

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

**Eighty-First Session
March 2, 2021**

The Committee on Growth and Infrastructure was called to order by Chair Daniele Monroe-Moreno at 1:30 p.m. on Tuesday, March 2, 2021, Online. 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/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Daniele Monroe-Moreno, Chair
Assemblyman Howard Watts, Vice Chair
Assemblywoman Tracy Brown-May
Assemblyman John Ellison
Assemblyman Glen Leavitt
Assemblyman C.H. Miller
Assemblywoman Sarah Peters
Assemblyman Tom Roberts
Assemblywoman Shondra Summers-Armstrong
Assemblyman Jim Wheeler
Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblywoman Shannon Bilbray-Axelrod, Assembly District No. 34
Assemblywoman Sandra Jauregui, Assembly District No. 41
Assemblywoman Rochelle T. Nguyen, Assembly District No. 10

STAFF MEMBERS PRESENT:

Katie Siemon, Committee Policy Analyst
Devon Kajatt, Committee Manager
Lori McCleary, Committee Secretary
Trinity Thom, Committee Assistant



OTHERS PRESENT:

Nathan Tea, Advocate, Zero Fatalities Young Driver Safety Task Force
Paul Chestovich, M.D., Assistant Professor, Department of Surgery, University of Nevada, Las Vegas, School of Medicine
Jeanne Marsala, Executive Director, Safe Kids Clark County
Kathleen Metz, Director, Safe Kids Washoe County
Laura Oslund, Executive Director, Partners Allied for Community Excellence Coalition
Robert Mayer, Captain, Clark County School District Police Department
Charles "Chip" Seigel III, Chief Legal Officer, Vegas Golden Knights
Kim Frank, President, Community Relations and Player Programming, Vegas Golden Knights
Katherine Stainken, Policy Director, Plug In America, Los Angeles, California
Daniel Witt, Head of Public Policy, Lucid Motors, Inc., Newark, California
Sarah Steinberg, Policy Principal, Advanced Energy Economy
Leslie Hayward, Manager, Policy Communications, Rivian Automotive, LLC, Plymouth, Michigan
Andrew Linhardt, representing Electrification Coalition
Matt Rubin, Energy Policy Analyst, Western Resource Advocates
Christi Cabrera, Policy and Advocacy Director, Nevada Conservation League
Angie Dykema, representing Southwest Energy Efficiency Project
Dylan Sullivan, Senior Scientist, Natural Resources Defense Council
John Stanko, President, Champion Chevrolet, Reno, Nevada
Bryan Wachter, Senior Vice President, Retail Association of Nevada
Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber
Andrew MacKay, Executive Director, Nevada Franchised Auto Dealers Association
Alfredo Alonso, representing Alliance for Automotive Innovation
Bob Price, Parts Director, Dolan Auto Group
Justin Findlay, Owner, Findlay Automotive Group
John Sande, III, Private Citizen, Reno, Nevada
Sandy Raffealli, Owner, Bill Pearce Motors
John Sande, IV, representing Nevada Franchised Auto Dealers Association
Robert Ernaut, representing General Motors
Curt Augustine, Senior Director, Alliance for Automotive Innovation

Chair Monroe-Moreno:

[Roll was called. Committee rules and protocol were explained.] Today we will hear four bills and introduce two bill draft requests (BDRs). I would like to remind Committee members that voting in favor of introducing a BDR today does not imply your commitment to support the measure later. This action only allows a BDR to become a bill and later be referred to this Committee for a possible hearing. The first BDR we have is BDR C-459, sponsored by the Legislative Committee on Energy. I will entertain a motion for Committee introduction.

BDR C-459 — Proposes to amend the *Nevada Constitution* to revise provisions limiting the use of vehicle fees and fuel taxes. (Later introduced as [Assembly Joint Resolution 6](#).)

ASSEMBLYMAN WATTS MADE A MOTION TO INTRODUCE BILL
DRAFT REQUEST C-459.

ASSEMBLYMAN YEAGER SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

The second BDR to introduce today is BDR 43-476. This measure was requested by the Commission on Special License Plates based on its work during the interim. I will entertain a motion for Committee introduction.

BDR 43-476 — Abolishes the Commission on Special License Plates. (Later introduced as [Assembly Bill 188](#).)

ASSEMBLYMAN WATTS MADE A MOTION TO INTRODUCE BILL
DRAFT REQUEST 43-476.

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

We will now move on to our bill hearings. I would like to thank those who have submitted testimony in advance of today's hearings. Members, please note we have a number of statements uploaded as exhibits on the Nevada Electronic Legislative Information System for today's hearings. I have received a request for [Assembly Bill 114](#) to be last today. I will open the hearing for [Assembly Bill 79](#) with presenters Assemblyman Wheeler and Nathan Tea, who is a former Youth Legislator from Senate District No. 16.

[Assembly Bill 79](#): Revises requirements for certain applicants for a driver's license. (BDR 43-205)

Assemblyman Jim Wheeler, Assembly District No. 39:

I was requested to run a bill last session [[Assembly Bill 338 of the 80th Session](#)] by Youth Legislator Nathan Tea. For those of you who were not here last session, Mr. Tea actually received 33 cosponsors for the bill, out of 63 legislators in this building. It was presented by me and Senator Ohrenschall and, as he put it, the most conservative guy in the Legislature

and the most liberal guy in the Legislature agreed on this bill. We wanted to make sure the bill came back because it had changed a little bit. It was passed out of the Assembly with a vote of 40 to 1 with one absence. As Assemblyman Yeager can tell you, the assemblyman who was absent would have voted for it had he been there. The bill passed in the Senate as well, but it was changed a little bit. We have now seen some results and we would like to bring it back in its original form.

Since this is a By Request bill and since Mr. Tea did such a good job in presenting last time, I would like to have him present it again.

Nathan Tea, Advocate, Zero Fatalities Young Driver Safety Task Force:

I am here to present Assembly Bill 79 and appeal to you that the 50-hour minimum must be re-added as required as well as having an optional increase to 70 hours if someone chooses not to take the defensive driving program. The increase to 70 hours will create an incentive for both students and parents to take a simple three-hour to a half-day defensive driving program. At a bare minimum, this will create better drivers and help them pass their Department of Motor Vehicle (DMV) driving test. As the saying goes, practice makes perfect. The additional hours will help students pass their practical hands-on drive test easier.

This bill is to honor the youth who have passed away on Nevada roadways from not having the right tools necessary to help save themselves and be safe. This bill will save DMV the additional manpower hours, as it will help students pass their final drive test with higher scores and more efficiently, as they will not be going back to the DMV for a second or third time, as most students do now. This was a suggestion from many DMV employees, leadership, the Zero Teen Fatalities taskforce members, and various young drivers' programs.

I am currently on the Zero Fatalities Young Driver Safety Task Force, which represents organizations such as the DMV; Office of Traffic Safety, Department of Public Safety; Department of Transportation; National Highway Traffic Safety Administration, U.S. Department of Transportation; Job Corps; City of Reno, Truckee Meadows Community College; AAA; Mothers Against Drunk Driving; Renown Health; Washoe County School District; Clark County School District; Driver's Edge; University of Nevada, Las Vegas; University of Nevada, Reno; local hospitals in Las Vegas and Reno; DreamSAFE Project, Inc.; Kimley-Horn; and various law enforcement agencies.

I feel honored to be here today to present this portion of the bill, as this year, 2021, is the ten-year anniversary of Zero Teen Fatalities. The campaign they are running this year is called "Save Yourself." I think this is very fitting for this bill, as we are encouraging and enabling young drivers to save themselves from preventable car crashes.

As Assemblyman Wheeler said, during the last session we were able to get 33 sponsors from both sides of the aisle and building. Senator Ohrenschall and Assemblyman Wheeler were my primary sponsors, and the increase from 50 to 70 hours was actually a passion of Senator Ohrenschall's last session. This was also a priority of Zero Teen Fatalities and the Office of Traffic Safety as well as the drive programs and law enforcement across the state, which I believe has a lobbyist here today to testify.

Nationwide experts have found that the 50-hour minimum is not enough to be an effective amount of time. Most parents do not keep a true record of their students' driving time before taking them to complete their practical drive test, which is why the practical, hands-on, lifesaving techniques are so important. The parents are also there and usually wind up sitting through these trainings. That is why it is so important. It will not only teach the students, but the parents will also learn things from the program as well, which could help them on the roadways.

We were already concerned that 50 hours was not enough. In 2017, the death toll was 311 according to the Fatality Analysis Reporting System (FARS) report provided by the Office of Traffic Safety. There were 329 fatalities in 2018, and in 2019 that number was 304. Last year, during the COVID-19 pandemic, it increased to 314. The ages of those fatalities range anywhere from 16 to 70, whereas the majority were ages 16 to 35.

We must add the required 50 hours of driving with a parent back into the bill because by no means should it be in lieu of 50 hours with a parent. There is no way to recreate scenarios that teens would typically experience behind the wheel in 50 hours. It is really a matter of teaching students to stay calm under pressure and getting a vehicle under control when it seems to be out of control.

Basically, my end goal is to teach students to be safer on the roadways and have the tools they need to get out of any scenario they may encounter on the roadways. Making it an option between the three-hour to half-day defensive driving program and the 50 hours is going to do more harm than good. That is why I am bringing A.B. 79 to you today, in order to have the defensive driving and the set 50 hours mandatory, or students can do the optional 70 hours if they cannot or choose not to take the defensive drive course.

Reading from the Legislative Counsel's Digest:

Existing law authorizes the Department of Motor Vehicles to issue a driver's license to a person who is 16 or 17 years of age if the person has met certain requirements, including completing at least 50 hours of supervised experience in driving a motor vehicle or completing a hands-on course in defensive driving. (NRS 483.2521) This bill revises this requirement to instead provide that the person must complete: (1) a hands-on course in defensive driving and at least 50 hours of supervised experience in driving a motor vehicle; or (2) at least 70 hours of supervised experience in driving a motor vehicle.

Thank you so much for your time. I am now open to questions.

Chair Monroe-Moreno:

Are there any questions from the members?

Assemblywoman Brown-May:

I commend your efforts to keep teen drivers safe. I am the mother of three and I have personally spent countless hours of training. Have you done any research with regard to what a defensive driving course would cost for families who are interested?

Nathan Tea:

There is currently no cost to the state. We discussed this last session and the DMV needed to create a position, which has already been created and funded from the 2019 Session. Currently, there are two major defensive driving programs: Driver's Edge and Tire Rack Street Survival. Both of these programs are nonprofit organizations.

Assemblyman Wheeler:

As far as I know, neither of these programs actually charges but will let students pay what they can. Both programs are handled on a nonprofit basis from donations. Had the original bill passed last session in its original form, both of those programs were going to expand their operations to make sure there was a course within driving distance of anyone in the state. I am assuming that would happen again.

Assemblywoman Peters:

I am wondering about the history of high school education courses. That was a free program offered through schools. I may have paid a little for the course, but it was not much. It was an after-school class and taught by the school police. The course offered insight into the potential hazards on the roads. Where did that program go? Did you consider putting some kind of course back into our schools as an offered course rather than having students find a third party to provide the defensive driving course? I have worries about the costs of a defensive driving course. Do the students have to provide their own vehicles? What do the insurance issues look like in that case? What is the reasonableness of these defensive driving programs being accessible across the state to all of our students?

I also want to know how the 70 hours and the 50 hours were determined. I was trying to remember how many hours I was required. My parents made me log every hour I drove in a little book I kept in the car. I want to say it was 100 hours or 150 hours. It was a huge number of hours and took me forever to get through.

Nathan Tea:

Nevada has had the 50-hour requirement for as many years as I can remember. Last session, I was going to add defensive driving to the 50-hour requirement. However, it became a tradeoff between the two. I am adding the 70 hours as an incentive. It was part of Senator Ohrenschall's bill last session, and I wanted to add it this session to honor him.

I have talked to several schools within Washoe County and Clark County. They have all said they are not interested in doing any sort of in-classroom instruction for defensive driving in general. Most of the basic drivers' education is online and is widely accessible to anyone regardless of whether there is a school near them or not. With the defensive driving, most of these programs are already able to expand to every county in the state. For students living in the areas they cannot get to, those students will have to comply with the 70-hour requirement. Regardless, the students are getting the additional training hours that will definitely help save their lives on the roadways.

There is not a cost, at the moment, for families going to either of the defensive programs. I know both programs run mostly off of grants for their insurance costs and other costs that come with running their businesses.

Assemblywoman Peters:

Do those programs provide the cars, or are students expected to provide their own vehicle?

Nathan Tea:

Driver's Edge either rents vehicles or uses donated vehicles. For Tire Rack Street Survival, the students are bringing the vehicles they will be taking their drive test in, which must be insured.

Assemblywoman Peters:

This may be a question for our legal division. How long has Nevada had the 50-hour requirement? I swear when I was taking driver's education it was so many hours.

Assemblyman Ellison:

I know not every place in the rurals offered this program. You mentioned that you talked to the DMV, and they would expand these programs throughout the state. Is that correct?

Nathan Tea:

No. It was not the DMV that was going to expand, it is the two defensive driving programs. They have already done the numbers and they are willing to expand the program to the entire state, or as much as they can get to.

Assemblyman Ellison:

I had a gentleman call me the other day from Wendover, Nevada. His wife just started learning to drive. They were having problems getting her into a defensive driving course. I recommended she find some kind of driving school that would help. I have grandchildren who are just starting to drive or recently started driving. I think it is important for these kids to learn to drive in the snow and the mountain areas. Many people do not know how to drive in the snow. They turn their wheel away from the slide versus into the slide. That kind of stuff is important to teach. I am hoping these programs do go around the state. I am also hoping they allow classes for people who are not in school.

Assemblyman Wheeler:

As far as I know, the classes are open to anyone. I was invited to take one of the classes.

Chair Monroe-Moreno:

Do you know at how many locations these programs are being offered around the state? Are these two nonprofit businesses Nevada-based? What is the current wait list for individuals to get the training?

Nathan Tea:

Both programs are Nevada-based. Tire Rack Street Survival and Driver's Edge both go across the country, but they are based in Nevada. Driver's Edge is currently located in Las Vegas, but they do go back and forth between Washoe County and Las Vegas every year. Both businesses have told us they are able to go year-round throughout the state to every county they can possibly reach.

Chair Monroe-Moreno:

Do you know how long their waiting list is?

Nathan Tea:

Due to COVID-19, I am not entirely certain, but they should be able to handle the number of students who will be taking the course if this bill is passed.

Chair Monroe-Moreno:

Are there any further questions from the Committee? [There were none.]

Nathan Tea:

I am so sorry. I forgot that I have a PowerPoint to share very quickly [[Exhibit C](#)]. It has some statistics from the past three years regarding fatalities across Nevada.

Chair Monroe-Moreno:

You can present that PowerPoint now.

Nathan Tea:

Between 2017 and 2019, there were 91 young driver fatal crashes [page 2, [Exhibit C](#)]. Out of those 91 crashes, 85 were fatalities. As you can see, the number of young drivers in fatal crashes between 2017 and 2019 has been going up. The same thing with the fatal crashes; there has been a steady trend line increase. According to the crash data [page 2], the reasons were impaired driving and intersection or lane departure crashes for this specific category. This matters because young drivers do not really have the hands-on driving training to be able to avoid situations that may arise on the roadways.

