



Advisory Board on Automotive Affairs

Held on February 15 at 10:00 am

at the Nevada Department of Transportation

1263 S Stewart St.

3rd Floor Conference Room

Carson City NV, 89711

Video conference to Nevada Department of Transportation

123 E Washington Ave

Conference Room Building A

Las Vegas NV 89101

These minutes are prepared in compliance with NRS 247.035. Text is in summarized rather than verbatim format. For complete contents, please refer to meeting tapes on file at the Nevada Department of Motor Vehicles.

THIS MEETING WAS PROPERLY NOTICED AND POSTED IN THE FOLLOWING LOCATIONS ON February 5, 2019

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|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Department of Motor Vehicles 555 Wright Way Carson City, NV. 89711 | Washoe County District Health Department 1001 E 9 th St Reno, NV 89512 | Department of Motor Vehicles 305 Galletti Way Reno, NV. 89512 | Department of Motor Vehicles 2701 East Sahara Ave. Las Vegas, NV. 89104 |
| Department of Motor Vehicles Website www.dmv.nv.gov | Clark County Government 500 Grand Central Pkwy Las Vegas, NV 89701 | Nevada State Library 100 N Stewart St Carson City, NV 89701 | |

1. Call to Order by the Chairman

Steve Yarborough called the meeting of the Advisory Board on Automotive Affairs to order at 10:15 am.

2. Roll Call

MEMBERS:

Steve Yarborough - Chairman
Gordon Rogers
Phonisha Mack
Richard Mills
Michael Lee
Gilbert Grieve
Dawn Bobbert
Vacant
Vacant
Vacant

Representing

Garage Operators
DMV/CED
Salvage Pools
Wreckers
Dealers
Body Shops
Insurers
Emissions
General Public
General Public

Present

3. Public Introductions

INTERESTED PARTIES: *Representing:*

| | |
|---------------|---------|
| Shauna Dennis | DMV/CED |
| Morgan Friend | DMV/CED |
| Juan Medina | DMV/CED |

4. Public Comments

A. There were none.

5. Approval of November 2017, April 2018 and December 2018 Meeting Minutes

A. Board approved all meeting minutes.

6. Approval Agenda

A. No discussion on agenda, motion to approve is passed.

7. Amendment of NRS 487.002(5)

Steve Yarborough (Garage Operators): We had discussed the challenges we had in getting a quorum together and the number of required meetings. We are looking to reduce the required number of meetings to one a year and also to change the language to have a quorum of members present. There has been no need to take on any corrective action and we are not required to submit a report to legislature. If there is a need for more than one meeting we can always call for one.

- Gill Grieves (Body Shops): The reports have been consistent. The industry seems to be policing itself very well. DMV is making sure we are compliant and held accountable. With that I agree it is acceptable to drop to one meeting a year.
- Gordon Rogers (DMV/CED): This will require a change to the NRS. It is a lengthy process that can take a couple of years. It will require a change to the bill.
- Steve Yarborough (Garage Operators): We can ask the legislature to introduce the bill?
- Gordon Rogers (DMV/CED): Yes we can.
- Steve Yarborough (Garage Operators): Gill, are you active this year in the legislature? Do you have an assembly person or senator who can introduce a bill this session?
- Gill Grieve (Body Shops): Potentially, yes.
- Steve Yarborough (Garage Operators): Then if you have a legislator to introduce it then they can take it to LCB to put the correct language to change the two areas, to make the quorum to members present and to change the required meetings to an annual meeting versus semi-annual. Is there any other discussion on that? If not, I would entertain a motion to ask for a legislative change, a change in statute to allow for those two changes.
- Michael Lee (Dealers): I so move.
- Gil Grieves (Body Shops): On the quorum part of it, is that legal?

