

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

**Eighty-Second Session
March 21, 2023**

The Committee on Growth and Infrastructure was called to order by Chair Howard Watts at 1:30 p.m. on Tuesday, March 21, 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.

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
Connie Barlow, Committee Manager
Kathy Biagi, Committee Secretary
Garrett Kingen, Committee Assistant

Minutes ID: 544



OTHERS PRESENT:

Jonathan Norman, Statewide Advocacy, Outreach, and Policy Director, Nevada Coalition of Legal Service Providers

John J. Piro, Chief Deputy Public Defender, Legislative Liaison, Clark County Public Defender's Office

Sophia Romero, Private Citizen, North Las Vegas, Nevada

Lucas M. Foletta, representing Nevada State Tow Association

Paul J. Enos, Chief Executive Officer, Nevada Trucking Association

Danny Thompson, representing SNAP Towing

Mark Hackmann, representing Nevada Petroleum Marketers & Convenience Store Association

Samantha Sato, representing Copart

Kerrie Kramer, representing National Association of Industrial and Office Properties

Michael Baumbach, President, Nevada State Tow Association

Susan Zinser, Owner, D&S Tow, Inc., Carson City, Nevada; and Treasurer, Nevada State Tow Association

John Sande IV, representing Nevada State Apartment Association

Tony Hall, Senior Manager, Government Affairs, Carvana

Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association

Joseph (JD) Decker, Chief, Compliance Enforcement Division, Department of Motor Vehicles

Chair Watts:

[Roll was called. Committee protocol and rules were explained.] On our agenda today we have a work session with three bills and then two bill hearings. We will begin with the work session. The first bill on work session is [Assembly Bill 112](#).

[Assembly Bill 112](#): Establishes provisions relating to wildlife crossings. (BDR 35-340)

Jann Stinnesbeck, Committee Policy Analyst:

As nonpartisan staff, I cannot advocate for or against any measure that comes before this body.

[Assembly Bill 112](#) was sponsored by this Committee on behalf of the Joint Interim Standing Committee on Natural Resources and heard on March 9, 2023. The bill creates the Wildlife Crossings Account in the General Fund. The bill requires the State Board of Finance to issue not more than \$15 million of general obligation bonds for credit to the Wildlife Crossings Account to implement projects related to wildlife crossings and other highway features to improve permeability for wildlife.

The bill requires the Department of Transportation (NDOT) to consult with the Department of Wildlife (NDOW) to identify locations and strategies related to wildlife crossings and prioritize certain areas to fund projects relating to wildlife crossings. The bill requires both Departments to develop, publish, and update an inventory of connectivity needs on the state

highway system where the implementation of wildlife crossings and other related highway features improve permeability for wildlife, reduction of wildlife-vehicle collisions, or enhanced wildlife activity.

Lastly, the bill requires the Director of NDOT to review the standards and specifications for the design and construction of highways in the state to determine standards and specifications necessary to incorporate wildlife crossings and other related highway features into the highways in this state [[Exhibit C](#)].

Assemblyman Watts proposed amendments [pages 2 and 3, [Exhibit C](#)] to define "wildlife" and require NDOT and NDOW to consult with grazing permit holders and adjacent private landowners where wildlife crossings would be located to avoid or mitigate impacts on livestock management or private land use. The amendments replace issuance of general obligation bonds for \$15 million with a General Fund appropriation of the same amount.

Chair Watts:

I will note one change I did give reference to in the Committee hearing. After further conversations with the Office of the State Treasurer, we decided to change the source of the funds. If this bill moves forward, it will go the Assembly Committee on Ways and Means where we will further vet the budgetary implications of the measure.

Are there any questions from the Committee? [There were none.] I will entertain a motion to amend and do pass Assembly Bill 112.

ASSEMBLYMAN CARTER MADE A MOTION TO AMEND AND DO
PASS ASSEMBLY BILL 112.

ASSEMBLYMAN GURR SECONDED THE MOTION.

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

THE MOTION PASSED UNANIMOUSLY.

I will take the floor statement. The next bill on work session is Assembly Bill 195.

**Assembly Bill 195: Revises provisions governing certain fees for drivers' licenses.
(BDR 43-636)**

Jann Stinnesbeck, Committee Policy Analyst:

Assembly Bill 195 was sponsored by Assemblywoman Melissa Hardy, Assembly District 22, and heard in this Committee on March 7, 2023. The bill requires the Department of Motor Vehicles (DMV) to reinstate, free of charge, a driver's license or provide an original or renewal driver's license to certain persons released from prison. The bill requires the DMV to waive the fee for the administration of the examination required for the issuance of a noncommercial driver's license for certain persons released from prison.

Lastly, the bill exempts a person whose driver's license expires during a period of incarceration from the penalty for the late renewal of a driver's license [[Exhibit D](#)].

There is one amendment submitted by Assemblywoman Hardy that would additionally waive fees for identification cards for certain persons released from prison.

Chair Watts:

Are there any questions from the members? [There were none.] I will entertain a motion to amend and do pass Assembly Bill 195.

ASSEMBLYWOMAN PETERS MADE A MOTION TO AMEND AND DO
PASS ASSEMBLY BILL 195.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

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

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Hardy. The last bill on work session is Assembly Bill 262.

Assembly Bill 262: Revises provisions relating to state-owned vehicles. (BDR 27-124)

Jann Stinnesbeck, Committee Policy Analyst:

Assembly Bill 262 was sponsored by Assemblyman Watts and heard in this Committee on March 14, 2023. The bill requires, to the extent practicable, State agencies to give preference to the purchase of automobiles that minimize emissions and the total cost of the automobile over its service life. The bill also requires State agencies, to the extent practicable, to purchase motor vehicle fuel blended with ethanol and, if purchasing an automobile powered by diesel fuel, to ensure the automobile is capable of using certain biodiesel fuel blends.

Lastly, the bill requires State agencies to maintain certain records of the type of fuel used by vehicles purchased by the agency and requires the Executive Officer of the Fleet Services Division of the Department of Administration to maintain such records for vehicles assigned to the Division [[Exhibit E](#)].

There was one proposed amendment [page 2, [Exhibit E](#)] from Assemblyman Watts, which adds a legislative declaration concerning the importance of reducing tailpipe emissions. The amendment also adds "compressed natural gas" to the list of fuels in section 1, subsection 5 and section 2, subsection 2(b) of the bill.

Chair Watts:

Are there any questions from the members? [There were none.] I will entertain a motion to amend and do pass Assembly Bill 262.

ASSEMBLYMAN MILLER MADE A MOTION TO AMEND AND DO
PASS ASSEMBLY BILL 262.

ASSEMBLYWOMAN MILLER SECONDED THE MOTION.

