

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

**Eighty-Second Session  
February 16, 2023**

The Committee on Growth and Infrastructure was called to order by Chair Howard Watts at 1:31 p.m. on Thursday, February 16, 2023, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/82nd2023](http://www.leg.state.nv.us/App/NELIS/REL/82nd2023).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Howard Watts, Chair  
Assemblywoman Tracy Brown-May, Vice Chair  
Assemblyman Max Carter  
Assemblywoman Jill Dickman  
Assemblywoman Danielle Gallant  
Assemblyman Bert Gurr  
Assemblywoman Heidi Kasama  
Assemblywoman Elaine Marzola  
Assemblywoman Brittney Miller  
Assemblyman Cameron (C.H.) Miller  
Assemblywoman Sarah Peters  
Assemblywoman Shondra Summers-Armstrong

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Jann Stinnesbeck, Committee Policy Analyst  
Jessica Dummer, Committee Counsel  
Connie Barlow, Committee Manager  
Kathy Biagi, Committee Secretary



Traci Dory, Committee Secretary  
Garrett Kingen, Committee Assistant

**OTHERS PRESENT:**

Julie Butler, Director, Department of Motor Vehicles  
Tonya Laney, Deputy Director, Department of Motor Vehicles  
Joseph (J.D.) Decker, Administrator, Division of Compliance Enforcement,  
Department of Motor Vehicles  
Sean Sever, Deputy Administrator, Research and Project Management, Department of  
Motor Vehicles  
Terry Reynolds, Director, Department of Business and Industry  
Karl W. Armstrong, Administrator, Taxicab Authority, Department of Business and  
Industry  
Vinson Guthreau, Executive Director, Nevada Association of Counties  
Stan Harger, representing Kokopelli ATV Club of Mesquite, Nevada  
Lucas Foletta, representing Nevada State Tow Association  
Paul Enos, Chief Executive Officer, Nevada Trucking Association  
Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association  
Warren Hardy, representing Nevada Pic-A-Part  
Danny Thompson, representing SNAP Towing

**Chair Watts:**

[Roll was called. Committee rules and protocols were explained.]

Today, we will have presentations from the Department of Motor Vehicles (DMV), the Taxicab Authority, and the Nevada Transportation Authority. We will also hear two bills, Assembly Bill 47 and Assembly Bill 57. We will begin with a presentation from the Department of Motor Vehicles. Director Butler, welcome.

**Julie Butler, Director, Department of Motor Vehicles:**

Good afternoon. I have with me Tonya Laney, my deputy director, and I have Sean Sever, our legislative liaison. We are pleased to provide you with this overview of the Department's operations and also give you a sneak peek of what you can expect to see from us in the way of bills for this session.

The DMV is one of the larger agencies within the Executive Branch, with 1,289 authorized positions [page 2, [Exhibit C](#)]. We collect over \$1.7 billion in revenue annually from roughly 4.6 million financial transactions. Most transactions require an appointment in our Las Vegas and Reno offices. We are encouraging our customers to go online first to see if their transactions can be completed before coming to an office. We have 18 offices [page 3] statewide. The DMV services are supplemented by 8 county assessors, 4 AAA offices, and 46 kiosk locations, most of which are in the Las Vegas and Reno areas. We have a few kiosks sprinkled throughout rural Nevada as well. The Department recently underwent a strategic planning exercise to inform our decisions over the next five years, out of which

came these six goals [page 4, [Exhibit C](#)]. Our vision is to be a national leader in DMV services, and our mission is to provide efficient motor vehicle solutions for the identification, licensure, and protection of all we serve.

The Department is composed of seven divisions [page 5] supported by the Director's Office. We have an independent hearings office, loosely organized under the Director's Office, that offers due process hearings to our customers who are contesting licensing and regulatory actions that are taken by the Department. The next few slides offer some more details about the Department's various divisions.

The Director's Office [page 6] sets the strategic direction of the Department in line with the Governor's priorities and directs and controls the operations of the seven divisions within the Department. Our Administrative Services Division [page 7] quietly provides support behind the scenes for our operations, making sure our bills are paid and the lights stay on. They have a huge job to distribute the revenue the Department collects annually to the Highway Fund, counties, and school districts. The Research and Project Management Division [page 8] provides support to the divisions for legislative sessions and implements new regulations, policies, and procedures. Currently, they are tasked with project oversight of the DMV transformation effort, in addition to the various information technology (IT) and business projects that regularly go on within the Department. I will speak a little bit more about the DMV transformation effort in a bit.

We have an IT Division [page 9] of 80 full-time employees who keep our systems running 24/7 to support our operations. Our Motor Carrier Division [page 10] is charged with collecting Nevada's fuel taxes from fuel suppliers and ensuring tractor-trailers traveling through Nevada for interstate commerce are appropriately registered and paying their fuel taxes in accordance with international agreements. Our back-office operations are handled by the Central Services and Records Division [page 11]. This division staffs our call center, processes vehicle titles, assigns demerit points to drivers' records for moving violations, manages the state's license plate factory, and has several other unique programs that support our operations.

Compliance Enforcement [page 12] is our regulatory arm, making sure auto dealerships, body shops, garages, and salespeople are licensed; investigating complaints of deceptive trade practices and identity theft; and enforcing registration, driver's license, and emission violations out on the road. Finally, our largest division, and one that you are likely the most familiar with, is our Field Services Division [page 13] that provides the face-to-face customer services in our 18 offices statewide.

Our main source of funding is Highway Fund appropriations and fees generated from the services that we offer [page 14]. We receive a very small General Fund appropriation each fiscal year for costs associated with automatic voter registration. Per statute, our Highway Fund appropriations must stay under 22 percent of the funds collected and distributed to the Highway Fund each year, excluding fuel tax revenue. The cap has been temporarily increased to 27 percent to account for our transformation effort. About 38 percent of those

revenues that we collect are distributed to counties and school districts, and 36 percent goes to the Highway Fund [page 15, [Exhibit C](#)]. The remainder goes to various places including for support of the Department's operations. This slide [page 16] shows the percentage of Highway Fund fees and other funding the Department estimates receiving for its fiscal years 2024-2025 budget, again with the bulk of our funding coming from the Highway Fund and fees for each year of the biennium.

