

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

**Eightieth Session  
March 19, 2019**

The Committee on Growth and Infrastructure was called to order by Chair Daniele Monroe-Moreno at 1:33 p.m. on Tuesday, March 19, 2019, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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](http://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  
Assemblywoman Rochelle T. Nguyen  
Assemblyman Tom Roberts  
Assemblyman Howard Watts  
Assemblyman Jim Wheeler

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Glen Leavitt (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

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



**OTHERS PRESENT:**

David Bobzien, Director, Office of Energy, Office of the Governor  
Robin Yochum, Energy Programs Manager, Office of Energy, Office of the Governor  
Kyle J. Davis, representing Nevada Conservation League  
Tom Polikalas, representing Southwest Energy Efficiency Project  
Judy Stokey, Vice President, Government and Community Strategy, NV Energy  
Scott Whitworth, representing Enterprise Holdings, LLC  
Brian D. Rothery, Vice President, Government and Public Affairs, Enterprise Holdings, LLC  
Matthew J. Walker, representing Enterprise Holdings, LLC  
Sean P. McDonald, Administrator, Division of Central Services and Records, Department of Motor Vehicles  
Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association  
Joseph (JD) Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles  
Charlene Albee, Division Director, Air Quality Management, Washoe County Health District  
John Fudenberg, Coroner, Government Affairs, Office of the Coroner/Medical Examiner, Clark County  
Robert J. Tekniepe, Principal Management Analyst, Department of Air Quality, Clark County  
Danilo Dragoni, Chief, Bureau of Air Quality Planning, Division of Environmental Protection, State Department of Conservation and Natural Resources

**Chair Monroe-Moreno:**

[Roll was called. Committee rules and protocol were explained.] We will be hearing three bills today, following the order of the agenda. We will start with Assembly Bill 54.

**Assembly Bill 54: Repeals certain provisions relating to energy efficiency. (BDR 58-327)**

**David Bobzien, Director, Office of Energy, Office of the Governor:**

With me today is Robin Yochum, Energy Programs Manager, who knows a lot about light bulbs. You have seen our department overview before, but I will go over it for those of you who are not familiar with it [page 2, ([Exhibit C](#))]. Governor Steve Sisolak signed Nevada on to become the twenty-third state of the U.S. Climate Alliance [page 3]. By joining the Climate Alliance, we are committed to carbon reduction targets, reducing greenhouse gas emissions by at least 26 to 28 percent below 2005 levels by 2025, tracking and reporting to that end, and accelerating new and existing policies to reduce carbon pollution and promote clean energy deployment. Building energy efficiency is a preeminent tool to achieve these goals, so it is important to recognize these commitments as the Legislature considers Assembly Bill 54.

There are two components to A.B. 54. Section 1 repeals two pieces of *Nevada Revised Statutes* (NRS)—NRS 701.215 and NRS 701.260. *Nevada Revised Statutes* 701.215 directs

the Director of the Office of Energy to "prepare a state energy reduction plan which requires state agencies, departments and other entities in the Executive Branch to reduce grid-based energy purchases for state-owned buildings by 20 percent by 2015" [page 4]. As shown on the chart, we did not quite hit the target in 2015, but we have surpassed the 20 percent goal. This statute is obsolete, especially given our commitments under the Climate Alliance. It is time for the executive agencies to regroup and look at new pathways forward to further capitalize on energy efficiency opportunities for state-owned buildings. This tool is no longer needed in statute. We will give you more information about our new strategies and directions for greater energy efficiency in state-owned buildings as it comes about. It is important that, as we look at this with fresh eyes, we see many instances of technological deployment—smart controls or other energy efficiency measures—that happen [page 5]. We see it as our job to facilitate and serve as a hub to bring all of those efforts together in a more comprehensive fashion so that we can achieve targeted results.

We will move on to light bulbs. *Nevada Revised Statutes* 701.260 contains prohibitions against selling certain types of lights and regulations establishing certain energy efficiency standards for certain types of lights [page 6 ([Exhibit C](#))]. Assembly Bill 54 as filed was a straight repeal of both of these sections. Our office looked at this with an eye toward changes in federal regulatory efforts taking place in Washington, D.C. We made the decision to bring forth an amendment to the bill. Ms. Yochum will walk you through it. I will provide some history. It is important to note the Legislature's early engagement on this topic. Passage of statutes in 2007, along with a few other early-acting states, prompted the U.S. Congress and former President George W. Bush to establish federal standards. Those standards were put in statute, but regulations were never promulgated because the federal standards eclipsed state standards in their stringency.

**Robin Yochum, Energy Programs Manager, Office of Energy, Office of the Governor:**

I will walk you through current NRS regulations and our amendment to increase the stringency of lighting in Nevada. *Nevada Revised Statutes* provides basic requirements for selling general purpose lights and requires the Governor's Office of Energy to adopt regulations that establish a minimum standard of energy efficiency for lumens per watt. Rather than repealing the statute, we are amending it to strengthen our lighting standards regardless of what happens at the federal level. In 2020, new federal lighting standards will be in place that require the efficacy of 45 lumens per watt for general service lamps (GSLs); however, there is current rulemaking occurring at the federal level regarding which types of bulbs would be included in the definition of GSLs. This is causing some concern in the industry at the national level, so we feel that identifying what the lighting standards or the definitions of what is considered a general service lamp through regulation would allow us to create standards for lighting that work for our state.

