentennial plate come back. I lost mine when our Assembly plates changed over.

Senator Settelmeyer:

Assemblyman Wheeler has been in our EV. It is a remarkable little vehicle, but it does not generate anything to the Highway Fund. This bill seeks to provide an opportunity for that. It will be fascinating to see how many people will want to participate in the program. According to Tesla and other industries, the amount of money lost to highway funds is only about \$40 per driver. I question that number. The sesquicentennial plate would generate far more than that. It would be the most expensive specialty plate in the state. It would have the goal of helping EV owners pay into the Highway Fund.

Assemblyman Leavitt:

If the money from the plate would go into the Highway Fund, how would it reconcile the areas in Washoe County and Clark Country that do not use those funds? Probably most of the EVs are in those counties. How do you reconcile that?

Senator Settlemeyer:

It does not. It would require quite a bit of finagling to get to a correct number of what a municipality or county is losing in the form of gas taxes for those roads, but that is a common theme. Since I represent the State Legislature, I was trying to make sure the State Highway Fund received revenue. I worked with our previous Senate Majority Leader who agreed with the idea—we need to find a way to help stabilize the Highway Fund as we continue to shift.

This is just the first step. I looked at the concept of a 10 percent fee for every payment at a pump for fuel for your vehicle. The idea was not supported by the industry, so it did not go forward. I am not correcting the issues or problems that exist with counties or municipalities.

Assemblyman Carrillo:

Electric vehicle owners purchasing this plate could feel they were doing their part to put money into the Highway Fund since they are not paying the gas tax. We heard a bill that addressed that issue with a vehicle mileage tax (VMT) [Assembly Bill 483]. Would purchasers of the plate feel they did not need to pay a VMT?

Senator Settlemeyer:

I dare not say what anyone might feel. If a VMT is passed, the owner of an EV can choose not to purchase this license plate. My constituents and I are not keen on having Big Brother know how many miles we drive. I brought this bill from a different perspective, that of voluntary participation in paying into the Highway Fund. Many people in the EV community would like to contribute. This seems to be the most logical way at this time. I think this is the only bill still in play with the potential of generating funds for that concept.

Assemblyman Carrillo:

I had a sesquicentennial plate but recently changed it. If I decided to go back, would I pay the \$125 charge?

Senator Settlemeyer:

The \$125 fee is for the EV plate. The sesquicentennial plate would be the standard rate for specialty plates.

Vice Chair Yeager:

Are there any further questions? [There were none.] Is there anyone present who would like to testify in support of Senate Bill 181 (1st Reprint)? [There was no one.] Is there anyone present who would like to testify in opposition to the bill? [There was no one.] Is there anyone present who would like to testify as neutral to the bill?

**Sean P. McDonald, Administrator, Division of Central Services and Records,
Department of Motor Vehicles:**

We are neutral, but I wanted to go on record to thank Senator Settlemeyer for working with us on the initial constructs of this legislative action.

I also wanted to go on record to say that I own three sets of the 150th anniversary plates; I am a big fan and personally support what he is trying to do.

Vice Chair Yeager:

Are there any questions for Mr. McDonald? [There were none.]

For clarity in the record, we are looking at a letter that was submitted in the Senate. Is there a proposed amendment to this bill? [Senator Settlemeyer shook his head "no."] There are no proposed amendments.

A closing statement has been waived. I will close the hearing on Senate Bill 181 (1st Reprint).

I will now open the hearing on Senate Bill 356 (1st Reprint).

Senate Bill 356 (1st Reprint): Authorizes the registration of certain retired military vehicles. (BDR 43-280)

Senator Scott Hammond, Senate District No. 18:

I am bringing Senate Bill 356 (1st Reprint) for your consideration. There are several clubs and associations throughout the state that like to restore historic military vehicles to use in parades. They have had some problems with the Department of Motor Vehicles (DMV). If someone brings an unusual vehicle to the DMV, DMV does not know what to do with it. This is an attempt to help the DMV and these individuals navigate the difficulty of registering some of these vehicles and getting them on the roads for the purposes I will explain. I appreciate all of the help the DMV has provided in making sure this bill meets certain standards.