I briefly mentioned that the Department is actively encouraging Nevadans to go online for their DMV services. This slide [page 17] shows just some of the services you can do online with your My DMV account. We estimate there are more than 200,000 transactions per year that customers could complete online but are choosing to come to an office instead.

I would like to focus on the DMV Transformation Effort (DTE), which was approved in the 2021 Session as a \$115 million program to transform the DMV service model from in-person to online. It is much more than just an IT project. It is a complete shift in mindset for how we do business, focusing on the customer's journey and ease of use. If you have not learned this about the DMV, you probably will. We are affectionately, or maybe not so affectionately, known as the bill killers with this body. If you have not had the pleasure of seeing one of our fiscal notes yet, you likely will, and they are usually large. We are not intentionally trying to kill anybody's bill. Our problem is, we have an ancient IT system that is not easily changed [page 18]. We have manual business processes, and we have a lack of staff which makes implementing anything that comes from this body to the DMV very difficult. We are hoping to change that through the DMV Transformation Effort [page 9].

We are going to replace our outdated systems with modern technology that is easy to improve and maintain, making compliance with federal and state legislative mandates easier for the Department. Our goal is to move most, if not all, our services online over the next three years, allowing us to offer services in the customer's preferred modality. The DMV Transformation Effort will build upon our current online service offerings and focus on specific pain points like private party vehicle registrations and people who are new to Nevada. Those transactions currently require our customers to come into the office. In the future system, our customers will be able to upload their documents electronically for a DMV services technician to review and approve remotely. You will be able to live chat with our technicians in our virtual field office, never having to step foot inside the office unless your transaction requires it or unless, in some cases, you just miss us and want an in-person transaction. We know there are some of the population out there who do prefer in-line services, but overwhelmingly, our customers have told us they do not want to have to set foot inside the office if they can avoid it, and we want to meet the customers where they are.

We are already starting to see some of the benefits of our new salesforce platform. Last month, we went live with English and Spanish chatbots [page 19] on our website. The chatbots help guide customers through our most common transactions like scheduling an appointment without having to call a call center. So far, we have helped about 90,000 customers through the chatbot. Based on the California DMV experience with its chatbots, we estimate it can reduce approximately 30 percent of the calls to our call center.

On February 1, we initiated a pilot program with select franchised auto dealers for them to upload their titles and supporting documents to a secure portal for DMV staff to review and approve, rather than sending those documents back and forth through the mail as occurs today. We have had a significant backlog in titles since reopening, which is a function of staffing. I have about a 30 percent vacancy rate in the unit that processes those titles, and we have manual processes. We are going to work out any kinks in the system over the next month or so and then open it up to all franchised auto dealers in March.

At the end of March, we are going live with the new case management solution for our Compliance Enforcement Division. This will improve their ability to keep track of the investigative cases they are working on, as well as allow our customers to submit any complaints of fraud or identity theft online.

These are just some of the exciting happenings at the DMV, and more is going to come over the next three years. Now for a sneak peek at our bills: We have four that you will be seeing this session, one of which you will be hearing today, Assembly Bill 57. The remainder are aimed at compliance with federal regulations for commercial driver licensing, aligning outdated statutes with the DMV Transformation Effort, and protecting Nevadans' personal identifying information from public records requests. Thanks for your time today. I am happy to answer any questions.

**Chair Watts:**

Thank you, Director. Do we have any questions for the Department?

**Assemblyman Carter:**

How much does the DMV generate by selling Nevadans' personal data every year to companies like LexisNexis and the like?

**Julie Butler:**

I do not have that exact number with me today. We can get that to you. I will say that all the data we release to companies such as LexisNexis, insurance companies, et cetera, is authorized per statute under *Nevada Revised Statutes* (NRS) 481.063. We do have a process for those companies to follow for them to request our information. We make sure they are statutorily authorized to have that information. We take that responsibility very seriously.

**Assemblyman Carter:**

Can we assume, since it was not listed in the revenue streams, it is a de minimis amount?

**Julie Butler:**

Those fees fund part of our records section and they are also funneled to our Information Technology (IT) Division. I do not know if it is de minimis. It is significant enough that it funds the bodies that staff the records section, that release those records in compliance with statute, and then some of that money funds the IT Division. Again, I can get you exact dollar figures. I do not have those with me today.

**Assemblywoman Summers-Armstrong:**

To stay in line with the questioning from Assemblyman Carter: When information is being sold to outside agencies, is there any requirement by your office to ensure that people are using the most up-to-date information? Is it a one-time sell? They can just use it as they wish? Is there any type of vetting of information? We have had several measures over the last couple of sessions about data. The one thing we know about data is it is just now, and that data changes. Something could be true today and change tomorrow. But whomever you might be sharing the data with may not be coming back to ensure that data has been corrected. So, what they put out there could be inaccurate and possibly detrimental to our citizens. Can you talk about your agreements with how you want that data shared and how you confirm that it is accurate?

**Tonya Laney, Deputy Director, Department of Motor Vehicles:**

The data we release is typically related to law enforcement and insurance industry need. There are also separate data requests that come into the agency that are public records requests through the media. Those are tracked through individual record request forms and would be the most up-to-date information we have in our system at the time the request is made. What happens with the data after it leaves the DMV? Is there some sort of control for us to say if you collected it from the DMV a year ago, it is not appropriate for you to use it now as it is no longer valid? We do not have any way to make sure that is not occurring. The only thing we can do is make sure, at the time we are releasing the data, that it is up-to-date information in our system. There are disclaimers on the application that state what the data is allowed to be used for and that it is not supposed to be disseminated further than the initial request. I do not know if that answers your question.

**Assemblywoman Summers-Armstrong:**

It does. To follow up on the question: When the data is being shared with law enforcement, we understand because we know that we had issues during COVID-19 where we were not able to go into the DMV. People were registering their cars online, and law enforcement, we were told, has the ability to check and they have access to make sure people were up to date, right? But I am concerned about the insurance company data. Is that data only to confirm their vehicles are insured, or is that data being used? Does your agreement with insurance companies allow them to use it to determine what people's insurance rates are in their communities if by theft, damage, those things? I say that because I live in an urban center and my insurance rates are ridiculous. If I moved four or five miles east or west, my insurance rates would be different. Do you have any governors with your relationships with them as to how they are using that data in their business model?

