



**Minutes of the Advisory Board on
Automotive Affairs**
held on May 18, 2006 at 10:30 am
at the Washoe County Health Department
Building C, Room #110, 1001 E. Ninth St. Reno, NV. 89512

*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 MAY 12, 2006.**

DMV
555 Wright Way
Carson City, NV. 89711

Nevada
State Library
100 N. Stewart St.
Carson City, NV. 89701

Department of Motor
Vehicles
2701 E. Sahara
Las Vegas, NV. 89104

Department of Motor
Vehicles
305 Galletti Way
Reno, NV. 89512

DMV Website
www.dmvnv.com

1. Call to Order

- A. Steve Yarborough called to order the meeting of the Advisory Board on Automotive Affairs at 10:30 am.
- B. Board introductions took place. There was no public in attendance.

MEMBERS PRESENT:

Dick Mills, Pick -N- Pull
Michael Spears, Collision Authority
Robert Ellis, B&E Auto Auction
Steve Yarborough, Sierra Service Station Co.
Steven Craig, AAA Nevada
Susan Fisher, Consumer
Troy Dillard, DMV-CED

2. Approval of 02/01/06 Meeting Minutes

- A. Minutes of February 01, 2006 were approved without any changes.

3. Adoption of Bylaws

- A. The bylaws were reviewed by the Board and the following changes were requested:
- **2.0** The wording for A-E was copied directly out of the bill.
 - **8.0** The minutes will be recorded by the secretary who is a representative of the department...was changed to... recording of the minutes by the secretary who is not elected into term.
- B. The bylaws were adopted by the Board with the changes that were made.

4. Disclosure of Consumer Complaints

- A. Troy met with the Attorney Generals Office (AG's) with regards to the disclosure of consumer complaints. The AG's office concluded that we are able to review complaints before the board provided the investigation has been completed. Any complaints that are currently under investigation will still remain under the confidentiality statutes and those cannot be released.
- **Q.** Troy - The Department of Motor Vehicles is requesting from the board a format preference. By the end of the year there will be roughly 130 complaints and the board meets twice a year. How does this board want to review the complaints?
- **Q.** What would the Board typically do with a complaint?
- **A. Troy** - The Board is to do what it is charged with in the bylaws. Analyze and advise the Department relating to any consumer complaints provided to the Department by the Consumer affairs Division of Business and Industry or otherwise received by the Department. The actual numbers that I am going to give you are only complaints that were provided to the Department. There are additional complaints that go to Consumer Affairs side of the house that are separate from these numbers and I am not sure how many they get.
- ❖ **B. Agenda Item #7 – Complaint Breakdown,** Troy updated the Board on the Department's current breakdown of complaints received. The Department regulates the account for garages, wrecker, body shops and salvage pools. There are 618 cases and of those, 106 were complaints. The 106 complaints were broken down into 10 complaints against body shops, 83 complaints against garages, 4 complaints against wreckers and 5 miscellaneous complaints due to a variety of different things. Those are then broken down into complaint type. The bulk of the complaints are work order related. The Department also has a lot of unlicensed activity cases.
- ❖ **C. Agenda Item #5 – Emission Station Requirements – Garage Licensing,** Currently, the Department has 293 body shops licensed, 4 salvage pools, 68 wreckers and 1,517 garages. The garage totals include the 2G emission stations licensed and dealerships licensed but their \$25.00 registration fee is waived because they are dealing as both. There are 416 emission stations out there and half of them operate as a garage along with the franchise dealers with garages. Those are all non-revenue generating sources for this account. When it comes to enforcement there is crossover. If a work order complaint is made against the garage portion of the business this account (4690) enforcement officers

handle the complaint. If the complaint is against emission testing then the enforcement is handled by the emissions account.

