

**MINUTES OF THE
SENATE COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Eighty-first Session
February 10, 2021**

The Senate Committee on Growth and Infrastructure was called to order by Chair Dallas Harris at 3:30 p.m. on Wednesday, February 10, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dallas Harris, Chair
Senator Chris Brooks, Vice Chair
Senator Pat Spearman
Senator Scott Hammond
Senator Keith F. Pickard

STAFF MEMBERS PRESENT:

Susan Scholley, Policy Analyst
Eileen O'Grady, Counsel
Debbie Shope, Committee Secretary

OTHERS PRESENT:

Sean Sever, Administrator, Division of Management Services and Programs,
Department of Motor Vehicles
April Sanborn, Administrator, Division of Central Services and Records,
Department of Motor Vehicles
Joseph (J. D.) Decker, Administrator, Division of Compliance Enforcement,
Department of Motor Vehicles
Angela Smith, Administrator, Administrative Services Division, Department of
Motor Vehicles
Andrew MacKay, Executive Director, Nevada Franchised Auto Dealers
Association
Rafael Arroyo, Registration Services Association of Nevada
Patrick Conmay, Chief, Investigation Division, Department of Public Safety

CHAIR HARRIS:

We will open the hearing on Senate Bill (S.B.) 60.

SENATE BILL 60: Revises provisions governing vehicles. (BDR 43-307)

SEAN SEVER (Administrator, Division of Management Services and Programs, Department of Motor Vehicles):

This is a housekeeping bill for the Department of Motor Vehicles (DMV), primarily with license plates and several other points to improve our processes.

The DMV automatically issues license plates to Nevada drivers every eight years. This bill makes it optional for people to request new plates which would save DMV time and money.

The second item is special license plates, recommended or approved in prior Legislative Sessions, which did not have consistent guidelines for design, development, specifications and status changes. This bill provides consistency for those proposed special license plates.

Number three, DMV works with government agencies that require license plates for safety and security purposes. Those license plates are similar to general issue license plates. This bill clarifies that plates issued to specific agency vehicles are not transferable and not subject to reissuance requirements.

Number four, vehicles purchased from someone other than a dealer, require the purchase of a temporary permit from the DMV to move the vehicle. This creates a hardship when the transaction takes place outside of DMV hours. This bill would allow a person to move the vehicle for a period of three days and allows the customer time to obtain registration or a permit from the DMV.

Finally, changes made in A.B. No. 63 of the 80th Session for distribution of the funds for first-time issuance of special license plates include an exemption from emission standards. Language also increased the complexity of distributing those funds by including license plate renewal fees. Senate Bill 60 will reverse those changes made in the Eightieth Legislative Session. The DMV will work with the Legislative Counsel Bureau (LCB) to adopt regulations to ensure proper accounting and distribution of these funds.

CHAIR HARRIS:

If I am a customer who decides I want to have a new license plate issued every eight years, is that something I can opt in to, or would I need to make a request each time?

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APRIL SANBORN (Administrator, Division of Central Services and Records,
Department of Motor Vehicles):

As a customer, you could elect to have that license plate reissued at any time.

Law enforcement could make that request as well.

CHAIR HARRIS:

I would not be able to state, "I want my license plates reissued every eight years. Can you please make that happen?"

Ms. SANBORN:

You are asking if we could automatically resend new license plates every eight years. No, that is not the process we are looking to incorporate with this bill.

CHAIR HARRIS:

Why are you including section 3, subsection 2, paragraph (a), when section 3, subsection 2, paragraph (b) states "any other time upon request"?

Ms. SANBORN:

I will find that answer and get it to you.

SENATOR PICKARD:

Is there a reason why we put so much detail in the statute and not leave it for regulation? In other areas of the statutory schemes, we try to remove the details from statute and put them into regulation.

Ms. SANBORN:

I will get that information to you.

SENATOR PICKARD:

When details are put into statute and then we find out there is an unintended consequence, it means we have to wait two years to have it fixed. If it is in regulation, you can use an emergency regulation to change it right away. You would have more flexibility. I am not opposed to this bill. Was this a conscious decision, or are you placing the language next to other language that exists?

MS. SANBORN:

I agree with you. We typically try to keep broad language in the statute and further expand in regulations for that purpose. I was not part of drafting this bill to have the entirety of reason. When we need something more substantial in the language, we look to offer more detail within the statute.

JOSEPH (J. D.) DECKER (Administrator, Division of Compliance Enforcement, Department of Motor Vehicles):

This bill seeks to revise items previously in statute that became too complicated to manage when the statute was changed in 2019.

SENATOR BROOKS:

In section 18, how many vehicles are receiving the classic vehicle exemption from emission testing?

MR. DECKER:

Our records show 23,786 active registrations in Clark and Washoe Counties. Adding the expired registrations over the last 18 months, the number is 33,563 active and expired registrations for those 2 counties.

SENATOR BROOKS:

In section 18, it sounds like the fees were unworkable. Can you explain what it is we are changing and what is happening with the fees?

MR. DECKER:

In 2019, some of the language was changed to clarify how those funds were distributed. We were notified by LCB of some unintended confusion in the wording that took away from the original intent of the statute. This bill is to bring that language back for clarity.

ANGELA SMITH (Administrator, Administrative Services Division, Department of Motor Vehicles):

The language added fees not normally calculated. Once the DMV reaches a certain threshold, we distribute funds to Clark and Washoe Counties for those fees. Renewal fees for license plates should not have been in that calculation and complicated the issue for distribution. We are trying to roll that back.

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

We are in support of the bill and have a proposed amendment ([Exhibit B](#)) to amend *Nevada Revised Statutes* 482.3955. I had contacted the DMV to make this change in statute as part of one of their bills. We submitted it too late for the original language of the bill. That is why it is an amendment.

What the amendment intends to do is expand the time period for a temporary out-of-state movement permit. Vehicles sold by dealers to out-of-state customers are issued a permit for 15 days. We are seeking to expand the permit to 30 days.

Our dealer members in Nevada are seeing more vehicles being purchased by out-of-state customers. Consumers from states across the land know precisely what vehicle they want. Because of production interruptions caused by the Covid-19 pandemic and the supply of microprocessors and semiconductor chips, vehicle production is being halted. Consumers are seeking vehicles from dealers in Nevada or other states.

The 15-day permit is not enough time to move the vehicle to a person's home state. Historically, we would issue two permits at one time. We would contact the customer if the 15-day permit was getting close to expiring and ask if he or she needed another permit. We would then coordinate and issue a second permit. At that point, the DMV stated it was defeating the purpose of the statute.

This is to expand the time frame to minimize disruption for customers. I spoke with several vehicle dealers. Between 7 percent and upwards of 25 percent of all new and used vehicles are being sold to out-of-state buyers. It gives you a perspective of the number of vehicles that would be taken care of by the change to the permit.

RAFAEL ARROYO (Registration Services Association of Nevada):

We are an independent third-party business which helps to process DMV registration transactions for customers in the Reno, Carson City and Las Vegas metro areas. We are licensed and bonded by the Nevada Secretary of State's Office as document preparers.

We take clients who have DMV registration paperwork, organize that paperwork and present that transaction to one of the DMV offices in the metro areas for processing. You can think of us as prep cooks in a busy restaurant where we prepare all of the ingredients, paperwork, and make sure it is ready to go. Then the DMV services technicians, being the chefs, process the transactions and give us the finished product, the vehicle registration, license plates and other instruments.

This process increases the speed and efficiency in which transactions are processed. The DMV is not waiting for people to disinfect the chairs and public service windows in the lobbies.

The DMV states that the average customer's transaction takes approximately 15 minutes under Covid-19 pandemic protocols. A registration service business can process about three or four transactions in that same time period.

This Committee helped pass A.B. No. 288 of the 80th Session which restored access to the DMV public service windows set aside for registration services in the past. This was an invaluable act during the Covid-19 pandemic, with the DMV operating at 50 percent capacity. Depending on staffing, the DMV admitted it is only able to process about 700 customers a day at each metro office, using about 25 public service windows. In the Las Vegas area, we estimate that the registration service industry is processing about 140 transactions a day with only 2 client counter windows at each office—the same output in 2 windows or about 20 percent in comparison to DMV offices.

The industry wants to ensure that our representatives are aware that this asset is available to the DMV to increase efficiency. The cost to the State is zero because we are using our employees. The demand is high for these services. The industry could use another public service window at the DMV for transactions on a temporary basis until the DMV is caught up. The only way to reduce this backlog is to process these transactions faster, and that is what we do.

The industry supports S.B. 60 because it helps customers who purchased a vehicle from a private party to move the vehicle legally for three days without an official moving permit. These are the customers to whom we provide service.

Most dealerships are able to process the electronic dealer's report of sale online for their customers. The people who purchase their vehicles from individuals do not have that option. This bill will give them an opportunity to drive their vehicles home legally. I know of customers who have received tickets because they had purchased vehicles from private parties and were driving them home. It will allow these buyers to get a permit, get an emission test and get their paperwork in order to register the vehicle.

SENATOR PICKARD:

I have used a registration service in the past. We have heard bills on driving schools and salvage title companies that work as third-party partners with the DMV. It sounds as though your industry is a third-party vendor for the DMV. Is your industry working with the DMV to help reduce the backlog? Are you partnering with the DMV? Is this something you are doing yourselves?

MR. ARROYO:

We are not partnering with the DMV; we are processing transactions at the DMV on a daily basis. The DMV has not contacted us in this capacity the same way it has contacted driving schools to help off-load some of these transactions. We have tried to contact DMV, but have not received a response. The vehicle registration services are overwhelmed with business. People are willing to pay for a service so they do not have to wait for extended periods of time at the DMV.

There was a recent news story on television regarding people going to the DMV and setting up tents on a Friday night to wait for the DMV to open Saturday morning so they could process a transaction. Registration service companies are also camping out at the DMV to get a spot at the public service windows. The DMV is so overwhelmed with business.

If the DMV allowed us to process more transactions, we have the business. We are not a partner in the way it has promoted driving schools or salvage title businesses. We can help.

SENATOR PICKARD:

Two weeks ago, I had an employee who had to take half a day off to go to the DMV to register his vehicle. Anything that could speed up the process and get the backlog caught up would help.

CHAIR HARRIS:

We heard from the Nevada Franchised Auto Dealers Association that had a friendly amendment. Does the DMV agree with the change of 15 days to 30 days on the out-of-state movement permit?

MS. SANBORN:

Yes, we have been in conversations with Mr. MacKay, and the amendment, [Exhibit B](#), is admissible.

In response to your question, Chair Harris, section 3, subsection 2 is in this bill to firm up our current process. It is the way we will be issuing license plates when someone requests to have those license plates reissued. Law enforcement is unable to request license plate reissue; it does not have the authority. The bill adds this authority for law enforcement.

CHAIR HARRIS:

If you do not intend on allowing people to request reissuance every eight years, why have section 3, subsection 2, paragraph (a)?

MS. SANBORN:

I understand. We will contact you and discuss this further.

In response to Senator Pickard's question, we are adding the language in this bill instead of into a regulation because we are continually being asked to provide the statutory authority when creating and producing new license plate designs.

SENATOR PICKARD:

Personally, I like to see statutes with enabling language and details handled through regulations. The detail regarding 180 days for discussions to take place and then go back to the original requester is not how it is normally handled.

CHAIR HARRIS:

We will close the hearing on S.B. 60. We will open the hearing on S.B. 58.

SENATE BILL 58: Revises certain functions and responsibilities of the Investigation Division of the Department of Public Safety. (BDR 43-352)

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PATRICK CONMAY (Chief, Investigation Division, Department of Public Safety)
I will read from my written testimony ([Exhibit C](#)).

Remainder of page intentionally left blank; signature page to follow.

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CHAIR HARRIS:

We will close the hearing on S.B. 58. The meeting is adjourned at 4:07 p.m.

RESPECTFULLY SUBMITTED:

Debbie Shope,
Committee Secretary

APPROVED BY:

Senator Dallas Harris, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 60	B	1	Andrew MacKay / Nevada Franchised Auto Dealers Association	Proposed amendment
S.B. 58	C	1	Patrick Conmay / Investigation Division, Department of Public Safety	Testimony