**Julie Butler:**

Our agreements with the insurance companies are related to this body's requirement that individuals carry vehicle liability insurance on their vehicles. So, once a month we run what is called the Insurance Book of Business to ensure that individuals who have vehicles registered in the state carry the mandatory minimum liability insurance that they are required to carry. As far as whether it is used to raise rates or any of that, we do not know. That

would be something that would be better directed toward the Division of Insurance. We can look into our agreements with the insurance companies to see specifically if they are using it to raise rates. To our knowledge, they are not, but we can get back to you on that.

Additionally, I would like to offer there is a federal law called the Driver's Privacy Protection Act of 1994, which is mirrored in state statute NRS 481.063, which outlines the specific uses for DMV data—who is allowed to have it, and for what purposes. So, consistent with those purposes would be why we would release that information to insurance companies, law enforcement, the media, et cetera. We can get you some information on insurance company agreements specifically.

**Assemblywoman Dickman:**

I want to say thank you for all you are doing to enable us to do more things online. I have been doing that for years and probably saved myself a lot of time. My question is along the lines of compliance. I have a constituent who contacts me constantly, and I think I have shared this before with Mr. Sever, but he sees cars all the time with expired plates. In fact, I was behind somebody and took a picture the other day driving down here. It was a paper plate from a dealer and it expired August 2021. There are all these cars driving around without current plates. The state is losing a lot of revenue, right? Do you have compliance people up here or are they mostly in the south?

**Julie Butler:**

Yes, we do. Let me introduce you to J.D. Decker, chief of our Compliance Enforcement Division, who can speak specifically to your question, Assemblywoman Dickman.

**Joseph (J.D.) Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles:**

We do see an extraordinary number of unregistered vehicles, both Nevada vehicles and out-of-state vehicles. We have 29 sworn officers statewide in the Compliance Enforcement Division. Fifteen of those are equipped for patrol. We work a lot with local law enforcement, the Highway Patrol, Metro [Las Vegas Metropolitan Police Department], Washoe County Sheriff's Office, and Reno Police Department in helping them to recognize the specific violations for unregistered vehicles, uninsured vehicles, suspended driver's licenses, and what we call resident/nonresident violation, which is where someone moved to Nevada, but they maintain an out-of-state plate. I hope that answers your question. There are an extraordinary number of them out there, and we are doing our best to target those.

**Assemblywoman Dickman:**

So, if someone were to report a specific plate to you, can you track it down?

**J.D. Decker:**

We can. The CED [Compliance Enforcement Division] will do that. Statewide we have 29 officers, so we will refer it to other local jurisdictions if we cannot get to it ourselves, but we do not have any control over whether it is a priority for them.

**Assemblywoman Gallant:**

I am excited to find out that DMV is moving into the twenty-first century with technology. I think that is great. I do have one question in terms of smogging vehicles. Typically, I take it down to a third-party smog business. They smog it and then they register it for us as well. It is great for somebody like me who is busy, and it is good for somebody like my husband, who does not know how to use a computer. With this upgrade, are they still going to be able to operate? Is that still going to be a service we will be able to utilize?

**Julie Butler:**

Yes, they will continue to be able to register through those smog stations.

**Assemblywoman Brown-May:**

I have two completely unrelated questions. The first relates to franchised auto dealers and transactions. That is an exciting step that you are getting ready to launch. I am curious to know, how many transactions are you expected to move from the franchised auto dealers onto this online platform?

**Julie Butler:**

I apologize, Assemblywoman Brown-May. That is something I will have to get back to you on. They do make up a significant percentage of the titles that we process, but I did not bring that specific statistic with me today.

**Assemblywoman Brown-May:**

Thank you for that. I would like to see the detail if you do not mind. I understand you probably have appointments for franchised auto dealers to come in and do a lot of their registrations in successive order, is that correct?

**Tonya Laney:**

We have dedicated windows in a couple of our field services offices that assist with the Nevada Franchised Auto Dealers Association.

**Assemblywoman Brown-May:**

My second question is relative to the special license plates. During the last session, we were able to eliminate the Commission on Special License Plates and reallocate that function back to the DMV. Could you give us a brief update as to where we stand with that?

**Sean Sever, Deputy Administrator, Research and Project Management, Department of Motor Vehicles:**

Yes, we did hold our first meeting last year with the Commission on Special License Plates. We admitted four new organizations into the program, and we currently have one person on the waiting list. The meetings went well. We tried to conduct them exactly like the Legislature conducted them, and I think everybody is happy with the program now.



**Chair Watts:**

Any additional questions from members of the Committee? Seeing none, I do not have a question, but I do have a comment. It is something I have brought up before, and again, I think I echo many of my colleagues in commending all the hard work you put in to modernize the system. We all believe that is the direction to go, and it is going to provide benefits to various customers as well as create some opportunities for additional efficiency. As somebody who was able to attend college and pay for my tuition in installments, I hope that as we get through this modernization process, we can begin to look at options of paying for some of those registration fees in installments as well. I know there are constituents I have talked to who, even with older vehicles with lower registration fees, struggle when that one-lump sum comes up and is due. Again, I think there are other entities that offer things that are set up to be paid for up-front but have offered some installment plans. I hope the Department will continue to look at that as its modernization efforts move forward. I thank you again for your time, your presentation, and your wealth of knowledge.

With that, we will move on to the next item on our agenda as we welcome the Nevada Transportation Authority for their presentation. I know we have Director Reynolds joining us. Welcome to you both.

**Terry Reynolds, Director, Department of Business and Industry:**

We are happy today to present to you. Unfortunately, there was a death in the family of the intended Nevada Transportation Authority (NTA) speaker, so I am here to present to you. I am fairly knowledgeable about these two entities. Mr. Armstrong will be presenting on the Taxicab Authority (TA), and I am presenting on the NTA, the Nevada Transportation Authority.