Page 7 shows the lamps included under the current definition of "general service lamps." General service lamps include general service incandescent lamps, (GSILs) compact fluorescent lamps (CFLs), and general service light-emitting diode (LED) lamps. The GSLs make up quite a bit of our installed residential lighting—about 232 billion kilowatt-hours, or 6 percent of total electricity consumption last year in the United States. Federal law also

calls for regulated bulbs to meet an efficiency threshold of 45 lumens per watt, which can currently only be met by LEDs and coiled compact fluorescent bulbs. If we require higher standards for residential lighting, we will continue to increase the efficiency of this sector in Nevada.

With the Chair's permission, I would like to walk the Committee through the proposed amendment to A.B. 54 [([Exhibit D](#) and [Exhibit E](#))]. Under section 2, subsection 1 ([Exhibit D](#)), we are modifying the current language [of NRS 701.260] to show that on or after January 1, 2020, a person shall not sell or offer for sale in Nevada a general service lamp unless it either:

- is subject to federal preemption; or
- meets or exceeds a lamp efficacy of 45 lumens per watt when tested in accordance with the applicable federal test procedures for general service lamps prescribed in 10 Code of Federal Regulations §430.23 (gg), as in effect on January 3, 2017.

We pulled the modified language from a similar bill in Colorado. Our friends at Southwest Energy Efficiency Project (SWEET) sent us the language. We were able to take what they have done and make it work for our state.

Our amendment to NRS 701.260, subsection 2 updates the date and the language for "General Service Lamp," as that is what it is known as in the industry. Subsection 3, paragraph (a) updates the language to "General Service Lamps," the year to 2020, and the lumens per watt to 45. Subsection 3, paragraph (b) switches the wording from "general purpose lighting" to "General Service Lamps." In subsection 4, we are updating the language to "General Service Lamp" as well as identifying that through regulation the meaning for "General Service Lamp" will be defined. Putting that through regulations would give our office the flexibility to update the definitions as technology changes in the future. As you all know, once we put something in statute it takes a couple of years for us to change it.

I will explain the graphic from a *New York Times* article that goes over the history of lighting [page 8, ([Exhibit C](#))]. Initially, you have your traditional incandescent light bulbs that waste a lot of energy. We improved and moved to halogen incandescent bulbs that use up to 30 percent less energy and last about three times as long. Then came the curly compact fluorescent bulbs that use 35 percent less energy than traditional bulbs and can last about ten years. Those bulbs are slower to brighten, so when you turn on your light switch, it takes a little bit of time for them to fully brighten. Light-emitting diode bulbs have become very effective and cost-effective for consumers. They use up to 85 percent less energy than traditional bulbs and last up to 25 years or longer.

**David Bobzien:**

To best compare the existing federal standards to what is currently in statute, the federal standards set a further time horizon for ultimate compliance, but a tougher standard: 45 lumens per watt, as opposed to the 25 lumens per watt that was in the 2007 legislation, and the requirement to meet the standards by 2020, rather than 2016. I believe we will hear

from advocates about the role the standards have played in the evolution of this industry as we saw in the evolution of the product types. Twelve years ago, we did not know how the technology would evolve; it is fair to say it is very easy to now get LED bulbs off the shelf at a respectable price point so you can change out your bulbs at home. The most cost-effective way you can decrease your energy bill is to replace incandescent bulbs with LED bulbs. The economic impact across the state and across the country has been impressive. Adoption of this amendment and passage of this bill would represent Nevada's support for that continued technological innovation and pursuit of economic development and energy efficiency goals.

**Chair Monroe-Moreno:**

How does this bill help meet Governor Sisolak's climate goals?

**David Bobzien:**

When it comes to discussion of greenhouse gas emissions, reductions, and goals, the Legislature is to be commended for the policies that have led to a decarbonizing of electricity generation. Now it is important to have a more holistic view of all the different sectors in which there are carbon emissions. When it comes to energy efficiency—if you are not using the energy, there are additional savings. You are further avoiding climate emissions. Energy efficiency may not be as exciting as solar panels, geothermal plants, or wind turbines, but all of the various technologies that roll up in the space of energy efficiency are very important for pursuing climate goals.

**Chair Monroe-Moreno:**

Are there questions from members of the Committee?

**Assemblyman Ellison:**

The curly compact fluorescent bulbs are dangerous. They contain mercury. If you get a cut after a bulb breaks, it can cause your hand to swell. Why are we still supporting their use when we should be using LEDs or other types of lighting?

**David Bobzien:**

This amendment, similar to the original legislation in 2007, is technology-agnostic. It just seeks a higher efficiency standard. If anything, the compact fluorescent bulbs are transitioning out of the marketplace, being replaced by LED bulbs, as the technology has evolved so far that we are able to get past the shortcomings of the curly lights—the mercury content and the color of the light produced. The proposed amendment is not for a particular type of light; it is just establishing the standard and, hopefully, the technology will continue to evolve to meet that standard.

**Assemblyman Ellison:**

For most living rooms, dining rooms, and kitchens, consumers are moving from recessed R30 lamps to low-voltage ballasts inserted into the bulbs of LEDs. The industry has been pushing these because 90 percent of the bulbs in houses are 75-watt incandescent bulbs. We are moving to low-voltage LEDs. Most of the energy being wasted in houses is coming from incandescent light bulbs.