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

THE MOTION PASSED. (ASSEMBLYMEN DICKMAN, GALLANT,
AND GURR VOTED NO.)

I will take the floor statement. That concludes our work session for the day. We will move into our bill hearings. Because I have a bill presentation in another committee, I will turn the gavel over to Assemblywoman Brown-May.

[Assemblywoman Brown-May assumed the Chair.]

Vice Chair Brown-May:

I will open the hearing for Assembly Bill 303. Assemblyman Miller, you may begin when you are ready.

Assembly Bill 303: Revises provisions relating to the towing of a motor vehicle under certain circumstances. (BDR 58-113)

Assemblyman Cameron (C.H.) Miller, Assembly District No. 7:

Before I begin, I would like to note that I do not anticipate having to use an expert today, but I do have Sophia Romero on the phone if there is, in fact, a question or something I cannot answer.

I wish I could say it is my pleasure to present this bill today, but I am actually frustrated that I have to be here presenting this bill. It is one of those bills where legislation was passed in a previous session, but it was discovered things are not being implemented the way it was intended. Therefore, we do what we call cleanup. That is what Assembly Bill 303 is doing. It is aimed at clarifying the intent of Assembly Bill 301 of the 81st Session.

Assembly Bill 301 of the 81st Session aimed to do a few things. First, it aimed to prohibit the nonconsent towing of a vehicle from a residential complex or common-interest community when the reason for the tow is solely based on registration status. Second, it required a tow operator to immediately release a vehicle upon being presented with the appropriate documentation that the vehicle was in fact properly registered at the time of the tow if the reason for the tow was solely based on registration status.

Third, it established a 48-hour waiting period from the time the vehicle arrived at the tow yard before storage fees could be charged when a vehicle was towed solely based on registration status. Fourth, it directed the Nevada Transportation Authority (NTA) of the

Department of Business and Industry to establish a tariff program for those who were faced with economic challenges beyond their control when their vehicle was towed solely based on registration status.

Assembly Bill 301 of the 81st Session was necessary because the pandemic exposed what some would consider predatory behavior at a time when Nevadans were at their most vulnerable in the midst of the pandemic; a time when uncertainty and hard times crippled everyone from government agencies and services to the everyday lifestyle and culture of every Nevadan. It also caused what seemed like normal, simple, expedient processes to come to a halt, like the issuing of vehicle registration stickers and decals.

During that time, the Department of Motor Vehicles (DMV) got pretty far behind with getting those stickers out. What we discovered is that tow operators were towing properly parked vehicles that were properly registered from apartment communities and common-interest communities because they did not have the sticker displayed—a sticker the vehicle owner had simply not gotten yet. These folks were also faced with having to pay the expensive cost of retrieving their vehicle when they had not done anything wrong. Sadly, this was happening more often in communities with historically lower incomes with people who face criminal and social injustices that exacerbate their economic challenges.

Having a vehicle mistakenly towed for some is just a pesky inconvenience. For others, it can result in the loss of a job, a day's wages, or the decision to get the car out of the tow yard or pay the light bill. The improper or predatory nonconsent towing of a vehicle can financially ruin many in all of our communities at a time when people's money is funny. That is something I channeled my grandfather to pull in—people's money being funny. At the end of the day, people have economic challenges and when their vehicle—the one thing that you have to get you back and forth from work—is improperly towed, it exacerbates financial issues.

That is how we got Assembly Bill 301 of the 81st Session. We worked with the industry to come to an amiable place on the language and we passed it. However, in the interim it was brought to my attention that people were still having their vehicles towed based on the registration status alone. Their vehicles were not being released when they showed evidence that it was currently registered at the time of the tow, and they were not being given the 48-hour window to pick up their vehicle without requiring payment.

After hearing this from multiple people, there was one constituent who reached out to me directly asking about the law because their vehicle had just been towed. I offered to take that constituent to retrieve his vehicle. I saw firsthand how one tow operator chose to interpret the law. For example, rather than releasing the vehicle when presented with documentation that the car was in fact registered, the tow operator said, No, and added that information had to be presented at the time the tow truck driver had the car on the hook. When asked about the 48-hour window, as mentioned in section 1, subsection 6 of the bill where it states, "An operator shall not charge any fee or cost for the storage of the motor vehicle until at least 48 hours . . . ," this operator said, We are not charging a storage fee; it is an impound fee.

When I offered to the gentleman that the tow was not requested by law enforcement and, therefore, there should not be an impound fee, I was told I was not the owner of the vehicle, and he would not talk to me anymore. He said I had to leave the property, or he would call the police for trespassing.

For context, this was not a heated argument or a back and forth. Was there intensity because we were both on opposite sides of the issue? A little bit. He was not aggressive or out of line and neither were we. However, I was asked to leave the property or be trespassed when questioning whether or not he should be charging an impound fee when it was clearly a storage fee. He had changed the intent and reinterpreted the law to make it fit what he wanted to do.

I am not saying every tow operator or tow company was doing this or is persisting in this type of behavior, but based on the multiple complaints I received directly about it, I realized it was something needing to be addressed in the statutes to clarify the actual intent.

That takes us to Assembly Bill 303, which will do a few things. I will be going over the amended version of what we are looking to do [[Exhibit F](#)]. First, it will keep the original language of section 1, subsection 6 of the original bill, which maintains what was agreed upon in the industry in the previous bill, Assembly Bill 301 of the 81st Session. Due to the fast and furious pace when bills come out, sometimes they do not come out with exactly what we wanted, and sometimes they have more things than we expected them to have. The amendment addresses that specifically and restores the original language that was there already as it relates to the 48-hour window. I believe that will address many of the concerns relating to several of the opponents of this particular bill.

Second, it also sets forth certain reasons outside of an owner's control for which he or she is determined to be incapable of paying the normal rate charged for the removal and storage of the towed vehicle. That is the hardship tariff program that the NTA was instructed to stand up. They did that. A lot of this is mirroring what they already have in statute, but then A.B. 303 with the amendment expands that option of the hardship tariff to other types of nonconsent towing.

People whose vehicles are towed, if they are in a financially difficult situation, they are in a financially difficult situation. It does not change based on whether there is a tow for registration or some other reason. When the vehicle owners meet those particular standards—if they are receiving some type of government assistance or different things like that—they should then also be available to apply for the hardship tariff program. I believe the NTA provides a 30 percent discount to those folks.

Fourth, it clarifies towing the vehicle solely because the registration has expired is a violation of the requirement of *Nevada Revised Statutes 706.4477* and provides if a vehicle is towed in violation of this provision, the owner of the vehicle is not required to pay any fee for the

towing. For that purpose, the amendment proposes to add language to section 1, subsection 2(c) clarifying the vehicle should not be towed and there should not be any fee for a vehicle being towed solely based on registration status when it is in a common-interest community or an apartment community.