- Steve Yarborough (Garage Operators): I think if we change it in the statute and in the bylaws that would be in the discretion of the body served.
- Gil Grieves (Body Shops): So the members present? If two people show up, that would be a quorum?
- Steve Yarborough (Garage Operators): That would be the intent. Or we can change the language to half the existing board members, since we still have vacancies on the board. We just need to do something since we have missed it by one person in the last three meetings. I would suggest members present or half the existing board. If we have vacancies, and we have four members, half would be two. If the DMV representative and the president showed up we could at least approve minutes and we would use common sense not to take any major action that would impact the industry. What is the appetite of the committee on this?
- Michael Lee (Dealers): I myself think we need to leave it at present and we really need to strive to be here.
- Steve Yarborough (Garage Operators): Requested that Michael clarify if he wished to modify his motion, or if the board wanted to second the existing motion.
- Michael Lee (Dealers): I just came in from the outside. If it need modifying, Steve, I leave it in your hands.
- Steve Yarborough (Garage Operators): Dick, what do you feel?
- Dick Mills (Wreckers): I would support more of the fifty percent of the members that are appointed.
- Steve Yarborough (Garage Operators): Requested a modified motion to amend NRS to define a quorum as fifty percent of appointed seats and advised that if the board worded the language right it should be fifty percent of filled seats. If there are eight filled seats, that would make it four, which would make it more realistic. The board discussed how to word the language amendment. The motion was made and seconded, all board members were in favor and the motion was passed. Steve requested that Gil work with his contact in Carson City to submit the proposed language amendment to LCB for NRS 487.002. Steve also advised of one caution to the members, reminding the board members that when you bring a bill in regards to 487 we have to cautious that someone doesn't try to add or amend other areas of that. We have to watch dog that. We have action taken on agenda item seven.

8. Review Unfilled Membership for AAAB

Steve Yarborough (Garage Operators): Identified that Peter Kruger was working on obtaining an application to represent the emissions group and replace Lou Gardella. Steve discussed inquiring with the Governor's Office regarding appointing a representative for the public as he believes that it would be best if the public representative was a neutral party. With Phonisha and Dawn, we have those positions filled, that leaves our two members of the general public left. What would be the process in asking the new governor for some appointments?

- Shauna Dennis (DMV/CED): I gave the governor's link to apply to be a board member on line.
- Steve Yarborough (Garage Operators): So we have email for the contact. I guess we can email that person for the contact. I will follow up with Peter Krueger on this. Is there any other discussion on the unfilled board? Seeing none I move to agenda item number nine, informational items.

9. Informational Items

A. Legislative Updates

- Steve Yarborough (Garage Operators): Identified that the board had a couple of items to discuss and requested that Gil start by discussing the legislative items that he has been tracking with the board. Steve also advised that the board can take a minute to review Morgan's statistics.
- Gil Grieves (Body Shops): Advised that he is tracking two pieces of legislation. Senate Bill (SB) 22, which is a salvage bill that basically wants to remove the verbiage of non-repairable and the way I read it, have everything be a salvage title. The problem with taking that wording out is that the potential of taking two vehicles and putting them together takes us back twenty-five, thirty years of chopping up cars becomes a thing again, number one. Number two: vehicles that are total loss or salvage can be put back on the market and re-insured get back into a shop after another incident, the heartburn continues because the insurance is not responsible for prior damage. The claim gets denied and the heartburn gets big. I am in opposition to SB22. I had a meeting with LK2, but they have not taken a position because the hearing got cancelled and it has not come back with a date yet. The other bill I have been looking at is Bill Draft Request (BDR) 578.35 that Assemblyman Carrillo is helping with pertaining to the parts build for late model cars. There are a lot of electric cars that nothing has been done about. It transfers the responsibility of explaining to the policy holders about aftermarket parts on their car where the insurance company has to tell them and have them sign the waiver versus us telling them and we have them sign the waiver. That way they can have that discussion with their claims handler about what part type usage they want to put on their brand new car.
- Dawn Bobbert (Insurers): Stated that insurers are required to notify owners in writing by law on all estimates advising them whenever on aftermarket parts or what is being paid for. There is an additional signature that body shops are collecting?
- Gil Grieves (Body Shops): Agreed, identifying that we have to have them sign a waiver that they are understanding that we are putting something other than original equipment and parts on their vehicle. Be it used, be it aftermarket, be it reconditioned we are the ones that have to get that signature for the usage. It doesn't happen on the insurer level.
- Dawn Bobbert (Insurers): Asked if that would be a department of insurance audit?
- Gil Grieves (Body Shops): Advised that the industry is put in the position of explaining that aftermarket parts is what is in their policy. We believe as an industry the responsibility should fall on the insurance company to explain that.
- Dawn Bobbert (Insurers): Asked Gil if he believed that having them sign something would delay repairs? If the insurance has to have them sign something would that inadvertently delay the repair process? Would the shops start the repairs without the signatures? I can picture a scenario where body shops not doing work without a signature captured and someone not signing. If someone's policy that they purchased is only up to alternative parts, then effectively they have already signed it.
- Steve Yarborough (Garage Operators): Advised that this is an informational item and he believes that the board members have the gist of it. Steve requested that unless there is an action item for the board we need to leave this to outside conversation. Steve requested input from salvage or wrecking yards regarding SB 22.