As you can see on this slide [page 4], there were 51 moving vehicle crashes, 12 pedestrians, and 10 rollovers. The majority of them were in Las Vegas [page 5], but there were a fairly large number in Washoe County and the outlying areas.

This slide [page 6] shows what day of the week, what time of the day, and which month have the highest number of fatal crashes in 2017 and 2019.

The next three slides [pages 7-9] are a comparison between 2019 and 2020. This specific one [page 7] is by month. In 2019, there were 304 fatalities on Nevada's roadways. In 2020, we had 314 fatalities, which is a 3.29 percent increase during the COVID-19 pandemic.

This slide [page 9] shows the fatalities compared between 2019 and 2020 by county. This was all the crashes reported that were known causes. The Office of Traffic Safety does not provide information on these reports for crashes that could not be given a definitive cause, age range, or anything of that nature.

This slide [page 8] shows by person type. In 2019, there were 70 pedestrian fatalities and in 2020 there were 83. In 2019, there were 52 motorcyclists and 55 in 2020. There were 7 bicycle fatalities in 2019, and 10 in 2020. There were 3 scooter, moped, and all-terrain vehicle fatalities in 2019, going down to 2 in 2020. All of these fatalities were during COVID-19. I found these numbers rather interesting considering most people were at home on lockdown or limiting how much time they were outside.

All of these issues are covered in the defensive driving courses, so we will definitely see these numbers significantly drop, helping toward "plan-zero."

Chair Monroe-Moreno:

Mr. Tea, could I get you to send that PowerPoint presentation to our committee manager? It is not uploaded to the Nevada Electronic Legislative Information System, and I would like that to be available to the public as well as members of the Committee.

Are there any callers wishing to provide testimony in support of A.B. 79? [There were none.] Are there any callers wishing to testify in opposition? [There were none]. Are there any callers wishing to testify as neutral? [There were none.] Would the presenters like to provide any final remarks?

Assemblyman Wheeler:

I do not do "By Request" bills very often, but this is a good one and I wanted to make sure it got out there. I would like to compliment Mr. Tea for doing a great job, as usual. Thank you for your time.

[[Exhibit D](#) was submitted as an exhibit for the hearing.]

Chair Monroe-Moreno:

I will close the hearing on Assembly Bill 79. I will open the hearing on Assembly Bill 118. Assemblywoman Bilbray-Axelrod will be presenting this bill.

Assembly Bill 118: Revises provisions relating to the transportation of children in motor vehicles. (BDR 43-209)

Assemblywoman Shannon Bilbray-Axelrod, Assembly District No. 34:

I am here to present Assembly Bill 118 for your consideration. I actually served on this Committee in the two previous sessions, so it is nice to be back with you all.

For a little background, Senator Joyce Woodhouse brought this bill in 2017 [Senate Bill 156 of the 79th Session]. It passed out of the Senate and came to this Committee under its former title, Assembly Committee on Transportation. Although the bill made it out of committee, unfortunately, it never made it to the floor for a vote.

I would like to explain why I brought this bill back. Motor vehicle collisions are the leading cause of death and injury among children. In 2018, 636 children under the age of 12 died in a motor vehicle collision, and over 97,000 were injured. Use of child restraints in vehicles that are approximate to the child's height and weight will reduce injury by up to 82 percent when compared with the use of a seat belt alone. In an effort to prevent unnecessary injury and death among children of Nevada, A.B. 118 enhances safety requirements for child restraint systems in motor vehicles.

Specifically, A.B. 118 requires a child in a motor vehicle to be secured in a child restraint system if he or she is less than 8 years of age and less than 57 inches tall. Additionally, the bill requires a child who is less than 13 years of age to wear a safety belt and sit in the back seat of a motor vehicle unless the airbags on the passenger side are deactivated; or if there is a special health need that requires the child to ride in the front seat; or if all back seats are occupied; or if the vehicle does not have a back seat. Additionally, I do intend to offer an amendment that includes a provision requiring babies under the age of 2 to remain rear facing in the car seat while traveling in vehicles.

I would like to turn over the rest of my time to my copresenters, who will have additional details on the bill. With us today is Dr. Paul Chestovich from the University of Nevada, Las Vegas (UNLV), School of Medicine; Jeanne Marsala, Executive Director of Safe Kids Clark County; Kathleen Metz, Director, Safe Kids Washoe County; Laura Oslund, Executive Director of PACE [Partners Allied for Community Excellence] Coalition in Elko; and Captain Robert Mayer from the Clark County School District Police Department.

Paul Chestovich, M.D., Assistant Professor, Department of Surgery, University of Nevada, Las Vegas, School of Medicine:

I am a trauma and critical care surgeon at University Medical Center in southern Nevada. I have actually testified before you in the past. As part of my job, I regularly treat patients who are injured in a variety of means. This could be any number of different mechanisms, but motor vehicle crashes definitely make up the majority of what we do. This definitely includes children who are injured. I can honestly tell you, both as a trauma surgeon and as a dad of three kids, treating children who are injured is, by far, the most challenging part of my job. I also work alongside Dr. Deborah Kuhls, who is the principal investigator for the Office of Traffic Safety, Department of Transportation, and also Laura Gryder, who is also joining us on this call.

I will talk briefly about what A.B. 118 really means and what it means to me personally as a dad and as a trauma surgeon [[Exhibit E](#)]. For full disclosure, we are funded by the Office of Traffic Safety through a grant from the Department of Public Safety [page 2]. I will start by talking about the best practice recommendations from the American Academy of Pediatrics (AAP) [page 3]. There are really three points here. The first one is the AAP recommends infants and toddlers should remain in a rear-facing child restraint system from birth until age 2. Currently, the Nevada law is only through age 1, so this is a gap in our legislation. Second is booster seats for older kids ages 6 to 8. Once kids outgrow their standard, forward-facing child safety seat, they should be in a booster seat until age 8 or until they are at least 57 inches in height. The third item is that children up to age 13 should always be riding in the back seat. All three of these points will be rectified by A.B. 118.

The reason we are bringing this bill forward is that having kids be properly restrained in child safety seats means anywhere from a 71 percent to an 82 percent reduction in serious injury risks. This slide [page 4] is a map of the United States with states in three different colors. If we divide these into two major points, one being children 2 and under in a rear-facing seat and children up to ages 6 to 8 in a booster seat, the states in green already have both of these laws. States in red, which Nevada is one, have neither law. States in yellow have one law or the other. Currently, there are only seven states that actually have both laws, and another 17 states and Washington, D.C., that have one or the other. This is an opportunity for Nevada to be on the forefront of this safety measure.

When we look at differences in race and ethnicity [page 5], we see that children in Hispanic families and Black children are actually more likely to be either not restrained or improperly restrained. What this says is this legislation has the best opportunity to help populations of minority families. As we will see in subsequent slides, whenever kids are not properly restrained, it drastically increases their chance of injury should they be in a crash.

This slide [page 6] looks at hospital resources used based upon the type of restraint devices. The graphs in red are children who were not restrained at all. The graphs in yellow are children who were restrained but not appropriately. The graphs in green are the children who

had appropriate restraints for their age. There is a significant increase in patients in the hospital when they are not restrained. There are also more days in intensive care if not restrained. There are also more days on a ventilator or a breathing machine. What this tells us is the severity of injuries seen in children who are not properly restrained or not restrained at all is significantly greater than those who are. This is something that should be intuitively obvious for most people.

This slide [page 7] shows where the gap in our current legislation has a significant effect. This graph shows kids who were in crashes and if they were properly restrained. Once we get to age 6, there is a significant drop off. This essentially tells us that once kids reach age 6, they are not remaining in booster seats. This is really what this legislation is designed to prevent. Furthermore, children who were properly restrained for their age were almost 50 percent less likely to be seriously or critically injured in a crash when compared to improperly restrained children.

In conclusion [page 8], regarding Nevada child passenger safety laws, we know booster seats do save lives and reduce injuries. They do work. The major gaps that need to be addressed, as mentioned, are children between the ages of 1 to 2 who are currently not required to ride in a rear-facing child seat. That is something this bill would address. The second item is for children ages 6 to 8. There is currently no requirement under Nevada law that they must be restrained in a booster seat. This is a recommendation from the American Academy of Pediatrics. This is another issue this bill will rectify. The last item is that there is currently no requirement under Nevada law that children ride in the back seat up until age 13, which again, this bill would help.

I will follow up with one brief anecdote. I do not want to take much more of your time, but I can talk from a more personal level. There is one case in particular that sticks out in my mind of a young boy I took care of a few years ago. It was actually pretty early in my career. He was about 5 or 6 years old riding in the seat, but he had slid down in the seat. This is something I remember doing when I was younger. Unfortunately, the car crashed while he was in that position. He was sleeping and slid further down in the seat. As a result, the seat belt saved his life, but because he was not actually in a child safety seat, the seat belt cut across his abdomen and caused significant upper-abdominal injuries, to the point where he actually blew out the first part of his intestine, which is an important part of the digestive system. We had to complete a complex reconstruction surgery. The good news is that this boy did survive and ultimately did okay, but it is a perfect example of how seriously injured someone can be if improperly restrained. I should mention, every other occupant of the vehicle was not badly injured because they were properly restrained. It was just a function of this child not being restrained properly.

My point is, I have trained for years learning how to manage injuries, how to resuscitate patients, and how to minimize the damage and destruction from any kind of injury. However, none of those efforts hold a candle to preventing an injury. If we can prevent injuries and prevent children from being hurt, it is a million times more effective than any of the work I do on a daily basis.

I thank you all for your attention, and thank you for considering this bill.

Jeanne Marsala, Executive Director, Safe Kids Clark County:

I am also the trauma prevention coordinator for Sunrise Hospital and Medical Center Trauma Services. I have been the executive director of Safe Kids Clark County for the last 25 years. Thank you for this opportunity to speak to you about the importance of upgrading our law to meet the national standards. Safe Kids Clark County is a nonprofit organization dedicated to the prevention of accidental death and injury to children. We are part of the Safe Kids Worldwide campaign, which is the first and only international organization with this cause.

Safe Kids Worldwide is the certifying body for over 600,000 nationally certified child passenger safety technicians in the nation. Safe Kids works with the National Highway Traffic Safety Administration (NHTSA), American Academy of Pediatrics, and the National Child Passenger Safety Board to set the safety standards for children during transportation.

Safe Kids Clark County has been housed at Sunrise Hospital since 1993 in the trauma services department. My background includes being the first child passenger safety instructor for Nevada and the forty-ninth child passenger safety instructor in the nation. I have been doing child passenger safety for over 25 years, and I have also been a registered nurse for the last 30 years.

The reason I am here today is to educate you on the importance of upgrading our law to meet the national recommendations. According to the Insurance Institute for Highway Safety, Highway Loss Data Institute, 39 states and the District of Columbia now require children under 8 years of age or 4 feet, 9 inches tall to ride in a car seat or belt-positioning booster seat. Our neighbors in California, Arizona, Utah, and Oregon have all updated their child passenger safety laws to meet this standard. The American Academy of Pediatrics, as Dr. Chestovich said, recommends that children under 8 years of age and 57 inches tall remain in a forward-facing seat or a belt-positioning booster.

When a child is between the ages of 6 and 8 years of age, all national recommendations indicate that child needs to be placed in a booster. The reason for this is that seat belts are designed to protect the adult passenger. Picture yourself in the driver's position when you hit the brakes. You will notice that the seat belt locks. That is because the seat belt fits you correctly. What the booster seat does is boosts children up so the seat belt can fit them properly. This includes making them taller so the shoulder belt does not cross their neck or face, but crosses where it should, over the clavicle and the strongest bone in our body, the sternum. It also allows a place at the end of the seat for the knees to bend. That is also very important because if the child is tall enough in stature but yet the knees do not bend at the end of the vehicle seat, a child will try to make it more comfortable and slouch. When children do that, the seat belt will then move from their collarbone to be up against their neck, which is unsafe.

In addition, when the seat belt does not fit children properly or children are put in a seat belt prematurely, it is very uncomfortable for the children. Nine times out of ten, what they do is put it under their arm or behind their back. Therefore, they have no upper body protection at all. This can lead to death in a crash. If they are only protected from the lap portion, they could be ejected out of the seat belt and maybe even ejected from the car. Even if they stay within the car, they are at risk for severe brain injuries, spinal cord injuries, and abdominal injuries from not having a properly fitted seat belt.

If we increase the Nevada law to the national recommendations, we will be extending the protection of children up through age 8. We will no longer have that loophole. Parents believe when they are following the law, they are doing the right thing for their child. They feel the law reflects what is best. If a child is hurt or killed in the age group between 6 and 8 because the parent was following the Nevada law, they were actually injured or killed because of the loophole in our law. Is that something we want? No.

Now I would like to address the backseat portion of the bill. A 2002 study in risk analysis four years after front seat airbags became a standard found that front seat passenger airbags were associated with a 31 percent increase in child fatality risk for restrained children and an 84 percent increase for unrestrained children. At least half of fatal crashes involve frontal impact, meaning kids in the back seat are further away from the crash and the consequences of that crash. The three things in which the most serious injuries occur in a crash are from the windshield, the dashboard, and the airbag.

Airbags are designed to protect adults, not children. They are designed to deploy and hit people in the sternum, which is the strongest bone of our body. Please know, airbags can deploy from 80 to 100 miles per hour. It is not a problem if it hits a person in the sternum, but it is a severe problem if it hits a person of shorter stature, such as a child, in the head or in the face. It can actually snap their neck. It is very serious. Every single car manufacturer has a warning label on the visor of each and every car stating children 12 and under may be injured or killed by an airbag. The back seat is the safest place for children to sit. Even with newer cars that have advanced airbags, there is a label on the visor stating that even with advanced airbags, children 12 and under may be injured or killed by an airbag. However, our own Nevada law does not indicate that.

Therefore, based on the facts that I have educated you on today, you can see I am a strong supporter of A.B. 118. For evidence, I can attach a copy of the AAP policy, a study done by MassGeneral Hospital for Children, and the Safe Kids Worldwide study on booster seats with my testimony, if you would like. Thank you for providing me this opportunity today.

Kathleen Metz, Director, Safe Kids Washoe County:

I am also the manager of Child Health Programs at Renown Health. I have been working on child safety in cars for more than three years now. I have been a certified child passenger safety technician during this time. As we have heard from prior testimony, A.B. 118 will bring Nevada law into alignment with best practices from the American Academy of Pediatrics and NHTSA.

What I would like to share with you is some of our local county trauma data reports, as well as our car seat fitting station at Renown Health, which is open Monday through Friday during business hours for families by appointment. According to the Washoe County 2017 Trauma Data Report, among the 20 children who were injured in a motor vehicle accident while an occupant of the vehicle, more than 8 in 10, which is 82 percent, were not wearing any protective device or restraint at the time of injury. When we heard this statistic, we realized there was more outreach to be conducted in our community to bring awareness and education to families. We then created a very large car seat safety campaign around 2018 and 2019. We had car seat safety posters, fliers, and cards clearly showing each stage of car seat safety, as well as including visual tips to help parents ensure the car seat was properly used, and our information to have the car seat checked by a certified car seat technician. These visuals were distributed to over 85 community providers and businesses, and continue to be distributed throughout our community.