Finally, A.B. 303 provides that if a motor vehicle is towed in violation of the provisions of this bill, or an operator charges a fee when they should not, the operator may be subject to certain penalties. This is enabling language for the NTA to go ahead and investigate and apply penalties they think are necessary when a vehicle has been towed for the wrong reasons in this particular section. It also allows vehicle owners to pursue compensation for loss or damages if they did lose a day of work or if they did have additional financial costs as it relates to the retrieval of their vehicle when it was towed improperly based on the existing law that says a tow operator "May not have a vehicle towed solely because the registration of the vehicle is expired." That is already in statute. Anytime that is not followed and a vehicle is towed based on expired registration, it could be considered a not-wise thing to do, and people are able to recoup benefits if it had been in a different situation. When you take something unauthorized that is not yours, there are consequences. We want vehicle owners to know they have recourse if in fact they do suffer a loss based on their vehicle being towed improperly.

That wraps up my presentation, and I will stand for questions.

Vice Chair Brown-May:

Are there any questions from the Committee?

Assemblyman Carter:

My question has to do with the tariff portion. Does that apply in any way, shape, or form if the tow is done at the direction of law enforcement?

Assemblyman Miller:

No, it does not.

Assemblywoman Dickman:

Do you happen to know, since the passage of A.B. 301 of the 81st Session, how many complaints have actually been filed for towing based just on registration being expired or not having a tag?

Assemblyman Miller:

I do not know how many vehicles have been towed for those reasons. When the NTA was here, I specifically asked that question. They said they had not seen many, if I remember correctly. However, we need to understand a lot of times when people have their vehicles towed, the extra step of pursuing it requires additional time. Most may not file a complaint, but there are some who will. If they do decide to pursue, they should have the added benefit of penalties being applied on their behalf because the tow operator was wrong. It does not mean it is not happening. I know it is happening because folks come to me directly and tell

me it is happening. I went with someone and saw firsthand how it was being reinterpreted. The lack of people following through and actually making the complaint does not mean we do not have a problem.

Assemblywoman Dickman:

If law enforcement, such as DMV enforcement, were to confirm the vehicle was not registered, would this apply?

Assemblyman Miller:

Let me see if I understand. You are asking if DMV enforcement were to confirm the vehicle was not registered. Based on the current existing statute, if the vehicle is not currently registered, it should not be towed based on registration status alone. However, if the vehicle is parked next to a fire hydrant, it should be towed. If it is just based on the registration status of the vehicle, it should not be towed.

Assemblywoman Dickman:

Is there no consequence for having vehicles parked somewhere illegally? I have a constituent who harangues me constantly about all the unregistered vehicles and what we are going to do about it. I think I have mentioned this in Committee before.

Assemblyman Miller:

The problem with vehicles being registered or unregistered is not the penalty for our enforcing vehicle registration. This bill does not do that. For the most part, if someone's vehicle is not registered, it is more likely an indication of financial hardship or difficulty than it is they just do not care. I realize there are opinions and people think they may know other folks' financial situation and they did not get their vehicle registered because they do not care about the system. However, by and large, that is a very small number of folks versus folks who have to pay \$500 to \$1,000 to get a car registered and are just not able to do it.

There is no expectation to give anyone a pass. It is simply saying, We understand there are some financial issues. We understand towing a vehicle is sometimes necessary, but it is not necessary if I am at home parked in my designated parking spot and my vehicle does not happen to be registered. It is not a safety issue. It is not even against the law because I am not driving the vehicle. My car does not have to be registered and it should not be getting towed from my designated spot if it is properly parked. This bill specifically focuses on apartment communities and common-interest communities where folks are at home with their vehicles, they are parked properly, and the vehicle does not have the proper or current registration at the moment. If that is the only reason the vehicle is being towed, we are saying it should not happen. The law already says it should not happen. If the vehicle is parked in a red zone or parked in a neighbor's spot or somewhere else, the vehicle should be towed, period.

Assemblywoman Dickman:

I was looking at section 1, subsection 7 regarding the hardship. Who gets to determine the necessities of life exceeding income? That could be subjective. Is having HBO a necessity of life?

Assemblyman Miller:

That is determined by the NTA in their investigation and evaluation. They have already established a hardship tariff program. This just aligns with a lot of the provisions within their program to put it into statute. We are also expanding it to other types of tows so there is more equity in consequence as it relates to nonconsent towing.

Assemblywoman Summers-Armstrong:

Maybe there is some misunderstanding about these community properties where your bill is narrowly focused. Would you mind giving us a breakdown of what types of communities you are specifically speaking about, so we are all clear? I believe you used the term "common-interest."

Assemblyman Miller:

Apartment communities where there are multiple unit dwellings and designated parking. This would also fall within condominium communities and homeowners' association communities. Those are common-interest communities.

Assemblywoman Summers-Armstrong:

I was here last session when A.B. 301 of the 81st Session was brought forward. I thought it was clearly defined, and I also thought it was clearly delineated that this was for cars properly parked, not illegally parked. Can you give some background? I would love to hear more about the situation you ran into with your constituent. Was his vehicle parked in front of a fire hydrant? Was his vehicle blocking someone's driveway? Was he parked in a red zone? Could you draw a picture of what happened and how this tow actually moved forward?

Assemblyman Miller:

That constituent lives in a common-interest community or condominium community. It is a townhouse style. They have designated parking spaces along the wall and across the driveway by the units. They each have a driveway and a garage. This particular constituent had a vehicle parked in a properly designated parking spot, but the vehicle did not have the sticker on the license plate. The current registration was in the car. When we went to the tow yard, they allowed him to get the registration out of the car to show to the operator. That was the only reason the vehicle was towed; the sticker on the vehicle was not current, but the vehicle was in fact currently registered.

Assemblywoman Summers-Armstrong:

During the first hearing last session, there was some discussion—and I thought it was clearly defined—that the majority, if not all tow companies, have access to the database that tells them if a vehicle's registration is current. Is that still the case? If so, did this particular company have the capability of checking to see if that registration was current? Did they explain whether or not they had done that and just chose to tow the vehicle because the sticker was not there?

Assemblyman Miller:

I have not been on the site in a while, but it is my understanding if the operator has the license plate number, he could go to DMV's website, input the license plate number, and will know if the vehicle is currently registered or not. We all can do that. To answer your question, yes, every tow operator has the ability to check registration. Whether or not they did it in this case, I do not know. It was not a part of the conversation we had.