- **Q.** Troy, do you have the number of garages that have gone out of business? I think it would be interesting for us to know why.
 - **A.** Troy – No, however that is information that we do track and I can certainly provide it. It is very common to see a turn over in the garage industry.
- D. The Department is currently only able to categorize complaints by one item. It is the Departments view to categorize them into multiple areas but the Department does not have the software to do that yet. The main categories that are being tracked are lien sale issues, violations of Chapter 482, and violations of Chapter 487, unlicensed activity and work order complaints.
- E. In the North it has become common practice for Consumer Affairs to refer a customer with a work order complaint to the Department of Motor Vehicles. In the South the work order complaints are being done by Consumer Affairs and nothing is reported to the Department. The Statute gives joint authority in this area. This may be an issue that this Board would like to take a look at. For the time being the Board will need to try and obtain the number of complaints received by the Consumer Affairs.
- **Q.** If this Board were to put together a BDR as a Legislative issue to have the work order complaints reported with only one agency, the DMV or Consumer Affairs, would Consumer Affairs want it?
 - **A.** Troy – It is my opinion that only one agency should receive and investigate these complaints. I am not sure without having a better understanding of what Consumer Affairs is handling, if I would be able take it all on with my existing staff. I feel that since our recent expansion we are appropriately staffed for this account presently. I am not sure how much more of a workload that will be. However, since the Department is a registering body it probably should come to us.
- F. The bulk of the complaints that the Department does receive are dealing with the workmanship. This is when a customer decided after the fact that he was charged too much for the work that was done. The Department does not have authority over these types of complaints and the consumer is referred to the Better Business Bureau or Consumer Affairs. Complaints received about improper parts being placed on a vehicle versus what the customer was charged for. The Department controls those complaints as fraud. The board should review these types of cases.
- G. The board decided to review all Chapter 487 fraud complaints, waiver violations, and multiples to the same licenses or registrations and work order complaints that have been received by the Department. Troy will have them filtered and the board will only review the non-compliant complaints. Troy will also have a flag put in place 30 days before the next scheduled meeting for any unusual work order or unlicensed activity complaints that may have an interest to the Board.
- **Suggestion:** Steve Yarborough suggested that the Board explore the option of Legislatively mirroring the process of California for waiver requirements. Troy expressed

that his concern is if the law was changed to reflect California, the law is no longer protecting the consumer.

New Task:

- Troy will provide the number of garages that have gone out of business to board, just as an informational item.
- Troy will gather the requested complaints that the board stated they would like to review and provide them to the Board at the next meeting for review.

6. Departments Position Budgets (*Agenda out of Order – Refer to Agenda Item 4C for Agenda Topic #5.*)

- A. In the last meeting the Board discussed the shortfall in revenues versus the expenditures for this account. The issues that were reviewed were the problem with the \$25.00 registration fee for garages and while the rest of the industry has to pay a \$300.00 fee. Troy was going to email a copy of the Departments budget to the Board for review but he was unable to get the file to transfer because it was too big.
 - B. Account 4690 is close to \$200,000.00 short of revenues due to the expenditures of the account. The Department has met and discussed the revenue issues and has decided to attempt to move this account into the Highway Fund. What the Department would like to do is take the existing structure that we have today and combine those revenues with the highway fund revenues. The way the account will work is the revenues will come in and go into the highway fund, the Department will receive an appropriation from the highway fund to go out and regulate that industry and that will take care of the shortfalls that are in the account today. The Department has already met with the Department of Administration and the Director of the Department of Motor Vehicles will be meeting with the Governor at the end of the month.
 - C. There was a question raised by Administration when the idea of moving account 4690 into the highway fund was presented. The question was asked because the Highway Fund will take a hit otherwise, “Will you still be raising the garage registration fee to increase that revenue and off set the allocation?” The response was, “ The Governors position in the last budget was no new fees, unless the group that was receiving the increase agreed to it.” Realistically, in all fairness the garages should have their fees increased to offset the increase in cost. They are the portion of the industry that will be receiving half of the allocation of resources that are in the account without paying half of the revenue. However, the Department will argue that the Dealer Industry does not pay close to what the cost is to regulate them and the revenues in the Highway Fund cover them. This Industry actually pays a lot closer to what the actual cost is with the existing revenue today. That will be the Departments argument against the increase.
- **Board Comment** - Troy it sounds like you might have saved us a lot of money.
 - **Response from Troy** – I might have, if the Governor agrees; however in the line of opposition, there is no question that the highway fund dollars are in a fight these days. The General Fund is nice, fat and healthy while the Highway Fund is being taxed. So ultimately it will be the Governors decision and the priorities of the Highway fund.