What does S.B. 356 (R1) do? It requires the Department of Motor Vehicles, upon receipt of 25 applications, to design, prepare, and issue special license plates for retired military vehicles that are at least 20 years old. The owner of the vehicle will be required to pay an initial \$25 fee for such plates and a \$10 fee for a renewal sticker; however, no annual registration fees and governmental services taxes may be imposed if the owner of the vehicle submits an affidavit to the DMV indicating the vehicle will only be used for exhibitions, parades, charity events, fundraisers, or similar activities; is safe to be operated on the highways of the state; and will be at least 20 years old on the date of the application for the special license plates.

A retired military vehicle may not be operated on the highways of the state unless the vehicle complies with certain requirements regarding size, weight, and load; tires on the vehicle meet certain tire pressure requirements; and if the vehicle has tracks, the tracks are covered with a band protecting the highway from damage.

Finally, S.B. 356 (R1) makes various other changes including removing "retired military vehicle" from the definition of "foreign vehicle," thereby removing an inspection

requirement, and authorizing a holder of a class A noncommercial driver's license to operate a retired military vehicle, regardless of its weight. It exempts the special license plates authorized in this bill from certain requirements of other special license plates, such as a recommendation from the Commission on Special License Plates. It also exempts retired military vehicles from certain emissions testing requirements.

Vice Chair Yeager:

Are there any questions?

Assemblyman Leavitt:

It is important to note that the men and women who operate these retired military vehicles in parades and exhibitions put a lot of money and effort into them. They do not receive other sources of funding. They are dedicated to what they do. I appreciate the opportunity to be a joint sponsor on this bill to help them move through the bureaucracy.

Senator Hammond:

The owners put a lot of money and effort into preserving vehicles that are a shade below museum-quality. They restore them to period pieces—if they are World War II vehicles, they look like they are World War II vehicles that came right off a movie set. It is important that we help the DMV and other agencies when we can so they can better facilitate and help the general public navigate through their system when registering a vehicle.

Assemblywoman Bilbray-Axelrod:

One of my favorite things in the Fourth of July parade that goes through the middle of my district is seeing the old military vehicles. I think it is important that we remember. When you see the sheer size of those vehicles, it is inspiring for children. You have, obviously, done your due diligence with the DMV regarding covering the treads. Thank you for bringing this bill forward.

Senator Hammond:

Many of the vehicles you see in the parade belong to this club. One of the vehicles that came to my attention was a Halftrack. We have to make sure Halftracks do not damage roads. Many of them are not driven on the roads; they are brought to a parade by truck or are towed. They then drive in the parade. The military vehicles are usually the best part of the parades.

Assemblyman Ellison:

I recently found a 1942 Willys jeep. I am thinking about restoring it to use in parades. What will these plates look like? Will they look like the old green military plates?

Senator Hammond:

I do not have a design in mind. I would leave that up to Mr. McDonald. He and his team do a great job designing plates. I would like to look at it before they make a final decision, but that is up to DMV.

Assemblyman Carrillo:

Section 1, subsection 1 says, "must not be used for general transportation." A lot of these vehicles go to auction and are out there. I know an individual who bought a used Humvee from a dealer. It is the same size and the same width as a military one. Would anyone who bought a Humvee that could not be used for general transportation be allowed to use the retired military plate? The owner might want to keep the nostalgic look of the green paint or the camouflage.

Senator Hammond:

To qualify for the license plate, the vehicle has to be at least 20 years old or older. There are Humvees that fit into that category. If the purpose were to use them in parades, the owners would have access to the plate. If the vehicles were being used for general transportation, they would not qualify for the license plate. The owners would, at that point, be presenting false statements to a government agency. They have to testify that the vehicle is only going to be used for parades or for special events. If they fraudulently claim that and are caught by the police, they would be subject to fines.