Assemblywoman Gallant:

I have to tell you, the worst phone call I receive as a property manager is when my tenants' car is towed. They are really mad at me, and I have nothing to do with it. I see both sides of this. You are correct, we do not have to have our cars registered unless we are actively using them on the road. However, many times in those communities it is part of their CC&Rs [covenants, conditions, and restrictions] that tenants' vehicles are registered. Sometimes the car parking is not necessarily assigned; it is open parking. That is a way for a community to ensure they do not have a bunch of abandoned vehicles. I am playing devil's advocate because it is awful on this side, but how do you expect these common-interest communities to ensure their parking lot and community stay safe? Someone stole my car and took it into a common-interest community. Do you have any solutions on how they manage that portion?

Assemblyman Miller:

When you ask how they manage that, do you mean how the property managers or common-interest communities manage having abandoned vehicles on their property?

Assemblywoman Gallant:

Do not put property managers in with common-interest communities. We hate that. I mean in terms of ensuring their community stays clean and safe and there is available parking for the residents, part of managing that is ensuring the cars there are supposed to be there. How do you expect them to manage that within a common-interest community if they are not checking registration? If the cars are not registered, it is a kind of trigger to follow up on the cars.

Assemblyman Miller:

The way I understand it, those who oversee the property have to sign off on nonconsent tows from the property. It does not allow the tow operators to do it on their own. In fact, every time it happens, it should be signed off by the overseer who is authorized for a particular property.

If a resident has a vehicle there, I would imagine they are allowed to have the vehicle there. I do not know how a property would manage that, how they would follow up or determine whether the vehicle should be there or not. I would suggest, if I am paying rent and a part of my rent includes a parking space—whether it is open parking or designated parking—I should be able to place a vehicle there.

I also want to be clear we already have in statute that a vehicle should not be towed based on registration status alone. We are not debating that issue now. Again, I do not know how that would be managed. I am sure they are smart enough to figure out what the best process would be for their property considering they should not be allowing tows to happen on that property solely based on registration status.

Assemblywoman Gallant:

I have a feeling the argument is going to be because it is in the CC&Rs. That is my guess. Another suggestion is since registration is available to anyone with a driver's license, would it make sense to put it in statute that it has to be checked prior to towing so registered vehicles are not towed.

A perfect example is during COVID-19. I am on 200 Lewis Avenue in the parking garage. I had not received my sticker yet, but the car was registered. The parking meter gave me a ticket because I did not have that sticker. Even though I showed it was registered, they did not care and still made me pay the ticket. I would think the City of Las Vegas would have access to that as well and could solve that problem.

Assemblyman Miller:

This bill does not apply to law enforcement or code enforcement. If you are in a public space and law enforcement requests a tow for whatever reason, that still happens. This is only possible on private property in these common-interest communities. When we first brought A.B. 301 of the 81st Session, we looked at requiring the tow operators to check the site prior to towing. In the Senate, the bill was amended to just eliminate the possibility of towing based on registration status. There then became no need to check the DMV records because if that is the only reason the car is being towed, it should not be towed.

Vice Chair Brown-May:

Are there any further questions from the members? [There were none.] I do have one question. You talked about the NTA. Could you explain for the record what the NTA is and if they have oversight relative to investigations? Could the NTA mitigate a dispute between a tow company and the vehicle owner?

Assemblyman Miller:

I am not an expert on the NTA or what they do as it relates to specifically mitigating the situation between a vehicle owner and a tow company. It is the Nevada Transportation Authority, and they have jurisdiction over tow companies, the tariffs, and applying penalties to violations, investigations, and that sort of thing. Once someone files a complaint, it is my understanding the NTA investigates and comes up with an outcome based on their penalty structure. That does not include providing compensation to a wronged consumer.

Vice Chair Brown-May:

Seeing no further questions, we will move into testimony in support of A.B. 303 in Carson City and Las Vegas.

Jonathan Norman, Statewide Advocacy, Outreach, and Policy Director, Nevada Coalition of Legal Service Providers:

I appreciate Assemblyman Miller bringing this bill. I cannot say the Nevada Coalition of Legal Service Providers would support putting teeth into every consumer protection, but in this case we do. I think having teeth in consumer protection is a way to actually protect consumers. I appreciate the bill, and I thank you for your consideration.

John J. Piro, Chief Deputy Public Defender, Legislative Liaison, Clark County Public Defender's Office:

I am testifying in support as well. I would like to echo the comments of Mr. Norman. Oftentimes we have clients who are at the margins and sometimes living in their cars. If their car were to be towed, that would put them in a very hairy situation. However, this bill also hits personally for me. In prelaw school when I was living paycheck to paycheck, my car was registered but I had not yet stuck the sticker on the license plate. That night my car got towed. I woke up in the morning with no ride to work. I had to call in, so I lost a day's wages. When I finally figured out where my car was that night, I went to the tow yard. I was told if I wanted my car that night, I had to pay the night fee. I did not want to pay another fee; I would just come back the next day to get my car. When I went back the next day, I had an extra day fee. It was even more expensive than if I had just gotten it out the night before.

This bill is an important measure. I think it will help people and make sure the odds are not stacked against them when they are getting their car, which is sometimes their house, out of a tow yard, or when their car provides a pathway to work. I strongly urge this passage.

Vice Chair Brown-May:

Is there anyone else in Carson City or Las Vegas who is in support? [There was no one.]
Is there anyone on the phone wishing to provide support testimony?

Sophia Romero, Private Citizen, North Las Vegas, Nevada:

I am testifying in support. I would also like to echo Mr. Norman and Mr. Piro. This bill is very important. I would like to thank Assemblyman Miller for bringing the bill. As to why we need it, we have testimony on record with A.B. 301 of the 81st Session. We have put a lot of work into this bill and have talked to a lot of consumers who were being affected in their day-to-day life.

As Assemblyman Miller said, this is a cleanup bill. Everything currently in this bill is already in statute, save the teeth for the consumer protection issue because this is a continuing issue. I would like to thank the Committee for your time, and I urge you to support this matter.

Vice Chair Brown-May:

Are there any other callers wishing to testify in support? [There were none.] We will move to testimony in opposition of A.B. 303 in Carson City and Las Vegas.

Lucas M. Foletta, representing Nevada State Tow Association:

We are in opposition. I would like to start out by taking on the notion that the purpose of this bill is to clarify A.B. 301 of the 81st Session. The bill is substantially different in terms of how it is written than what was described. It does represent a significant expansion of what A.B. 301 of the 81st Session did. I think there is a lot of confusion about this provision of statute. That is somewhat understandable because this particular provision has been amended each of the last three sessions. Now we are going on the fourth possibility of another amendment. I believe it was also amended two times before that since it was enacted.

This section of statute does not just apply to tows from common-interest communities or residential complexes. The first section of the statute makes it clear that this section is about nonconsent tows from private property. There are individual sections of the statute that apply to residential complexes, but the overarching purpose of the statute is to establish a scheme to govern tows that are made by people other than the owner of the vehicle and other than law enforcement.