Since then, when we received the Washoe County 2018 Trauma Data Report, we found that among the 23 children injured in a motor vehicle, 1 in 3, or 33 percent, were not wearing any child protective device or restraint, down from 82 percent. I also want to note, the car seat posters and other visuals we provided were all based on the national standards. We then also saw a huge increase in our car seat safety station. We checked 1,441 seats in 2018. After this campaign, our number increased to 1,631 seats checked, which is an increase of 13.19 percent from the previous year. This past year, we were at 1,475 seats, and 830 seats were provided to low-income families. For each family we check, we provide education and talk about the national standards. The training is hands-on. We are able to work well with the families and explain to them the importance of all of the measures we are talking about in this bill today. At the end, they always appreciate us and want to do what is safest for their children.

Our most current Washoe County trauma data shows that in 2019, only 11 children were injured in a motor vehicle accident while an occupant, and none of them were found without protective devices. Six were not wearing a seat belt but were within the ages of 15 to 17. We feel pushing the national recommendations, pushing the education into our community, having this campaign, and targeting those families who are of lower-income status really helps families. We also did a lot of outreach in the rural communities. We are able to see, based on our trauma data and by the increase at our car seat station, our education is working.

I would like to thank you for hearing my testimony. I would be happy to answer any questions at the end of the presentation.

Laura Oslund, Executive Director, Partners Allied for Community Excellence Coalition:

Much of my expertise has already been passed on by the other presenters. I may end up being more of the emotional part of the presentation. I lost a niece because she was an unrestrained 6-year-old. While she was killed by a drunk driver, if she had been in a booster, the chance for her survival would have greatly been increased. The four adults and a 4-year-old, who was properly restrained, all survived the accident.

Partners Allied for Community Excellence (PACE) Coalition is a grant-funded program that covers Elko, Eureka, and White Pine Counties. We believe in the health and resources needed for healthy communities. One of the considerations that is part of the rurals is the speed that we have on our highways. If we have children properly in booster seats or the rear-facing car seats, the chances are, if they are in an accident on Interstate 80 or another highway where the speed is 70 to 80 miles per hour, they could survive.

My organization is not funded for car seats at this point in time, but I have applied for a grant. Within our communities in the three counties PACE covers, there is only one place where families can actually purchase a car seat; that is at Walmart. Often with our families, it is a two-and-a-half-hour drive, or a five-hour round trip to purchase a car seat. We do purchase car seats with donations and we provide them to installers who will not give them to a family unless they are properly installed.

Just having the laws for child protection does not do much good unless families have the proper restraints. We work on child safety through NyE Communities Coalition because 95 percent of parents think they have installed the car seats correctly, when truly almost 60 percent are not installed properly. We need to have the law so we can educate and protect our youth.

I also want you to think as parents, and think about the growth your children had between the ages of 6 and 8. A youth can grow 7 or 8 inches and gain about 20 pounds. Booster seats would be lifesaving. I really think the laws need to be increased because even one child's death is not worth it. The effects of that loss are deep for the families and the communities.

Robert Mayer, Captain, Clark County School District Police Department:

I appreciate the opportunity to speak on this bill. I have been a policeman for over 36 years. I spent 25 years in Evanston, Illinois, where I coordinated community police efforts. I retired as a commander. I have been with the Clark County School District Police Department now for 11 years. I am at the rank of commander at this time.

I am not going to be redundant and repeat all the statistical data that was given by the speakers before me. I am here to tell you how important this bill is. Anyone who knows me knows how passionate I am about securing children in the proper child restraints. Clark County School District Police Department, since 2011, has been involved with child passenger safety and getting car seats to the community. We have the largest group of trained officers in southern Nevada who are car seat technicians. We have the largest number of instructors as a police department to do instruction for other individuals to become car seat technicians.

We partner with Safe Kids and with University Medical Center, along with our sister agencies, to present classes to at-risk communities. We teach in English and Spanish the proper seats to use, the proper use of the seat, and we help them install the seat. We provide

free car seats through grants from AAA, Buckle Up for Life, and the Office of Traffic Safety of the Department of Public Safety. Our efforts to educate the community so these kids are safe are reinforced by the enforcement we have to do. I think we need to be out there doing enforcement, education, and positive presence. We go to the schools and hand out literature to the parents about the correct safety seats to use for passenger safety. We go to different forums within the school district community, inviting our sister agencies to participate to get the information out.

I am so thankful to Assemblywoman Bilbray-Axelrod for reintroducing this bill. I was very disappointed that we were not able to pass the bill in 2017. I know there has been discussion on expanding law enforcement's ability to pull drivers over. I have to tell you, when law enforcement observes a child bouncing around the back seat or going between the seats, it is not something officers are targeting. With the situation of the body cameras being activated upon observing the offense, it goes back 30 seconds, so it is going to give the facts. If anyone has any issues, there is the ability to look at how the stop was conducted.

In closing, I just want to say, I am offering my support and my experiences as a seasoned police officer. This bill is going to help us save lives in Nevada.

Assemblywoman Bilbray-Axelrod:

We can open it up for questions at this time.

Chair Monroe-Moreno:

Are there any questions from the Committee?

Assemblywoman Brown-May:

I am also the aunt of a young woman who was significantly injured in a car accident due to a lack of proper restraints. My question is relative to the education piece of this bill. How do we get this law to be understood by the general population? Where does it take place? I think I heard Ms. Metz talk a little bit about the northern part of the state. I am curious to know if you have any of that information about southern Nevada. How are we teaching parents to actually install the right type of car seat for their children? Do you have any information about that?

Jeanne Marsala:

Parents really want to do the right thing and they want to follow the law. I have been doing this for 25 years, so I saw our laws upgraded about ten years ago, and we did a public service campaign. Now with social media, it is relatively inexpensive to do. I can definitely say that Safe Kids Clark County would be more than willing to do a big social media campaign. I am sure Sunrise Hospital would join in on that as well. That would be the inexpensive way to go. I know with the previous upgrade in the law, the Office of Traffic Safety was kind enough to actually purchase an advertisement and do public service announcements on television and radio as well. We could definitely go to them and ask for help to get the information to the public.

Assemblywoman Brown-May:

How many families are we actually talking about sharing this information with?

Jeanne Marsala:

I think if we look at the numbers between 6- and 8-year-old children for each of our counties, we would be able to have a guess on that number. However, what I do want you to know is the American Academy of Pediatrics has had these recommendations since 2011. We are ten years behind in our state with the recommendations. Pediatricians have been educating on this issue for ten years. There are quite a few families who have received the information through their pediatrician, which is the good news.

Robert Mayer:

I would like to reinforce what Ms. Marsala said. Safe Kids Clark County and the school police work together. We have given away over 1,500 seats just through the program we have been doing with the school district. We have been educating the parents who are coming to these different forums. We would also be providing information as to the new law changes. We would be reaching out to our administrators at the schools and asking them to send the information out via the ParentLink app, which has been a very effective tool for us to get information to the parents. We do this both in English and Spanish.

Laura Oslund:

The way PACE educates is by holding actual car seat events where families come in with their cars. We make sure we have Spanish-speaking car seat technicians available. The qualified installer installs the car seat, takes it out, and then has the adult parent or guardian install the car seat. It is then reinspected and the families are told if everything is all right or whether it has been installed improperly. We actually do hands-on. We also attend the health fairs throughout the tri-county area and have different car seats on display with information in English and Spanish. We also provide information in *Everything Elko*, which is a give-away magazine with community information. Throughout the state, car seat installations are done hands-on. We do not just hand them a pamphlet and tell them to install it correctly. An adult actually has to put a lot of their own weight on the booster and car seat in order to install it correctly.

Kathleen Metz:

I would also like to add the Division of Child and Family Services, Department of Health and Human Services, and those families who transport children on a regular basis have reached out to us asking to have updated education information. We are now conducting group sessions for providers who transport children, especially focusing on the division employees and foster care workers so they know how to properly transport children. It has been so successful that we are actually going to be asking for funding for our next grant. We do about two sessions per month for this education. I think teaching childcare providers is another way to reach families. These are also hands-on sessions where they get information and utilize training safety dolls, so they know how to properly restrain.

We also do a lot of outreach events and partnerships with other counties in the rural communities. When we go to these rural communities, we are seeing large mistakes. There are even more corrections needed for those families. The feedback we have received is always incredibly positive. Every parent wants to do what is safest for their child.

Assemblyman Ellison:

I was wondering if people could donate their used car seats. Should the older ones be destroyed or can they be passed on to someone else?

Assemblywoman Bilbray-Axelrod:

It is not encouraged to reuse child safety seats because it is not known if they have been compromised in a crash. That being said, I know people do it. I gave a \$300 booster seat to a friend, but I knew it had never been in a crash. I would think a government agency or a nonprofit would probably not give out a used seat because of liability issues.

Jeanne Marsala:

Booster seats can be reused because it is just boosting the child up and the seat belt is doing the job. The good thing about upgrading the law is we are not incurring a big cost to families by having to buy new booster seats. They sell booster seats at Walmart for as little as \$13 at times.

In Clark County, Safe Kids teaches a court diversion class for child passenger safety offenders. If individuals receive a ticket for not having their child restrained, if they take our class, nine times out of ten, the local judges waive the ticket. We offer that class once a week. They get all the information in the class. In the past, we also had funding for seats through that program. Safe Kids, as Mr. Mayer said, works with the school district police and other agencies that get grants to provide seats to families. Again, what is nice about upgrading this law to boosters is they are very inexpensive. It is not going to be a big cost to these families to be able to protect their children.

Assemblywoman Summers-Armstrong:

I represent a community that has a high instance of public transit riders. One of the things I have seen is someone at a bus stop going someplace and a friend will pull up and offer them a ride, but they do not have the proper restraints with them. Do we have any requirements for child restraints on public transit? How do you connect the dots for people who are riding public transit and may not have a restraint with them? Have you talked to folks about this? Does your education to the public discuss any of these issues?

Robert Mayer:

There is no requirement for child restraints on public transportation at this time. It is something the legislators could look at. Our main issue is educating the community. With these booster seats especially, it is a situation where they are light enough that someone could actually carry them. Personally, I would be inclined to carry a booster seat for children on

public transit because it will help them see out the window so they are not trying to stand up to see. It helps keep them seated in public transportation. We are working with the tribal communities and providing education and car seat training. As a department, we provide a car seat to families who have been pulled over for no child safety seats but cannot afford a car seat.

Chair Monroe-Moreno:

Are there any further questions from the Committee? [There were none.] Are there any callers to provide testimony in support of A.B. 118? [There were none.] Are there any callers in opposition? [There were none.] Are there any callers who would like to testify as neutral? [There were none.] Are there any final remarks from the bill sponsor?

Assemblywoman Bilbray-Axelrod:

I would like to say, as a mom, when we know better, we do better. I turned my daughter around when she was 1 year old because that is what the law said. Had the law said 2 years old, I would have kept her rear-facing. Thank you for your interest in improving child safety in Nevada. I urge your support for this bill.

[\[Exhibit F\]](#) was submitted but not discussed.]

Chair Monroe-Moreno:

I will close the hearing on Assembly Bill 118. I will open the hearing on Assembly Bill 123. I believe we have Assemblywoman Jauregui and Assemblyman Yeager here to present the bill.

Assembly Bill 123: Revises provisions governing special license plates indicating support for the Vegas Golden Knights hockey team. (BDR 43-797)

Assemblywoman Sandra Jauregui, Assembly District No. 41:

Today I would like to present Assembly Bill 123, which revises provisions governing the Vegas Golden Knights special license plates. In 2017, the Legislature approved, and the Governor signed, Senate Bill 283 of the 79th Session, which provided for the issuance of a special license plate indicating support for the Vegas Golden Knights hockey team. The special license plate was requested by the Vegas Golden Knights to generate public support for the hockey team. This plate has been very popular with the driving public. As of last Friday, there were nearly 49,000 active special license plates, trailing only the Las Vegas Commemorative plate, which has roughly 80,000 license plates.

The Vegas Golden Knights are very special to me and to so many Nevadans. Our community will forever share a bond with them. Nine days after October 1, 2017, the Vegas Golden Knights held their inaugural opening home game at T-Mobile Arena where they paid tribute to the victims of the tragic 1 October event. Every home game that season and postseason game filled the team's new 18,000-person arena to capacity. The Golden Knights united our city, brought hope to our city, and provided an escape that helped us heal.

Since then, the Vegas Golden Knights and the Vegas Golden Knights Foundation have been loyal supporters of our first responders, donating \$1 million to the Las Vegas Metropolitan Police Department. The National Hockey League (NHL) commissioner, Gary Bettman, said it best when he said he thinks it is crystal clear that the Vegas Golden Knights not only have embraced the community, but have been embraced by the community.

Assembly Bill 123 will allow the Foundation to continue supporting our community by providing much-needed resources to education, youth sports, military and first responders, and health and wellness.

Currently, the fees for the Vegas Golden Knights' special license plate are \$35 for the initial issuance and \$10 for the renewal. There are no additional fees generated by the plate, which means the Vegas Golden Knights Foundation does not receive any revenue generated by the special license plate. Again, Madam Chair, I want to emphasize the Foundation currently receives zero dollars from the fees collected for the license plate. As a matter of fact, if you look on the Department of Motor Vehicles (DMV) website, all charitable license plates show how much is collected and what portion goes to their chosen charity. There is only one organization not collecting fees, and that is the Vegas Golden Knights Foundation. Under their name it states, "This plate does not support a charitable cause," which is a little misleading.

Assembly Bill 123 adds a fee of \$10 for the initial issuance of the special license plate and \$10 for the renewal of the license plate. Similar to the other charitable organizations that receive additional revenue generated from a license plate, the money will be distributed to the Foundation to assist with the support it provides to nonprofit charitable organizations.

Madam Chair and Committee members, today I am joined by Assemblyman Yeager and Kim Frank, President of the Vegas Golden Knights Foundation, Community Relations and Player Programming. After their remarks, we are available to answer questions.

Assemblyman Steve Yeager, Assembly District No. 9:

Thank you, Assemblywoman Jauregui, for allowing me to cosponsor this bill. It is my pleasure to provide some additional background and testimony in support of A.B. 123. By the way, what a great come-from-behind win from the Knights last night. I hope every game can be that exciting.

Anyone who knows me, and as you can probably tell by what is behind me, knows I am a die-hard Golden Knights fan. I grew up in Minnesota and Michigan, and hockey has been in my blood for a very long time. I enjoyed attending hockey games as a spectator, both at the University of Michigan and Cornell University. Although I do not have the skills to play it, I enjoy watching games and attending games at T-Mobile Arena whenever I can. I used to be a fervent Detroit Red Wings fan, but my allegiance shifted when Las Vegas was fortunate enough to land the expansion Golden Knights in the 2017-2018 season. I am proud to say, I was there at the very first home preseason game with a sold-out arena cheering for their team; none of us really knew how successful they would be that first season and beyond.