- Dick Mills (Wreckers): Stated that he doesn't read the bill the same way Gil is reading it. Dick advised that he believes that all they are doing is getting rid of the non-repairable vehicles and that the bill is just clearing things up. Dick advised that he doesn't think they are changing anything or adding anything to that.
- Gil Grieves (Body Shops): Stated that the way he reads it, is that when you take that one word out everything out there now has a salvage title. It doesn't matter the severity of it. It allows it to be resold to the general public. Some of these should not be put back on the road, especially the late model stuff.
- Dick Mills (Wreckers): Stated that he thinks that Gil and he should also have an outside conversation to continue on this.
- Michael Lee (Dealers): Requested that he be included in that conversation.
- Phonisha Mack (Salvage Pools): Advised that she has not read SB22, but will read it.
- Steve Yarborough (Garage Operators): Advised the board that if there is an action item that comes up in the purview of this board, we can call an emergency meeting if we need to.
- Gill Grieve (Body Shops): Stated that the board doesn't have the final language.
- Dick Mills (Wreckers): Asked if the DMV issued its bills? In the last meeting it was not at the point it could be discussed.
- Morgan Friend (DMV/CED): Advised that the department is moving forward with BDR 43-225, Assembly Bill 53; BDR 43-226, Assembly Bill 63; and BDR 43-227, Senate Bill 22.
- Steve Yarborough (Garage Operators): Requested a quick overview or the titles for 53 and 63.
- Dawn Bobbert (Insurers): Advised that she was currently reviewing AB 63 and it says revises provisions governing vehicles. It allows the authority of the director of the Department of Motor Vehicle to designate the county assessor or the county as an agent to carry out the duties of the department in that county.
- Steve Yarborough (Garage Operators): That's more of a registration, taxing issue.
- Morgan Friend (DMV/CED): Stated that AB 53, BDR 43-225 revises provisions governing the issuance of driver's license, permits, and privileges to drive by the department of motor vehicles. BDR 43-227, Senate Bill 22, talks about the salvage vehicles.
- Steve Yarborough (Garage Operators): So 225 and 226 are more like licensing and county.
- Gill Grieve (Body Shops): The ultimate goal of SB 22 is to get recovered thefts out of the salvage business, out of the salvage title business. Right now if a car is stolen it automatically gets a salvage title. The insurance industry is trying to change that.
- Morgan Friend (DMV/CED): Identified two more BDRs. BDR 43-229, Assembly Bill 24 revises provisions governing the requirements for the posting of security bonds by motor related industry and activities.
- Steve Yarborough (Garage Operators): So that one we should potentially look at that can impact the bonds we have for our smog license.
- Dick Mills (Wreckers): What are the open meeting laws? If there are six of us are we in violation of open meeting laws?
- Morgan Friend (DMV/CED): Advised that no more than two board members can meet together at a time.
- Steve Yarborough (Garage Operators): We have been duly cautioned. Back to the reports. Any comments from the industries impacted? The only question I have for Gordon is about the 71 garages that went out of business. That was the largest number of activity. That does require the department to go out and remove signs. It's not that you got a complaint and went out there and found out the garage went out of business? It's part of your normal activities.

