Transcript of Advisory Board on Automotive Affairs
Held on September 19, 2016 at 10:00am
By Videoconference

From the Legislative Counsel Bureau
401 South Carson St
Conference Room 2134
Carson City, NV 89701

to the Legislative Counsel Bureau
Sawyer Office Building Room 4412E
555 E Washington Ave
Las Vegas, NV 89101

1. Call to order by Chairman "for possible action"
Steve Yarborough 10:00 AM

2. Roll Call
In attendance:

Steve Yarborough, Chairman	Auto Repair
Gordon Rogers	DMV Compliance
Michael Lee	Leasing
Joni Eastley	Public Representative
Gilbert Grieve	Body Shop
Dick Mills	Auto Worker

By Videoconference

Louis Gardella	Emissions
Robert Compan	Insurance

Also in Attendance

Louis Lanuza	DMV Compliance
Bonnie Cates	DMV Compliance
Bonnie Schmidt (Videoconference)	DMV Compliance

3. Public Introductions
No one from the public in attendance
Introduction of new member, Gordon Rogers who will be replacing Donnie Perry

4. Approval of Agenda "for possible action"
Joni Eastley has made a motion to remove line item 7 of the agenda and include the discussion in line item 8.
Steve made a motion to approve the agenda as amended, the motion was seconded and passed unanimously.

6. Approval of January Minutes of meeting.
Joni made a motion to approve the minutes, Gil second the motion and passed unanimously.

7. Discussion of proposed Bill Drafts for upcoming Legislation Session
A. Steve Inquired with Gordon if he knew of any BDR's

Joni mentioned that the Board will not be meeting again until after session starts.
She asked that copies of any BDR's be sent to the committee members so they can keep track of them and possibly provide testimony if needed.
Steve asked Robert for any information from the South re: this issue.

1. Re: Total Loss Vehicles

Bob mentioned during the interim of the last session the Division of Insurance held a PNC committee initiative memorandum re: statute of the definition of a total loss vehicle.

a. Determination: must meet at least 65% less paint and materials and any electronic components will be deemed 'A Total Loss". Insurance company are allowed to determine what is or is not a "total Loss", or as an Economical total loss. It must hit a certain threshold with actual cash value of the vehicle minus salvage. Before it will be considered a total loss.
b. If a vehicle does not meet this threshold, it will be deemed as a "Clean title"
c. This a safety concern to all involved.
d. Suggestion of taking a look into this statute
e. 90% of the United States work a TLF (Total Loss Formula) which is actual cash value of vehicle minus salvage, minus the estimate. If it reaches this threshold, and it reaches the proposed cost plus salvage it will be deemed a "Total Loss". Surrounding states around Nevada use this formula.
f. Nevada's statute is almost 9 pages long compared to the other states.
g. A Bill draft is being presented by Majority Leader Assemblyman Paul Anderson to secure legislation.

Gill to Bob- the bill draft is basically to redefine the existing total loss formula to a less convoluted one?
Bob: Gill your correct, the other statutory requirements of mandatory total loss is things like structural total losses where you have one major structural component coupled with a component such as a frame. Like if you had to replace the roof etc. That language will still stay there. There is a purpose that was put into it. So the total loss formula will be simplified and there will be clarity on it, so DMV can properly brand those titles as total losses.
Gill: Now Bob we need to tread lightly here, some of these new model cars you have to take the roof panels off to do the necessary repairs. So some of the verbiage is changing repair procedures so I would like to get with you before we get too carried away here so you can understand from my side of the industry what sometimes has to be sacrificed to make the necessary repairs per manufactures recommendations.
Bob: That is an easy fix and just remove that section of it or amend it if it's necessary to remove due to a performance operation and it's not a structural damage part of the vehicle. Therefore it's not deemed to be replaced and doesn't follow with the statutory requirements.