The team continues to make Nevada proud by its play on the ice and its contributions to our community. When I attend games at T-Mobile Arena, I tend to purchase tickets for the 51/49 raffle, where 51 percent of the money goes to the winner and 49 percent goes to the Golden Knights Foundation. I have never won that raffle, and I know my chances are slim, but I also know the money goes to a good cause, which is why I purchase the tickets. With the pandemic, unfortunately, the revenue that goes to the Foundation has greatly suffered because, until yesterday, fans have not been able to attend Knights games for almost a year, which means no 51/49 raffle sales.

I view A.B. 123 as a way to ensure the Foundation remains healthy and can continue to do great work in our community. The Golden Knights license plates would still be one of the cheapest specialty plates out there with only a \$10 increase to support the Foundation, whereas most of the other plates charge an additional \$25 for the charitable cause. I do think that most who have or will obtain a Golden Knights plate would gladly pay an additional \$10 on an annual basis to support the Foundation and its work in our community.

I urge your support to ensure the Foundation remains healthy and can continue to do that great work.

Charles "Chip" Seigel III, Chief Legal Officer, Vegas Golden Knights:

I am the new chief legal officer for the Vegas Golden Knights and could not be prouder to be in this position. I am also a lifelong hockey fan. My former team was the St. Louis Blues, and I emphasize "former."

It is my honor and privilege to present to you on behalf of the Vegas Golden Knights and this fine organization, as I believe this bill is a win-win-win-win for everyone involved. It is a win for the state with the increase in revenue from the sale of the license plates and, as Assemblywoman Jauregui pointed out, they are very popular. It is a win for our organization with increased exposure for our good name and our brand. It is a win for the Foundation with increased funding at a time that has been so difficult for charitable organizations, such as the Foundation. The funding has been devastated, but this would really be a boost. Most importantly, it is a win for the community that the Foundation serves.

Kim Frank, President, Community Relations and Player Programming, Vegas Golden Knights:

As the president of the Foundation, from Day One we have been in the community. We want to make sure we give back to them financially but also with support. The community supports us on the ice, and we really want to support the community off the ice. Our team loves to go out there and help the community. We have also helped financially, whether it is Opportunity Village, Inc., where we have given over \$500,000; the Las Vegas Metropolitan Police Department; or the Nevada Community Foundation, where we have provided over \$500,000 as well.

Between March 2020 when the pandemic hit, and today, we brought in \$1.9 million. Part of that came in from Bill Foley [Vegas Golden Knights' owner], who gave \$750,000 to help us continue to give back to the community. Of that \$1.9 million, we have given back \$1.7 million to date. We have lost our gala and our golf tournament this year, which are our primary ways of fundraising. Last night, the 51/49 raffle was the first one in-person. Last year we were able to bring in \$880,000 from the 51/49 raffle. This license plate would be a helpful way for us to be able to put it right back here in the community in Las Vegas.

Assemblywoman Jauregui:

I do want to highlight some of the things the Vegas Golden Knights Foundation was able to do during COVID-19. The Foundation donated \$500,000 to the Nevada COVID-19 Task Force, \$700,000 to part-time workers for games missed due to COVID-19, and \$50,000 to help support organizations in severe need during COVID-19, including United Way, Three Square Food Bank, Catholic Charities of Southern Nevada, Nevada HAND, Inc., and Opportunity Village, Inc. Those are just a few of the organizations that received support during the 2020 pandemic. After 343 days of waiting, yesterday was the first game where fans were actually able to be in attendance. We are excited to have the opportunity to raise money through the raffle as well. We would be happy to answer any questions.

Chair Monroe-Moreno:

Are there any questions from the members?

Assemblyman Wheeler:

Assemblyman Yeager stated that, due to the lack of attendance, the raffles are not creating the revenues that the Foundation needs now. I saw on television last night that there were 29,000 [sic] fans in the stands. Are you looking to supplement the Foundation money that is coming in or are you looking to replace it? Are the fees on the license plates going to be temporary and then lowered when fans are in full attendance? The other question I have is, Has anyone tried to figure out how many plates will be lost if the fee is raised? Some people may not pay the extra fee and purchase a different plate. Will there be a huge revenue decline because of this?

Assemblywoman Jauregui:

This will just be adding another way the Foundation can raise money to support the charities it supports. The Foundation raises money in various ways, not just through the raffle. The Foundation has "A Night to Remember" gala, the 51/49 raffle, an annual charity night, an annual golf tournament, and they also raise money from the sale of the used jerseys and sticks.

In regard to a study on whether there will be an impact on the number of license plates issued, I cannot foresee that happening. All the other charitable organizations' license plates have—on top of the \$35 issuance fee and \$10 renewal fee—a \$25 issuance fee and \$10 renewal fee, and people are willing to pay that. This being the second most popular special license plate, I think it shows how much people want to show their support for the Vegas Golden Knights.

Chip Seigel:

We have not done a technical price elasticity study to determine whether or not that increase would, in fact, have a negative impact on revenue. Nevertheless, given the popularity of the license plates and given the minimal fee, we believe, based on anecdotal and other evidence, that it would be unlikely to have an adverse impact on revenue.

Assemblyman Wheeler:

I would also like to congratulate the Vegas Golden Knights for coming to my district and playing a little outside hockey here a couple of weeks ago in the most beautiful place on earth. I did not know about the golf tournament. Please send me information on that.

Kim Frank:

I will send you the information when we are able to have one again.

Chip Seigel:

Thank you for being such great hosts in your area. That was a great event.

Chair Monroe-Moreno:

I have a question about last night's attendance. Were there 2,900 fans or 29,000 fans in attendance?

Chip Seigel:

It was 2,900. We can only wish we could get 29,000 fans in the stadium.

Assemblywoman Brown-May:

Out of an abundance of caution, I would first like to go on record as identifying my private employer as a recipient of some of those contributions from the Vegas Golden Knights Foundation, as noted by Assemblywoman Jauregui. There has been a lot of really good work done there.

I do have a clarifying question relative to this special license plate and the fees you are talking about. Having had the opportunity to work a little bit on special license plates, it is my understanding that the fees associated with nonprofit 501(c)(3) special license plates are recurring year over year as a way to support the Foundation with the intention that the Foundation would then support the community. Is that correct?

Kim Frank:

That is 100 percent correct.

Assemblyman Roberts:

I appreciate what the Foundation does for the community. I was a member of the Las Vegas Metropolitan Police Department (LVMPD) and on the board of the LVMPD Foundation. We worked closely with the Vegas Golden Knights, so I need to disclose that.

When you originally set up the license plate, why did you not add the additional fee at that time? It is my understanding the Foundation was not completely established yet.

Kim Frank:

That is correct. The Foundation had not yet been completely established. We were just getting there, starting as the first sports team, and Mr. Foley wanted to get them out there without the extra \$10 to see what the interest was and to make sure people had an opportunity to buy the plates at that point.

Assemblyman Roberts:

That is an important point as to why it was not in place before. The LVMPD Foundation has applied for a specialty plate, but will charge a fee. I think it is important to note that your Foundation is the only one that does not have a fee.

Assemblyman Ellison:

Is this fee going to be strictly for the Vegas Golden Knights plates or for any personal license plates?

Assemblywoman Jauregui:

This will just be for the Vegas Golden Knights plates.

Assemblyman Ellison:

I have a suggestion. It seems a lot of Assembly members on the floor have a Vegas Golden Knights emblem on their chairs. I think if you need to make money, you could make a fortune by adding a \$5 fee onto that emblem.

Chair Monroe-Moreno:

Seeing no further questions from members, are there any callers to testify in support of A.B. 123? [There were none]. Are there any callers to testify in opposition? [There were none.] Are there any callers to testify as neutral? [There were none.] Are there any final remarks from the presenters?

Assemblywoman Jauregui:

I would like to leave the Committee with some figures. I think the Foundation was very modest in speaking to everything it has done in our community. The Foundation has been able to donate over \$2.7 million to over 150 charities and organizations: 17 organizations that support youth sports; 60 organizations that support health and wellness efforts in Las Vegas; 42 organizations that support and strengthen education efforts; 24 organizations that support first responders and veterans; and 14 organizations that support hunger and homelessness.

Chair Monroe-Moreno:

Thank you for sharing that, and kudos to the Foundation for the work it is doing in our community. I will close the hearing on Assembly Bill 123. I will open the hearing on Assembly Bill 114. Assemblywoman Nguyen will be presenting this piece of legislation.

Assembly Bill 114: Revises provisions related to manufacturers of electric motor vehicles. (BDR 43-539)

Assemblywoman Rochelle T. Nguyen, Assembly District No. 10:

I am pleased to present Assembly Bill 114 today. Assembly Bill 114 allows for the direct sale of electric vehicles from all electric-only manufacturers to consumers. I would like to provide some context on the need for this in Nevada to accelerate the deployment of electric transportation. We will then discuss what A.B. 114 actually does and how it does that.

In 2019, this Legislature passed Senate Bill 254 of the 80th Session, which calls for our state to reach net-zero greenhouse emissions by 2050. Since that time, additional actions have been taken by our state to achieve this goal, including Governor Sisolak signing an executive order [Executive Order 2019-22] to develop a state climate strategy which was released in December 2020. A large part of this climate strategy is to reduce carbon emissions from the transportation sector, which is the largest source of Nevada's climate pollution at 42 percent. It is also a major source of harmful smog linked to asthma. In 2020, the American Lung Association stated the air report from the Las Vegas/Henderson metropolitan area was the ninth most polluted in the country for ozone and the twenty-fifth most polluted for particulate matter.

I know many people look at their phone to get the weather, but they can also see the air quality. Having family members who suffer from allergies and other respiratory issues, I know in southern Nevada this is very relevant to people in our community.

The best way to reduce these transportation emissions is through the greater adoption of electric vehicles (EVs) in our state. Our state is already taking action by working to adopt the Clean Cars Nevada program, which will bring more makes and models of electric vehicles to consumers through our legacy automakers. However, we do need to take more steps now to reach those goals.

There are new companies on the scene—forward-thinking, start-up automakers that are only manufacturing electric vehicles. We are no stranger to these manufacturers; we have the Tesla Gigafactory to manufacture batteries for these clean cars. How great would it be for Nevada to be the center of the new electric vehicle market?

The current model for selling EVs from these manufacturers through a franchise dealer network does not work for most of these manufacturers for multiple reasons. Lucid Motors will address that later in the presentation, and current law prohibits them from selling their vehicles any other way. This bill would change that and allow companies, such as Lucid Motors, Rivian Automotive LLC, and Lordstown Motors, in addition to 66 other small companies, to have the opportunity to sell their electric vehicles directly to the consumer.

When I decided to bring this bill, I looked at what I wanted to accomplish. This pandemic has continued to highlight that it is urgent for us to diversify our economy. We need to encourage competition and innovation, create jobs, and train our workforce to lead in the area of this new economy. Yes, I am a Democrat who sees the value in opening markets for competition. I was fortunate enough to attend a new clean energy economy summit which brings together a bipartisan group of state legislators to look at ways for states to harness this emerging economy. I had the pleasure of participating in this summit with the Chair of this Committee, as well as Assemblyman Roberts. I believe this bill's market approach should have bipartisan support by allowing and encouraging smaller businesses to come to our state and thrive.

This bill has no cost to the state and it does not change the way anyone currently does business in our state. What it does do is open the opportunity for investment in Nevada to solidify our status as a national hub for clean energy economy. It also provides more options for consumers looking for their next vehicle. You will hear more about that consumer demand on these vehicles.

I ask you to support A.B. 114. I will turn the presentation over first to Katherine Stainken with Plug In America.

Katherine Stainken, Policy Director, Plug In America, Los Angeles, California:

Plug In America represents the consumer's voice in Nevada [page 2, [Exhibit G](#)], the consumers in your districts, and around the state. Consumer demand for electric vehicles is on the rise, both in Nevada and across the country [page 3]. Nationwide, sales increased for electric vehicles 2.6 times from 2017 to 2019, and a Consumer Reports survey from 2019 showed that 63 percent of prospective car buyers in the United States are interested in EVs. This is a very complicated slide, but the point to note is the increasing red line showing that consumer demand is going up.

Assembly Bill 114, as Assemblywoman Nguyen stated, simply offers consumers more choices and allows for the manufacturers only producing EVs to sell in a manner that works best for their business [page 4]. Who benefits from this direct sales approach? The consumer. The consumer gets predictability. The consumer knows what he is going to get by going to these showrooms: a standard price for an electric vehicle with no additional markup and a trained product specialist to answer all the questions about charging, all of which lead to greater EV adoption.

We know that 78 percent of consumers have questions about how to charge, where to charge, and when to charge—questions which are more easily answered by product specialists, similar to the Apple Inc. product specialists when iPhones were first on the market. The consumer is also protected by the same consumer protection laws that apply to the sale of any vehicle in Nevada.

Plug In America represents not only the drivers of new EVs, but also the drivers of used EVs. To that end, the sooner Nevada can get EVs into the hands of new car buyers, the sooner the vehicles can eventually be transferred to drivers shopping in the secondhand EV market. The upfront purchase cost of an EV is expected to reach parity with gas cars around 2024, so this bill will also help to increase awareness of EVs as an option to consumers in Nevada, whether that is from an EV-only manufacturer or from a legacy automaker.

This slide [page 5] shows the declining prices of the batteries. If you see an electric vehicle on the road, you see it is working for the driver in Nevada.

On behalf of the consumers in Nevada who wish to purchase electric vehicles, the families and hardworking Nevadans who are looking forward to an electric transportation future, we urge you to do all you can to give consumers access to these vehicles, including to support A.B. 114 [page 6].

Assemblywoman Nguyen:

Madam Chair, I have one other presenter to present, Daniel Witt with Lucid Motors.

Daniel Witt, Head of Public Policy, Lucid Motors Inc., Newark California:

Thank you for allowing me the opportunity to speak in support of A.B. 114 today. For those of you unfamiliar with Lucid Motors, Lucid is a new electric vehicle company focused on bringing the next generation of EV technology to the masses. Our first vehicle will have a remarkable range, exceeding 500 miles per charge, and will be able to recharge 300 of those miles in 20 minutes. Our industry-leading efficiency, when paired with lower battery costs, will unlock a much wider market for electric vehicles in the coming decade.

As to the matter at hand, I come to you in support of the legislation because Lucid is on the cusp of making significant investments across the country in a retail and service footprint. Given the substantial interest from Nevada consumers in our product, we would love to include the state in our future investment road map.

Direct sales by a manufacturer are, in some fashion, permitted in a majority of the United States. Direct sales by at least one manufacturer are legal in eight of the top ten U.S. car markets. Direct sales are legal in states with the largest and smallest populations, California and Wyoming, respectively. Nevada is bordered on all sides by states that allow direct sales to consumers. Indeed, as many of you know, it is the policy of Nevada to allow certain manufacturers the ability to sell directly to consumers.

To that end, we need not engage in speculation about the ramifications of extending this law to cover all zero-emission vehicle manufacturers when we know the result of doing so in the first place. It is a successful policy. Not only has it resulted in millions of dollars of additional investment in the hiring of sales and service technicians, but last year more than 80 percent of all the EVs sold in Nevada were sold directly from the manufacturer to the consumer. That is consistent with prior years as well.