**Chair Monroe-Moreno:**

For the repeal on building efficiency, do you have thoughts on how we might restructure this energy conservation program for state buildings?

**David Bobzien:**

It is important to get our office's intent on the record. As part of the U.S. Climate Alliance, we had our first call last Friday to talk with other member states about the full suite of strategies we now have to engage to achieve the targets we have set. Energy efficiency in the built environment is at the top of that conversation. We believe the value our small office brings to the table is as a hub and facilitator for energy innovation. We have started conversations with the Buildings and Grounds Section of the State Public Works Division of the Department of Administration about this subject. Acknowledging we have eclipsed the targets set in statute, it is now on the administration. You have our office's pledge to come up with the strategy for how all the agencies will work together, share information, set goals, and be accountable to track our journey in the years to come regarding energy efficiency and further gains. There is a universe of buildings under State Public Works Division's jurisdiction; and there are other agencies, such as the Department of Corrections, that are not part of it. We are in the data-collection phase. At the state level—whether state agencies or the Nevada System of Higher Education—we have our work cut out for us. I would note there are a lot of examples of great energy efficiency work at the local government level in the school districts. Our program is to pull best practices out of the local government level and apply them to the state level. The state has a lot more catch-up to do than other jurisdictions.

**Chair Monroe-Moreno:**

Seeing no other questions, we will hear those who wish to testify in support of A.B. 54.

**Kyle J. Davis, representing Nevada Conservation League:**

We are in support of A.B. 54 as amended. We appreciate the Governor's Office of Energy bringing the bill forward. The amendment takes care of many of the concerns we had with the initial bill. As Mr. Bobzien outlined, Nevada was on the leading edge of looking at light bulb efficiency back in 2007. Nevada, along with other states, spurred advancements in the industry to allow us to get to where we are now with dramatically increased efficiency in light bulbs. We hope we can continue on that path. Even if we see rollbacks at the federal level, Nevada can continue to lead the way. The amendment accomplishes that.

**Tom Polikalas, representing Southwest Energy Efficiency Project:**

I am the Nevada representative of the Southwest Energy Efficiency Project (SWEET) ([Exhibit F](#)). Southwest Energy Efficiency Project is a nonprofit organization working in six southwestern states. I am here to commend the Governor's Office of Energy for A.B. 54 as amended.

Lighting represents about 12 percent of the average residential consumer's energy bill, so this has a high impact on consumers' pocketbooks. Assembly Bill 54 as amended is necessary because the federal government recently announced plans to roll back part of the standard

that would have protected consumers nationwide. This provides the backstop to protect Nevada's consumers. Nationally, the standard would have saved billions of dollars and would have substantially decreased air pollution. According to analysts at the American Council for an Energy-Efficient Economy, the national standard would have abated 23,000 tons of sulfur dioxide and 34 million metric tons of climate-changing carbon dioxide ([Exhibit G](#)). It has a direct impact on the U.S. Climate Alliance and puts Nevada in leadership as setting the standard for cost-effective carbon reduction. This will save consumers money and will also protect the environment, two points we would like to address in a number of energy efficiency bills.

We see a transition to LED lighting, which is making technological improvements ([Exhibit H](#)). Every apartment I have moved into in the Reno area has had incandescent bulbs. We need incentives and standards so that low-income folks and people moving into multifamily housing have the most efficient lighting. It has a direct impact on their pocketbooks.

NV Energy has been working on incentives for high-efficiency lighting. This standard works in a complementary manner, in addition to being supportive of the progress we have achieved through utility energy-efficiency programs. We can increase savings as technology improves. Those incentives will still be very useful tools in meeting Nevada's standard of saving consumers energy and money and in protecting the environment.

**Chair Monroe-Moreno:**

For renters moving from one place to another who want to change light bulbs, what is the safest way for them to dispose of the light bulbs they are replacing?

**Tom Polikalas:**

The best way to dispose of a CFL is to talk to their county hazardous waste office. There are recycling or disposal opportunities. They contain hazardous materials, so those bulbs should be disposed of properly, not just tossed into the trash.

**Assemblyman Ellison:**

Does NV Energy still have their program for businesses that gives a tax credit or pays for part of the lights if a business is relamped?

**Tom Polikalas:**

Yes, they do. NV Energy also offers a home energy assessment program. They will provide LEDs to homeowners who ask for an assessment of home energy use and recommendations. Programs providing for additional utility incentives were encouraged by [Senate Bill 150 of the 79th Session](#) and [Assembly Bill 223 of the 79th Session](#). Those programs are working well. Programs for multifamily and low-income housing are still rolling out. They are important.



**Assemblyman Ellison:**

The program NV Energy had for businesses was great. It was for commercial businesses using high energy. Right now, we are changing out parking lot lighting, replacing 400-watt mercury vapor, high-pressure sodium, or metal halide bulbs with LEDs. That will cut energy costs by 20 to 25 percent per parking lot. I hope NV Energy still has the programs because we are trying to transition to LEDs. The LEDs produce more light and are highly energy efficient.

**Tom Polikalas:**

I agree with you. My understanding is those programs are still in place.