Bob suggested reaching out to Assemblyman Anderson and working within the confines of this Advisory board within the statute language for the DMV, because it's actually under their statute. That we have a workshop set up where we can have public testimony and people can interject into trying to make this into a model law.
Gill has concern about Insurance companies insuring a vehicle that has been deemed a total loss that has been repaired and put back on the road and is insured with collision insurance. Then something happens to the car again, and they take it apart and find out the history of the vehicle. Then the Insurance carrier is not responsible for the damage incurred, a consumer who does not understand what they purchased when they bought it and is put into a position to have to pay for something they can't afford. That is where the problem is with vehicles that have been deemed a total loss, then put back on the road and reinsured.

Bob: I agree with you Gill, I can't speak for all insurance companies. I can only speak for Farmers which we are the largest carrier in the state. If a vehicle has been deemed a total loss we will not insure it. If the vehicle has been brought to a body shop and has been certified, and the Department of Motor Vehicles has issued a Rebuilt title, then at that time under our guidelines we will only offer liability insurance. No collision, no comprehensive the vehicle has already been in an accident.
As for those vehicles coming into body shops that have not properly repaired and are put back on the road and insured total loss vehicles. It's dangerous to Nevada consumers, it's dangerous to be on the highways. Then when they are in an another accident, body shops have to try to work around what's already been damaged. That's something we can put in the statute, to codify or comport with the laws that are already in place that if that vehicle has been deemed a total loss, it has to be branded a total loss and it can't be insured. I don't think any insurance company actually wants to insure a total loss vehicle.
Gill: If the car is going be to be sold in the marketplace, the consumer must understand what they are buying and must completely understand they can't do anything more than just liability coverage only.
Dick: For the record, when a vehicle is rebuilt and rebranded, the title documents are stamped Salvage title all over them. The title document is even a different color. I agree people should know what they are buying.
Gill: I agree with Dick Mills on this, but there still is a communication issue between DMV and the Insurance industry on the selling agent level.
Bob: I would suggest and If I could ask DMV to get with the Director because it is your chapter of law, if we can set up a public workshop somewhere hopefully in the near future, I know there are requirements by statute when you have to post it, but we need to get it out to the public and to all interested parties. So we can all sit in a room and really nail this thing down, and I will invite the sponsor of the bill to attend as well. Is this something that the Department of Motor Vehicles can do?
Gordon: I believe it is possible, I will contact the director's staff and ask them what procedures they would need to set a workshop for that.
Steve asked for any further discussion on this topic. None offered.

2. Re: Emission Laws

Steve asked Lou for update on recommendations being made by the Department of environmental Protection concerning Emission laws. They are bringing forth a whole litany of suggestions for overhauling the Automotive Emissions process.

a. AB146 last session re: Classic Vehicles tried to make changes at the last minute such as frequency of testing etc. The compromise at the last minute was the INM Committee was given the task of suggesting proposals to modernizing and updating the Emissions program.
b. Report was drafted by the Committee which is composed of Air Quality officials both state and locals, and DMV officials. Report was given to the head of Transportation on both sides of the Legislature on Sept 12th 2016.
c. Report consists of a menu of items, recommendations if they want to change the program. A bill is expected to be drafted from that, though it's not mandatory.
d. Recommendations: Classic car issue such as mileage checks and more than one vehicle. Also reducing Emission testing from a 2 year exemption to a 4 year exemption, then do biannual test for the next 4 years and then annual testing over that, which would put Nevada in a hybrid program.
e. Approx. 300.000 less vehicles tested per year
f. Raising certificate fee $1.75, which would make it revenue positive for NV
g. Suggestion of moving the VIR fee from the smog test and putting it on registration, so the state would charge a "pollution fee" on years they are not tested.

h. Chairman Wheeler will most likely bring forth the bill
i. Hot spots in bill will probably be the classic car issue and the testing frequency
j. Could cause stations to close and be less convenient and cost more to the consumer

Lou feels the classic vehicle bill and Emissions bill should be put forth in separate bills.