This goes to the root issue under consideration with this legislation. As the new entrant, we have the opportunity to consider two successful business models—one historically successful, while the other one more successful in recent times. We are simply making a judgment about which method affords us the best opportunity to serve our consumers and to be a successful business, at the present. It is a choice, the same choice that was previously afforded to Tesla, but also to Ford Motor Company, General Motors, and every other automaker that has come before us. Giving us that choice in Nevada is not an exemption or somehow picking winners and losers; it is consistent with historical precedent and, when boiled down, just fair—nothing more.

To that end, this is neither an attack on the owners or workers in franchise dealerships nor the franchise system itself. The change that allowed Tesla to sell in the state did not result in any financial harm or contractual issues between dealers and their manufacturers. Nor is it a zero-sum game. Dealers have benefited as well. Sale revenues of franchised auto dealers skyrocketed to over \$30 billion nationwide in 2019. This was up almost 50 percent from 2012, which by the way, was when Tesla's Model S went on sale. This is the perfect example of how competition and the free market have enabled both business models to be successful concurrently.

In addition to these considerations, I ask that you consider the rights for consumers. Consumers are discerning and are not required by this legislation to do anything at all. Rather, it provides consumers with a greater pool of options. Indeed, a fixed-pricing model, which we are promoting and which Rivian is promoting, may have particular appeal to women, minorities, and other consumers who have historically faced challenges in a system where negotiations are customary.

Limiting choices is a monopolistic practice and inherently anti-consumer. While there is virtue in the current motor vehicle franchise laws' ability to protect the relationships between franchisees and their automakers, that law should not be used as a shield to limit competition and access to the widest possible marketplace. This policy has been shown to be a win for all parties in Nevada: consumers, new companies, the state, and even the dealers. To that end, I urge the members of this Committee to see the merits of increased investment from new companies such as ours and the increased choices and protections for consumers provided by this legislation.

Thank you for your consideration, and I look forward to answering your questions.

Assemblywoman Nguyen:

I have nothing further, and I would welcome any questions that I or the other presenters might be able to answer for the Committee.

Chair Monroe-Moreno:

We do have a few members with questions.

Assemblyman Miller:

Why do the EV manufacturers not have dealers? Could you also shed some light on whether or not passing this bill would allow manufacturers from outside the country to deliver vehicles here in the state?

Assemblywoman Nguyen:

Part of this bill came with my interest in obtaining an electric vehicle that was not a Tesla. I had looked and had been a part of discussions about different electric vehicles. There was an event in early 2020, before the pandemic, that was sponsored by Plug In America, where other legislators were able to test drive different electric vehicles. One of the vehicles I was interested in was a Rivian, which was a four-by-four truck and all electric. It looked pretty awesome, but when I tried to find out how I could purchase that vehicle, I realized I would not be able to do that here in the state. I would have to go to Oregon, Colorado, Wyoming, Idaho, Utah, Arizona, Illinois, Montana, Tennessee, Michigan, Florida, et cetera, in order to purchase it. I could still purchase it online; I would just have to go to another state to pick it up. I want to see the sales tax stay in Nevada for that vehicle. Nevadans do not lose sales tax differentials and reciprocity agreements if we were to pass A.B. 114.

To answer your first question as to why EV manufacturers do not fall in line and do the dealership model, dealership models protect a lot of the legacy automakers. These startup companies—I believe there are 69 of them currently—are not all Tesla, Lucid, or Lordstown. Some of them are much smaller. I liken it to a food truck or a pop-up store where we want small business and innovation to be able to come into our state and be able to sell their products. These small companies do not have enough product to stock lots at this point. The electric vehicles are mostly sold as they roll off the assembly line. They are not being produced at the volume of Ford, Chevrolet, Toyota, or Honda. Most dealerships make most of their revenue on maintenance and sales. Electric vehicles have ten times fewer moving parts than gas vehicles, so they need significantly less maintenance. That is an overall savings for consumers as far as I can see.

I do not know if Mr. Witt or Ms. Stainken have any further input on either of these questions, but I would ask you to pipe in if you do.

Daniel Witt:

I think that was a very good synopsis. I would like to key in on the one point you made regarding a certain size differential. Last year, General Motors produced in excess of 10 million cars, with Ford being closer to about 6 million and Tesla less than 500,000. We have yet to produce a single car for the marketplace, but we expect to do so soon. Next year we will have a target of around 30,000 vehicles.

As the Assemblywoman noted, all of these cars are presold before they come off the line and customized for each individual customer. Ultimately, the notion of transferring that automobile to sit on a dealer lot for any period of time does not have a lot of value to either us as a manufacturer or the consumer. That is just to provide detail on one of many issues that the Assemblywoman noted, which are all equally as valid.

Assemblyman Miller:

We can talk about this offline, or perhaps the question was not clear. As far as manufacturers that manufacture vehicles and do not have a base in the United States, will they be able to directly deliver vehicles that meet U.S. specifications to people in our state? As far as the service component, these vehicles will require some service at some point. What is the plan for those vehicles that are sold here to be serviced within the state?

Daniel Witt:

I want to answer your question but reframe it in light of what this bill actually does. As it stands now, Rivian can sell to Nevada residents. We are not permitted, under current law, to receive a sales license in Nevada, which would allow us to open a facility where we can conduct sales and service in the state. We are asking to be regulated by Nevada with this law.

Under the premise of your question, if there were an out-of-country manufacturer or out-of-state manufacturer that met the existing requirements, being a zero-emission vehicle manufacturer solely, and met all the requirements of the Federal Motor Vehicle Safety Standards, then ultimately consumers in the state could make the judgment to purchase one of those vehicles provided they were able to buy them from another state, presumably via an online platform. Again, I want to stress that what we are asking for with this law is the ability to invest in the state, to put in service, to hire sales associates, and ultimately grow our brand and our presence in Nevada.

Assemblyman Wheeler:

I am looking at the number of jobs that will be lost if there are no service centers or dealerships. When this bill came out, I did a rough study. It looks like there are about 50 to 100 people per dealership, including salespeople, service people, et cetera. The average salary seems to be around \$60,000 or \$70,000. Having worked at a dealership once in my life, it can be quite a bit more than that. I am very worried about losing actual jobs. That is number one.

Assemblywoman Nguyen said she wants the sales tax to stay in Nevada. I was in the manufacturing business most of my life. When I sold to Nevada from my manufacturing company in California, the sales tax had to go to Nevada. I am trying to figure out how the sales tax on these vehicles is not coming here now. If vehicles are registered in Nevada, sales tax must be paid in Nevada.

I am also wondering about the delivery of the vehicle itself when it comes to Nevada. Ms. Stainken mentioned it is like getting an iPhone where individuals can purchase them online. I am wondering how many of you got your iPhone and knew how to use it the first day. An iPhone is not going to run into someone. A car is a problem if drivers do not know how to use it and do not know what every little switch and dial is for, and it could actually kill someone. When I worked at a dealership, the delivery of the vehicles was the most important part. Employees explained everything to the customer. If I do not know how to use text on an iPhone, no one is going to die. When the vehicle is delivered, is it delivered with a salesperson, a technician, or someone who can show buyers how to use that vehicle?

Daniel Witt:

Our goal would always be to provide consumers, in the course of delivery, with an education about the vehicle with a walk-around and so forth. Without this bill being adopted, we ultimately would not have that ability, and we would be forced to have a less comprehensive delivery experience with customers.

Assemblyman Wheeler:

I do not think I got the answer I was looking for there. Does that mean every car you deliver in Nevada, if this bill passes, is going to come with a salesperson to show drivers how to use the vehicle, or is it going to come with a user video?

Daniel Witt:

When we have the ability to coordinate with consumers on the delivery of a vehicle, we will attempt to do so where it is convenient for the consumers while getting them the car as early as possible. That invariably means delivering it to a site where we can clean the car and prepare it for the transfer to the consumers. At that point, we would love to engage the customer in a thorough walk-around of the vehicle. Additionally, Lucid Motors and other brands continue to evolve, and they provide tutorials to familiarize consumers prior to taking delivery of the vehicle so they are even more educated leading up to that point. I expect we will do something similar.

Assemblywoman Nguyen:

I would encourage Assemblyman Wheeler to get into an electric vehicle because it is not a lot different than driving a normal vehicle. The dealer model and the direct sales model can coexist. We see that it coexists with Tesla right now. Tesla is coexisting with dealer models and there is not a loss of jobs. Allowing Lucid, Rivian, or Lordstown to invest in our state by setting up a showroom, service, and other things does not take away from the 50 to 100 jobs on a dealer lot. We see from Tesla that they can coexist.

Assemblyman Wheeler:

I have driven an electric vehicle, and it is vastly different. The torque from an electric motor is probably six times the torque of a gas motor. The actual self-driving features in the Tesla were very different, so it takes some education.

Assemblywoman Nguyen:

I rented a four-wheel drive sports utility vehicle and it drove differently, but no one gave me a tutorial on it.

Assemblyman Ellison:

You indicated you have not built a vehicle yet. As you may know, when a new model is purchased now, there are always problems. One of Dodge's new vehicles came out and they had transmission problems. Ford came out with a new model and it had some front-end issues. The issues had to be worked out and they were. However, if these new companies are building cars just coming off the line that are going to be sent to communities—you said about 30,000 cars, so about 4,000 or 5,000 cars to Nevada in the first couple of years—with no maintenance shops and no one able to service these vehicles, that is one of my biggest fears. Tesla has service facilities around here. If there is no service department, who is going to work on these vehicles? All new models have little gremlins in them.

Assemblywoman Nguyen:

Assemblyman Ellison, you stated perfectly why we need A.B. 114 to pass. If Tesla has a problem with a new vehicle that needs to be serviced, the car can go to Tesla's direct sales lot. That is all we are asking. Allow other manufacturers of electric-only vehicles to set up shop, to open a showroom, and open a service center. Allow that competition. Allow the small businesses to come in and create a product and sell that product to Nevadans in our state.

As far as difficulties, I think Mr. Witt could answer that as well. I know he has experience from his time at Tesla and now with Lucid.

Daniel Witt:

Nevada is actually in a class of states that is more restrictive. Unless a business has a sales license, it is unable to conduct warranty service. Without this law moving forward, we are heavily burdened by the existing state law to provide our Nevada customers with the type of service we would ultimately like to offer.

We are producing vehicles now, just not yet for customers. We are trying to get out as many of those gremlins as we possibly can before delivering to customers. Invariably, as you know, whether it is a first-year model or the eighth year of the model, there are going to be ongoing challenges and we as automakers need to be responsive to our customers. That is why we are seeking this change.

Assemblyman Ellison:

Mr. Witt, if you are building a new car and you do not know how it is going to operate, you do not know what the problems are going to be, and you have no service centers, that seems to be the problem to me and a danger. You want to build and then sell. If a customer buys your vehicle and there is a problem with it, and there is the same problem with other cars, how do you plan on fixing them? You are just starting off. You are not even going to build a building here. You want to get the sales moving first before actually implementing any kind of investment into structures as other businesses have.

Daniel Witt:

At least in Nevada, service is linked to sales. When I speak of wanting to get a sales license, it is implied that we also want to provide service. To be perfectly explicit, for us, we have sales facilities and service facilities, both of which we fully intend to put into Nevada so we can best serve our customers.

Chair Monroe-Moreno:

To further clarify what you are saying, if this bill were to be approved and moved through this legislative session, it would be in your company's interest, and other companies like yours, to build facilities within the state to conduct sales but to also provide service for those vehicles sold in this state so if there are problems with the vehicles, the consumer would have a place to get those problems remedied. Is that what I hear you saying?

Daniel Witt:

That is correct.

Assemblywoman Summers-Armstrong:

When I spoke with Ms. Stainken from Plug In America and another group of folks last week, there was no mention of setting up brick and mortar for service subsequent to purchase. Mr. Witt is saying that is the intent. Is there anything in this bill that would make this more than an intent but would be a requirement of some type to set up their own brick and mortar or develop relationships with existing brick-and-mortar businesses that provide service to help our citizens receive service? By the way, I think 50 percent of all startups fail, so that is also concerning—that we have an influx of startups and then possibly have products that are out of production with no place to be serviced because there is no longer an existing business.

My second question is, Are these businesses going to provide service manuals and are there any federal requirements to do so? If the company goes out of business, will there be a way for an aftermarket salesperson to have the expertise, knowledge, and access to tools and supplies to service these vehicles?

Assemblywoman Nguyen:

I want to make it clear, we allow this in state statute for one company. We are just asking to open this up to other companies to be able to engage in our market. Yes, I think it is the ultimate goal for companies to have direct sales. However, we are talking about companies in their inception where they are not producing millions of cars a year, they are not producing thousands of cars a month. They are producing 30,000 cars a year. They are probably not going to start off right away, although they would like to. I think that is something we may want to get into.

I think the key is, in existing law, we have one company that is allowed to set up brick and mortar, allowed to sell directly, and allowed to train people to service vehicles if needed. I think this could end up with a new economy as these companies come in. We could have boutique mechanics who specialize in training. We can work with community colleges to make sure we are training people how to service electric vehicles. There are some common components among all the different electric vehicles. This is just a new avenue for the state to increase revenue, job skills, job training, and high-paying jobs in our state. I believe Mr. Witt has something to add.

Daniel Witt:

We can look at this in the perspective of lemon laws and what happens in the event of bankruptcy. The concern you raised was that several of these startups are unlikely to survive. I believe, in the Federal Motor Vehicle Safety Standards Act there are requirements that in the event of a bankruptcy, warranty provisions preempt any kind of bankruptcy to the future creditors—exactly the situation you outlined. Parts, manuals, et cetera, need to be preserved and provided in order to satisfy the warranty claims on vehicles. Those would need to be implemented by entity, whatever that came to be.

There are a couple of case studies we can suggest here, and they all revolve around the traditional dealer and network. There are labels that have come and gone. Oldsmobile is the one that comes to mind, but under the General Motors brand, the dealers have continued to serve those customers even after the vehicles are no longer in existence.

On the contrary, DeLorean Motor Company also went through the dealer system and went through bankruptcy proceedings. Those vehicles were serviced for a limited time and when the contractual obligations were removed from the dealers, those vehicles stopped being serviced, parts were in short supply, and it became a cult vehicle that has been kept up over time.

We view our technology and capability as something that can stand the test of time. Again, I go back to the notion that you changed the law once for Tesla. Tesla set up sales and service centers. We cannot scout space or invest in resources without having the permissive structure that allows us to apply for a license. I cannot give you an assurance without knowing that this law is ultimately going to be changed. We are seeking the right and the ability to provide consumers the assurances that this Committee is clearly concerned with.

Assemblyman Leavitt:

Current franchise dealers, legacy or not, invest a lot into the community and Nevada in various ways. Is that part of your plan? I am not trying to hold you to anything, but does your business model currently afford any investment in Nevada communities?

Daniel Witt:

We are just starting out, so it is hard for me to predestine what our relationship in the community would look like. I think there is every expectation that the people who work in our facility will certainly be of the community. The company does pride itself on giving back to the community. In our short history, in the places where we are located, that is a principle of the company that we would like to imbue throughout our sales and service network.