For example, when we talk about the amended version of the bill [[Exhibit F](#)] and the hardship tariff language, that hardship tariff does not apply simply to tows from residential complexes. It would apply to all nonconsent tows by private property owners. If there were a vehicle parked in a school bus zone or a fire lane in front of a business, any place where there is assigned parking, given a residential complex, a small business, or a large business, and a tow was being requested by the property owner of that business, the hardship tariff would apply.

This is a significant expansion of what A.B. 301 of the 81st Session was about. Assembly Bill 301 of the 81st Session was about applying a hardship in cases where there were tows of vehicles that were unregistered because they were unregistered from residential complexes. That is what the industry worked with Assemblyman Miller on at that time. That is not what this bill is about.

Vice Chair Brown-May:

Mr. Foletta, you are at your two minutes.

Lucas Foletta:

I will pass it on to my colleagues here.

Paul J. Enos, Chief Executive Officer, Nevada Trucking Association:

We are here today to oppose A.B. 303. We try a lot in this body to find balance between property owners, vehicle owners, and tow operators. We have done a lot to give the NTA teeth to be able to go after the bad tow operators, whether it is impounding vehicles, impounding the illegal tow operators' vehicles, or even taking their license away. Every time they get something from the NTA, it could be a \$10,000 fine. If it is a repeated violation, they do not get to legally tell anyone. There are a lot of teeth already in terms of how the NTA acts.

I do appreciate the fact that it looks like the amendment [[Exhibit F](#)] fixes one of the biggest issues we have. Amendment (1) says you cannot charge for towing or storage. Tow operators have financial challenges too, from the cost of diesel, labor, and trucks. It is tremendous out there. Everything they do in terms of what they charge for these tows is regulated by the NTA. They cannot deviate one penny from that. If they want to, they have to go through a process. They have to pay money if they feel bad for someone whose vehicle has been towed. It is a challenging process to get that deviation.

Regarding amendment (2) about the hardship tariff—and I do agree with Mr. Foletta on his points—if your registration is expired, that does show financial difficulties. I believe a hardship tariff is appropriate there, which is why last session we agreed tow operators are not supposed to tow for unregistered vehicles. If someone is doing that, the NTA has the teeth and the wherewithal to go after those folks. What this amendment does is give people who are parking in a handicapped spot, in someone else's parking spot, in a fire lane, et cetera, a discount if they meet those criteria. I do not think that is what we want to do in this bill.

I am happy to work with Assemblyman Miller to see what we can work out. However, right now, this bill and amendment (2) are untenable.

Danny Thompson, representing SNAP Towing:

We want to thank Assemblyman Miller for being with us. We agree with Mr. Enos' references of amendment (1). I think this is an expansion to what Mr. Foletta said. If you are a property manager, you have huge liability to manage that property. Without the ability to keep that property manageable—I will give you an example. I live in an apartment complex in Reno. I have a garage and I am allowed one other space. I know there is a guy who lives next door to me who has four cars. He is parking them all within the facility. That is a violation of the rules. If I were to turn that person in, I could have two of those cars towed legally. It is not for registration and there is no sign anywhere, but the property management team has a rule there can only be one car in the garage and one car outside. That is an example of where a tow operator is going to come and tow that vehicle for the property owner for good and valid reasons.

We are opposed to the bill as it is written for those reasons.

Mark Hackmann, representing Nevada Petroleum Marketers & Convenience Store Association:

We are in opposition to A.B. 303, specifically to amendment (2). It looks like this would be an expansion of the tariff program, which would lead to reduced towing fees. Our concern is it would lead to reduced response times or even situations where they would not respond to a tow call.

For our members that are gas stations, this would lead to a public safety issue where there is a car parked with no driver and it is an unknown vehicle in close proximity to gasoline and diesel storage tanks. For that reason, we are in opposition.

Samantha Sato, representing Copart:

Copart specializes in the resale and remarketing of used, wholesale, and salvage title vehicles for a variety of sellers, including insurance companies, rental car companies, and local municipalities. We appreciate the bill sponsor and his willingness to work with us 24 hours before the scheduled bill hearing.

We are here today in opposition to A.B. 303. As written, the bill will lead to many challenges within the towing industry. Unfortunately, even with the conceptual amendment [[Exhibit F](#)], we believe several challenges still remain. Again, we appreciate Assemblyman Miller's willingness to modify this proposal and look forward to continuing to work with him.

Kerrie Kramer, representing National Association of Industrial and Office Properties:

We, too, are opposed to the bill as introduced. However, with the conceptual amendment, if it were to be adopted, we could move to the neutral position.

Michael Baumbach, President, Nevada State Tow Association:

We are opposed to A.B. 303. I want to echo the comments of Mr. Foletta and Mr. Enos. This bill is not simply a cleanup from last session, it is a drastic expansion of authority. It was stated this bill is only going to apply to private properties for common-interest communities and apartment complexes. That is not true. This also applies to commercial properties. You could think Walmart distribution centers, gas stations, grocery stores, you name it. There are vehicles that have a legal right to be towed that would not qualify for the hardship tariff discount.

Initially, the hardship tariff discount was implemented for registration violations only. This bill as written expands that authority to every single tow. The Nevada Transportation Authority is responsible for raising the rates every tow car operator is allowed to charge. Those rates are determined based on our business expenses, which account for fuel, labor, insurance, new-truck vehicle cost, tire replacement cost, maintenance cost, and the like. There is a very small margin for any kind of profit to be made. Any discount given off a price set by the State is going to be a discount on the profit we can make. In fact, the 30 percent discount Assemblyman Miller was talking about is superior and above the profit we make on those tows. It becomes a reverse hardship on the tow operator to offer the hardship discount.

On top of that, in the last session the hardship tariff was created. We have still not received any information from the NTA. The hardship tariff has not been defined by the NTA at this moment. There are reasons that need to be discussed in depth.

Susan Zinser, Owner, D&S Tow, Inc., Carson City, Nevada; and Treasurer, Nevada State Tow Association:

I have owned D&S Tow, Inc., for 32 years. I can echo everything said today, and I am opposed to this bill. Truly, to hash over the details of all of this again, it does not seem to hold enough weight. The weight is, if you cannot afford to register your car, that is a hardship. If you park in front of a fire hydrant or in a hospital loading zone, that is not a hardship. Towing should be a deterrent to stop that behavior. In a residential or apartment complex, if they park in the wrong place, get towed, and have to pay something, then they are not going to go back and park in the same place. The details of the bill are wary on this kind of behavior. Accountability should be the teeth and towing is the teeth, in my opinion.

John Sande IV, representing Nevada State Apartment Association:

I do not have a whole lot more to add than what has been said here. We feel it is important to be able to safely and lawfully remove vehicles that are illegally parked. I would like to put that on the record. I appreciate working with the Assemblyman. I apologize for not having reached out before this hearing.