Bob: a major concern for the insurance industry is that a classic vehicle, and there is other model language in other states in what is deemed a classic vehicle, is that if you are going to get the exemption as a classic vehicle, that vehicle should be inspected at least yearly. To ensure the vehicle is safe to be on the road. It's got legal tread ware on the tires, just a basic safety check. Also mileage requirements.

Lou: There was another issue, where they had checked other states where they require classic car insurance, but I am unsure what the requirements are for that but that was one of the options they had.

Steve asked if there were any further discussion on the Emission program.

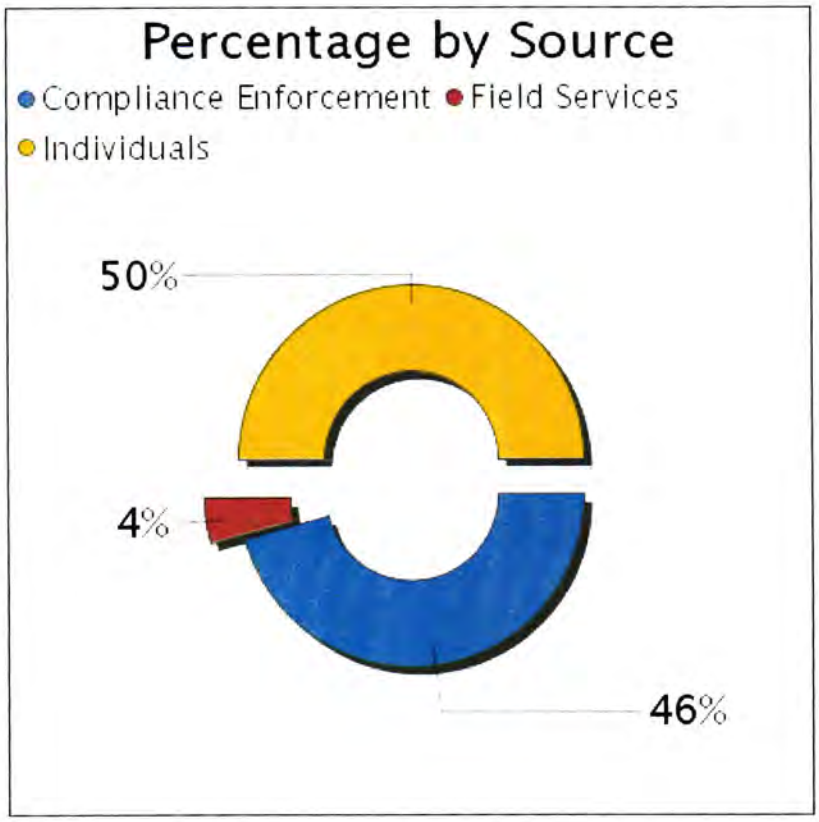
Joni asked Lou if it was possible if they could see a copy of the report he was talking about in the beginning of the agenda.

Lou stated that it was available on the DMV website, that he would find it and send it to Louis, whom in turn can send it to the board members.