The Nevada Transportation Authority regulates the transportation industry [page 3, [Exhibit D](#)], which includes charter buses, limos, movers, tow cars, tour buses, nonemergency medical transfers, employer van pools—van pools that are contracted to move employees back and forth to work—airport transfer services, special services, warehouse permits, transportation network companies—Uber and Lyft—and autonomous vehicles statewide, as well as all taxicabs outside of Clark County. I want to make that clear.

The division also issues permits and certificates of public convenience and necessity (CPCN). I think most of you have seen the CPCN number on the back of a vehicle. That is issued by the Nevada Transportation Authority. We perform compliance audit functions, vehicle inspections, operational inspections, audits and background checks, and issue driver permits. However, we do not issue driver permits for transportation network companies (TNCs)—only for all the other transportation modes, movers, and tow cars that we do in the rest of the states. For TNCs, we issue licenses to the company. We get driver registrations so we know how many drivers they have within each of the companies. I believe there are seven companies that are considered TNCs.

Our officers are POST [Peace Officers' Standards and Trainings Commission]—certified enforcement officers we call Category II peace officers. They enforce state statutes, but only

with regard to the statutes that govern what falls under the NTA. I will go through those statutes, but they are limited to the functions of those things that control the areas we regulate under NTA. We issue citations, we attend administrative hearings, and we are presided over by a panel of three commissioners. Regarding staffing: As I said, we have three full-time paid commissioners. For example, the NTA's board members are paid by the meeting. They are paid like a board member for a regular meeting. Our three commissioners are salaried. We have a deputy commissioner who really is our administrative commissioner dealing with administration of the organization. We have 24 enforcement personnel. We have 3 legal personnel who are an attorney, legal assistant, and administrative assistant. We have 10 administrative personnel basically dealing with everything from our computer functions to our administrative functions that are inside the NTA. We have 41 total staff. Our offices are located in Las Vegas and Reno. However, we do cover the entire state through those offices.

The main goal of the NTA is passenger safety and it is their first priority. We process driver's permits and new charter carrier applications, and we conduct administrative and enforcement hearings. Our hearings have actually grown. It is not uncommon to see a docket with anywhere from 160 to 180 items on it. The commissioners do have a substantial workload to be able to get through their caseload. We do audits and inspections for existing carriers. Our investigators enforce Nevada laws and regulations. As I said, they are Category II peace officers, but if there are emergency circumstances, generally they will call in Metro or local police agencies, but they can also respond and work side by side with the law enforcement in that area.

We ensure the industry is providing the safest transportation of passengers and property with an emphasis on vehicle safety and driver proficiency. We coordinate with federal, state, and local agencies to promote transportation safety. We work with everybody from the DMV to federal agencies to state and local agencies. We optimize procedures to promote a fair and equitable regulatory environment. One of the things we do need is an upgrade of our data system to keep track of our entities that we regulate. We are working on improving agency efficiency and services. The NTA continues to adapt to our regularly, rapidly evolving transportation industry, especially with autonomous vehicles. We also try to provide fair and impartial regulations for motor carriers to promote safe, adequate, economical, efficient service to foster sound economic conditions and major transportation.

The statutes we deal under are NRS Chapters 706 [page 4, [Exhibit D](#)], dealing with motor carriers; 706A, which pertains to transportation network companies; 706B, which pertains to autonomous vehicles; and 712, which is storage of household goods and effects and movers and the *Code of Federal Regulations* (CFR) 49 for buses, shuttles, and limos. The NTA only deals with those entities that are chartered in-state. We do not deal with those which are licensed across state lines.

Active certificates and permits: I will not go over these in detail, but you can see what our numbers are for, what we regulate. I love the fact we regulate one horse-drawn vehicle on there. Nevada Transportation Authority under NRS Chapter 706A is transportation network companies [page 5]: HopSkipDrive, Inc.; Lyft, Inc.; POP-UP Rideshare, Inc.; Raiser, LLC,

which is a subsidiary of Uber Technologies, Inc.; River North Transit, LLC; TANGO CAR, LLC; and UZURV Holdings, Inc. These are the seven companies. Obviously, the largest ones you see and hear of are Uber and Lyft that operate in both large communities within the state.

Under autonomous vehicles, we adopted *Nevada Administrative Code* Chapter 706B [page 6, [Exhibit D](#)] in 2018. Zoox was the first company of autonomous vehicles with fully electric vehicles. I do not know if you have had the opportunity to go through their operational facilities plant in Las Vegas. If you have not been there, they are giving tours. You will see their test vehicles operating around, especially on the Strip. You will see them basically filming and using their GPS [Global Positioning System] units to gather data on their vehicles. Uber is partnering with driverless technology, too. Motional is partnering with Hyundai IONIQ with a five-person, mid-size crossover vehicle. Nuro is also planning a \$40 million investment in construction/production facilities and a test track in southern Nevada. They have started on that to build vehicles there. Back in 2017-2018, we felt there would probably be a significant number of autonomous vehicles out on the street during that time. It is five, almost six years hence, and we are not seeing that yet. I think we will in the next three years. We have been talking to Zoox, and I think they are going to look at operating on the Strip by 2025-2026—in that time frame. I have sat in one of their production vehicles and gone through their facility. Our NTA staff has also, so we are looking forward to seeing when they are going to operate.

That concludes my presentation. I will tell you that if you look at the numbers for Clark County and Las Vegas airport traffic, you will see they brought in about 55 million passengers last year. We are now averaging around 420,000-430,000 passengers per week coming in, and taxis are back up to 1.2-1.3 million rides a month. In addition to that, we are up to about 30,000 regular Uber and Lyft drivers within our community. With that, we have seen a lot of pressure with issues for gypsy cabs because people have long waits. People pull up and offer to give them rides and pay cash. We are trying to work to enforce that.