**Kyle Davis:**

Many retailers offer to dispose of compact fluorescent light bulbs free of charge. Home Depot will allow you to return bulbs to their stores when you replace them, ideally with more efficient LED lamps.

**Chair Monroe-Moreno:**

Is there anyone else here to testify in support of A.B. 54? [There was no one.] Is there anyone in opposition? [There was no one.] Is anyone neutral?

**Judy Stokey, Vice President, Government and Community Strategy, NV Energy:**

I am sure our position will change from neutral to support. We just have a few questions we need answered by Director Bobzien. Assemblyman Ellison, the programs you asked about are still in place. They are our best programs.

**Chair Monroe-Moreno:**

Do the bill sponsors have any final statements?

**David Bobzien:**

We have nothing to add.

**Chair Monroe-Moreno:**

With that, we will close the hearing on A.B. 54. We will open the hearing on Assembly Bill 177.

**Assembly Bill 177: Revises provisions governing short-term lessors of vehicles.  
(BDR 43-88)**

**Assemblyman Steve Yeager, Assembly District No. 9:**

Assembly District No. 9 is in southwest Las Vegas. I will give introductory comments on the bill. The gentleman to my left, an extern at the University of Nevada, Las Vegas, William S. Boyd School of Law, will take us through the bill. The gentleman to my right, from Enterprise Holdings, will have comments and will be able to help me answer questions from the Committee.



It is my honor to present Assembly Bill 177 to the Committee this afternoon ([Exhibit I](#)). Under current law, each of the 65,000 rental fleet vehicles in Nevada has to be individually registered and renewed every year, with an individual registration sticker mailed to the fleet owner for each vehicle. Every one of our neighboring states—California, Arizona, Utah, Idaho, and Oregon—has a permanent registration system for fleet vehicles. Vehicles are registered in bulk via an online system; either permanent plates or permanent stickers are issued for those vehicles. If you travel to Arizona, you may see a sticker on a license plate that says "perm" for "permanent." We often have rental cars that come into the state with different plates from other states, so you may have seen that. A permanent registration sticker program for fleets would save the Department of Motor Vehicles (DMV) and fleet owners in our state significant time and resources.

With that, I would like to hand it over to Mr. Whitworth to take you through the provisions of the bill and what it does.

**Scott Whitworth, representing Enterprise Holdings, LLC:**

I am an extern from William S. Boyd School of Law, University of Nevada, Las Vegas with Brownstein Hyatt Farber Schreck, representing Enterprise Holdings. Enterprise and its affiliate companies own approximately 20,000 vehicles in Nevada. Collectively, there are more than 60,000 rental vehicles in our state. Each year, thousands of new vehicles are registered, a process that involves a single submittal with each vehicle's Manufacturer's Certificate of Origin and a hand-typed title being created for that vehicle. Each year, each of the 60,000 rental vehicles in Nevada receives an individual registration renewal and sticker by mail. As you can imagine, for a user operating 20,000 vehicles in over 50 Nevada locations, tracking down each vehicle to apply the sticker prior to the vehicle's registration requires significant resources.

As Assemblyman Yeager stated, every neighboring state has a fleet registration program. These programs generally allow owners of large fleets to submit bulk applications for the initial registration of vehicles to the DMV and to receive a permanent vehicle registration sticker. The California legislature's records show their permanent fleet registration program resulted in cost savings to both fleet owners and the DMV, and it had no effect on the registration revenue being collected by the DMV. This bill allows the DMV to determine whether to use permanent stickers or printed plates, giving them the ability to find a solution that is specific and appropriate for Nevada.

At this time, I would like to go through each section of the bill, the conceptual amendment, and the effects it would have on the bill ([Exhibit J](#)). Subsection 1 of section 1 requires the DMV to establish a registration system that would allow fleet owners to register their vehicles electronically. The conceptual amendment strikes the language of subsection 2. Subsection 3 gives the DMV authority to issue a permanent decal for fleet vehicles, whether a sticker or a permanent license plate. Subsection 4 states that the decal issued under subsection 3 does not have to be replaced as long as the fleet owner annually renews it. Subsection 5 requires the DMV to notify a fleet owner at least 30 days before renewal payment is due. Subsection 6 requires fleet owners to pay annual renewal fees and to notify

the DMV when they remove one of their vehicles from their fleet. Subsection 7 excludes vehicles over 26,000 pounds from the fleet registration program, to exclude trailers and such. Subsection 8 requires the DMV to adopt regulations in order to effectuate the changes mentioned and to determine the minimum number of vehicles that a fleet owner must have in order to qualify for this program.

You might have noticed there was a fiscal note attached to the original language of this bill. We have been meeting with the DMV which has resulted in this conceptual amendment that they said would eliminate the fiscal note ([Exhibit J](#)). I will go over the changes we made. In section 1, subsection 1, we would strike the words "to electronically submit to the Department." This essentially eliminates the mandate to the DMV to create a bulk registration program, so fleet owners would still need to walk in each of their initial registrations. The DMV would still be allowed to issue permanent decals of some sort. We would strike subsection 2 of section 1 in its entirety. This was another concern the DMV brought up. Removing this subsection would allow the DMV to require short-term lessors to present a Manufacturer's Certificate of Origin (MCO) or a Manufacturer's Statement of Origin (MSO) at the time of registration. The remaining language in the bill still gives the DMV discretionary authority to allow registration without an MCO or MSO.