AAAB Report - Body Shops

AAAB Report Fiscal Year to Date - Body Shops

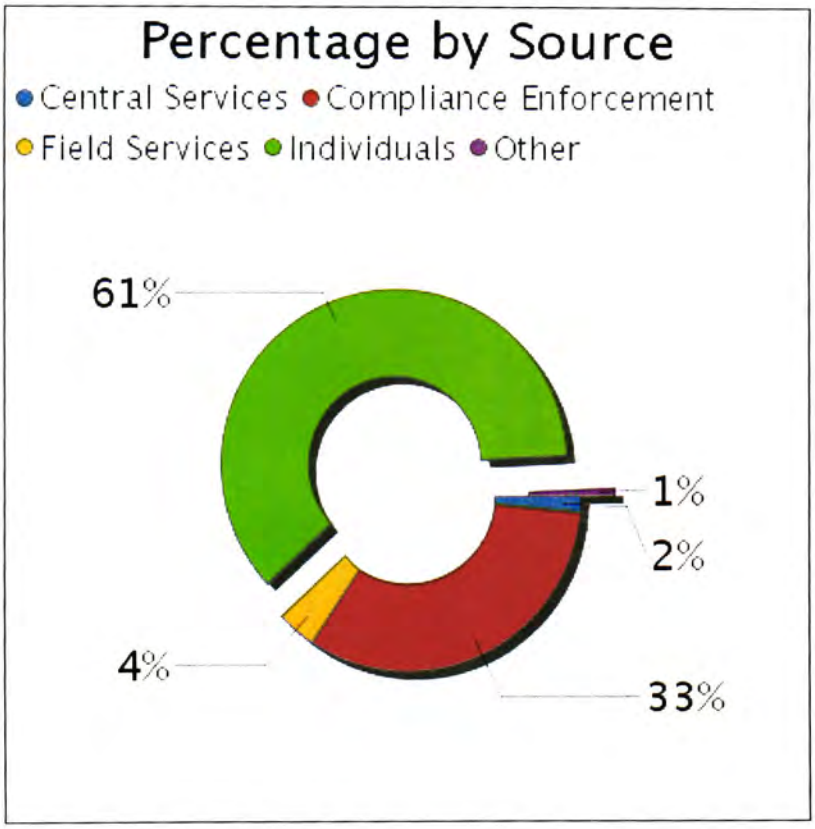
Source	Subject	Number of Cases	Disposition of Case
Compliance Enforcement	Expired License/Bond/Ins.	1	Referred to master case
		7	In Compliance
	Misuse of Plates	1	Cease and Desist.
	Unlicensed Activity	1	Admin Fine
		1	Unsubstantiated
Field Services	Unlicensed Activity	1	In Compliance
Individuals	Complaint	1	Out of Business
		1	Tracking
		2	Revoked
		4	Unsubstantiated
	Deceptive Trade	1	Unsubstantiated
	Unlicensed Activity	1	In Compliance
		2	Unsubstantiated
		24	



AAAB Report - Garages

AAAB Report Fiscal Year to Date - Garages

Source	Subject	Number of Cases	Disposition of Case
Central Services	Expired License/Bond.	1	In Compliance
		1	Out of Business
Compliance Enforcement	Complaint	1	Out of Business
		2	Admin Fine
		2	In Compliance
		9	Unsubstantiated
	Deceptive Trade	1	Admin Fine
		1	Cease and Desist.
	Expired License/Bond.	1	Revoked
		1	Unsubstantiated
		3	Admin Fine
		3	In Compliance
		3	Referred to master case
		6	Cease and Desist.
		6	Out of Business
	Unlicensed Activity	1	Cease and Desist.
		1	In Compliance
		2	Unsubstantiated
Field Services	Other	1	In Compliance
	Unlicensed Activity	1	Cease and Desist.
		1	In Compliance
		1	Insufficient Evidence
		1	Referred to master case
Individuals	Complaint	1	Cease and Desist.
		1	Referred out - external
		2	Insufficient Evidence
		3	Admin Fine
		4	Referred to master case
		6	Out of Business
		14	In Compliance
		34	Unsubstantiated
	Deceptive Trade	1	Out of Business
		3	Unsubstantiated
	Unlicensed Activity	1	Admin Fine
		1	Insufficient Evidence
		3	Cease and Desist.
		6	Unsubstantiated
Other	Complaint	1	Unsubstantiated
		131	