Vice Chair Brown-May:

Is there anyone else in Carson City or Las Vegas who would like to testify in opposition? [There was no one.] If you do have written comments and did not have an opportunity to finish your testimony, please feel free to leave them with the Committee secretary and we

will make sure they are added to the public record. Is there anyone on the phone wishing to testify in opposition? [There was no one.] We will move to neutral testimony. Is there anyone in Carson City or Las Vegas wishing to provide neutral testimony? [There was no one.] Is there anyone on the phone wishing to provide neutral testimony? [There was no one.] Assemblyman Miller, would you like to offer closing comments at this point?

Assemblyman Miller:

I would like to acknowledge that when we are talking about the hardship tariff program, we are talking about folks who are already 200 percent below the poverty line. These are folks who are financially in a difficult situation. When we know a lot of times nonconsent towing happens in communities where poor folks live—excuse my frankness—then we can understand why there is a concern about the decrease in income because we are towing in places where folks are financially struggling. It is going to hit their pockets if that is where tow companies focus, and then there is a hardship tariff program. I completely understand that.

I thank everyone for their comments. Some things they clarified even more than I could, so that was greatly appreciated in some cases. I want to thank everyone for their time and urge your support of this important bill.

[[Exhibit G](#) and [Exhibit H](#) were submitted but not discussed.]

Vice Chair Brown-May:

I will close the hearing for Assembly Bill 303. I will turn the gavel back over to our Chair.

[Assemblyman Watts reassumed the Chair.]

Chair Watts:

Assemblywoman Brown-May, I appreciate your running that hearing. We have one other bill on our agenda. I will open the hearing for Assembly Bill 290. Assemblywoman Brown-May will be presenting the bill.

Assembly Bill 290: Revises provisions governing motor vehicles. (BDR 43-620)

Assemblywoman Tracy Brown-May, Assembly District No. 42:

Assembly Bill 290 creates a statutory process for an automobile dealer to unwind the sale where a dealer and purchaser enter into a written return agreement to cancel a sale, and the dealer is responsible for returning all the money, including taxes and fees, to the purchaser and lender. It updates *Nevada Revised Statutes*. Today we will be working from a conceptual amendment delivered to you in hard copy [[Exhibit I](#)].

The partners have been working in close quarters with the Department of Motor Vehicles (DMV), as well as the Nevada Franchised Auto Dealers Association and other interested parties to make sure we are well on the road to creating good policy that will help protect

consumer protections, dealer protections, and work cooperatively with DMV to be able to turn around registrations in a timely fashion.

Additionally, one of the benefits is the advent of digital marketing used for vehicle transactions, as it provides a safer marketplace. Alongside me today is Tony Hall, the Senior Manager of Government Affairs at Carvana. Carvana was one of the proponents that started this bill, as they are in a digital marketplace and have really taken that business model to a whole new level to continue to expand the way we purchase vehicles in a safe fashion, particularly here in Nevada. There is one vehicle vending machine in southern Nevada. I certainly want to respect your time and energy, so I am going to turn this over to my counterpart, Mr. Hall. He can walk us through some of the history, why we are here, and what the conversation is.

Tony Hall, Senior Manager, Government Affairs, Carvana:

I am here today presenting Assembly Bill 290 with Assemblywoman Brown-May. Prior to my time at Carvana, I did work for the Texas Department of Motor Vehicles for ten and a half years where I worked on supporting and implementing legislation as in A.B. 290. I would like to note I have been practicing saying Nevada so I say it correctly. Our in-state lobbying team has given me a hard time about my pronunciation. If you notice I get quiet before saying Nevada, it is because I am trying to make sure I pronounce it correctly.

Founded in 2012, Carvana is a Fortune 500 e-commerce platform that provides vehicle purchasers alternatives to the traditional purchasing process by providing purchasers the option of purchasing a vehicle online from the comfort of their own home. Carvana allows the purchasers to select, purchase, and have their vehicle delivered directly to their door. To date, over 18,500 Nevadans have taken advantage of the Carvana experience. I appreciate the opportunity to walk you through the sections of this bill to summarize the goal of each.

The goal of section 1 of the bill as reflected in the conceptual amendment [[Exhibit I](#)] is to create a transparent and legal statutory process whereby a motor vehicle can be treated like most other consumer products. The conceptual amendment reflects feedback from DMV, the Department of Taxation, and the Nevada Franchised Auto Dealers Association. Section 1 would provide an option following the sale of a vehicle by a Nevada licensed dealer during which the dealer and purchaser can rescind the sale of that motor vehicle. If this option is exercised, the dealer and the purchaser would enter into a written return agreement to cancel the sale, and the dealer would be responsible for essentially making the consumer or any lenders whole by returning all the money back to them. We believe it provides Nevada customers the comfort to quickly reenter the vehicle market to purchase a vehicle either from us, another dealer, or another individual. Given the importance of a vehicle for a person's daily functioning, whether that is getting to and from work or for family needs, ensuring consumers receive their refund in a timely manner is significant, not only to Carvana but to Nevadans.

Following the rescission, if the transfer of ownership has already been processed by DMV or the dealer requires a new title for the purpose of retailing the vehicle, the dealer may make a request to DMV to obtain a title in the name of the dealership. This bill specifies DMV must process the transfer to the dealer's name within seven days for an expedited request, accompanied by the expedited processing fee. This is to ensure the owner has a valid ownership document they can use to subsequently retail that vehicle to another purchaser.

We estimate about ten Carvana retail transactions per month could be subject to this provision, and about four to six per year would actually need to exercise the option of making the request to DMV for a new title. However, this provision could certainly be used by other licensed Nevada dealers. While obtaining a new title from DMV is not necessary in all canceled sale situations, when it is, it can significantly reduce the pain and cost associated with undoing those sales.

Sections 2 and 3 of the bill are conforming changes. Section 4 of the bill is a cleanup to existing state law to match federal regulations that changed at the beginning of 2020. The federal odometer disclosure requirements were amended in 2019 and effective January 1, 2020. One of the changes in the federal requirements increased the age of vehicles before those vehicles would be exempt from odometer disclosure requirements. The change increased the exemption from 10 years to 20 years while making the increase incremental year by year. What that means is model vehicles 2011 or newer stopped being exempt in 2020 until they reach 20 years of age, which will obviously happen in 2031. This increases the age where vehicle transfers must have an odometer disclosure with the intent of reducing odometer fraud. Again, these changes in section 4 merely align Nevada law with current federal guidelines. For the record, Nevada already enforces that provision, and the DMV website reflects the 20-year exemption.

To conclude, Carvana will continue to work with DMV to address any remaining concerns they may have. As mentioned in my opening, I worked for the Texas DMV, so I have great appreciation for the work they do and respect the concerns they may have. Carvana appreciates their engagement thus far on this bill.