- Gordon Rogers (DMV/CED): Most of these would be whether they were investigating a complaint or when renewals came up, someone would drive by the location, attempt to contact the principle. They are just not in there. At some point after the renewal date, ninety days usually, we send someone over to verify. It is seldom a consumer driven complaint that initiates that.

B. Reporting Statistics

- 1) Steve Yarborough (Garage Operators), requested that the Department review the current reporting statistics.
- 2) Morgan Friend (DMV/CED) provide the following reporting statistics:
 - a) Automotive Affairs Advisory Board (AAAB) Report on Body Shops
 - From July 1, 2018 through February 11, 2019 there were a total of 63 cases.
 - There were 10 cases found to be in compliance.
 - There were 5 found to be unsubstantiated.
 - There were 16 cases that the Department took action on.
 - There were 32 cases that resulted in the Department referring out, the Department tracking or the company being out of business.
 - b) AAAB Report on Dealers
 - From July 1, 2018 through February 11, 2019 there were a total of 880 cases.
 - There were 105 cases found to be in compliance.
 - There were 93 cases found to be unsubstantiated.
 - There were 224 cases that the Department took action on.
 - There were 449 cases that resulted in the Department referring out, the Department tracking or the company being out of business.
 - There were 9 cases that were identified as “other”.
 - c) AAAB Report on Emissions
 - From July 1, 2018 through February 11, 2019 there were a total of 331 cases.
 - There were 264 cases found to be in compliance.
 - There were 3 cases found to be unsubstantiated.
 - There were 55 cases that the Department took action on.
 - There was 0 case that were referred out.
 - There were 9 cases were identified as “other”.
 - Of the 331 cases, 11 were opened as a result of consumer complaints and 320 were opened as a result of Covert Audits.
 - d) AAAB Report on Garages
 - From July 1, 2018 through February 11, 2019 there were a total of 354 cases.
 - There were 106 cases found to be in compliance.
 - There were 45 cases found to be unsubstantiated.
 - There were 66 cases that the Department took action on.

- There were 134 cases that resulted in the Department referring out, the Department tracking or the company being out of business.
- There were 3 cases identified as “other”.

e) AAAB Report on Other Licensees

- From July 1, 2018 through February 11, 2019 there were a total of 16 cases.
- There was 2 case found to be in compliance.
- There was 3 case found to be unsubstantiated.
- There was 1 case the Department took action on.
- There were 8 cases that resulted in the Department referring out, the Department tracking or the company was found to be out of business.
- There were 2 cases identified as “other”.

f) AAAB Report on Salvage Pools

- From July 1, 2018 through February 11, 2019 there were no cases to report.

g) AAAB Report on Wreckers

- From July 1, 2018 through February 11, 2019 there was a total of 2 case.
- There was 1 case found to be unsubstantiated.
- There was 1 case that resulted in the Department referring out.

C. Statistical Trends

- 1) Morgan Friend (DMV/CED): In the last meeting the board requested a statistical trend of cases. The department has provided a summary of all licensees, by fiscal year as well as a trend for each licensee. Please keep in mind that the dates differentiate in each fiscal year.

10. Public Comments

There are no public comments.

11. Next Meeting and Adjournment

- A. The next meeting was scheduled tentatively for the week of March 25th, 2019.
- B. The meeting adjourned at 11:26 am.