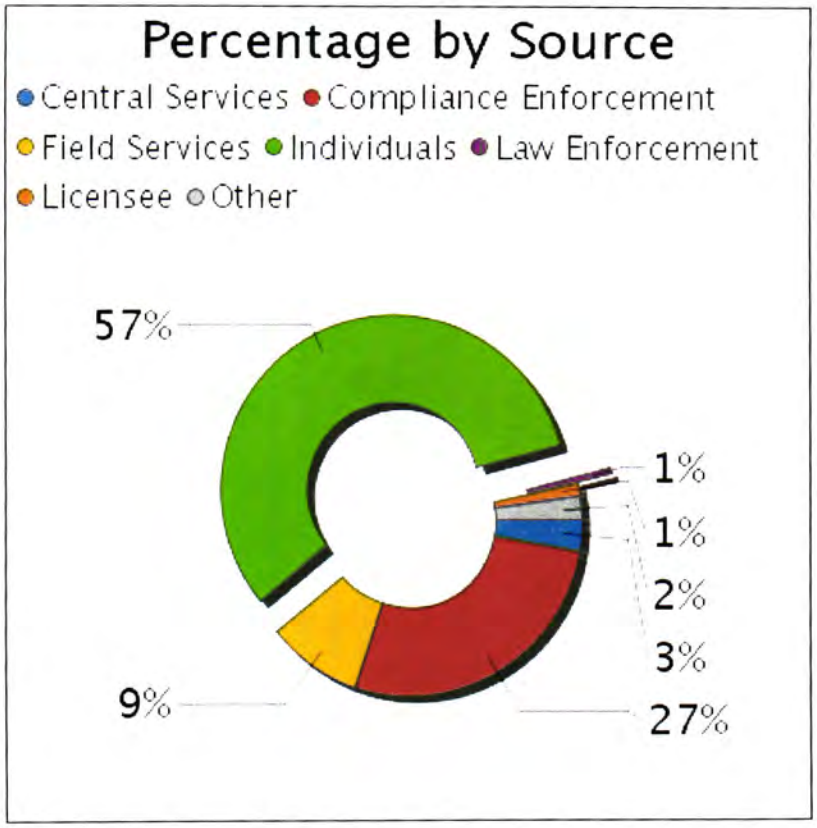

Percentage by Source
Central Services
Compliance Enforcement
Field Services
Individuals
Other
61%
1%
2%
4%
33%

AAAB Report - Dealers

AAAB Report Fiscal Year to Date - Dealers

Source	Subject	Number of Cases	Disposition of Case
Central Services	DRS - Extensions	1	Out of Business
		1	Tracking
		2	Referred to master case
	Expired License/Bond/Ins.	1	Referred to master case
		1	Tracking
		2	In Compliance
	Other	1	Insufficient Evidence
Compliance Enforcement	Dealers Report of Sale	1	Referred to master case
		1	Tracking
	Deceptive Trade/Contracts	1	In Compliance
		1	Out of Business
		2	Referred to master case
		3	Admin Fine
		7	Unsubstantiated
	DRS - Extensions	2	Tracking
		9	In Compliance
	Expired License/Bond/Ins.	1	Admin Fine Cease and Desist.
		1	Referred to master case
		1	Revoked
		1	Tracking
		2	Cease and Desist.
		4	Out of Business
		12	In Compliance
	Mechanical Disputes	1	In Compliance
		2	Unsubstantiated
	Misuse of Plates	1	In Compliance
	No Title	2	Out of Business
		3	Admin Fine
		3	Referred to master case
	Other	1	Tracking
		21	Cease and Desist.
	Placards	1	Tracking
	Unlicensed Activity	1	Admin Fine
		1	Out of Business
Field Services	Dealers Report of Sale	1	Admin Fine
		1	Referred to master case
		2	In Compliance
		3	Tracking
	DRS - Extensions	1	Tracking
	No Smog	1	Tracking
		2	In Compliance
		3	Admin Fine
		3	Cease and Desist.
	No Title	1	Referred out- internal
		1	Tracking
	Other	1	Tracking
	Placards	1	Tracking
		2	Out of Business
	Unlicensed Activity	1	Admin Fine
		1	Cease and Desist.
		1	Referred out- internal
		1	Tracking