When we stop a lot of these unlicensed gypsy cabs and drivers, we find a tremendous number of drivers carrying weapons in their vehicles. They do not have concealed-carry permits. We are also seeing evidence of drugs that people are selling in those vehicles. I talked to Todd Parks, our chief enforcement officer in the NTA, and he says the number of weapons they find when they stop those vehicles is surprising. That is a major concern for our people. We are working on training and making sure they are aware, that they call in Metro when they feel they need to on a stop. That is something I would say has changed today from what it was four to five years ago. There is more criminal activity in our communities and out on the Strip. We are dealing with this, and it is very much a concern for our people out there. With that, I am happy to answer any questions.

**Chair Watts:**

Thank you, Director Reynolds, for your presentation. Members, do we have any questions?

**Assemblywoman Gallant:**

I was looking at the 1,000 cases and hearings a year, and I was doing the numbers. You have 432 certificates. That is almost twice as many hearings that you are having than you do permits, and that is almost three a day if you did it seven days a week. We see trends in real estate, and often see property managers before the commissioner because we deal with other people's money. That is an issue we deal with as an industry. As you work with the transportation industry, what are you seeing as trends or major problems?

**Terry Reynolds:**

What we are seeing a lot of times with certificated carriers or licensed drivers is that we are dealing with people who are not licensed. We are dealing with impoundments. If we catch them multiple times, we know they refuse to get licensed. If they are not licensed and they are masquerading as an Uber or Lyft driver, we will impound their vehicle. Those people are either not licensed for what they are doing, or they are unlicensed drivers. What we are seeing is there is an uptick in those types of incidents, and we are seeing them because convention traffic is coming back. I think a couple of years ago, we were only at 40 percent of our conventions. Now we are probably at 70-80 percent, which is the good news.

With the additional traffic, we are seeing more gypsy drivers, gypsy cabs, or unlicensed Uber and Lyft drivers. We are doing sting enforcements, especially around special events and casinos, like when we have CES [Consumer Electronics Show]. We are able to work those events. What we are seeing is a lot of those incidents. The drivers are cited, or their vehicles are impounded, and they have to come in and appear before the commissioners to pay their fines and get their vehicles back.

**Assemblywoman Gallant:**

How many of them show up and deal with the penalty?

**Terry Reynolds:**

Quite a few of them show up because of the fact that we have their vehicles. But we do have those who do not show up because the penalty may be higher than what their vehicles are worth, so they just walk away. We do have some of that, but generally we are able to go through the process. For those who do show up, they can get their fines reduced. We try to get them back to being legal and back out on the street. However, a lot of times they are not, and that is a problem.

**Assemblyman Miller:**

Last cycle, we passed Assembly Bill 301 of the 81st Session, which deals with the towing of vehicles in HOA [homeowner associations] and apartment communities that do not have a registration, either current or displaying registration tags. Have you seen an increase or decrease, from your perspective, in those types of tows as they relate to complaints that actually make it to the NTA? Secondly, I understand we had some challenges standing up the hardship tariff program. Have you had any complaints, or have you had anyone in this interim period actually reach out for hardship? If so, how was that navigated?

**Terry Reynolds:**

As to the hardship question, I am going to have to get back to you because I do not have those statistics. I will get those for you and the Committee. As to the HOA question, I remember the issues with it because we had a lot of complaints in HOAs, especially when people were staying home or not working because of the pandemic. As a result, we had a lot more vehicles in areas that were covered under HOAs. I do not want to say this, but they really fed on those types of issues because it was easy for them to tow those vehicles. We have seen a decrease in those types of issues, and I will get you the numbers on it. It still happens, but we are not seeing what we did during the pandemic.

**Assemblyman Miller:**

We are attributing the decrease to our not being locked down and that there are fewer vehicles in these communities not creating the problem of no parking, right? You can clarify, but that is what I am capturing from what you are saying. You may not have this information, so maybe you can get it. I want to know if we are seeing any additional complaints, or if we are still seeing complaints about vehicles being towed out of those communities based solely on their registration status. That should not be happening. That should be happening in a zero occurrence because the law has changed. That said, I want to know if we are still seeing that happen.

**Terry Reynolds:**

I will get those statistics for you, and I would agree that should be down to zero or next to zero. Last summer into September/October, we had some instances of that, and I had some legislators call me regarding that issue, so we are working on that. The other part of it is, in terms of vehicles within HOAs, we did work with the property managers. We did go out and discuss with them how they are calling in, getting tow vehicles coming into their communities, and what their protocols would be to handle that type of instance. I think that helped because we made personal calls and worked with the communities that had that type of problem. I am hoping that had some effect, too, but I am happy to get you the numbers on that.

**Chair Watts:**

Members, additional questions? Seeing none, we will move on to the next presentation.

**Karl W. Armstrong, Administrator, Taxicab Authority, Department of Business and Industry:**

Our job is to provide for the safety, comfort, and convenience of the taxi-riding public through regulation of the taxicab industry [[Exhibit E](#)]. We also are their main cheerleader, too, in terms of making sure that their needs are met relative to making the taxicab industry as strong as we can in Clark County. Our agency regulates the taxicab industry in any Nevada county with a population of 700,000 or more, pursuant to *Nevada Revised Statutes* (NRS) 706.881, and that includes Clark County. There are currently 3,530 medallions in service in Clark County. That is the maximum number of taxicabs, both leased as well as employee-owned taxicabs, that can be operated in Clark County at any one time.

There are currently seven different divisions within the Taxicab Authority.

1. We have an enforcement division which goes out and enforces areas of NRS Chapter 706, which is our taxicab statute, in terms of making sure the cabs are safe and making sure traffic laws are met, and things of that nature.
2. We also have a dispatch division, which takes complaints and also dispatches our vehicles to accident scenes, as well as dispatching them to different enforcement actions that take place.
3. We have a license/front desk division, which is the group that deals specifically with the public. The public in this case are the drivers, because we are responsible for licensing all drivers in Clark County whether they are a lease driver or whether they are an employee driver.
4. We have a vehicle inspection division that inspects the vehicles at least once a year and, periodically, after accidents and other things, making sure those vehicles are safe to be on the road in terms of Clark County.
5. We have administrative court, which deals with citations that are written either by our dispatch or enforcement division based upon violations that take place relative to that division.
6. We have a fiscal division which deals with our budget and deals with the things that we need to operate the agency.
7. We have an administration division that deals with running the agency and coming up with a strategic plan and making sure the agency has everything it needs to do its work.