That concludes my prepared remarks. I appreciate the opportunity to discuss A.B. 290, and I would be happy to answer any questions you may have.

Chair Watts:

Are there any questions from members?

Assemblywoman Gallant:

It is getting more popular to buy a car online and have it delivered. I have done it once but not with Carvana. You did not have the car I wanted. A provision was in the contract where I had 30 days and could return it. In terms of the consumer, is it considered a used car or a new car? How is that disclosed to the consumer? Are there subcategories?

Tony Hall:

I am disappointed you did not buy a vehicle from us. Maybe next time we will have one for you. To answer your question, the bill does specify in the case of a new vehicle, the vehicle is considered to have been subject to a retail sale and should be disclosed to the subsequent purchaser. For Carvana, we only deal with used vehicles. A used vehicle is a used vehicle. I hope that addressed your question.

Assemblywoman Brown-May:

To follow up on your question, it is really less about the vehicle sale for the purchaser than it is about the purchaser to have the ability to return a vehicle within 30 days through the car dealer. It is about the car dealer being able to rescind the vehicle sale through DMV. We have car dealers who have taken on the responsibility of being able to return a vehicle within 30 days for good consumer protection. However, they then have to unwind the deal through DMV with regard to the titling of the vehicle. That is the piece we are working on in this bill in particular.

Assemblywoman Gallant:

I guess I am concerned about the next consumer.

Tony Hall:

The bill does stipulate if a new vehicle has been subject to a retail sale, merely undoing it does not roll back the fact it has been subject to a prior retail sale. The reason why that particular piece would be important is a lot of times the first retail sale triggers things like a warranty agreement or a service agreement. That information would be necessary to be disclosed. To go back to your prior comment, it is not uncommon for dealers to offer return periods. Many dealers do have them; we are not unique in that situation. What the bill is trying to do is make that statutorily blessed, so consumers and dealers are not working in gray areas or trying to interpret statutes to fit allowances, and also to close the backend piece. Carvana does business all across the country. While there may be a certain process in place in Nevada where a dealer can cross through a transfer on the back of a title to back out the sale and DMV will accept it, that does not potentially work in other states. Other states may tell the dealer the sale took place, and they cannot cross through the back of the title because it starts to look like fishy things may be going on or steps were skipped. Having a mechanism to get a clean title that can be used to retail someplace else is also the missing piece we are trying to close.

Assemblyman Miller:

At the risk of not making a commercial here, I have gone through the process of purchasing a car through the vending machine. That was pretty cool. However, I returned that vehicle, so I have dealt with this process. It was very easy to do. I am curious if you could shed some light on how this impacts the process with DMV. You mentioned the car starts to go through a process of being sold, and I imagine that is where the gray area is—whether the car has been sold or not, how many owners have to be reported, et cetera. Could you dive into how this works with DMV?

Tony Hall:

The unwind process varies state by state. Typically, the way it can be handled, particularly in a state like Nevada where there is a long lead time before things have to be reported to DMV, dealers sit on the paperwork until they are pretty sure the customer is not going to return the vehicle. There are certain processes DMV has in place where they can strike through and attach a document to the title that explains what goes on. That works well within Nevada.

When dealers start moving vehicles across state lines, which is Carvana's entire business model, to unwind a sale and then get a clean ownership document back can be immensely burdensome administratively. Sometimes customers are not happy and do not want to cooperate with the dealer. There may be lienholders involved in the situation. Lienholders can often take a long time to release security interests. Depending on the timing, DMV may or may not have processed the work. Currently, depreciation is about \$26 per day for a vehicle. Carvana dealt with a situation recently where we could not move a vehicle for close to 18 months because we could not get legal ownership documents back, merely from this process of not having an easy way to get ownership back into Carvana's name following the rescission process.

Will this solve every single problem and scenario? It is hard to say if the answer would be yes. However, it lessens the burden and provides an avenue for a dealer that does not exist today, and it makes it clear in statute that a dealer can offer a consumer the option to return a vehicle and the customers would then be entitled to get all the money back they paid.

Assemblywoman Kasama:

In section 1, you are removing "Not later than 30 days" Is that in contract as to how much time a customer has to return the vehicle? Some people may have 30 days, some may have 60 or 15. Is that why 30 days is being removed from the bill?

Tony Hall:

In our discussions with DMV and the Auto Dealers Association yesterday, it was brought to light there is not a statutory limit where it could be done at any time. We did not want to take away the open window where customers could return vehicles with the current process that is working in a gray area. We felt the best thing to do was eliminate that strict window. To your point, dealer return windows can vary. Trying to pick the right one did not seem to be ideal with the way business happens today in Nevada.

Assemblywoman Kasama:

You are saying all the fees and everything have to be returned to the customer, but if the purchasers just changed their mind and the dealer has costs with DMV, do the buyers pay for some of those fees because they changed their mind?

Tony Hall:

The way the bill is structured is the customers are made whole on that transaction—they get all their money back. The way the process works in Nevada is purchasers register their own vehicles and there is already a credit process in place. This bill does not address that. There is already a sales tax process in place where dealers can offset the sales tax that has been paid. If payment has already been made to DMV for processing the title transfer, we did not ask in this bill to contemplate returning those fees by DMV for two reasons. First, the state has already done work and from a purely ethical standpoint, we did not feel the state should not be compensated for that work. Second, we did not want to add an extra administrative burden on DMV to request the fee be returned. In the grand scheme of things, the fee is relatively low when we are talking about tens of thousands of dollars in value of a vehicle.

Assemblywoman Kasama:

These are all the dealer fees. Thank you.

Assemblywoman Dickman:

I want to make sure this is a mutual agreement between the buyer and the seller.

Tony Hall:

Absolutely. The very first sentence in the bill contains "may." The dealer does not have to offer this provision, so there is no requirement to do so. It would obviously have to be an agreement between the parties involved who undo the sale.

Assemblywoman Dickman:

I just wanted to make sure that was clear. Can we not already do everything that is in this bill?

Tony Hall:

It has been suggested by DMV that some of these things may already be allowed and they already have a process in place. The intent of the bill is to ensure it is clear and memorialized in statute. We will continue to work with DMV through that process to see if there are other alternatives that may be simpler.

Assemblywoman Brown-May:

We may have members from DMV who will be able to answer some of those questions in neutral testimony. There has been a lot of work done with DMV relative to that question.

Assemblywoman Miller:

I have a more generalized question. Could you explain to us the impact to all car dealers in general?