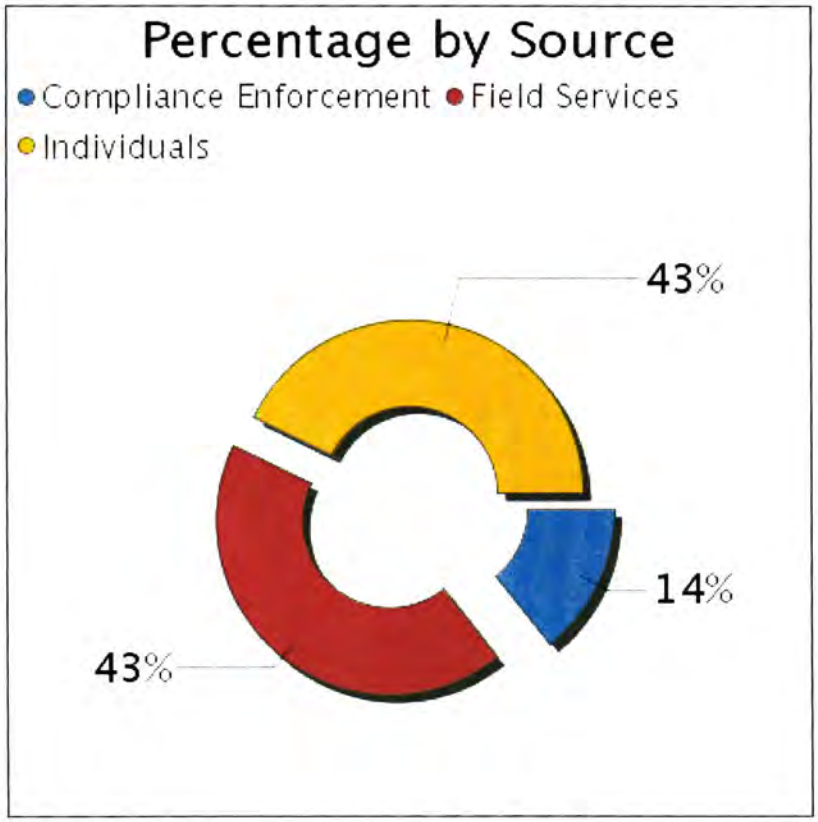
		1	Unsubstantiated
Individuals	Dealers Report of Sale	1	Out of Business
	Deceptive Trade/Contracts	1	Admin Fine Cease and Desist.
		1	Insufficient Evidence
		1	Revoked
		2	Cease and Desist.
		3	Referred to master case
		4	Admin Fine
		6	Out of Business
		9	In Compliance
		13	Unsubstantiated
	Mechanical Disputes	1	Other Referred out - external Unsubstantiated
		1	Referred to master case
		2	Cease and Desist.
		3	Admin Fine
		4	In Compliance
		4	Out of Business
		27	Unsubstantiated
	Misuse of Plates	1	Unsubstantiated
	No Smog	1	Referred to master case
	No Title	1	Referred out - external
		1	Tracking
		2	Admin Fine
		2	Cease and Desist.
		2	Revoked
		5	In Compliance
		6	Unsubstantiated
		8	Referred to master case
		55	Out of Business
	Other	1	Unsubstantiated
	Placards	1	Out of Business
	Unlicensed Activity	1	Admin Fine
		2	Cease and Desist.
		3	Referred to master case
		4	Unsubstantiated
Law Enforcement	Misuse of Plates	1	Admin Fine
	No Title	1	Referred to master case
Licensee	No Title	4	Out of Business
Other	Deceptive Trade/Contracts	1	Referred to master case
	No Title	5	Referred to master case
	Unlicensed Activity	1	Unsubstantiated
		315	


Percentage by Source
Central Services
Compliance Enforcement
Field Services
Individuals
Law Enforcement
Licensee
Other
57%
1%
1%
2%
3%
9%
27%