That is everything we have. We also gave you a sheet of paper [[Exhibit E](#)] containing statistics of our current status of our revenue, reserves, and taxi trips. At this particular point, we have \$4.5 million of balance-forward to the state Fiscal Year 2023. We are averaging, at this time, 1.2 million taxi rides per month. We are funded through the fees that are paid: \$1.25 per taxi ride and a 25-cent technology fee. That is how we are funded as an agency, and we use that money to run the agency. We also support our disabled and elderly-ride program through the Aging and Disability Services Division, Department of Health and Human Services. We give them approximately \$250,000 to \$300,000 per year relative to that program. That is the end of my presentation. I would be happy to answer any questions you may have relative to the Taxicab Authority.

**Chair Watts:**

Thank you, Mr. Armstrong. We appreciate the concise but informative presentation. Members, any questions? Seeing none, we will move into our bill hearings for the day. We have two bills, and we will take them in order. We will start with [Assembly Bill 47](#), which revises provisions governing the operation of off-highway motor vehicles. I will open the hearing on [A.B. 47](#).



**Assembly Bill 47: Revises provisions governing the operation of off-highway vehicles.  
(BDR 43-394)**

**Vinson Guthreau, Executive Director, Nevada Association of Counties:**

Thank you for the opportunity to present Assembly Bill 47 on behalf of NACO [Nevada Association of Counties], whose members are all Nevada's 17 counties. Throughout Nevada, our members have seen an increase in visitors from both in and out of state to take advantage of outdoor recreation activities. They have been visiting in record numbers. One sought-after activity is the use of off-highway vehicles, or OHVs. Counties across the state have been working on various roads and trails designed for OHV usage. Further, a handful of counties have been creating communitywide OHV trail plans to further attract OHV users. Some of these communities seek to organize or sponsor OHV races or larger events that bring individuals from across the country to Nevada.

As counties put these plans together, A.B. 47 is seeking clarification in law that counties are allowed to establish trails next to or adjacent to paved highways. I would like to be clear that this bill would just provide the clarifying authority. Counties would then go through their local ordinance process. There is no intention or desire to impact existing rights-of-way for paved highways or paved roads in any way. We think the clarifying language makes sense. Counties seek to build trail networks that are safe, efficient, and maximize access opportunities. The bill is pretty straightforward, Mr. Chairman, but I am happy to discuss or highlight the additional section that is added.

**Chair Watts:**

Thank you. I think it would be helpful if you can give us a high-level overview of the language of the bill.

**Vinson Guthreau:**

This bill poses a new subsection in *Nevada Revised Statutes* (NRS) 490.090. Under section 1, the bill creates a new subsection 5, which outlines that local governments would be allowed to construct, maintain, and operate a trail for use by OHVs that is adjacent or near a highway, and it includes "without limitation a paved highway." That is the only change we are proposing under this legislation. With that, Mr. Chair, I am happy to take any questions.

**Chair Watts:**

Thank you, Mr. Guthreau, for your presentation. Members, do we have any questions?

**Assemblywoman Summers-Armstrong:**

In the world that I came from, trails were often created for bicyclists, walking, and that kind of thing. Will there be situations where these newly developed trails will have joint usage for pedestrians, bicyclists, and these off-road vehicles? Or are these going to be specifically designated and separate from what we consider existing trails? Secondly, do you have an existing example where there is a trail being built adjacent to the highway that you are looking to use these vehicles on?

**Vinson Guthreau:**

There are a myriad of examples across the state where trails are being either maintained or constructed. I am happy to get you specific examples. As far as uses go, we believe that can be managed through the local ordinance process if there is a desire by stakeholders to have those. I do not know about compatible uses for OHV and pedestrians, for example. I think that might need to be discussed, but I do not want to predetermine any of that. I think our goal is to have this allowance in law, and then you can work that process out where it makes sense at the local level.

**Assemblywoman Summers-Armstrong:**

I may be misunderstanding, so you may need to help me. In my previous life, trails were funded with pass-through dollars from the state to local entities in something called CMAC [Citizens Multimodal Advisory Committee] dollars. The CMAC trails funds went to the individual entities to fund the development of trails, to build them, and then in recent years to have maintenance of those trails to make sure they are clean and kept up. So, what are we looking at? Those trails were used often by pedestrians, bicyclists, rollerbladers, or whomever. Is this an expansion of that or is this a creation of something new?

**Vinson Guthreau:**

I am not familiar with that funding pot. Trails are funded in a variety of ways. There are trails designed for OHVs. I can speak to that. There is a grant system in the state that collects dollars from tags on off-highway vehicles and goes to the OVC [Nevada Commission on Off-Highway Vehicles] and they distribute grant dollars to locals. Some counties use General Fund dollars to fund, construct, and operate trails. There are a variety of avenues so those can be funded. This is not an expansion of that since I am not familiar. It is just an addition in NRS that I outlined, NRS 490.090, that would allow counties to operate, maintain, and construct OHV trails adjacent to paved highways or roads.

**Chair Watts:**

Thank you. Additional questions for members of the Committee? Do you have any examples from any of the member counties of potential projects that could be completed once this clarification is in place?

**Vinson Guthreau:**

I do not have that with me, though I will provide that to the Committee.

**Chair Watts:**

To clarify, the concept here is, as we are getting at the edge of the urban area and some of those true off-road trails that folks enjoy, that there would be the opportunity to have a separate, dedicated trail that could be used by OHVs so they are not on the roadways with other vehicles, but the trail can be paved and does not have to be unpaved in order to be a dedicated trail that would probably then connect into unpaved OHV trails. Is that understanding accurate for the record?



**Vinson Guthreau:**

I think that is accurate.

**Chair Watts:**

I will now accept testimony in support of Assembly Bill 47.