- D. It is the intent of the Department to continue forward with what has already been accomplished within this Industry. Troy is going to continue working on getting the garage side of the industry back into a proactive status and he is asking for two new positions to enforce on the dealer side of the Industry.
- **Q.** I have one question with regards to the budget. Troy if this Board was to make a proposal to refer all automotive industry complaints to the Department of Motor Vehicles and take it out of Consumer Affairs, would that have an increase on budget demands?
- **A.** I am unable to answer that without having any data to analyze. I don't know what the impact would be. I think that we need to sit down with Consumer Affairs and find out how many work order complaints they are receiving. We will also need to know how many investigations are being done aside from work order complaints relating to the garage side of the Industry. Then I might be able to make a determination as to if we are able to absorb what they are doing.
- E. The Board made a suggestion that perhaps a proposal should be made that all of the automotive complaints must be reported first to the DMV and then the DMV would make the determination as to where the complaint should go. Then there would be proper tracking and acknowledgment of Registration. Troy agreed with the Boards suggestion and stated that review of the wording in NRS chapter 597 will need to be done.
- F. The Department asked for a vote of support from board. The board moved to support the DMV in moving budget 4690 into the highway fund. All were in favor. Troy will relay the vote of support from the board to the Director for her meeting with the Governor.
- G. Aside from this agenda topics discussion, there was another topic that Troy wanted to discuss that did not make the agenda. The item is being brought up as a discussion item only; no action needs to be taken. In the last meeting Dick Mills requested that the DMV put a Salvage title printer in the Reno, Galletti DMV like they have one located in the Las Vegas DMV. That way the titles are available for pick up instead of waiting 2 to 3 weeks for them in the mail. Troy had a printer on hand but IT staff was experiencing a lot of issues with the programming. So that took a lot of time. Once the programming was complete the printer was set up and then it choked. It will not print properly. I am requesting a brand new printer be purchased. The new printer will be exactly like the one that is located in Las Vegas and it will be capable to handle the barcode printing when that comes into effect. Once the Department receives the new printer and all of the programming is installed, Troy will notify the Board and the Industry.

New Task:

- Troy will notify the Director of the Boards vote in support of moving account 4690 into the Highway Fund.
- Troy will notify Dick Mills, the Industry and the Board when the Salvage Title printer is ready.

8. Drafted Proposal – Motor Home and Motorcycle Repair Shops (*Agenda out of Order – Refer to Agenda Item 4B for Agenda Topic #7.*)

A. The Departments deadline for submission of non-budget bills was April 15th. Several members of the Industry, primarily located on the dealer side because the bulk of the changes affected them, reviewed all the language. Most of the changes were purely clean up. The draft has already been submitted to LCB. The Chapters and Sections that had language changes and additions that this board may be interested in is as follows:

- **NRS Chapter 482**
 - **Section 1.** “Kit Trailer” defined.
 - **Section 3.** “Rebuilder” defined.
 - **Section 4.** Inspection of vehicle required before issuance of rebuilt vehicle title; certificate of inspection.
 - **Section 6.** “Branch” defined.
 - **Section 7.** “Dealer “ or “vehicle dealer” means any person who:
 - **Section 8.** Presumption of engaging in the activities of a dealer.
 - **Section 10.** Application for specially constructed, reconstructed or foreign vehicle; certificate of inspection; charge for inspection.
 - **Section 11.** Statement regarding payment of child support by applicant for license; grounds for denial of license; duty of Department. [Expires by limitation on the date of the repeal of the federal law requiring each state to establish procedures for withholding, suspending and restricting the professional, occupational and recreational licenses for child support arrearages and for noncompliance with certain processes relating to paternity or child support proceedings.]
 - **Section 12.** Manufacturers, distributors, dealers and rebuilders: Distinctive plate required for movement of new and used vehicle; exceptions.
 - **Section 13.** Registration of certain number of vehicles without payment of governmental services tax; payment of governmental services tax by purchaser; payment of fees for registration and governmental services tax by transferee; exceptions.
 - **Section 14.** Manufacturers, distributors, dealers and rebuilders: Licensing required; investigation of applicant.
 - **Section 15.** Unlawful acts; penalty.
 - **Section 16.** Denial or revocation of license: Evidence of unfitness of applicant or licensee.
 - **Section 18.** Dealers, manufacturers, lessors, rebuilders and brokers: Legible sign containing name of business.
 - **Section 19.** State license to be posted in a place visible to the public.
 - **Section 20.** Brokers: License required to advertise as broker.
 - **Section 22.** Manufacturers, distributors, dealers and rebuilders: Grounds for denial, suspension or revocation of license: disclosure of financial records.
 - **Section 23.** Hearing by Director upon denial of application or suspension or revocation of license; temporary suspension; subpoenas.
 - **Section 24.** Salesmen: Licensing; fees; grounds for denial, suspension or revocation of license;

- **Section 25.** Sale of new vehicle: Duties of seller; information concerning secured party or assignee; temporary placards; dealer to execute and furnish copy of dealer's report of sale.
- **Section 26.** Lease of new vehicle pursuant to long-term lease: Duties of long-term lessor; temporary placards; execution and furnishing of copy of long-term lessor's report of lease.
- **Section 27.** Sale of used or rebuilt vehicle: Duties of seller; exception; information concerning secured party; temporary placards; execution and furnishing of copy of dealer's or rebuilder's report of sale.
- **Section 28.** Lease of used or rebuilt vehicle pursuant to long-term lease: Duties of long-term lessor; temporary placards; execution and furnishing of copy of long-term lessor's report of lease.
- **Section 29.** Unlawful acts; penalty.
- **Section 31.** Sale of repossessed vehicle: Contents and effect of required notice of sale; payment of indebtedness; liability for deficiency.
- **Section 32.** Falsification of documents; violation is misdemeanor unless otherwise declared.
- **NRS Chapter 483**
 - **Section 35.** Licenses: Issuance; term; renewal; training; exception.
- **NRS Chapter 484**
 - **Section 36.** Definitions.
 - **Section 37.** Unlawful devices.
 - **Section 38.** Operation with intent to defraud unlawful.
 - **Section 39.** Criminal penalties
 - **Section 40.** Civil penalties
- **NRS Chapter 108**
 - **Section 41.** Unlawful acts; penalty. Any person is guilty of a gross misdemeanor who knowingly:
 - **Section 42.** Unless otherwise provided, a violation of any provision of this chapter shall be deemed a misdemeanor.
- **NRS Chapter 445B**
 - **Section 43.** Regulations of Commission: Requirements for licensing of stations by Department of Motor Vehicles.
 - **Section 45.** Evidence of compliance: Requirements for registration, sale or long-term lease of used vehicles in certain counties.
- **NRS Chapter 233B**
 - **Section 46.** Any person who fails to abide by a sanction or action once imposed or affirmed is subject to any applicable lawful administrative penalty imposed for failure to comply without right of appeal of that penalty.
- **NRS Chapter 487**
 - **Section 47.** "Wrecker" defined.
 - **Section 48.** Transfer of interest in an entire Salvage vehicle by a wrecker, delivery of salvage title to the buyer.
 - **Section 49.** Denial or revocation of license: Evidence of unfitness of applicant or licensee. Evidence of unfitness of an applicant or a licensee for purposes of denial or revocation of a license may consist of, but is not limited to:

- **Section 50.** Denial, suspension or revocation of licenses or refusal to renew: Grounds; hearings; reapplication; disclosure of financial records.
 - **Section 51.** Records required; inspection.
- **Q.** Dick - Why would I have to keep a signature on file? The Department receives all of that information and it is microfilmed. All we keep on file is the dismantling.
- **A.** Troy – I am unable to answer that. I will check with Ralph Felices because this is one of the ones he added. Once I get an answer I will let you know.
- **Q.** Dick – Another question, there has never been a statute on how long we are required to keep the wreckers certificates. There is no retention schedule that I have ever seen. I did write a letter in 1997 to the DMV and said that we are only going to maintain them for 2 years. That is what is written in the Junction and it has worked good since 1997, but is that something you could look into for me?
- **A.** Troy – Sure. I will get back to you Dick.
- **Section 52.** State license to be posted in a place visible to the public.
 - **Section 53.** Disposition of vehicles appraised at value exceeding \$500; disposition of junk vehicles; junk certificates.
 - **Section 54.** “Motor Vehicle” defined.
 - **Section 57.** Registration for authorization to operate garage: Refusal to issue, suspension or revocation of, or refusal to renew; grounds.
- **Q.** Steve Yarborough – Troy, I have a couple of concerns with this section. First is this stating that if you have a customer and they forget to sign a work order that would be a violation and that is now grounds? This says any infraction, any violation, any rule adopted by the Department?
- **A.** Troy – This is wording that already exist with our licensee’s. The Department does do the graduated sanctions for repeated violations.
- **Q.** Steve Yarborough – My second concern is, if you have been revoked in another State such as like in the State of California where BAR will revoke licenses based on violations of emission control inspections, if I employ an inspector that has been revoked in California, I will get my license revoked in Nevada?
- **A.** Troy - No. That will fall under the emission statues. That is an emission violation.
- **Q.** Steve Yarborough – What if it is a registered garage performing emission tests?
- **A.** Troy - First, it would be rare that we would know what had happened in another State. The ones that we will focus on are the individuals that we have revoked but then we find them working at another location. The Department has determined that person bad for the industry and the employer probably doesn’t even know. This does not hold the employer accountable. This says that individual cannot be employed. If the employer chooses to continue employing that individual after they have been noticed then they are held accountable. Our emission industry is separate from the garage industry and as long as that is the case there are no “like” violations.

- **Section 58.** Inspection required before registration of vehicle for which salvage title was issued; exclusion of nonrepairable vehicles; certificate of inspection.
- **Q.** Is there going to be enforcement for the businesses that are selling motor scooters, but they are not authorized dealers?
 - **A.** Troy – Those scooters are not street legal, so they are not included. If the business were to sale anything registerable then they would be included. This is only to bring in those stations/garages that are performing repairs on these types of vehicles.
 - **Q.** Do body shops have to carry a license to or are they covered under their current license?
 - **A.** Troy – The intent was to make sure body shops were registered to ensure that the consumer bill of rights pertaining to the aspect of repairs was posted. I will make a note and check to see if a body shop has to be registered as a garage.

New Task:

- Troy will research and notify Michael Spears if the body shops must register as a garage.

9. Lien Sales

- A. Troy did not have the opportunity to discuss the lien sale issue with Assemblywoman Buckley. There are contradictions within NAC and NRS that the Department is currently working on cleaning up with the transferring of salvage title vehicles by lien sale to the public. This can be done, but if you go back to the other statute it states only a dealer, rebuilder or salvage yard can sell a salvage title vehicle. The Bill did what it was supposed to do it just left some small gaps pertaining to the transfer of salvage title to private parties. The Department plans to present a BDR at the next Legislative Session to clean up this issue.
- **Q.** Once you have a salvage title and you rebuild the vehicle do you get another salvage title?
- **A.** Troy – No you apply for a rebuilt title.
- **Q.** Are you then able to sale that rebuilt vehicle to a private party?
- **A.** Troy – Yes, however statute says that you must be a business to sale a salvage titled vehicle and I have not been able to find anyone to explain why that is. Why cant a private party transfer a salvage title vehicle to another private party? Under existing law once that vehicle has a salvage title and you are not going to fix it you are only able to sale it to a business. From the Department's perspective our hands are tied. There are salvage vehicles being sold between private individuals and they are coming down to the Department after they have fixed the vehicle to be inspected and registered. There needs to be a clean up here. Currently, if the vehicle meets the standards of the rebuilt, the Department is having the private individual fill out an affidavit that is attached to the information of how and where they received the vehicle, then the Department stamps the vehicle rebuilt and the individual is allowed to register. The Department is not registering salvage titles though, so I am not sure what the problem is with allowing the transfer of salvage titles from private party to private party.