We would strike the words "subsection 2, if applicable, and" from section 1, subsection 1(a). This removes any words necessary because we would be striking subsection 2. Strike the words "July 1, 2020" from section 10, subsection 1 and section 11, subsection 2. We would replace them with "January 1, 2022." This would give the DMV an additional six months to implement this fleet registration program. The final change would be to strike the words "January 1, 2021" from section 10, subsection 2, and replace them with "July 1, 2022." This pushes the date back six months. This is the provision that allows the DMV to make adjustments to the minimum number of vehicles required to qualify for the fleet registration program. I will now turn the time over to Brian Rothery, who is an expert on this program. He has firsthand experience in adopting and implementing similar programs in California and Colorado. He will speak on the benefits they have seen in those states.

**Chair Monroe-Moreno:**

I have a clarifying question regarding the effective dates in sections 10 and 11. In the original bill, the date was July 1, 2020, in section 10. Would the amendment change the effective date to January 1, 2021, or 2022? The testimony brought some confusion.

**Scott Whitworth:**

The effective date is in 2021. That was my mistake.

**Brian D. Rothery, Vice President, Government and Public Affairs, Enterprise Holdings, LLC:**

The amendment discussed would give us, at the time of registration, the ability to secure a non-expiring registration sticker that would be affixed to the vehicle. We think this drives benefits to three parties: our customers, the owners of the vehicles, and the DMV. For our customers, there would never be a chance that, through some sort of administrative error,

a car would ever leave our lot with an expired tag. It is important that customers not have an unintentional contact with law enforcement because of something that may happen due to the volume of vehicles that are out here on the roads.

Collectively, as an industry, 65,000 vehicles annually are registered. We would be able to save time and gain efficiency through this process. Many people are not aware that the rental car industry uses a network of locations whereby a car may start in the Las Vegas metropolitan area and may end up down the street, across town, or it may be on a one-way trip to Carson City. Particularly in the western region, traveling tourists often book rentals that originate in Las Vegas and drive to Los Angeles, then to San Francisco—or the reverse may happen. When a car's registration needs to be renewed and the car is in another location, the administrative procedure or hassle of trying to get the right sticker to that location can be cumbersome; it involves many FedEx labels and much coordination. Sometimes, by the time you get the renewal sticker to that location, the car has gone to another location. Efficiency for the car rental companies would be gained by having a permanent sticker.

We believe moving to a permanent sticker also has benefits to the state. If the collective car rental industry needs to have contact with DMV 65,000 times annually, the DMV can distance itself from having to interact for 65,000 renewal stickers. That is not to say we want to avoid any responsibility for having registration. We believe there still are mechanisms to require registration be lawful, and, if for some reason there is an invalid registration, there are still procedures that hold companies accountable if they are not doing things the right way.

For purposes of the car itself, allowing the sticker to be permanent is consistent with a trend we have seen in the western United States. California passed a law two years ago that took effect a year ago. Their process is up and running. In California, Enterprise operates a fleet of roughly 150,000 cars. We have seen the program work very well for us. It has been efficient. We have not seen any problems with California's DMV. Assemblyman Yeager mentioned there are a number of neighboring states that also have programs whereby either permanent plates or permanent stickers are available to rental companies of certain sizes. I would be happy to entertain any questions you may have.

**Chair Monroe-Moreno:**

There are a few questions from members of the Committee.

**Assemblywoman Nguyen:**

I rented a car in Carson City that had a Colorado license plate. As a state, are we losing out to states allowing mass registrations because it is easier for companies to get permanent registrations?

**Brian Rothery:**

I can only speak for Enterprise Rent-A-Car's practices on that. We employ a proportional registration in every state in which we operate. We do not venue select. We believe there is a responsibility to register the number of cars we have in a particular state that corresponds

with the number of cars we rent in that state. I do not believe that is an industry standard. Adopting this policy would make sure there is no incentive for companies to do that, but we do not engage in that today.

**Assemblywoman Nguyen:**

Is this something DMV is already capable of implementing?

**Scott Whitworth:**

We have met with the DMV. I cannot speak for them; they have a representative here who could answer. As far as we could tell in our discussions with them, they are.

**Assemblywoman Bilbray-Axelrod:**

You mentioned you register about 65,000 cars annually. What is the average length of time you keep a fleet vehicle?

**Brian Rothery:**

The 65,000 number is the aggregate number for the entire industry. Enterprise registers more than 20,000 vehicles in Nevada. Regarding how long we keep vehicles, it varies by model. On average, we keep vehicles more than 16 months and less than 24 months. By and large, the more expensive the vehicle, the more incentive there is for a company to keep it in the fleet for a shorter duration; for the less expensive vehicles, there is less of that incentive. We keep cheaper cars longer; expensive cars we keep shorter, but it averages out to be about 16 months.

**Assemblyman Roberts:**

I think this is a great bill. I managed the fleet of 2,100 vehicles for Las Vegas Metropolitan Police Department (Metro). They are all in Clark County and it was a pain to keep up on the stickers. I cannot imagine what it would have been like if the vehicles were all over the western United States. Once the bugs for this type of fleet are worked out, would this be expanded to other fleets in the state?