Assemblywoman Nguyen:

I would also like to point out that Mr. Witt is here on behalf of Lucid Motors, but I think his message also resonates with the other 69 other startup EV-only manufacturers across the country. They just want the opportunity to invest in our state. They want to be able to compete. They want to live the American dream and build a product from the ground up and not be burdened by restrictions in a free-market economy. Those are all things we hope will be done. Obviously, we do not have statutory requirements that businesses give back to the community. I know that they do, and I would hope that any business that comes to Nevada, whether it is a restaurant, a day care, or a car company, would also have that spirit of community giving.

Assemblyman Leavitt:

You mentioned the one business that currently does this in Nevada. Part of their business model included an investment in the community. I was curious whether there was some thought into a business model that included investment into the community it wants to be a part of. That would only make sense to me.

The only other question I have is, How much are these vehicles going to cost?

Daniel Witt:

For our company, the price of vehicles ranges from \$60,000 to over \$160,000. I think you will hear testimony from Rivian, so I will let them detail their cost. The fact of the matter is, these cars will run the gamut. Of course, Lucid intends to offer lower-priced vehicles as it progresses into selling more vehicles over time. It is simply a product of where our technology is today.

I think Ms. Stainken from Plug In America can detail this better than I can. With the cost of batteries coming down and the efficiency of the batteries going up, you will see mass-market vehicles in this decade from a variety of manufacturers, both sold directly to consumers and those that are sold through franchises, that will ultimately appeal to a wide audience of customers.

Assemblywoman Nguyen:

I would also like to point out that one thing this bill would allow is for these other companies to come in. They are coming in because they want to be a part of this market and increase opportunities and choices for consumers in Nevada. Ultimately, I think the goal is to be able to set up shop and have that infrastructure here locally as the business models grow. I think it is the very definition of the American dream: pulling yourself up by the bootstraps, starting from the ground up, and building into a successful business. In this bill, these companies will not have the same tax abatements we gave the other company. I think having a favorable market for electric vehicles will encourage other electric vehicle companies to come to Nevada to sell their products, potentially move manufacturing to our state, and other service and job skill training so we can branch out Nevada's economy.

Katherine Stainken:

I am always happy to talk about the affordability of the vehicles. The battery prices are coming down, and that is the bulk of what the car is. That price drop happened a couple of years earlier than was expected. However, by 2024, the upfront cost of the vehicles will be at parity with gas cars. That is on average, of course. There are always going to be some on the higher end and some on the lower end. General Motors, for example, offers the Chevrolet Bolt, which starts at about \$37,000. Tesla offers the Model 3, which is also around \$35,000. Currently on the market, you will see some that are lower, starting at about \$27,000, ranging up to other luxury lines, as there are for all gas cars on the road now.

I would also like to point out the savings consumers will see. While the upfront cost may be a little higher now, by 2050 it is expected that Nevada drivers—I am not talking about other states, just Nevada—will be saving about \$2,200 per year by switching to electric. If you add the maintenance savings, because electric vehicles' maintenance is half the cost of what it would be for a gas car, according to a Consumer Report study, it evens out over the lifetime of the vehicle for the driver.

Assemblyman Roberts:

You mentioned existing sales and franchise dealers in Nevada. What would prohibit your business model from contracting with a current dealer in the state or opening your own dealership? What does that do to your business model and how would that impact your business?

Daniel Witt:

In technical terms within Nevada law, we are actually seeking the ability to open our own dealership. I think what you are asking is why we cannot partner with an individual in the state already. Frankly, we view the two as incompatible. Currently, there are different profit centers for which a dealership makes all of its revenue: sales, service, titling, and a couple of others. The biggest one, by far, is service. Sales are negotiated on top of the price that those dealers paid to purchase the vehicle wholesale from the manufacturer. That is the price that

the customer can negotiate to some extent. Customers cannot negotiate service. Service is where the bulk of the dealerships' profits are made. For us, as a new manufacturer with an electric vehicle that absolutely still requires service, but much less service, we do not believe that profit center for a dealership can satisfy the size and scope of the traditional franchises. Instead, the natural result would be to artificially raise the price of the vehicle in order to regain the necessary profit to sustain that dealership. The profit needs to come from somewhere. We want to sell the vehicle for a specific amount, the margin being what we need to survive, but no more than that. We are the ones looking to invest in those service footprints where it is not a profit center. It is that philosophical difference which we view as the incompatibility.

Assemblyman Watts:

I have a few clarifying questions. Just to be clear, this bill will allow these manufacturers to set up shop in the state, but they will follow all the same requirements under law that any other manufacturer has to under state or federal law. Manufacturers would have to follow the same rules and regulations in law set up for sellers or dealers if this bill were to pass. Is that correct?

Daniel Witt:

Yes, that is correct.

Assemblyman Watts:

As you mentioned, some of these companies are accepting preorders now. If we do not pass this bill, people will still be able to purchase those vehicles here, and the sales tax may be remitted here. However, the barrier is owners will have to travel out of state to retrieve the vehicle, creating a barrier for access, and then there will not be facilities in the state that can provide things like test drives, service, and other services at a local level. Is that correct?

Daniel Witt:

There are nuances to that. I would note that without being able to have facilities in the state, we would be depriving the state of tax dollars, such as property tax and employer taxes, we would otherwise pay. We generally try to work within the law as best we can to eliminate any encumbrances that consumers would otherwise feel if the laws were less than ideal. However, in general, these impediments would have an impact on the consumer experience and create difficulties for consumers as well as the manufacturers to meet.

Assemblyman Watts:

Just to follow up on the point you made about service and the role that plays in revenue under the franchised auto dealer model, could you speak more to that? I think I have seen some facts and figures showing the service costs for electric vehicles are less than half of a gasoline vehicle, and the requirements for service frequency are much less because of the lack of a need for oil changes. Would you put more context behind the reduced service needs for these vehicles?

Katherine Stainken:

Yes, that is correct. There are ten times fewer moving parts in an electric vehicle than in a gas vehicle, so there is not as much service needed. In fact, usually the things that need to be replaced are the brake pads, windshield wipers, and washer fluid. That is the maximum when it comes to service.

Chair Monroe-Moreno:

Seeing no further questions from members, are there any callers to testify in support of Assembly Bill 114?

Sarah Steinberg, Policy Principal, Advanced Energy Economy:

Advanced Energy Economy (AEE) represents a variety of companies that span the advanced transportation sector. These companies represent manufacturers of electric vehicles of different sizes, from small, low-speed vehicles to large, heavy-duty vehicles; charging infrastructure providers; grid integration solutions firms; fleet operators; and companies providing supporting technologies and software services.

Today, I would like to note AEE's strong support for Assembly Bill 114 to allow for the direct-to-consumer sale of electric vehicles by electric vehicle-only manufacturers. This bill addresses one of the major barriers to EV adoption and vehicle availability. It would make EVs more accessible to Nevadans at the time of purchase. Additionally, this bill would boost the number of EV retailers in the state, increase state and local sales tax revenues, and create new jobs.

The electric vehicle space offers Nevada a number of exciting benefits, but the market will only help grow and diversify the economy if consumers have that full access to in-state electric vehicle purchasing options. We know that the potential for the EV market to be a catalyst for economic diversification and recovery here is significant. Advanced Energy Economy released a report last fall that used modeling to determine the economic impact of investment in advanced energy technology. A hypothetical investment of \$2 billion to increase the number of light-, medium-, and heavy-duty electric vehicles and build out residential, business, and commercial charging stations to support them would yield 48,000 jobs, save drivers \$190 million in fuel, and add \$6 billion to the gross state product. Then there are secondary benefits to all electric ratepayers, regardless of what they drive, as more and more EV drivers increase the number of kilowatt-hours sold on the system and put downward pressure on electric rates.

Allowing direct sales tells EV companies that work in and around vehicle manufacturing and charging infrastructure that Nevada is a worthwhile place to invest their private resources. We ask for your support for Assembly Bill 114. Thank you for your time and consideration, and please do not hesitate to reach out if you would like to hear more information from our member companies.

Leslie Hayward, Manager, Policy Communications, Rivian Automotive, LLC, Plymouth, Michigan:

I am in support of Assembly Bill 114 to allow manufacturers like Rivian to sell electric vehicles directly in Nevada. We are an independent U.S. company founded in 2009. Our mission is to keep the world adventurous forever, and we intend to accomplish this through the development, production, and distribution of all electric trucks and sports utility vehicles. We also have a project with Amazon to develop and produce 100,000 electric medium-duty delivery vans, which is the largest electric vehicle project in history and something we are very proud of.

I know I am short on time, but I do want to weigh in on a couple of the issues raised and the questions directed to Mr. Witt. He clarified some of the points he made very well, but out of respect for the questions asked and the concerns of the Committee members, I am going to try to speak to them very quickly.

I want to reiterate that, yes, consumers can buy a Rivian and have it delivered in Nevada. However, because we cannot come in and build the physical retail footprint in the state, Nevada residents are inconvenienced by having to travel to neighboring states to take delivery, to do test drives, to service vehicles, or to learn more about them. We have a robust plan to provide service because we know this is very important to our success as a young company. We intend to be within one hour of 75 percent of our customers, and within four hours of 96 percent through a combination of brick-and-mortar service locations and mobile service vehicles. Without this legislation, we cannot build service stations in Nevada, which I think is relative to the point that one of the Assembly members raised about the safety of the vehicles and the consumer education.

These are very serious concerns for us and, again, it reiterates the reason why we need direct sales in Nevada. We can already deliver the vehicles, but we need the physical footprint to properly educate our customers on how to safely use the car and to be able to fix anything that goes wrong as we deliver these vehicles and get this technology on the road.

I also want to respond to the concerns about the potential loss of jobs. The inability to sell a vehicle directly from the manufacturer is unique to the new car market. There is really no other place in the economy where consumers cannot buy something directly from the manufacturer. Think about food. Food can be purchased from a farmer's market or from a grocery store. Boots can be purchased from DICK'S Sporting Goods, or they can be ordered directly from Patagonia, Inc.

[[Exhibit H](#) was also submitted by Rivian Automotive, LLC.]

Chair Monroe-Moreno:

Thank you for your comments. If you have anything else you want the Committee to hear, please send us your written comments. We will move on to the next caller in support.

Andrew Linhardt, representing Electrification Coalition:

I am reading the testimony for Admiral Dennis Blair. Admiral Blair apologizes for the last-minute situation that stopped him from being able to be here. Admiral Blair was the United States Director of National Intelligence from January 2009 to May 2010, and previously served as Commander in Chief of the U.S. Pacific Command.

I speak to you today on behalf of the Energy Security and Leadership Council, a project with bipartisan energy advocacy group Securing America's Future Energy (SAFE) in support of A.B. 114. Formed in 2006, our group is a coalition of four-star admirals and generals, like myself, who have seen the astonishing cost of our oil dependence and the loss of America's blood and treasure overseas, and business leaders who find common purpose in the urgent need to reduce our nation's oil dependence and build a transportation system of the future here in the United States. Securing America's Future Energy works alongside its sister organization, the Electrification Coalition, to help states, including Nevada, support this transition.

The issue of oil dependence has been paramount to America's national security for over 100 years. Under a popular narrative, this issue has been resolved and oil is in terminal decline. The market fundamentals tell a different story. While electric vehicle technology has demonstrated incredible improvements since the current wave of commercial introduction, oil still accounts for 91 percent of all transportation energy. Furthermore, oil prices are set on a global market that is cartel-controlled and manipulated. The U.S. military also continues to be the guarantor of safe global oil trends and supply to the cost of \$81 billion annually to the taxpayers.

Our group has long seen electric vehicles, specifically the domestic EV industry, as having the most promising solution to break oil's monopoly over the transportation system. If the world shifts from gasoline to EVs, China's dominance of the entire EV supply chain makes scaling up the U.S. market even more urgent.

As has been made clear in state after state, direct sales are one of the most effective and powerful policy levers to enhance EV deployment. Some 80 percent of EVs sold in the country are through direct sales, and states that are open to direct sales see adoption rates up to five times the rate of states that are closed, even in the absence of other direct incentives. The future of our nation depends on our ability to control our destiny with regard to our transportation fuels and technologies.

Preventing innovative companies, like those that joined in the testimony today, from bringing their vehicles to market stands in the way of our need to transition the transportation system. While I understand that auto dealers have expressed concerns with this bill, even though it does not affect their sales in

EVs alongside EV-only manufacturers, the importance of direct sales and a robust domestic EV industry has implications far beyond commercial regulation.

Nevada's economy benefits from improved access to electric vehicles and the related demand for vehicles, batteries, and [unintelligible] into the supply chain when a company is already in the state and to others that may come. I hope the Committee will focus on their task of evaluating whether new EV manufacturers, like Tesla, Rivian, Lucid, Lordstown, and others, should have the ability to choose a business strategy that makes sense for them as they battle for American leadership in the global EV race.

Matt Rubin, Energy Policy Analyst, Western Resource Advocates:

Western Resource Advocates (WRA) is a nonprofit focused on protecting the West's land, air, and water to ensure that vibrant communities exist in balance with nature. My comments today are based on the M.J. Bradley & Associates *Electric Vehicle Cost-Benefit Analysis* report for Nevada [[Exhibit I](#)], commissioned by WRA, Southwest Energy Efficiency Project (SWEET), and the Natural Resources Defense Council (NRDC) and published last month hoping that Nevada's vehicle markets and direct sales model will allow many emerging EV-only auto manufacturers to do business in Nevada. This is a key step to achieving the state's goal of zero greenhouse gas emissions economy-wide by 2050 as set forth in Senate Bill 254 of the 80th Session.

Transportation is Nevada's largest source of greenhouse gases, accounting for 36 percent of emissions. However, EVs do not emit any direct emissions. As Nevada continues to decarbonize its generating resources, EVs will also become cleaner. The M.J. Bradley report demonstrates the social value of greenhouse gas emission reductions from EVs, representing a potential cost-savings from avoiding the negative effects of the climate crisis.

Under a rapid EV adoption rate, Nevada could see as much as \$21 million annually in social value by 2030, escalating to as much as \$233 million per year by 2050. These numbers denote not just benefits of acting to address the climate crisis, but also the cost of inaction, a fanatic warning throughout the state climate plan. Electric vehicles can also provide significant group benefits which provide utility customers savings. The M.J. Bradley report suggests that under an ambitious EV adoption scenario with managed EV charging, residential ratepayers could see \$123 in annual savings by 2050 due to EVs. Electric vehicles also exert downward pressure on rates from increased revenue from the additional EV load, avoid peak capacity costs, and allow efficient use of the distribution system.

Passing A.B. 114 is key to providing greater access to EVs and achieving Nevada's state climate goals.

Christi Cabrera, Policy and Advocacy Director, Nevada Conservation League:

I am here in support of A.B. 114. Transportation is the largest emitter of greenhouse gas pollution in Nevada, and our health, economy, and environment all suffer as a result. Gasoline-powered vehicles produce particulate matter, ozone, and carbon monoxide. These tailpipe emissions cause air pollution that is damaging to our health and have been linked to an increase in instances of heart disease, lung cancer, and asthma among Nevada families.

The 2020 State of the Air report from the American Lung Association gave Clark, Lyon, and Washoe Counties an F-grade for smog pollution, naming vehicle emissions as a primary cause of unhealthy air days. Low-income neighborhoods and communities of color have all been located around high-traffic corridors that are major sources of pollution. As a result, these communities have had their health disproportionately impacted by vehicle emissions.