- **Q.** Troy I need some clarification. I am asked by customers all of the time if they may show their car on my lots that they are selling. I let them display them on the corner, but all of the contact information is in their name. Is this legal for me to do or would I be considered acting as an agent?
- **A.** Troy – No you are not acting as an agent. On that vehicles sale sign it does need to display your contact information and it does need to state that permissions have been given by you to have that vehicle located there. You may also charge them for the rental of your property.
- **Q.** Does it have to be zoned?
- **A.** Troy – Yes, it has to be zoned otherwise if you do not have zoning rights you are not able to allow them use the property.

10. Class A Licensing Requirements for Collision Repair Shops

- A. Michael Spears presented the Board with a proposal that is being done in several other States. The concept is to modify the existing license of collision repair and body shops. Michael indicated that both shops perform very different functions and they should be separated into two different license categories. The proposal was to reclassify the Collision Repair Shop license to a Class A Collision Repair license; raise the standards that need to be met to receive licensing along with the fee to obtain the license. This would be beneficial to the consumer. The consumer will know through marketing and advertising, that when they enter a Class A shop that the shop is fully qualified to do collision repair. All of the appropriate equipment is used and the employees are continually trained.
- B. The Department would add the Class A Collision Repair license one of two ways, by either adding an endorsement to the current body shop license if the body shop meets the requirements of a Collision Repair Shop or by issuing a completely new license. From a program implementation perspective it would be much easier to add the endorsement to the existing license. If a new license is created a whole new section of statute will need to be created. Troy recommended that there be expiration criteria of one year. For enforcement purposes, it would be easier for the Department to make sure that all of the requirements have been met on an annual basis, at the time that the shop is renewing their Class A endorsement. If the requirements that were put in place are met by the Shop then they are able to renew the endorsement, if they do not meet the requirements, a sanction is placed on the endorsement only and the body shop license is still good. Otherwise, there will not be much enforcement in place other than when the Department performs an audit on the stations or if a member of the industry or public turns in the body shop.
- C. The Board was in support of the proposal and recommended that Michael obtain a Legislative sponsor to start the process through LCB. Michael should also work with Troy Dillard from the DMV and bring the drafted proposal back to the board for review.

11. Public Comment

- A. There was no public comment.

12. Next Meeting and Adjournment

- A. Troy requested that the next meeting be held in the early part of the next Legislative Session or right before it starts. The DMV will have the BDR prepared and the Board will be able to have a final look at it. The Department would like to obtain a vote in support of the Bill before it is presented to the Legislative body. The Board will also need to have a report prepared by the 15th of January of the Legislative year on the Boards activities. The Board agreed to meet anytime after the 17th of September. Ivie will notify the Board of the next meeting date and location.
- B. The Board requested that the following items be placed on the next meetings agenda.
- Breakdown of Complaints
 - Update on Class A Licensing Requirements for Collision Repair Shops
 - Proposal of Language for Clarification of duties between the Consumer Affairs vs. the Department of Motor Vehicles.
 - Troy notified the Board that the Departments deadline for submission of bills has already passed. This language would have to be proposed by an outside body if it were to be included in this year's session. Troy is not certain if there is even enough time to study and make a legitimate determination. Troy recommended that the Board meet review the language, start obtaining the data, hold discussions and get a sense of direction. The Board should also meet with the Consumer Affairs Division; we may invite them to our next meeting. Then the Board can make a recommendation to the Department.
- C. The meeting adjourned at 1:42 pm.

New Task:

- Troy will contact Consumer Affairs and speak with the Chiefs.
- Troy will obtain the Complaint Data from Consumer affairs.