Tony Hall:

It is going to be up to each dealer to determine whether these types of opportunities are offered to return vehicles. The business model may work for some but not others. Speaking for Carvana, we have a 7-day money-back guarantee, no questions asked. Customers get their money back and can move on. Other dealers have similar provisions. Other national retailers also offer returns at varying lengths. The way we look at this bill is it is optional. Each dealer can make the determination as to whether they want to exercise the option for a return agreement if offered, or whether or not to make an application to DMV to get the title in the dealer's name. Dealers may or may not need to. It may be something that is heightened by the way Carvana does business and we may exercise this more than a traditional Nevada dealer. Another dealer doing more business across state lines may also need to take advantage of these opportunities.

Chair Watts:

Are there any additional questions from members? [There were none.] We will move to testimony in support from anyone in Carson City or Las Vegas. [There was none.] Is there anyone on the phone wishing to provide testimony in support of Assembly Bill 290? [There was no one.] We will move to testimony in opposition for anyone in Carson City or Las Vegas. [There was none.] Is there anyone on the phone wishing to provide testimony in opposition? [There was no one.] We will move to neutral testimony. Is there anyone in Carson City or Las Vegas wishing to testify in neutral?

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

If I state anything Mr. Decker is intending to put on the record, that is entirely coincidental, and I apologize in advance. I will put some brief context to this issue. Thank you to Carvana and the bill sponsor for reaching out. We had some concerns on the initial draft; perhaps questions more than anything with respect to the 30-day provision. There was a particular provision in the original draft that DMV would be compelled to issue a title within seven days. That caused us some concerns. The reason being is right now the time for DMV to produce a title is at 38 days. What does that mean in the real world? I will provide some context. Last week I spoke to a dealer where title had not been provided on a new-sale transaction. As a result, the lienholder was asking for proof of collateral on the loan. As a result, the dealer had to buy the deal back. Translation—the dealer now owns the vehicle. Those are really expensive. The average price of a vehicle now is \$46,000 to \$47,000. When we found out this could potentially put Carvana to the front of the list for transactions like this, it caused serious concerns. It has been addressed.

To be clear to the Committee, this is a process taking place today. I do not want to say it is frequent, but it does occur where there can be a rescission on a deal for various reasons. This does not interfere with the specific agreement between one of my members, a new-car dealer, or any other used-car dealer in Nevada. Whatever those are, this bill does not disturb it.

In closing, I appreciate DMV for some good insight on the process and how it impacts them, but also to the bill sponsor for reaching out, and Carvana. They were great to work with and we appreciate it.

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

We are here to testify in neutral on A.B. 290. The Department appreciates Carvana working with us to amend language in the bill so far, so it could be something the Department could apply generally to other dealers as well as not interfering with existing law. However, we would like to point out the provisions in this bill for acquiring title in the dealer's name currently exist in *Nevada Revised Statutes* Chapter 482 where they are not tied to a rescission, nor do they impede or prohibit Carvana from offering rescission as part of their business model. In existing law, there are currently no obstacles—or on the other side there are no mandates—that a dealer can, should not, or may offer a rescission. Assemblywoman Dickman hit on it with her question. It is currently allowed under existing law.

Title applications can currently be submitted by a dealer in the dealer's name without any additional legislation. The Department is working on a policy guide to satisfy Carvana's concerns that our processing of those rescissions might not be consistently applied in the future. Overall, we have concerns regarding legislating Department processing times. In any given moment, those hinge on staffing problems, which are subject to more complex solutions such as pay and recruiting, economic conditions outside our control, and auto sales volume between new and used vehicles with both dealer and private parties across the state. In addition, we have an obligation to protect the interest of consumers and other dealer licensees in Nevada who will also be subject to the provisions of the bill, not just Carvana.

I will close by saying I am relatively certain the 18-month vehicle that was mentioned by Mr. Hall did not occur in Nevada. In fact, I think most of those examples did not occur in Nevada. The Department was initially worried, as Mr. MacKay said, about being compelled to issue a clean title regardless of the completeness of the title application. Mr. Hall mentioned the instance where a lienholder had not released a lien on a vehicle. At this point, those situations today with the language would still not result in a title being issued regardless of the passage of this bill if the title application is not complete. I would be happy to answer any questions on behalf of the Department.

Chair Watts:

Are there any questions from the members for DMV? [There were none.] Thank you for providing that feedback. It sounds like you have been engaged with the bill sponsor, and we look forward to seeing where this goes. Seeing no one else wishing to testify in Carson City or Las Vegas, is there anyone on the phone wishing to provide neutral testimony on A.B. 290? [There was no one.] Does the sponsor have any closing remarks?

Assemblywoman Brown-May:

I appreciate your time and attention today while we brought this very important measure. There are a number of issues at play here. I want to be clear this does not just apply to Carvana, although Carvana brought the idea for this bill forward. The rescission for a vehicle in a timely fashion in Nevada is a concern. How do we help both the consumers and the car dealers to be able to do that in a timely manner? I understand we have a lot of issues relative to staffing throughout the state. However, that should not be a consideration relative

to policy codified in statute. We will continue to work with DMV to find common ground to make sure we have good processes to help our consumers and dealers be able to effectuate the sale of a vehicle and subsequent return. Thank you for your time.

Chair Watts:

We look forward to being updated on those activities. I will close the hearing on Assembly Bill 290. That brings us to the last item on our agenda today, which is public comment. We will ask anyone wanting to provide public comment to limit remarks to two minutes. Is there anyone wishing to provide public comment in Carson City or Las Vegas? [There was no one.] Is there anyone wishing to provide public comment by phone? [There was no one.] That concludes our business for today. Our next meeting will be on Thursday, March 23, 2023, at 1:30 p.m.

This meeting is adjourned [at 3 p.m.].

RESPECTFULLY SUBMITTED:

Kathy Biagi
Recording Secretary

Lori McCleary
Transcribing Secretary

APPROVED BY:

Assemblyman Howard Watts, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is the Work Session Document for [Assembly Bill 112](#), presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit D](#) is the Work Session Document for [Assembly Bill 195](#), presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit E](#) is the Work Session Document for [Assembly Bill 262](#), presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit F](#) is a conceptual amendment to [Assembly Bill 303](#), proposed and presented by Assemblyman Cameron (C.H.) Miller, Assembly District No. 7.

[Exhibit G](#) is written testimony dated March 21, 2023, submitted by Robin Lee, Executive Director, Nevada State Apartment Association, in opposition to [Assembly Bill 303](#).

[Exhibit H](#) is written testimony dated March 21, 2023, submitted by Jeni Grana, Associate Director of Property Management, Tolles Management, Reno, Nevada, in opposition to [Assembly Bill 303](#).

[Exhibit I](#) is a conceptual amendment to [Assembly Bill 290](#), submitted by Assemblywoman Traci Brown-May, Assembly District No 42, and presented by Tony Hall, Senior Manager, Government Affairs, Carvana.