**Assemblyman Yeager:**

I think so. We wanted to start somewhere, so starting with short-term lessors was a good option since the states around us have done that. They provide models for us to observe. I have local governments reach out to me as well—Metro, Clark County, and agencies that have large fleets. One potential obstacle is the smog check requirement. For new vehicles, there is a two-year exemption. It could be tricky if agencies hold onto vehicles longer than two years. We would want to make sure the smog checks were still being done. This industry does not hold onto cars longer than two years, so we do not have that potential hiccup. I would be open to the process of expanding this program to additional fleets if the DMV can do it, and we can make sure the vehicles are smog checked as required.

**Assemblyman Roberts:**

We had our own electronic smog machine for our fleet. We kept vehicles three to four years. Most larger fleets do their own smog checks.

**Assemblyman Wheeler:**

I like this bill. It makes sense to me to have cost savings on both ends. One thing I want to know is how many wrong stickers do you put on cars every year?

**Brian Rothery:**

Human error happens. We work very hard to get it right every time. We have processes and training procedures in place. I do not have a number. The first point I made was how this would benefit the customer. We do not ever want to put a customer through an unintended contact with law enforcement through something we did despite our best efforts. That is a big value of this bill.

**Chair Monroe-Moreno:**

You could have said fewer than 100.

**Assemblyman Ellison:**

I like the bill, but there are kinks in it. The fiscal note is \$335,000. Is that something the fleet agencies will pay the state to implement or is it something the state will pay for?

**Matthew J. Walker, representing Enterprise Holdings, LLC:**

The fiscal note was largely a result of reprogramming costs. The bill, as initially proposed, would have required a business-to-business portal be available to fleet lessors so they could do a bulk registration initially and manage registration and reregistration of the vehicles that qualify. The amendment removes those requirements and should address the fiscal impact.

**Assemblyman Ellison:**

A lot of these vehicles are moved out early and sold. Would it create a financial problem for lessors when they trade in and replace cars? I would also like to know how many agencies will jump on board to do the same thing.

**Brian Rothery:**

Other rental car companies will take advantage of this. We think they should; it makes sense. If this is approved, DMV will have discretion to determine the appropriate size of company that should be able to participate in this. We think size is an important factor because it dictates that DMV will gain something of value by only having to interact with one entity. If the fleet is too small, DMV will not realize the benefit.

Regarding the effect of pulling a car outside of a neat, 12-month window, that exists today. We pull cars at various different lengths of time to sell them, based on a variety of factors: how strong the car rental market is, how strong the used car market is, or where cars may be needed in other parts of the country. When we elect to sell a car, if there is a residual balance on the plate, we turn in the plate and there is a consequence for that. On the flipside, a credit balance is applied to future plates so it does net out as being a neutral factor. It is a complicated process. The back end of the car rental business is not pretty; it is very detailed; it takes a lot of effort. This is just one facet of it. It makes it a little bit easier, but it does not eliminate the complexity altogether.

**Assemblyman Ellison:**

My company has a small fleet. We get stickers goofed up often. It must be a major nightmare for you. Could you be billed when you take the car out of service? You might use a vehicle two years or more. That would make it easier for the fleet companies. It must be a nightmare for DMV also. You could consider moving these out with the vehicles that turn over. In the longer run, it might help. You could hang onto cars longer that do not have many miles on them and are still in great shape, but that is up to you.

**Chair Monroe-Moreno:**

Are there any other questions? [There were none.] Is there anyone here to testify in support of Assembly Bill 177? [There was no one.] Is there anyone here to testify in opposition of A.B. 177? [There was no one.] Is there anyone here to testify as neutral?

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

I am here with Jude Hurin, Administrator, Division of Management Services and Programs, Department of Motor Vehicles. We are here to testify as neutral and to answer any questions the Committee might have. I will go on record to say the proposed language changes in the conceptual amendment would remove the fiscal note.

**Chair Monroe-Moreno:**

Are there any questions for DMV?

**Assemblyman Watts:**

Where did you get the bulk registration model for fleets?

**Sean McDonald:**

We have discussed this over the last several sessions. We have tried to figure out a good means of making this work. Having been on the rental car side, I understand what they are trying to address. Being on the DMV side, I also understand it from this perspective. The discussions have evolved over time. We have not totally vetted out how we are going to make this work, but we understand what they are trying to address, and we believe there are mechanisms in place that we can adopt. We can do a hybrid mix of things we have and solutions that are currently in place, putting them together for a broader solution addressing this need.

**Assemblyman Watts:**

Thank you. I wanted the clarification because you are in the midst of a major information technology (IT) overhaul. When the technology fee in the program was originally implemented, the goal was to have a new system that would be easy to configure, maintain, and upgrade over time. It seems as if this would be an upgrade that would benefit a large customer of the DMV. I want to make sure we are forward thinking in designing and having a system that can adapt and incorporate those things moving forward.

**Chair Monroe-Moreno:**

Are there any other questions? [There were none.] Is there anyone else in neutral? [There was no one.] I invite the presenters to come back to the table.

**Matt Walker:**

I want to go on record thanking Mr. McDonald, Mr. Hurin, Ms. Albertson, and the team that has met with us eight or nine times to work out the kinks. We recognize this proposal has a lot of moving pieces in speaking about how it interacts with DMV's existing IT infrastructure. They have always found a way to say yes. They have helped us identify the best proposal to get the process started without all of the bells and whistles we would like to have in the future.