Assembly Bill 114 will increase electric vehicle options available for test drives and purchase, which will likely lead to an increased adoption of EVs in our state. By putting more of these cars on our roads, we can reduce harmful air pollution linked to asthma and other ailments while helping our state meet its climate goals and investing in our local clean energy economy. We urge your support.

Angie Dykema, representing Southwest Energy Efficiency Project:

Southwest Energy Efficiency Project (SWEET) is a nonprofit organization promoting energy efficiency and clean transportation across the six intermountain west states. We are in support of A.B. 114 for several reasons. Mr. Rubin from WRA covered a majority of them. I would like to focus on the key findings that were also from the M.J. Bradley report [[Exhibit I](#)]. He mentioned EVs reducing costs for drivers. The main finding is they do not need oil changes, transmission replacements, or other kinds of maintenance that conventional cars require. Therefore, as Ms. Stinken also mentioned, by 2025 the cost will reach parity with internal combustion engine vehicles. The study has estimated that EV owners would save \$2,200 per vehicle by 2050 as well. The study also suggests it would also save more than 4 billion gallons of gasoline through 2050. It also saves out-of-state fuel spending. We have submitted the M.J. Bradley report as an exhibit. I encourage you to look at the report to find out more about the benefits EVs would bring to Nevada.

Allowing for direct sales is an important step toward realizing these benefits for our state. We strongly urge the Committee to support this important piece of legislation.

Dylan Sullivan, Senior Scientist, Natural Resources Defense Council:

The Natural Resources Defense Council (NRDC) is an international nonprofit environmental group with around 25,000 members. I am an activist in Nevada, based in Reno. I am here to testify in support of A.B. 114.

We know that in order to address the climate change that is driving Nevada's heatwaves and droughts, and in order to improve air quality in the communities that suffer most from air pollution, we are going to have to increasingly shift toward electric vehicles. I second

Mr. Rubin's and Ms. Dykema's comments on behalf of WRA and SWEEP on the benefits of EVs for Nevada and referencing the recently released M.J. Bradley report.

We are going to need a lot of additional policies and programs to get where we need to be on EVs. Assembly Bill 114 will basically ensure Nevadans can buy the electric vehicles they want. It is really simple. For customers to buy an EV, they need to be able to purchase the EV that best suits their lifestyle—vehicles like Rivian's awesome R1T truck. Customers should not have to make a trip to Oregon to buy that vehicle. Nevada needs to ensure that residents are actually able to purchase these vehicles and not be limited to only what is available from a traditional dealership.

Direct sales allow for different vehicle manufacturers to enter the competitive market and provide these cars to customers easily and effectively. The efforts in this bill will not stop people from purchasing vehicles from traditional dealerships. Instead, they will help to enrich the market and provide customers with choice over vehicle size and how they want to purchase the vehicle. We urge you to support the bill.

Chair Monroe-Moreno:

Are there any additional callers wishing to testify in support of A.B. 114? [There were none.] Are there any callers wishing to testify in opposition?

John Stanko, President, Champion Chevrolet, Reno, Nevada:

I am also on the board of directors for the Nevada Franchised Auto Dealers Association. Going back to Tesla and how it was created, I was involved in some of those discussions. The intent was to create jobs and also a massive investment in the Tesla Gigafactory, which Tesla did, and they started selling directly. Initially, Tesla had a lot of problems with service because they had to fly a mechanic or a technician in. It was not very convenient for the consumers. The law was changed that companies had to be an electric vehicle dealer as of January 16, 2016, and only making and selling electric vehicles.

This bill wants to remove the January 2016 language and allow 66 different electric vehicle companies to sell directly in Nevada without any investment or any dealer body in Nevada. I guarantee, this will create a major consumer issue by the lack of convenient warranty service and not having a local dealer for assistance in sales or service problems. Not only that, A.B. 114 would create a major unfairness to the new car franchise dealers in Nevada that have millions of dollars invested in facilities, parts, staff, and training to properly sell and conveniently service customers. If you pass A.B. 114, it will be in violation of current DMV laws and regulations. In addition, all the manufacturers have strong requirements that their franchise dealers have to meet to be franchised, such as the facilities, the staff, the parts, and the training to take care of customers. Again, the intent with Tesla was to create jobs and the massive investment in the Gigafactory. The intent was not to have out-of-state EV companies with no investment dump cars and trucks into Nevada and leave consumers without support for their vehicles.

Assembly Bill 114 would also damage a major industry in Nevada that has historically been one of the largest generators of sales tax for Nevada. In addition, the franchised new car dealers support their local communities, colleges, schools, and many charities. I doubt if outside companies would do the same. When you talked earlier about Assembly Bill 79 and Assembly Bill 118, Champion Chevrolet has been the sponsor from the inception with Driver's Edge.

They also talked about other things like charging costs. Check out what it costs to charge electric vehicles. I have had people tell me they spend more on their electric bill per month than what they used to spend filling up their vehicles. The grid in the summer on Kietzke Lane has brownouts all the time. Think of the people in Texas. How would they have charged their Tesla a week ago?

Chair Monroe-Moreno:

We have reached your time limit of three minutes. I appreciate you joining us with your comments. If you have any further comments, please submit those to our Committee in writing. Are there any other callers to testify in opposition?

Bryan Wachter, Senior Vice President, Retail Association of Nevada:

The Retail Association of Nevada agrees that there are steps Nevada can be taking to encourage its greenhouse gas goals. This bill is not about saving the environment. It is about creating an uneven playing ground between online and brick-and-mortar retailers. Vehicles are oftentimes a family's second most expensive retail purchase, if not their first. Customers need to have access to the retailer, not just for servicing electric vehicles, but also in the case of recalls for things like catching on fire.

Assembly Bill 114 seeks to use the Legislature to make certain businesses more profitable to compete in our marketplace. Local car dealers play an important role and are vital to our landscape, whether it is in Ely, Elko, or North Las Vegas. We agree and strongly support the Nevada Franchised Auto Dealers Association's position on this bill. We urge your opposition to A.B. 114.

Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber:

I would like to thank the bill's three primary sponsors for their time and conversations regarding A.B. 114. I greatly appreciate their time and dialogue. While the Vegas Chamber welcomes innovation, entrepreneurship, and diversification efforts, we do have several concerns with the bill. One is the impact A.B. 114 could have on employers and employees who currently work in Nevada's auto industry. The second is the unintended consequences this bill may have to consumers as well.

There are about 11,000 Nevadans who are directly employed by the industry and make significantly more than the state's average income, about \$68,000 per employee. There have been concerns about job loss in Nevada's auto industry and concerns that we have heard from our members from employers in this sector. Regarding consumers, we do have concerns, as you have heard from others, about the impact it could have on competitive pricing, responsive customer service, community engagement, and accountability.

We do believe this concept needs further dialogue from an economic and job perspective, and we appreciate each of the bill sponsors' openness for further dialogue.

Chair Monroe-Moreno:

There are no further callers for opposition, but we do have a few on Zoom that have been invited to the meeting. We will start with Mr. MacKay. I will remind you, there is a three-minute limit.

Andrew MacKay, Executive Director, Nevada Franchised Auto Dealers Association:

With all due respect, I was not aware we were going to be limited to three minutes to put our case on. I have numerous witnesses, so what I will do is turn it over to Alfredo Alonso, who represents the Alliance for Automotive Innovation.

Alfredo Alonso, representing Alliance for Automotive Innovation:

I have Curt Augustine, the senior director for Alliance for Automotive Innovation, on the phone. I am not sure if he is still waiting, but hopefully he is able to testify as well. I think it is important for everyone to understand that we do not have a disagreement with EVs being the future of our industry, because it is. More properly, it is probably zero-emission vehicles that are going to be the future of the industry. I think it is also important to know that it is going to be driven by the people you see behind me on this logo. It is going to be the legacy manufacturers and the dealers who drive this market. If you look at all these studies that you have heard of, of course, they include the EVs that are being created and built right now by people who are much smarter than I and doing incredible things.

In 2021, we will see a huge number of new EVs. By 2025, we will see over 100 new models. I think that is really important because this is where the driver is. It is by the industry that has been there for over 100 years. I think two of the important things to remember are that we are talking about 10.3 million jobs nationally—we are one of the biggest industries in the country—and over \$650 billion in paychecks. That is just in Nevada alone, which I think Mr. MacKay can go into a little more significantly. I think what is important for everyone here to understand is we are not in disagreement with the future of zero-emission vehicles. We do disagree on how we get there. It is important to understand we have a system that works. It works for the consumer, the manufacturer, and the dealer. It is balanced. We have seen this movie before; when there is no balance, someone always gets hurt. Normally, it is the consumer.

Allowing this group of start-ups without any belt and suspenders is incredibly risky to the consumer. While innovation is amazing, and I think it is going to be a catalyst in many cases for some of the cars being built, the idea that they will still be regulated in the same manner and the rules will still apply in the same manner is simply not true. One of the provisions that gets taken out if a company is not a dealer is the restriction on monopolistic financing, among others. They will not have to do any of that. They will not have to have any of those protections. They can choose whoever they want to finance whatever they want.

Again, we are talking about many start-ups that do not even exist today that could take advantage of this and come to the marketplace. There is no requirement for them to build anything. They can just sell. This is incredibly risky and, again, it is an unlevel playing field for the folks who have been in Nevada for decades and for the manufacturers that are building these cars.

Chair Monroe-Moreno:

We do have a question at this time from Assemblyman Watts.

Assemblyman Watts:

This question can be answered by either Mr. Alonso or Mr. MacKay. It is a story that is timely and relevant. A friend of mine let me know she was in Las Vegas and went to the Subaru dealership to check out a Crosstrek. She was interested in purchasing the hybrid Crosstrek, which is in production. However, the salesperson indicated they did not have any hybrid Crosstreks and had no plans to sell them. They only sell them in the states that have clean car standards and basically require additional delivery. Even if they bought a hybrid Crosstrek from out of state, the dealership would not be able to service it because they do not have technicians or the parts to do so. I was wondering if either of you could speak to that. I know this is the future and you acknowledge that. However, it seems we still have consumers in Nevada today who are interested in obtaining products—even from major manufacturers—and are having difficulty doing so.

Alfredo Alonso:

I will try to answer your question and have Mr. MacKay jump in as well. I think what we have to remember is we are in the middle of a pandemic. Production has been drastically cut over the last year. They are ramping up again, so I think you are going to see more of these cars. The information about not having them available and not being able to service them really surprises me, and I will get you an answer to that from my folks. Hopefully, Mr. MacKay can get to the bottom of it as well.

Our goal is to sell cars and build cars people want. If those cars are desirable, we will find a way to get them to the end user. Mr. MacKay's folks are going to sell them and service them. That is the goal. There is no intent to keep us on any track the public does not want. We know that electric and zero-emission is our goal, so much so that General Motors has said they are going to go all electric or zero-emission by 2035. That is incredible when you look at a company that size and the number of cars they build on a yearly basis.

So far to date, the commitment from my folks has been \$250 billion in research and development for these vehicles. I hope to fix the issue your friend had and perhaps we can talk about it later and get some answers from the dealers as well to make sure that does not happen again.

Assemblyman Ellison:

When a new vehicle is built, there are usually small problems. With a new vehicle coming out that has never been built that will come into a community, what do you expect to see as far as problems with the vehicle? It does not mean it is a bad vehicle, it just means there may be problems associated with a new car coming out. It could be anything, such as brakes, the starter, or other things.

Alfredo Alonso:

I believe the dealers could probably give you more detail, but as far as the manufacturers are concerned, and we look at how this will look in practice, Lucid may very well do what they say and build a facility in Nevada. Rivian may very well do the same thing. They also may not. There is absolutely nothing in the bill that says they have to. The rest of the folks who are a part of this would not either. Yes, there is a chance we could have a Rivian representative walking customers through the purchase of a new vehicle, showing them how everything works, and hopefully they have a facility where the vehicle could be serviced. However, I do not think there is a guarantee that any of these startups would do the same thing. That is the big concern here. They would be on a different playing field. They would not have to spend a dime in Nevada. If you said they are going to build a manufacturing facility and provide Nevadans with jobs, then I would still probably not like it, and I am sure the dealers would not like it, but at least that would be a policy issue we could discuss.

Chair Monroe-Moreno:

If there were verbiage in the bill that would require brick and mortar to be in Nevada or contracts with existing dealerships for service, would the bill be something you could live with? You may not like it, but could you live with it?

Alfredo Alonso:

Without having this conversation with my folks, I do not have an answer, but we are willing to talk about anything. We are always willing to sit down at the table. The goal here is never to simply say no to everything. I think it is important to understand that we cannot have a system that has been working for 100 years and then let this new shiny object come in that can do whatever it wants. That is a concern for everyone. Can they do what a dealer does? I do not know. It depends on the language.

Chair Monroe-Moreno:

I am not seeing any other members with questions. Mr. Alonso, is there anyone else in the room who would like to offer opposition?

Alfredo Alonso:

Yes, Madam Chair. Mr. MacKay will be right here.

Andrew MacKay:

We actually have another witness on Mr. Sande's Zoom line who is going to make a comment. After that, Mr. Findlay would like to make some comments as well.

Bob Price, Parts Director, Dolan Auto Group:

I just want to give you a brief history of my experience in the car business. I started in the car business in October 1976 at Reno Toyota. I worked as a parts counter man and then worked my way up to the parts manager. Five years ago, I became the parts director. My experience is quite extensive. I oversee five different parts departments throughout Dolan Auto Group.

Currently at the Toyota store, we service between 185 to 225 cars per day. It is a busy service center. We want to continue to show that we do need these service centers. Toyota has changed rapidly over the past four decades. The biggest change I have seen in the last 20 years was in 1997 when the Toyota Hybrid Prius came out. One of the things that a lot of people have talked about in the past is if we can keep up on the servicing with these cars. Yes, we can. We get trained by the factory. It is an investment that Toyota makes on their research and development side and is extensive. That car was in the works for several years before it was ever pushed out to the retail market.

We also do another thing that I think is really important. If this bill happens to pass, it is going to shortcut a lot of the worker levels. We train our technicians. We do not just hire technicians off the street. What we do is we move employees working in the wash bay over to work in the lubrication department. From the lubrication department, we train them in the maintenance department, and then work them all the way up to the level of master technician.

One of the things I have seen in this industry over the last several years is there is no vocational training any longer in our school systems. That is really a problem going forward. As a dealer, we want to make sure we take the time to train these people, give them the experience, and work from there.

We actually love the idea that these EVs are coming at some point. Competition is great. It has been that way in the car business ever since we started, and I do not think it will ever change. However, we want to make sure everyone is on the same playing field. Over the last ten years alone, the Toyota store and the Lexus store have spent somewhere in the neighborhood of \$45 million on new facilities with state-of-the-art equipment. Employees have to be certified to work on a Prius hybrid because if they are not certified in that area, they could touch a high voltage line that could do some severe damage. This is not a car that can be serviced by regular technicians.

I also want to touch on the consumer side. We are consumer-driven on our end. What the consumer wants is what the manufacturers produce and what the dealers sell. We do not just want to stick with fossil fuel cars. We want to go with whatever the consumer wants. There is another aspect to this that a lot of people do not understand and that is the relationship between the service departments and the consumers once they buy the car from us.

Chair Monroe-Moreno:

I hate to cut you off as we have made it to the three-minute time limit. You can submit any further comments to the Committee.

Justin Findlay, Owner, Findlay Automotive Group:

The Findlay Automotive Group is family-owned and multigenerational. We have been in business for 60 years, and we employ more than 1,600 Nevadans across 17 different dealership locations in Las Vegas, Reno, and Henderson. Our employees are our most important asset and are the backbone of our business. We are very proud that during the COVID-19 crisis, we have not laid off one employee. We are also very proud of the fact that we support and give back to the communities we serve. Findlay has been supporting local causes since we started business. We are founding members for The Smith Center for the Performing Arts; we are proud partners with the University of Nevada, Las Vegas and the University of Nevada, Reno; and we supported over 35 other local charities in Nevada in 2020. Ask yourselves, Will out-of-town EV manufacturers with direct sales from different states or countries support Nevada the way franchise dealers do? I do not think they will. I think it is a guarantee they will not.

We have also invested in Nevada. Over the years, we have invested many millions of dollars in land and facilities. Our Nevada dealerships have 700 service bays devoted to serving our customers' vehicles. Franchise dealers are here to provide services for our customers. This will be very difficult or impossible for out-of-state dealers who sell directly to provide things such as maintenance and repair. I know we have talked about electric vehicles not having some of the same maintenance and repair issues, and that is true, but there are going to be many glitches. These cars have computers and mini-sensors. We sell electric cars now and, in a lot of cases, they need a lot more maintenance than traditional cars that have been around and proven.

We cannot pretend this is not going to take a lot of service business. If a manufacturer does not want to do that, I think that is another challenge. We do safety recalls and titling, we have delivery processes, we help with financing, and many other things at the dealership level. Franchise dealers are here to support the customers in the unlikely event that the manufacturer goes out of business. Some of the names on this picture behind me have gone out of business, but the customers still own the cars and need help. The dealers are there to help them. Do not lose sight of that.

I want to make it clear that we fully support future electric vehicle manufacturers that are not in the market yet. We would love to sell their products in Nevada. We just feel it is important that they abide by the existing laws that require them to have local franchise representatives. Our current system is stable, versatile, and has been successful in good times and bad times. It has been great during this pandemic. Changing the rules could have devastating effects on our current system. I think this will open Pandora's box if we were to open Nevada to all EV makers. [\[Exhibit J\]](#) was also submitted as an exhibit.]

John Sande, III, Private Citizen, Reno, Nevada:

Most of you may know me. I have worked as a lobbyist at the Legislature for 30-plus years. Fortunately, I retired and now my son is doing it. I want to tell you that the issue with Tesla occurred in 2014 at the Legislature. It was basically coming from former Governor Sandoval because he had a relationship with them. They were going to build a facility that would be great for Nevada. It turned out that he was 100 percent correct. If you look at how much they have spent in Nevada and the cars they are producing, it has been great. As a result of that, when Governor Sandoval came up with that proposal, basically the Nevada Franchised Auto Dealers said they would go along with it. However, if you look at the bill, it is only allowed for companies doing business in the area in 2014. If it were not a Nevada business and did not have a dealership, it could not come into the state. I wanted to point that out to show you we did try to do what was best for Nevada's interests.

Chair Monroe-Moreno:

Thank you for coming out of retirement to make comments for us today. I know I was not here at the time the Tesla bill passed, and many of the members were not. I appreciate your helping us with the historical nature of the legislation.

Sandy Raffealli, Owner, Bill Pearce Motors:

I represent five manufacturers. Our dealership started in 1974, but our family was here during the 1960s. We have a very long and storied history in the car business in northern Nevada. We represent Honda, BMW, Volvo, Porsche, MINI, and we used to represent Oldsmobile.

I would like to start by saying I am absolutely in love with electric cars. I had been driving a MINI electric, and would still be driving it, except the staff said it had to stay on the lot so customers could drive it. I think Mr. Findlay is the same way. He has spent a lot of time driving electric cars, and we love them. We are not here to discuss the viability of electric cars; we see it. I want my grandchildren to appreciate what is going to happen to the environment when we have electric cars everywhere.

One of my main concerns is for all the employees we have hired. We have 165 employees; 20 percent of them have been with us for over 15 years and some are pushing 35 years. We are proud that some of these employees are multigenerational. They started in wash bays and counting parts, like where my daughter started. They moved up in the company and are now in management positions making very good salaries.

I think perhaps some of you may underappreciate how much we are challengers to the manufacturers in defense of our customers. There are times when we try to get warranty repairs approved, and we go to bat for the customers. If a company has a brick-and-mortar store without anyone there to be an advocate for the customer to the manufacturer, that is not going to be a healthy or fortuitous experience for the customer. I am the middle-woman. We take pride in helping customers and pushing to the end.

This bill will not provide a level playing field for the customers. I think a level playing field is to have someone as the customers' advocate. We are very risk-appreciative. My father, on a wing and a prayer, talked Honda into coming to northern Nevada. I am sure Mr. Findlay's family has done the same thing. We want to sell good cars, and we are very risk-friendly. We would be happy to have some of these young manufacturers of electric cars knock on our door. We have the brick and mortar; we have technicians who can be trained. Why do they think we would not be an asset to their chain of production? I do not know. I do know how many millions of dollars my family has invested in two little buildings. I can only imagine what the Findlays have invested. It would seem a no-brainer to me for these manufacturers, who are trying to get a head start, to knock on our door and ask if we would support them and be their brick and mortar so they can come to the state and offer more options.

Andrew MacKay:

I will have to truncate my arguments. As alluded to earlier, with respect to our dealers, they are literally in every corner of this state, from Henderson to Elko, from Reno to Pahrump, and all points in between. These are neighborhood stores and neighborhood small businesses. As mentioned, these are dealerships that employ a lot of people—nearly 11,000 directly and over 15,000 directly and indirectly.

Chair Monroe-Moreno:

Mr. MacKay, we have lost the sound and cannot hear you. We are checking on the issue.

John Sande, IV, representing Nevada Franchised Auto Dealers Association:

Madam Chair, I have a copy of Mr. MacKay's testimony. I could read it on his behalf.

Chair Monroe-Moreno:

As long as you can read it in three minutes, that would be fine.

John Sande, IV:

[Reading from Mr. MacKay's written testimony, [Exhibit K](#).] These dealerships provide stable, high-paying jobs with comprehensive benefits which pay on average \$68,842. These are the businesses that are the fabric of our communities. They always step up to write a check when a school needs new scoreboards, or the Girl Scouts of the United States of America need to sell the last 100 boxes of cookies, or when frontline healthcare workers are in need of hot meals while they care for their patients through the pandemic or the 1 October massacre.

This is a quote from *Nevada Revised Statutes* 482.318:

The Legislature finds and declares that the distribution and sale of motor vehicles in the State of Nevada vitally affects the general economy of the State and the public interest and the public welfare, and in the exercise of its police power, it is necessary to regulate and to license motor vehicle

manufacturers, distributors, new and used vehicle dealers, brokers, rebuilders, leasing companies, salespersons, and their representatives doing business in the State of Nevada in order to prevent frauds, impositions and other abuse upon its citizens.

That was codified in 1965 and ratified in 1971 and 1995. We want to emphasize the beginning: "The Legislature finds and declares that the distribution and sale of motor vehicles in the State of Nevada vitally affects the general economy of the State and the public interest and the public welfare" It was passed by this body and signed into law by a person who has a pretty big building named in his honor, Governor Grant Sawyer. Nevada automotive retailing laws are some of the most robust in our nation. They provide for fair and open competition, but more importantly, provide for extensive consumer protections. Protections include transparent pricing and a guarantee that a person whose vehicle needs a warranty or recall repair can and will be able to get that done in an expeditious manner.

Assembly Bill 114 will undermine a system that has worked well for decades and decades. The laws this body has implemented require a motor vehicle dealer to invest in brick-and-mortar facilities and local jobs to ensure purchasers are cared for during the life of the vehicle, not just at the point of sale. When you buy a car, you are generally buying the second most expensive item in your life, following your house. When you have a problem with your iPad, for instance, it only affects you. However, if you have a problem with your car, it affects the entire driving public.

You have heard that passage of this bill will help to bring more electric vehicles to market. It will not. However, if this bill passes, there will undoubtedly be fewer protections for consumers. Assembly Bill 114 is ostensibly being pushed by a group of burgeoning automakers who have yet to bring a vehicle to market. However, the existing automakers, our manufacturing partners, are already manufacturing electric vehicles, and we are selling them.

Chair Monroe-Moreno:

I let you speak for four minutes because of the sound issue earlier. I appreciate you all gathering in one location to help with the discussion today. I think it was very important to have this discussion. I would appreciate it if you continued working with the sponsors of this bill. You may still not be happy with it, but you may be neutral.

John Sande, IV:

I will give you my word, we will do that.

Chair Monroe-Moreno:

I do not see any questions from the members. Are there any callers who wish to testify as neutral to A.B. 114? [There were none.] I see we have two additional callers for opposition. I will allow them to testify at this time.

Robert Ernaut, representing General Motors:

We are currently opposed to Assembly Bill 114. In the interest of time, we would like to echo the concerns laid out by the dealers and manufacturers.

Curt Augustine, Senior Director, Alliance for Automotive Innovation:

This is really not a debate about zero-emission vehicles. The trade association I work for represents every auto manufacturer, except one, who currently makes and sells vehicles in the United States. This is a debate about an uneven playing field, as you have heard. Our industry is completely committed to making electric vehicles. You have heard testimony that we have committed to 100 vehicles by 2025. Prior testimony in support of this bill mentioned the affordability of these vehicles. Every vehicle that was mentioned, all but one, I am representing today.

There is nothing in today's law that prevents these zero-emission vehicle makers from selling and delivering vehicles in Nevada. They specifically choose not to use the current system. Our automakers work closely with our franchise dealers to operate as successfully as possible. The automakers supporting Assembly Bill 114 simply do not want to play by the same rules. They want special treatment for a competitive advantage. In Nevada, automakers and dealers operate under the same franchise law that regulates much of the business relationship.

There was discussion about small companies. There are all sorts of companies involved in this. There are over 20 companies that are currently producing vehicles in other parts of the world that could sell directly into Nevada if this bill passes. There are also technology companies that are spending tremendous amounts of money developing vehicles as we speak.

To be clear, automakers do not shrink from added competition. Our automaker members have developed modern vehicles that are more advanced than ever, and they welcome competitors to keep up. Our members simply believe that state laws that govern the sale of vehicles should provide a fair and level playing field for all and not grant special privileges to new market entrants. Assembly Bill 114, however, would separate the vehicle marketplace into two markets—one where new market entrants will be unbound by the franchise system and all the important consumer protections within that system.

For these reasons, and many others, we oppose the bill. There was a question posed earlier to Mr. Alonso about whether the manufacturers would support this bill if there were carve-outs. I want to make it very clear; we support the current dealer system exclusively. Again, another reason why we are in strong opposition to this bill. I would be happy to answer any questions.

Chair Monroe-Moreno:

Does the sponsor of the bill have any final remarks?

Assemblywoman Nguyen:

I appreciate the testimony of the supporters. I also encouraged the supporters to submit written testimony, so I am sure members of your Committee will be able to review all of the extensive support documentation that was provided and will probably be up on the Nevada Electronic Legislative Information System shortly.

Additionally, I will continue to have conversations with opposition. Prior to the bill presentation and prior to my even submitting this bill, I did reach out to all the people who were here today in opposition. I will continue to work with them to see if we can come up with solutions to make this a better, fairer bill for Nevada. I urge your support of A.B. 114.

Chair Monroe-Moreno:

Thank you for working with both sides of the issues to get to the best policy we can for Nevada's residents. I will close the hearing on A.B. 114. That brings us to public comment. Are there any callers who wish to testify in public comment? [There were none.]

[[Exhibit L](#), [Exhibit M](#), [Exhibit N](#), [Exhibit O](#), [Exhibit P](#), [Exhibit Q](#), and [Exhibit R](#) were submitted as exhibits for this hearing.]

The next meeting for the Assembly Committee on Growth and Infrastructure will be Thursday, March 4, 2021, at 1:30 p.m. This meeting is adjourned at [5:26 p.m.].

RESPECTFULLY SUBMITTED:

Lori McCleary
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 a copy of a PowerPoint presentation titled, "3/2/2021 – Assembly Growth and Infrastructure," dated March 2, 2021, submitted by Nathan Tea, Former Youth Legislator, Senate District No. 16, Nevada Youth Legislature regarding Assembly Bill 79.

[Exhibit D](#) is a letter in support of Assembly Bill 79 submitted by Peewee Henson, Private Citizen, Reno, Nevada.

[Exhibit E](#) is a copy of a PowerPoint presentation titled, "AB118, Child Passenger Safety in Nevada," dated March 1, 2021, submitted and presented by Paul Chestovich, M.D., Assistant Professor, Department of Surgery, University of Nevada, Las Vegas, School of Medicine, regarding Assembly Bill 118.

[Exhibit F](#) is a document titled, "Child Passenger Safety: Nevada," dated March 2, 2021, submitted by Paul Chestovich, M.D., University of Nevada, Las Vegas, School of Medicine, regarding Assembly Bill 118.

[Exhibit G](#) is a copy of a PowerPoint presentation titled, "Plug In America. We Drive Electric. You Can Too," dated March 2, 2021, submitted and presented by Katherine Stainken, Policy Director, Plug In America, regarding Assembly Bill 114.

[Exhibit H](#) is a letter dated March 2, 2021, submitted by James Chen, Vice President, Public Policy, Rivian Automotive, LLC, in support of Assembly Bill 114.

[Exhibit I](#) is a document titled, "Electric Vehicle Cost-Benefit Analysis," dated January 2021, produced by M.J. Bradley & Associates, submitted by Matt Rubin, Southwest Energy Efficiency Project, in support of Assembly Bill 114.

[Exhibit J](#) is written testimony submitted by Justin Findlay, Owner, Findlay Automotive Group, in opposition to Assembly Bill 114.

[Exhibit K](#) is written testimony submitted by Andrew MacKay, Executive Director, Nevada Franchised Auto Dealers Association, in opposition to Assembly Bill 114.

[Exhibit L](#) is a letter dated March 1, 2021, submitted by Chris Kerzich, representing Lordstown Motors Corporation, in support of Assembly Bill 114.

[Exhibit M](#) is a letter dated February 26, 2021, submitted by Katherine Stainken, Policy Director, Plug In America, in support of Assembly Bill 114.

[Exhibit N](#) is a letter dated March 1, 2021, submitted by Susan Nedell, Advocate, E2 Mountain West, in support of Assembly Bill 114.

[Exhibit O](#) is a document titled "Consumer Benefits of the Dealer Franchise System," dated May 27, 2014, submitted by National Automobile Dealers Association, in opposition of Assembly Bill 114.

[Exhibit P](#) is a fact sheet submitted by Southwest Energy Efficiency Project, in support of Assembly Bill 114.

[Exhibit Q](#) is a statement submitted by Nevada Franchised Auto Dealers Association, in opposition to Assembly Bill 114.

[Exhibit R](#) is a collection of letters in opposition to Assembly Bill 114.