AAAB Report - Wreckers

AAAB Report Fiscal Year to Date - Wreckers

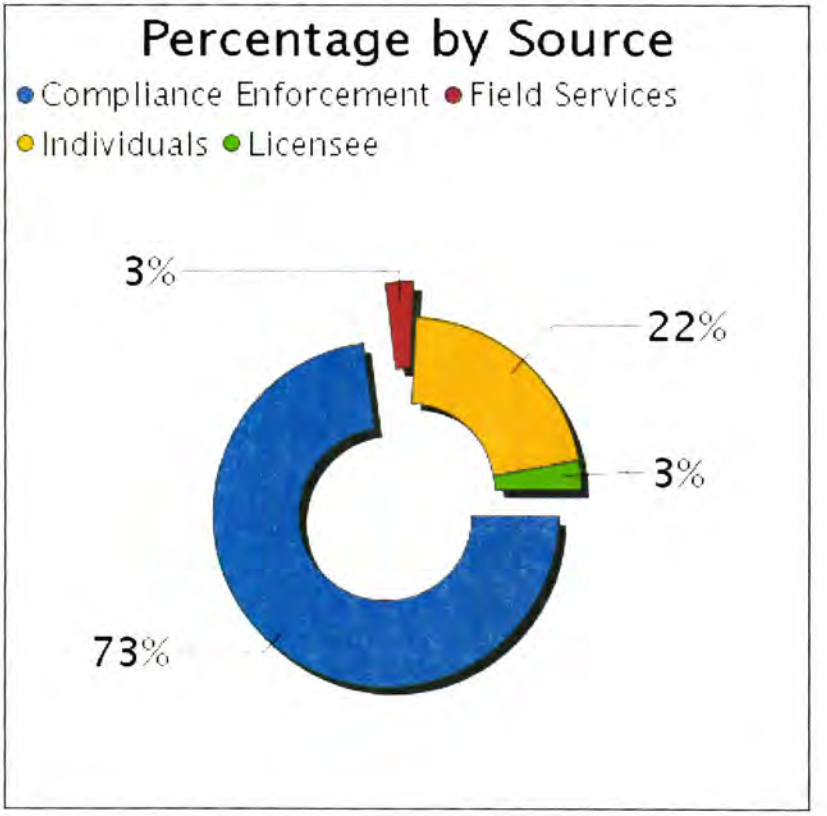
Source	Subject	Number of Cases	Disposition of Case
Compliance Enforcement	Expired License/Bond/Ins.	1	Cease and Desist.
Field Services	Unlicensed Activity	1	Cease and Desist.
		1	Insufficient Evidence
		1	Other
Individuals	Complaint	1	Insufficient Evidence
		2	Unsubstantiated
		7	



AAAB Report - Emissions Stations

AAAB Report Fiscal Year to Date - Emissions Stations

Subject	Source	Number of Cases	Disposition of Case
Complaint	Compliance Enforcement	1	Admin Fine Mandatory Training Suspended
		1	Admin Stop Cease and Desist.
		1	Cease and Desist.
		2	Cease and Desist. Mandatory Training
	Field Services	1	In Compliance
	Individuals	1	In Compliance Referred out- internal
		1	Referred out - external
		1	Tracking
		2	Insufficient Evidence
		3	In Compliance
	Licensee	1	Admin Stop
Emission Station Covert	Compliance Enforcement	3	Cease and Desist.
		19	In Compliance
		37	



8. Informational items

Steve mentioned that the reports were missing a comparative data. Report don't seem to vary much from previous examinations.

Joni: What does it mean when a complaint has been referred to master case?

Gordon: That means there were 2 cases that were similar that came in around the same time, so one will be referred to the other case.

Dick: is it possible to get these in a synopsis from year to year to year like we had them before? Maybe email them out to us, so we can see what the progression is for the last 2 or 3 years, we had a formula of that before. That would be interesting to see.

Louis: We can look into it, and get them to you.

Steve asked for any other observations in re: to the reports.

No other responses.

No other informational items.

No further public comment.

Next meeting will be set for after session starts

Bob suggested they set up meeting before the first committee passage which is usually in late March just in case we want to make any opinions on any of the legislation that is done.

Meeting set for March 6th and will be held at the Carson City DMV Directors Conference room.

Bob will look into setting up workshop, possibly second week in November.

Nothing further.

Steve made a motion to adjourn at 10:58am, Joni second the motion.