**Chair Monroe-Moreno:**

As Assemblyman Watts noted, there are a number of bills asking for IT changes of DMV. I appreciate your working things out. As we move forward, I hope we come up with a system that can meet our ever-changing needs without a huge fiscal note attached.

**Assemblyman Yeager:**

We often talk about making sure Nevada stays competitive with neighboring states. We do not want to be uncompetitive in a way that incentivizes businesses to register elsewhere, which we heard Enterprise does not do. This is a commonsense measure to make sure we are on a level playing field with our neighboring states. I would urge your support. Any of us will be available to answer any further questions after today's meeting.

**Chair Monroe-Moreno:**

We will close the hearing on Assembly Bill 177. We will open the hearing on Assembly Bill 231.

**Assembly Bill 231: Revises provisions governing automobile emissions. (BDR 40-836)**

**Assemblyman Richard Carrillo, Assembly District No. 18:**

District 18 is in southern Nevada, covering the southeast area of Las Vegas and unincorporated Clark County and portions of Henderson. In the interim, I was approached by two groups who wanted to make changes to the language in *Nevada Revised Statutes* (NRS) about automobile emissions. After Assembly Bill 231 was drafted and introduced, I had discussions with multiple stakeholders. It became very clear to me that the bill as written would have had negative impacts on air quality in Clark and Washoe Counties; I could not support those provisions. In addition, there were concerns with the handheld equipment and the costs the state would incur. After hearing all of the concerns, it became apparent that more conversations were needed in the next two years before we could move forward with the provisions in sections 2 through 10 and sections 13 through 15 of the bill. I have presented a friendly amendment ([Exhibit K](#)). The bill you have before you will only retain sections 11 and 12 of the original bill. It will change the effective date in section 16 to October 1, 2019. With the Chair's permission, I will have Andy McKay go over section 11.



**Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association:**

Section 11 is a fairly simple change. It changes the time frame for which an emissions test, upon transfer of a vehicle from a dealer to a consumer, is valid. The test is currently valid for a period of 90 days; the bill would change that to 180 days.

As the Committee is aware, current law requires a vehicle be emissions-tested annually. When a vehicle is transferred from a dealer to a consumer, if the emissions test took place outside of the 90-day time frame, the car must be tested again. The vehicles I am specifically speaking of are those vehicles held in inventory by vehicle dealers that do the tests themselves. The 90-day time frame, in practicality, is more of a 60-day time frame, and the reason is simple: when you buy a new vehicle, it is provided a 30-day moving permit which means you have 30 days to register it. Dealers will smog those vehicles every 60 days, because they want to make sure consumers have that full 30 days to register them. Alternatively, a dealer will tell a customer that he or she can come back to the dealership the next morning and pick up the vehicle after it gets an emissions test.

A dealer never knows when a customer will walk in the door, see a vehicle on the lot, and say, I want to buy that vehicle. If it is 5:30 p.m. on a Wednesday, the service center will generally be closed and therefore the vehicle cannot be emissions tested. This bill extends us from 90 to 180 days and, with respect to used vehicles held in inventory on a dealer's lot, once it hits that 180 days, the vehicle is wholesaled and moved off the lot.

That was a long explanation to what is now a one-sentence change to statute. But we appreciate Assemblyman Carrillo working with us and being amenable to our change.

**Chair Monroe-Moreno:**

Assemblywoman Bilbray-Axelrod has a question.

**Assemblywoman Bilbray-Axelrod:**

Does the bill only change this from 90 to 180 days?

**Andy McKay:**

Yes, and this only applies to transfers of ownership from a dealer to a private buyer.

**Assemblyman Ellison:**

Emissions testing does not have to be done on new cars, correct? After that, the car has to be smog checked every year. Is that how it works?

**Andy McKay:**

A new vehicle does not need emissions testing for two years after it is sold. A used vehicle falls into the annual emissions testing schedule. If I sell you a brand new vehicle that I have owned for one year, upon the change of ownership, it would be deemed a used vehicle so the standard testing frequency kicks into gear.

**Chair Monroe-Moreno:**

Could someone from the Department of Motor Vehicles (DMV) answer the question?

**Joseph (JD) Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles:**

Mr. McKay is correct.

**Assemblyman Ellison:**

How much actual difference of pollution, how many times do they have to do repairs between the one-year and the two-year? If someone is trading a bunch of cars in constantly and the test does not show the need for any repairs, why do they not extend it another year, from the one-year to the two-year?

How often do problems show up in emissions testing? If the smog test for a traded-in car does not require repairs be done in order to pass, why can they not be tested every two years?

**Andy McKay:**

Statute states an emissions test is valid for 365 days. As long as a vehicle gets a clean pass, it is valid for 365 days. If the Legislature wanted to extend or truncate that, it is entirely the purview of the Legislature. That is a policy decision.

**Assemblyman Ellison:**

I do not know what the smog test involves. Could it be extended from one year to two years if the tests are not showing the need for repairs?

**Chair Monroe-Moreno:**

I can guarantee there will not be a bill this session for this Committee on that subject.

**Andy McKay:**

Statistically, zero new vehicles do not pass smog testing.

**Assemblyman Yeager:**

In the existing section 11, there is a 90-day window for transfer. I know we are trying to say that in certain circumstances that should be 180 days. Do you know what the policy discussion was, leading the Legislature to decide on the 90-day window?

**Andy McKay:**

I do not know the answer. I can dig, but someone from DMV may be able to answer.

**JD Decker:**

We do not know. The decision was made a long time ago. We know it is standard in other states. My guess is that it seemed to be the right amount of time for a person to be able to sell a car or a consumer to register a car.

**Chair Monroe-Moreno:**

There was a fiscal note with the bill, but the amendment removed it. Are there any other questions from members? [There were none.] Is there anyone in support of Assembly Bill 231?

**Charlene Albee, Division Director, Air Quality Management, Washoe County Health District:**

We are in support of the bill as amended. I want to express my sincerest appreciation to the sponsor for considering the air quality concerns we had with the bill as originally presented. It was going to exempt pre-1996 cars from smog check. We did some analysis to compare the difference. Having that exemption would result in excess of 200 tons of additional volatile organic compounds emissions. In Washoe County alone there are 22,000-plus vehicles that would have been exempt. We are currently in a challenge to meet the new federal ozone standards. We are doing everything in our power to attain them. With the extra 200 tons of emissions, we would not have any options to offset that. Our industry is already controlled as much as we can control it, so we would have to look at some hard decisions. The amendment has been a relief for us.

**John Fudenberg, Coroner, Government Affairs, Office of the Coroner/Medical Examiner, Clark County:**

I am representing Clark County. I will just say, "Me, too." We are right in line with Washoe County's position on the bill.

**Chair Monroe-Moreno:**

Is there anyone else in support?

**Robert J. Tekniepe, Principal Management Analyst, Department of Air Quality, Clark County:**

We are in support of the proposed amendment that retains the current configuration of the inspection and maintenance program. We are in need of the emissions reductions that come from that program. We appreciate the sponsor's concerns about the impact the original bill would have on air quality.

**Chair Monroe-Moreno:**

I see no one else here to testify in support of A.B. 231. Is there anyone here in opposition? [There was no one.] Is there anyone neutral?

**Danilo Dragoni, Chief, Bureau of Air Quality Planning, Division of Environmental Protection, State Department of Conservation and Natural Resources:**

With the proposed amendment from Assemblyman Carrillo, Nevada's Division of Environment Protection (NDEP) is neutral on A.B. 231. The original version of the bill removed the requirements for smog check inspection for vehicles 1995 and older. The proposed amendment does not. For this reason, NDEP is in support of the amendment proposed by Assemblyman Carrillo. Although not directly addressed by A.B. 231, the continuing need to monitor and reduce vehicle emissions in general is elevated by the fact

that in 2015, the transportation sector became the largest source of greenhouse gas emissions in Nevada. Also, based on the amendment, NDEP will remove its fiscal note from the bill.

**Chair Monroe-Moreno:**

Members, are there any questions? [There were none.] I invite the sponsor of the bill back to the table for closing comments.

**Assemblyman Carrillo:**

I have no closing comments.

**Chair Monroe-Moreno:**

We will close the hearing on Assembly Bill 231. Is there anyone here for public comment? [There was no one.] This meeting is adjourned [at 2:55 p.m.]. We will see you on Thursday.

RESPECTFULLY SUBMITTED:

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Joan Waldock  
Committee Secretary

APPROVED BY:

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Assemblywoman Daniele Monroe-Moreno, Chair

DATE: \_\_\_\_\_

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a copy of a PowerPoint presentation, titled "Governor's Office of Energy Assembly Bill 54," dated March 19, 2019, presented by David Bobzien, Director, Office of Energy, Office of the Governor.

[Exhibit D](#) is a proposed amendment to Assembly Bill 54 presented by Robin Yochum, Energy Programs Manager, Office of Energy, Office of the Governor.

[Exhibit E](#) is an explanation of a proposed amendment to Assembly Bill 54 presented by Robin Yochum, Energy Programs Manager, Office of Energy, Office of the Governor.

[Exhibit F](#) is written testimony, dated March 19, 2019, presented by Tom Polikalas, representing Southwest Energy Efficiency Project.

[Exhibit G](#) is a copy of an article published on ACEEE.org, titled "Rollback of Light Bulb Standards Would Cost Consumers Billions - \$100 per Household Each Year," by Andrew deLaski and Steve Nadel, submitted by Tom Polikalas, representing Southwest Energy Efficiency Project.

[Exhibit H](#) is a copy of a topic brief published on ACEEE.org, titled "US Light Bulb Standards Save Billions for Consumers but Manufacturers Seek a Rollback," dated July 2018, submitted by Tom Polikalas, representing Southwest Energy Efficiency Project.

[Exhibit I](#) is a copy of a PowerPoint presentation titled "Assembly Bill 177," dated March 19, 2019, presented by Assemblyman Steve Yeager, Assembly District No. 9.

[Exhibit J](#) is a proposed amendment to Assembly Bill 177, submitted by Matthew J. Walker, representing Enterprise Holdings, LLC, presented by Scott Whitworth, representing Enterprise Holdings, LLC.

[Exhibit K](#) is a proposed amendment to Assembly Bill 231, presented by Assemblyman Richard Carrillo, Assembly District No. 18.