Assemblyman Carrillo:

I do not see a mileage limit. I realize owners run the risk of being caught, but people will do what they think they can get away with. Why is there no mileage limit? That is an issue we tried to fix with other classic vehicle and classic rod plates.

Senator Hammond:

You are correct; we have tried to fix this in other bills because it had been assumed that vehicles with classic vehicle or classic rod plates were under restrictions, one of which was mileage. We discovered we had not put those restrictions on the plates. There are people who abuse the system with the classic plates, for example; they are subject to being pulled over by a police officer or being reported by anyone who sees that. We decided not to put limitations on this because there are none on the others.

The owners of these retired military vehicles are not going to be putting many miles on the vehicles. Some of these vehicles are quite large. No one will want to pay the cost of fuel to drive them around as these vehicles do not get good gas mileage.

Assemblyman Roberts:

Is there an insurance requirement for these vehicles?

Senator Hammond:

Insurance is required in order for the vehicle to be registered. Most owners have an abundance of insurance on these vehicles because they have put so much time and money into them.

Assemblyman Smith:

With all other specialty plates, a minimum of 1,000 plates is required. The minimum for this plate is 25. If they fell below that threshold, what would happen? Is it a trigger for discontinuing the plate?

Senator Hammond:

Twenty-five is the standard that has paid for almost every license plate; it is the number DMV needs before issuing plates. Twenty-five is the number needed to begin designing and manufacturing. We will not have a problem getting that number—there can be 25 people in one parade, and there are more than that throughout the state.

Assemblyman Ellison:

I have a 1965 car that I cannot drive more than 500 miles a year or my insurance will double. I have another car I cannot drive more than 100 miles a year. It is used only for parades. If I cross that threshold, the insurance goes up. I still have to pay for the personalized license plate. The price of these retired military plates is reasonable.

Vice Chair Yeager:

Are there any further questions? [There were none.] Is there anyone present who would like to testify in support of Senate Bill 356 (R1)? [There was no one.] Is there anyone present who would like to testify in opposition to the bill? [There was no one.] Is there anyone present who would like to testify as neutral to the bill?

**Sean P. McDonald, Administrator, Division of Central Services and Records,
Department of Motor Vehicles:**

I want to thank Senator Hammond for working with us on this bill.

In connection with any vehicle registration, the DMV would verify the insurance. There might be questions about how it would look on a liability insurance policy. In order to issue registration, we would need to have proof of insurance.

Another piece of the legislation that I appreciate is that it allows us to establish regulations. If there are constructs we need to develop on the back side to make sure this will work for all parties, we can all work together to finalize the nuances.

Vice Chair Yeager:

Are there any questions for DMV?

Assemblyman Smith:

Would you clarify the threshold of 25 plates?

Sean McDonald:

Once we reach the threshold of 25, we would be good to go. There has been some confusion about how the 1,000-plate threshold works. That threshold is relegated to charitable

organizations that are part of the Tier 1 process. For Tier 2, the threshold is 3,000. Plate bills have been introduced that are outside those registration thresholds. This is one example.

Once we have 25 signatures, we would be set. There is nothing in the bill that would prevent us from continuing to issue these plates if the number fell below 25; we could continue to issue them because we had met the 25 once upon a time.

Vice Chair Yeager:

Are there other questions? [There were none.] Is there anyone else neutral? [There was no one.] Are there any concluding remarks? [There were none.] I will close the hearing on Senate Bill 356 (1st Reprint).

I will now take public comment. [There was none.]

We have a meeting on Thursday scheduled for 1:30 p.m. It will likely be a work session.

The meeting is adjourned [at 3:10 p.m.].

RESPECTFULLY SUBMITTED:

Joan Waldock
Committee Secretary

APPROVED BY:

Assemblywoman Daniele Monroe-Moreno, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is the Work Session Document for Senate Bill 300 (1st Reprint), dated May 14, 2019, presented by Michelle L. Van Geel, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.