**Stan Harger, representing Kokopelli ATV Club of Mesquite, Nevada:**

I am also the president of the Virgin River Coalition. We strongly support more and easier access for all OHV vehicles. Specifically, we would like UTVs [utility task vehicles] and ATVs [all-terrain vehicles] to have easier access to public lands. While we support this desire to make access easier, I believe there may be a better way to achieve this by allowing street-legal licensing of properly equipped vehicles, like our neighboring states of Utah and Arizona. The benefits of providing street-legal licensing are many: easier access to trailheads for residents and visitors; less cost in creating additional roads and trails with less impact on our environment; more money for the Department of Motor Vehicles; economic development throughout the state due to increased revenue; more competition with surrounding states for OHV out-of-state visitors; safer and better equipped OHV vehicles; easier-to-enforce traffic laws; access to state and national parks, which they currently do not have; and equity for other modified street-legal vehicles.

We have removed the restrictions in the City of Mesquite because we want to make it more OHV-friendly for visitors who are from out of state. We need to do that across the state. I do not know whether you have any questions for me, but that concludes my testimony. I sent in some additional materials that you can review.

**Chair Watts:**

I believe we did receive some materials in writing. I would just like to clarify that while you would like to see some other things happen, you do support this bill as it is currently presented. Is that correct?

**Stan Harger:**

Yes, we definitely support this—anything that makes access easier. I realize this is simpler than what I am talking about. But if we had street-legal licensing, we would not need this and we would not need to construct additional roads and trails where perfectly adequate roads exist.

[[Exhibit F](#) and [Exhibit G](#), a letter and an email in support of Assembly Bill 47, were submitted but not discussed and will become part of the record.]

**Chair Watts:**

Thank you for your testimony, Mr. Harger.

Do we have any callers wishing to provide testimony and support here? [There was no one.]  
Do we have any callers wishing to provide testimony in opposition? [There was no one.]  
Do we have callers wishing to provide testimony in neutral? [There was no one.]

With that, I will close the hearing on A.B. 47. Thank you for presenting the bill today.

I will now open the hearing on Assembly Bill 57. We will welcome the Department of Motor Vehicles.

**Assembly Bill 57: Revises various provisions relating to motor vehicles. BDR 9-274)**

**Sean Sever, Deputy Administrator, Research and Project Management, Department of Motor Vehicles:**

This is a much-needed bill to help prevent lien claimant fraud change when an annual report is due and to eliminate honorary consular license plates. The first part of the bill covers lien sale fraud. Fraud occurs when lien claimants, who obtain vehicles through parking violations, mechanic liens and tows, and police impounds, profit through a lien sale to themselves for significantly less than the vehicle is valued. Once they obtain the title, they sell these vehicles to the public at market value, achieving outrageous profits and thereby depriving the legal owner and lienholder of both the vehicle and any equity value over the lien amounts pursuant to *Nevada Revised Statutes* (NRS) 108.310, subsection 4. Through the regulations process, the DMV [Department of Motor Vehicles] Division of Compliance Enforcement has worked with industry on proposed language that would clarify and reflect legislative intent and DMV policy.

Second, NRS 487.557 requires the DMV to submit an annual report to the Legislature concerning garages, garage operators, and body shops by January 1. Because the due date is the day after the last day of the reporting period, and also an annual holiday, the DMV must submit the report late, in violation of the law. The DMV would like to change the reporting date to February 1 to ensure that all data in the reporting period is included. We also believe there is a drafting error in the digest of the bill stating that this report is the responsibility of the Nevada Department of Public Safety, when it is actually the DMV.

Third, the DMV is proposing to eliminate language in NRS Chapter 482 that allows the issuance of honorary consular plates, which will bring Nevada into compliance with recent changes to federal guidelines. Federal rulemaking came out recently that requires states to stop issuing these plates, and the federal government will now issue these.

We do have a friendly amendment [[Exhibit H](#)] that is our own on the lien sale portion of this bill that reflects the latest agreed-upon language from the last workshop that was held and also some work with industry we did this morning. Thank you to the Committee staff for uploading this to NELIS [Nevada Electronic Legislative Information System]. We can report that separately, if you like, in the original bill. We appreciate your considering this request, and I have Mr. Decker here to help me with questions.

**Chair Watts:**

Thank you for the presentation. Again, we do ask that materials be provided in advance, but we understand that on occasion there are some conversations that are ongoing and adjustments that need to be made. Members, do we have any questions for the Department on A.B. 57?

**Assemblywoman Brown-May:**

Understanding that the federal regulations changes will affect how we do it in Nevada, did we issue a lot of consular plates? What is the number?

**Sean Sever:**

I will have to get back to you on that question. With this portion of the bill, we are just matching federal to state. I have just been told it is 14.

**Chair Watts:**

Members, additional questions?

**Assemblyman Miller:**

I have a question on section 1. You mentioned that part of the reason was to clarify original intent. Could you speak to how that intent may have been taken out of context or the need to clarify it?

**Joseph (J.D.) Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles:**

The existing language in NRS 108.310 grants the lien claimant the right to auction the vehicle to recover monies owed. It uses the words "may sell at auction." That has been interpreted to be the opposite of "shall" and, in that, there has been a prevailing idea across the industry that the auction is optional and that, if you prefer, you could sell it to yourself or to someone you know for a reduced price. Section 1 requires that an auction be held. If it does not sell at auction, the vehicle can be sold by the lien claimant, but to a third party at an arm's-length transaction for fair market value to prevent someone from selling a vehicle to themselves for less than market value.

**Assemblyman Miller:**

Can you paint a picture for me as to how that is currently operating and then how it would be fixed?

**J.D. Decker:**

Currently, there are licensees who feel that if they acquire a vehicle and it does not sell at auction, if they decide not to sell it at auction, or if they do not notify the right people that there will be an auction, they can then sell that vehicle to themselves for substantially less than market value. Once they acquire title from the DMV through the lien sale process, they have seized that vehicle from the legal owner and the lienholder through this lien sale process. They can then resell that vehicle to the broader marketplace for its actual fair

market value and profit beyond the tow and storage monies that are owed to them. This idea that the auction is optional, and you may sell it to yourself if it financially benefits you, is what we are trying to counter with this bill.

**Assemblyman Miller:**

Confirm this for me if I am understanding it correctly. Say I operate some type of a lot and I acquire a vehicle. Maybe I was doing maintenance on it, and it stayed on the lot longer than it should have. I am owed \$10,000 and it may be a \$100,000 vehicle. I sold it to my sister for \$10,000 versus the \$100,000 it is worth. Then we work together, and she sells it on the regular market to someone else for the actual value of \$100,000 and keeps that money. The original owner who had the lien could still owe the lienholder, right? So, they do not get the difference in what the value of the car is versus the \$10,000 cost for being stored on the lot. The company that sold the car sold it for the \$10,000 they were owed rather than the true value of the car. So, there is a \$90,000 gap that did not go back to the original owner. Am I understanding correctly, and that is what this bill is intended to fix?

**J.D. Decker:**

That is exactly the scenario that we are attempting to fix. I am owed \$10,000 for towing and storage, I am holding a \$100,000 car, and I skipped the auction. I can lien sale it to myself for \$10,000 through the Department and then sell it to someone else for \$100,000 and profit \$90,000. That is exactly the scenario that we are trying to combat.

**Chair Watts:**

Thank you very much. Members, additional questions? Seeing none, we will move on to testimony, beginning with testimony in support of Assembly Bill 57.

**Lucas Foletta, representing Nevada State Tow Association:**

I am representing the Nevada State Tow Association, an association of tow operators throughout the state. We are here to support the bill as amended. As you heard, this is an issue that the Department of Motor Vehicles (DMV) has been working on for some time. We have been working with the Department for a year or so on this. We are happy that it is coming to fruition here. We are fully supportive of the Department's objective. I did want to note one thing. We agree with Mr. Decker that the scenario that Assemblyman Miller articulated is meant to be addressed by this bill. To our knowledge, those are very limited situations. By and large, we are not talking about \$100,000 vehicles that are subject to these sales. We are talking about cars that sometimes have de minimus or only salvage value. But there are situations in which the current state of the law has been abused, and we are happy to contribute to the solution to that. With that, I will pass it to Mr. Enos.

**Paul Enos, Chief Executive Officer, Nevada Trucking Association:**

We have a couple of dozen tow operators in our membership, and we are supportive of the presented language on Assembly Bill 57. I do appreciate your accommodating us to make a little change in the language. We have been working with Director Butler and Mr. Decker on this for over two years now. We are very happy with where we are today compared to where we have been. We do think this is an issue. In my conversations with the DMV, they say

this happens with about 4 out of 100 vehicles. So, it is not something that happens a lot. Most of our tow operators follow the law. There was a 92-plus page guide that they used to follow. There were some people who would take a Corvette because the guy went to jail. They would sell it to a friend and profit. Those are very limited circumstances, but those are the exact kinds of circumstances that this legislation will prevent. So once again, thank you to everyone for allowing us to make this work.

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

Not to belabor the point, but I echo the comments made by both Mr. Foletta and Mr. Enos. There is no place in the market for the activity that the DMV is attempting to tackle and address. I would be remiss if I did not acknowledge the fact that the first iteration during rulemaking was problematic. They listened to our concerns collectively, and what is in front of you, in amended form, is a good product.

A little indulgence, Mr. Chair. To the Assemblywoman on the question with respect to the number of transactions that the franchised dealers will make when the pilot program is fully implemented: About 210,000-220,000 are the number of titles that will flow through our dealer members. Hopefully, that is an answer you were looking for.

**Warren Hardy, representing Nevada Pic-A-Part:**

I am the end-of-life guy. I am the guy who does not have \$100,000 vehicles. I have a struggle getting rid of end-of-life vehicles. The reason I tell you that is to thank the DMV for their concerted effort to make sure all factors were considered in this, because oftentimes when we deal with regulation or new laws to address a \$100,000 issue, my guys get swept up in the unnecessary regulation that they have to do when it does not apply to them. That is not occurring here. That is due to the effort of the DMV to reach out to us to make sure they understood our concerns. So, I can testify happily that this is not an overregulation that is going to fix this problem, but it is spot on. Thank you, Mr. Chair.

**Danny Thompson, representing SNAP Towing:**

I want to thank the DMV, specifically Chief Decker, for holding the workshops and doing the hard work to put this bill together. We certainly do not want someone who is abusing the system to be allowed to continue the abuse. It gives everybody a bad name. We are in support of this bill.

**Chair Watts:**

Do we have any callers wishing to provide testimony in support here? [There was no one.]  
Do we have any callers wishing to provide testimony in opposition? [There was no one.]  
Do we have callers wishing to provide testimony in neutral? [There was no one.]

We thank the Department for the presentation. I will close the hearing on Assembly Bill 57.

We will move on to the last item on our agenda, which is public comment. Do we have any callers wishing to provide public comment? [There was no one.] We will have more presentations and bill hearings at our next meeting, which is February 21, 2023, Tuesday, at 1:30 p.m. We are adjourned [at 2:53 p.m.].

RESPECTFULLY SUBMITTED:

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Kathy Biagi  
Committee Secretary

APPROVED BY:

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Assemblyman Howard Watts, Chair

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

## EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a copy of a PowerPoint presentation titled "Department of Motor Vehicles, NRS 481 Department Overview," presented by Julie Butler, Director, Department of Motor Vehicles.

[Exhibit D](#) is a copy of a PowerPoint presentation titled "Nevada Transportation Authority, 2023-2025," presented by Terry Reynolds, Director, Department of Business and Industry.

[Exhibit E](#) is a document titled "Department of Business and Industry, Nevada Taxicab Authority, Welcome to Our Agency," presented by Karl W. Armstrong, Administrator, Taxicab Authority, Department of Business and Industry.

[Exhibit F](#) is a letter, dated February 19, 2023, submitted by Mathew Giltner, Executive Director; and Kim Murcia, Associate Director, Nevada Offroad Association, in support of [Assembly Bill 47](#).

[Exhibit G](#) is a copy of an email, supporting documents, and written testimony, dated February 16, 2023, submitted by Stan Harger, representing Kokopelli ATV Club of Mesquite, Nevada, in support of [Assembly Bill 47](#).

[Exhibit H](#) is a proposed conceptual amendment to [Assembly Bill 57](#), submitted by Joseph (J.D.) Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles.