



**Minutes of the Automotive Affairs Advisory Board**  
held on November 19, 2013 at 9:00 am  
at the Nevada Legislative Council Bureau  
Room 2134, 401 S Carson St, Carson City, NV. 89701  
Videoconferencing to Nevada Legislative Council Bureau  
Room 4406, 555 E Washington Ave, Las Vegas, NV. 89101

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*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 November 4, 2013.**

Department of Motor Vehicles 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
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Department of Motor  
Vehicles Website  
[www.dmvnv.com](http://www.dmvnv.com)

**1. Call to Order**

A. 9:11am.

B. Roll Call and public introductions:

**MEMBERS PRESENT:**

Steve Yarborough - Chairman  
Robert (Bob) Compan  
Donnie Perry  
Gil Grieve

Sierra Service Station Co.  
Farmers Ins.  
DMV, CED  
Concours Body Shop

**MEMBERS ABSENT:**

Dick Mills  
Richard "Michael" Lee

Pick-n-Pull  
Lee Brothers

Dennis Collins  
Joni Eastley

Public  
Public

### **INTERESTED PARTIES:**

Ivie Hatt  
Aja Hensley  
Renee Clark

DMV, CED  
DMV, CED  
DMV, CED

## **2. Approval of Agenda**

A. Yarborough: can't approve agenda because no quorum but, can discuss.

## **3. Approval of Minutes from meeting in December 2012**

A. Yarborough: can't ask for approval of the minutes but were there any questions about the minutes from meeting 12/11/2012? When I read through, what was captured was the essence of the meeting, can't believe we had that much discussion. 18 pages, and that's not all of it. Any questions regarding [that meeting]? Robert, you were there, any questions?

- a. Compan: There are some grammatical errors; which if everyone's fine with that, I guess it's alright. The essence of the meeting, questions and conversation are there. For example, we were discussing body shop storage rates, we were talking about Chapter 625 and it didn't say...it should say Chapter 625 Nevada Revised Statute. And one area we're talking about 487 and it doesn't make any reference if that's a Chapter or Code. But I'm sure it's all a Chapter but, I think everybody should understand that so, we should be alright.
- b. Yarborough: I would think, yes.

## **4. Board's Biennial Report**

A. Perry: The Biennial Report has been removed from the statute for the [Automotive Affairs] Advisory Board so, that's no longer required. Under NRS 487.002. We don't have to do the Biennial Report but, we still need to do the Statistical Report.

- a. Yarborough: It didn't remove the requirement to report to the Legislature on the...or you're saying it did?
- b. Perry: It's been removed from the statute. I guess they don't require this report anymore.
- c. Yarborough: So, the functions of this Board were initially to report to the Legislature, items regarding the automotive industry, and we're still meeting but, not reporting?
- d. Perry: That's just in reference to that Biennial Report.
- e. Yarb: How to we communicate to the Legislature, what's the vehicle for the findings of the Board?

- f. Perry: Section D of the report says, “perform any other duties as assigned by the department” which is DMV so, DMV could be responsible for the report, I’m not sure how that will go over. But, this Biennial Report is no longer required. I guess we need to do more research to see what needs to be done.
- g. Hatt: I would assume the Board still takes recommendations, finding support, and still draft letters and stuff like that...I would assume that [LCB] would still need to find out what you support and don’t support.
- h. Yarb: For the legislative sessions?
- i. Hatt: Yeah.
- j. Yarb: I guess we could do it voluntarily, it’s not mandated is what I’m hearing.
- k. Hatt: That’s right.
- l. Yarb: I missed that; it’s good information.
- m. Perry: That’s something we’ll have to confirm or take action on at the next meeting, if we get a quorum.
- n. Yarb: Aja or Ivie, do we still have the requirement to have two meetings per year?
- o. Hensley: Yes we do.
- p. Hatt: I think Donnie has the whole statute there for you.
- q. Yarb: Maybe you can send up a copy of that.
- r. Perry: I think Aja may have copies.
- s. Hensley: I have a couple copies; I can send soft copies too.

## 6. Consumer Complaints – Statistical Data Review

- A. Perry: We have Body Shops, Repair & Removal; we had 40 cases total and 15 complaints. Garages; we had 172 cases, 106 were generated by complaints. Wreckers; we had 18 cases, only 1 was generated by a complaint. Emissions Stations; 194 cases, and one was generated by complaint.
  - a. Yarb: On the Emissions Stations; as far as cases, that’s all the investigations done on the covert and audits on the stations?
  - b. Perry: Yes.
  - c. Yarb: And one complaint driven from consumer?
  - d. Perry: Yes.
  - e. Yarb: So, I’m seeing 159 in compliance? That’s the actual inspections performed on the stations or audits and then of that 159 were in compliance? And the others had remedial training?
  - f. Perry: In compliance 159, yes that’s correct.
  - g. Yarb: Since we’re not taking action, I just note for the record; when looking at garages, going through the different categories, 52 of the complaints that were found either in compliance or unsubstantiated and when factoring that back in, a total percentage of complaints to cases, then drops to 31%. It shows 62% of the cases were complaints and then I added up “in compliance” and “unsubstantiated” for those few categories and that was 52 of the total 106

- complaints. So, that drops the actual percentage of complaints to 31% after the validation and unsubstantiated. Just a point of interest.
- h. Yarb: I've stated this in the past; I think this is a great tool for us to really be able to get our arms around the size of the industry and the number of repairs that are done on a daily basis, the actual number of cases and number of complaints, versus the number of interactions on a daily basis, it's a pretty small percentage. This is the information, 4 or 5 years ago when the legislature was saying "ain't it bad" about the industry? That this would have been helpful then and I think it's helpful now, to come back and say, well here's what we're finding. Thank you to all those that put this together.

Compliance Enforcement Division					
FY14					
License Type:	Active				
Body Shops	294				
Salvage Pools	6				
Wreckers	65				
Garages	1544				
Emissions	420				
<b>Total</b>	<b>2329</b>				
Total Cases	425				
Cases with Complaints	123				
29%					
Case data July - November 13, 2013					
Cases	Cases	Complaints	Actions	Action Defined	%
<b>Body Shops</b>	<b>Total</b>	<b>40</b>	<b>15</b>	<b>40</b>	<b>38%</b>
Repair, Removal & 487 Disposal of Vehicles	<u>Total</u>	<u>14</u>		<u>14</u>	
				2 CD - Cease Desist	
				1 CI - Citation	
				5 OB - Out of Business	
				2 RO - Referred to other Gov Agency	
				2 RT - Remedial Training	
				2 US - Unsubstantiated	
598 Deceptive Trade Practice	<u>Total</u>	<u>1</u>		<u>1</u>	
				1 RO - Referred to other Gov Agency	
<b>Actions Defined without Complaints</b>	<u>Total</u>			<u>25</u>	
				6 CD - Cease Desist	
				7 IC - In Compliance	
				8 OB - Out of Business	
				1 RO - Referred to other Gov Agency	
				3 RT - Remedial Training	
<b>Garages</b>	<b>Total</b>	<b>172</b>	<b>106</b>	<b>172</b>	<b>62%</b>
108 Mechanic Liens	<u>Total</u>	<u>2</u>		<u>2</u>	
				1 IC - In Compliance	
				1 RT - Remedial Training	
Repair, Removal & 487 Disposal of Vehicles	<u>Total</u>	<u>98</u>		<u>98</u>	
				15 CD - Cease Desist	
				5 IE - Insufficient Evidence	
				1 IC - In Compliance	
				3 IR - Case Referred to Master Case	
				3 OB - Out of Business	
				29 RO - Referred to other Gov Agency	
				15 RT - Remedial Training	
				27 US - Unsubstantiated	
UN Unlicensed Activity	<u>Total</u>	<u>6</u>		<u>6</u>	
				1 CD - Cease Desist	
				1 IC - In Compliance	
				1 IR - Case Referred to Master Case	
				2 RO - Referred to other Gov Agency	
				1 US - Unsubstantiated	
<b>Actions Defined without Complaints</b>	<u>Total</u>			<u>66</u>	
				17 CD - Cease Desist	
				13 IC - In Compliance	
				22 OB - Out of Business	
				1 RO - Referred to other Gov Agency	
				5 RT - Remedial Training	
				8 US - Unsubstantiated	
<b>Wreckers</b>	<b>Total</b>	<b>18</b>	<b>1</b>	<b>18</b>	<b>6%</b>
Repair Removal & 487 Disposal of Vehicles	<u>Total</u>	<u>1</u>		<u>1</u>	
				1 RO - Referred to other Gov Agency	
<b>Actions Defined without Complaints</b>	<u>Total</u>			<u>17</u>	
				3 CD - Cease Desist	
				2 IC - In Compliance	
				3 OB - Out of Business	
				3 RO - Referred to other Gov Agency	
				3 RT - Remedial Training	
				3 US - Unsubstantiated	
<b>Salvage Pools</b>	<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0%</b>
<b>Actions Defined without Complaints</b>	<u>Total</u>			<u>1</u>	
				1 RT - Remedial Training	
<b>Emission Stations</b>	<b>Total</b>	<b>194</b>	<b>1</b>	<b>194</b>	<b>1%</b>
445B Pollution Control	<u>Total</u>	<u>1</u>		<u>1</u>	
				1 IE - Insufficient Evidence	
<b>Actions Defined without Complaints</b>	<u>Total</u>			<u>193</u>	
				4 CD - Cease Desist	
				159 IC - In Compliance	
				11 IR - Case Referred to Master Case	
				1 RO - Referred to other Gov Agency	
				17 RT - Remedial Training	
				1 US - Unsubstantiated	
<b>Total</b>		<b>425</b>	<b>123</b>	<b>425</b>	

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## 7. BDR 170 Conclusion - Body Shop Storage Fees

- A. Compan: The Bill passes. It's a law effective July 1<sup>st</sup>. there really not a way to trace it yet because we are waiting on the DMV survey that hasn't been published yet to see what kind of action the shops are going to do. However, we are seeing some shops in the south that are complying with provisions mandated by the statutory language. We're seeing some shops that are still charging storage on vehicles while they're working on them. But, in those cases we're filing the appropriate complaints with Department of Motor Vehicles. We'll see how that pans out. The Bill kind of morphed into several different versions during session. I'm sure Gil knows all well it started to get some legs when one of the Assemblywomen on the committee really wanted to put some more teeth into it regarding repairs and the consumer advocacy portion of the bill. If you look at it, it's a little different than when we talked in out last meeting. I think it protects the consumer a lot more. We're not really going to see how it's prevailing until after the labor rates are published by DMV. Donnie, do you know when [DMV] plans on publishing those?
- a. Perry: I don't have any information on that at this time. I'm making a note of that.
  - b. Compan: So, it ended up being; the shop cannot charge more than 150% of what the prevailing rate is based on the survey from the Department of Motor Vehicles. A shop cannot begin charging storage until 24 hours after the vehicle has been there. And a shop cannot charge storage while in the process of repairing the vehicle. And there are some other notification previsions in the bill as well under that statute.
  - c. Yarb: So the survey will be conducted similar to what they do with the emissions industry survey, what the shops are charging per their hourly rate to establish what the maximum they can be charged?
  - d. Perry: I know Steven Bauder [with DMV-CED] was working on that report. I think it may be complete. I'll check with him on that when I get back.
  - e. Compan: That was one thing we discussed with the director during session was the survey is not a hard fixed. There was already a provision for what average storage rates are, top storage rates are. It just was not published before. So now, it just a simple IT click and that was going to do it; that was my understanding.
  - f. Yarb: How is that information gathered? Is it a formal survey you're required to fill out as a shop owner?
  - g. Grieve: Yeah, the survey something that the body shop industry fills out every year. Basically putting everybody on notice of what the prevailing rates going to be, mark up on parts, mark up on storage fees, etc. Just administrative stuff for the public to know.
  - h. Compan: The survey doesn't mandate what a shop can or cannot charge but, it sets parameters that are used by the insurance industry or consumers alike. So, if the prevailing rate on, say, body shop labor is \$44 per hour, than that's what most insurance companies will use. Now, that's not saying that there might not

- be a body shop that going to charge \$65 or \$70 because they feel they have a more superior product or whatever it may be. But it's a tool for the shops to use to see what their peers are using and also a tool for the industry to say, to somebody who chooses to take their vehicle to one of those shops that charges highly excessive amount of dollar per labor hour. That the prevailing rate in Nevada, whatever it is, this is what we'll pay if you want to take your vehicle to that shop, we're going to pay what the prevailing rate is but, you have the option to take it to whatever shop you want. I'm not going to tell you where to get your vehicle repaired. We're just going to tell you what we're going to pay. That's how that helps us out. Initially the survey was under the purview of the insurance statutes and got changed in; I believe was 2005 when the DMV took over, during that legislative session, under duress. They didn't really want it but, we felt that it was better that DMV, who actually enforces the body shops, should be the ones that perform the survey rate.
- i. Yarb: With regards to the storage fees, the maximum is 100% of the prevailing storage fee or prevailing rate of the body shop?
    - i. Compan: After you take all the body shops that have reported and the prevailing storage rate is say, \$25 per day. A shop cannot charge more than 150% of that prevailing rate. So, they can't charge more than [\$62.50] per day. Because there's going to be shops limited on storage and rules and regulation regarding their municipalities so, they're probably going to have to charge a little more. That gives them a little flexibility within the statute. They say, "Hey, I'm not just your average shop that's in Reno, Carson City, or Las Vegas paying the average rates". We wanted to use prevailing rates but, the Legislative Council Bureau felt that by sticking strictly to the prevailing rates, that would be price fixing. So henceforth, that's where the 150% came from.
  - j. Grieve: As good as it was for the body shop industry (and I believe it was because now we have a standard set), it was good for the insurance industry because, once the law is enacted, they know what to expect out of the body shop industry, as far as storage rates go. It's cut and dry, if you want to charge more than your 150%, you can always petition the DMV to present your case and if the DMV doesn't allow it, that's between the body shop and DMV. It defuses it between the insurance industry and body shop industry
    - i. Compan: You're exactly right. It clarifies what can and can't be done without regulating the industry. It passed almost unanimously. Law makers really liked it.
  - k. Yarb: I have one question; when it says, "A written estimate shouldn't exceed \$50", is that \$50 total and if a car is dropped and there's no intended storage there and the shop doesn't write an estimate because it's not intended to go over \$50, then all of a sudden the customer doesn't come to pick up the vehicle and

it's there for 3 weeks, and they're not coming in to sign an estimate. Where does that leave the shop owner?

- i. Grieve: That's been the ongoing issue ever since we started the debate on this. If that car's got value, for the most part short of abandonment, the consumer is going to come and at least claim it, identify it, and hopefully sign for it and if not, remove it from the facility.
  1. Yarb: So, the idea for the shop owner is to have it built in to the estimate; each day that they leave the vehicle, this is the rate they will pay if they choose not to have the vehicle repaired.
    - a. Grieve: That's correct.
- l. Grieve: Again, it give the body shop leverage to keep it from "growing legs" and becoming part of the ground it sits on. The insurance will also, if we get that car towed in and you can't get an agreed cost of repairs, it should make it so the insurance doesn't just get laid away by erroneous storage charges too.
  - i. Yarb: It has the motivation to have everyone moving forward.
    1. Grieve: Yes.
- m. Compan: It also has a clock ticking from 24 hours from when the vehicle gets there and falls in line with the mechanic's liens notices that shops can do to begin processing ownership of the vehicle should they not remove it in a timely manner. And it's going to happen. There's going to be times where the insurer doesn't report it to their insurance company, they think the other insurance company is handling it. Ultimately, if there's insurance on the vehicle then their responsible for storage on it.
- n. Clark: Just a comment; the rates for indoor and outdoor storage are on the DMV website [[www.dmv.com](http://www.dmv.com)]. Lowest, medium, highest and average for each county.
  - i. Compan: Is that current?
    1. Yarb: Yes, it is. Renee says yes.
  - ii. Yarb: So, this is regulating the body shops but, it also includes garages? For example my shops, we typically don't run into a lot of storage issues and I have it built into my work order/authorization/estimate that if a vehicle is left 48 hours after the completion of work that they'll be charged "x" amount of dollars. Am I regulated by the same rates as the body shop? I know I don't exceed it but...but, it will be on the new bill of rights sign as well.
    1. Grieve: If you have a body shop license I believe you would be mandated but, without a body shop license, I don't believe you would.

## 8. Other Legislative Updates

A. No discussion.

## 9. Informational Items – Discussion Only

- A. Perry: It's been brought to our attention that the officers are up for reappointment and I'm not familiar with the next process on the reappointment piece. We'll probably have to bring that up for discussion.
- a. Compan: The officers not the Board members?
  - b. Yarb: Correct. The officer positions, yeah. The members were just reestablished the past few months. There's the Chairman and Vice Chairman. We can take action but, are there any thoughts with regards to that?
    - i. Perry: Probably just need to be added to the next agenda.
- B. Yarb: Also, I did hear at the beginning there were two new public members added to the Board, Joni and Dennis. And were there other members that were going off? I heard talk of vacancies.
- a. Hensley: Troy Dillard was replaced by Donnie Perry, Lou Gardella expired and did not renew. Keith Grammier, I believe is no longer in the state.
  - b. Yarb: Dick Mills was the representative to? And he accepted reappointment.
    - i. Hensley: Automobile Wreckers
  - c. Yarb: So, the opening then is?
    - i. Hensley: Salvage Pools and Authorized Emissions Stations are the two vacancies.
  - d. Compan: Has anyone reached out to Pete Cruger, he represents the Emissions?
  - e. Yarb: I will after that. That was my next question; what is the process for recruiting or filling these vacancies?
    - i. Hensley: I'm not exactly sure; there's an application process with the governor's office. I can send you a link.  
[<http://gov.nv.gov/Boards/Vacancies/>]
  - f. Yarb: Isn't there a very limited number of Salvage Pools in Nevada?
    - i. Grieve: Yes.
  - g. Grieve: Bob, are we down to what three salvage pools? Or 6?
    - i. Compan: IAA, north and south right? And Copart, that may be it. that I can think of.
  - h. Grieve: The six we have, are they a conglomerate; different location of the same company?
    - i. Compan: I think there may be two; IAA and Copart, I think that's it. And you already have a representative from Copart. IAA is on the board?
  - i. Yarb: That's the one that went vacant?
    - i. Compan: Keith Grammier, is no longer a member?
      1. Hensley: Correct, Keith is the one that is no longer a Nevada resident. That is one of the vacancies.
    - ii. Compan: I'll reach out.
  - j. Yarb: He's listed under Insurance Auto Auctions, is that the one we're talking about?
    - i. Compan: IAA, yeah.
    - ii. Grieve: IAA, and Copart

- k. Compan: I'll reach out today. And if someone will reach out to Pete.
  - i. Yarb: Ok. Yeah I get ahold of Pete after the meeting and see who would be a good representative.
- C. Perry: We may have other item that we'll have to add to the agenda. We may have to look at the bylaws, section D; it states that under the heading of Purpose, "On or before January 15 of each odd-numbered year, prepare and submit a report concerning its activities and recommendations to the Governor and to the Director of the Legislative Counsel Bureau for the transmission to the Legislature". That is in the bylaws and because of the new statute that has to be addressed as well. In terms of the bylaws. We may have to take a look at that.
  - a. Yarb: Review bylaws and bring compliant.
    - i. Perry: Yes. With the NRS [487.002]

## 5. Public Comment – Discussion Only

- A. Hatt: We had an IM [Inspection and Maintenance] Committee meeting a couple months back and we're running into issues with the Classic Vehicle Program. At the previous meeting of the Automotive Affairs Advisory Board, you guys had talked about looking at doing a statewide safety inspection program. We're wonder if we could work with you guys on that. Our issue with the Classic Vehicles is the odometer verification. So if you are planning on doing a statewide safety inspection, we would like to add in the odometer verification.
  - a. Yarb: I've always supported a statewide safety inspection, the idea of a minimum inspection like they do in some of the eastern states; windshield, wiper blades, tires, and possible a break inspection. I've never sensed an appetite for that from the Legislature for that as far as another cost or requirement to the consumer or motorist so; I don't know what the next step would be on that. I know we have to do an inspection on a salvage vehicle that comes back in to service. But right now that's the only requirement that we have with the state. California has a brake and lamp inspection requirement if somebody is cited and they have to go to a shop that's registered as a break and lamp specialist...if they receive a citation but, I'm not sure what direction we would take and how we would begin that process to get a BDR drafted towards a semi-annual, annual inspection, biennial I don't know.
  - b. Hatt: Is this something that the Board is still looking at pursuing?
    - i. Grieve: I believe it should be based on the platform of the salvage cars. Because that's all they truly need. With that said, there are so many cars on the market (on the street, not so much the market) that I come across they're not road worthy. I agree these are not road worthy cars. If the car has been off the registration rolls for 10 years or greater, needs to be thorough. Such as a rebuilt Total or Salvage car. I think they need to be inspected every 3-5 maximum. Because of these people just let these things go; they're not worth driving. Back to your original question, as far

as odo [odometer] verification, that's a tough one. Unless you were to be able to track that back on a DMV type of a situation to find out when it was registered, what its miles were back then. Some of these cars, their only what five digits? They're not a six digit odo and without true documentation, it's a crapshoot.

- c. Yarb: The Department's concern with the registration of classic vehicles is the limits of miles their allowed to drive per year?
  - i. Hatt: Correct
- d. Yarb: To not be required to have an emissions test, which is when an odometer would be naturally verified.
  - i. Hatt: Right.
- e. Yarb: So, because their exempt from emissions because they've claimed a classic car, the statute says, 800 mile a year?
  - i. Hatt: 5,000
- f. Yarb: No more than 5,000 per year to keep the classic car but, there's no verification process in place.
  - i. Hatt: Yeah.
- g. Yarb: So, if it was required to do a safety inspection...
  - i. Hatt: It would probably be done through a garage or emission station where it could be captured and added into our database when they come in with their certificate.
    - 1. Yarb: To apply for that particular..
    - 2. Hatt: Registration renewal or...
    - 3. Yarb: Specialized plates
    - 4. Hatt: Correct.
- h. Grieve: I'm guessing we know that these are very easy to tamper with? Anything with a mechanical odometer can very easily be tampered with, at the point of its accuracy could be marginal at best.
- i. Yarb: And there is no statute requirement to have an odometer that works. Some of these classic cars may not even have a speedometer or odometer that actually works. Some of these hot rods, when the build them, they don't even put a dash; they have an on/off switch and oil pressure gauge
- j. Grieve: That's going to be a tough one. Especially the highly customized ones.
- k. Yarb: The other challenge that this would present; would this be another requirement of the emission stations or licensed garage...I guess it would be through the licensed garages because we do have the ability to sign off on inspections for salvage vehicles so, that could be part of an inspection. Would it be but, that would only be on initial registration. The requirement of a safety inspection, if somebody's going to register a classic car they should be deemed road worthy through a safety inspection. Would it be an annual inspection after that for odometer verification and safety if they're taking the classic exemption?
  - i. Hatt: Right.

- ii. Yarb: And then, is it only for classic cars or are we talking about a safety inspection for all vehicles on an annual basis?
- iii. Hatt: Don't generally you see them done annually? Or biennially?
- l. Grieve: I'm not sure what's Steve's recent experience has been but, economics and driven a lot of these cars to be still on the street that...they're getting to the point to where they need attention. And even though they need to be smogged every year, until it has visible smoke or a check engine light, it's still pretty much deemed road worthy even though it potentially is not. I mean, I own a collision repair shop and the number of cars coming in with poor brakes; brakes have created the incident, have been great in the last 12 months.
- m. Yarb: We have an annual inspection with the emission control, then it would take a whole other set of administrative codes, training, and regulation in the industry to do a certified brake check because there's people trained in doing the emission tests that aren't trained in doing a pass/ fail brake system so, that would be a whole other issue; a whole other section of code, training, requirements, standards being established of what is deemed safe and unsafe. To put a safety inspection program statewide into place quite frankly, I think it would be a huge uphill battle with the legislature to say what's the rate? To pull a wheel off, do an inspection on a brake. If we had to do tread depth inspection and light inspection, how much more would the shops be able to charge? Then it would become a consumer issue and they would be coming out of the woodworks, consumer groups saying "we're not going to be paying another \$25 or \$30 per year to have this inspection done. Why should I? I have a 2012 vehicle..." So, it would be a very interesting legislative issue to see what sides of the fence come up from a cost standpoint verses a safety standpoint. I think from the insurance industry, it would great if we could ensure more vehicles were safe as they hit the highways. As a parent, and my wife out on the road, I'd like to know that all the cars around her have good tires and brakes, and my children too. It sure would open up an interesting conversation to say the least.
- n. Grieve: It's one of those, where it could potentially be done. You would want to use the form of a reconditioned total and NRS on the actual[?] cash value rule...after its 10 year mark, then it falls off that 65% rule. And that's when those cars really need to be inspected because by then you're at 150,000-200,000 miles and that's where we start to see them become neglected. And neglect becomes a safety issue. Ball joints come to the point where they fall out and they lose control of the cars.
- o. Yarb: Of course, you get to that depth of the inspection and you really have to work with trained technicians.
- p. Grieve: It should be a steering and suspension, brake, lights, glass, the basics of a safety related car.
- q. Yarb: Would it be a draft that the Department would possibly be interested in providing to the Board for review? And then we could look at that for what the

Department envisions as what a minimum safety inspection would be that would include mileage verification?

i. Hatt: Basically, we were talking about this at the last IM Committee [Inspection and Maintenance] meeting. So, we would work with them and see what they think as well; if this Board still had appetite for doing it. That's basically what I'm asking. And if you do, then I'll take it back to them and see who would draft it. Would it be NDEP [Nevada Division of Environmental Protection] or DMV? Who would take over that process? And plus, we would check with our Administrator and Director to see if that's something they want to support.

ii. Grieve: Mileage verification is your biggest desire?

1. Hatt: That's our intent.

B. Yarb: I would ask that we put that on the next agenda when we have representatives of the public here because that's where we would want that input. Because from a business standpoint, it's an opportunity. Being forthright, yeah I would like to do inspections, have another revenue source but, if it's not in the interest of the public...I think the insurance industry would have an interest in that from a safety standpoint. And then consumer safety advocate groups, if they were coming in to support that then this Board would have a very active role because it does impact the automotive industry in a large way. And being involved in the drafting of the regulations so that we're able to comply with them from the inspection side and they're not too onerous for the consumer. So, I think that should be an agenda item that we would want to review and look at an outline of what that would entail.

a. Hatt: Thank you.

C. Perry: Also, with the new driver identification cards [Driver Authorization Cards (DAC)] that are going to be issued, you would think we would bring in a whole new host of drivers and vehicles that need to be subjected to some type of safety inspection. That was something that was passed recently. When you look at it from the consumer position, safety is always an issue. And I believe from the Department's perspective, we would be supportive in terms of safety, anything that has to do with consumer safety because we don't know how many...we're talking about driver's license, I think they said something like 60,000 new drivers and you would think that that would also put a host of new vehicles on the road or different vehicles on the road. And that was part of that [DAC] was supported by the insurance industry.

a. Compan: I don't think you're going to see a spike in registration, I think that the illegal drivers that were driving vehicles on Nevada roads are driving them legally. This is just giving them a vehicle to do it. We were just getting some numbers and I wanted to thank DMV because you guys provided some great figures in a very speedy fashion. Your numbers are close; we're probably looking at probably about 50,000 new drivers that are going to apply for these drivers privilege cars [DAC]. But, their regulations (in order to get these cards) are a lot more stringent than a regular driver's license. I think the cars are already on the road, whether or

not they're safe but, I think they're on the road and registered already. It's just that they're not registered to a driver that actually authorized to drive the car.

- i. Perry: Yes that's correct but, the push behind it was to get them, to get insurance for these vehicles. So, if they have to get insurance for the vehicle, they would also have to have some type...or the insurance company would want them to have some type of safety inspection. Like you said, they were here anyway but, now they want to be recognized as being able to drive a vehicle legally, you would hope that they would, just like they would want to get the DAC to make themselves legal, legally here to drive a vehicle, they would also want their vehicle to come into compliance; it seems like one would go with the other. But, you're correct, they're already here and they're already driving those vehicles.
- ii. Compan: I agree. The problem is, for an insurance company (and this is where we asked for some information from the DMV), driver's privilege cards [DAC] and the driver's license sequentially the numbers are the same so, if somebody comes into a Nevada insurance office to buy insurance, the only way they're going to know that they're driving, if they're going to be buying that coverage, is by looking at the physical card itself. Because if they're just reporting by numbers-wise...and insurance is a numbers game as it is, there are so many factors that go into play to do a rating on a policy so, it's very complicated. We don't know how we're going to figure that end game out. Obviously somebody that doesn't have a driving record here in the United States and doesn't have a credit history in the United States; how do you put a rate to somebody like that on an insurance policy? It's something that the industry really has to figure out but, for the most part, if they're just getting a driver privilege card [DAC] and getting a car from a dealership, they can get insurance online and nobody ever sees that driver's license; they just ask for the license number. So, the insurance companies will have no idea whether or not they are driving on a driver's privilege card [DAC] or Driver's license. And that was one of the things that I think was flawed in the language of the policy that we may have to correct during the next legislative cycle. What we're doing as an industry, we're working with the bill sponsor Senate Majority Leader Mo Denis and also with the commissioner of insurance and along with the Speaker of the Assembly, Marilyn Kirkpatrick. We're working with Nevada Broadcaster's Association and the Nevada Insurance Council; we're going to put three months out of PSA's. Starting in December advising people out there that they're not going to be arrested or deported; that these privilege cards are out there and available.
- b. Yarb: Well it will be a very interesting agenda item for next meeting. Thank you Ivie for brining that forward.

## **10. Next Meeting and Adjournment**

- A. Yarb: I think it's important, now that we have a couple of agenda items that need to be reviewed, that we look to fill the vacancies, ensure that we have a quorum for the next meetings so that we can take action on these items. By statute, we are supposed to have a meeting before the end of the year. Suggestions for a date and time? Did you [Aja] put one into that last request?
- a. Compan: December 31<sup>st</sup>?
  - b. Hensley: Yeah, just to give you guys and everybody enough time that's what I suggested but, whatever.
  - c. Yarb: December 17<sup>th</sup>, tentatively? Agreed?
  - d. Compan: Is that enough time for DMV and meeting girls to get it posted?
    - i. Hensley: I can get it posted but, I can't promise minutes will be typed.
  - e. Yarb: Because no formal action was taken at this meeting, I don't think that's necessary; this is all open discussion.
  - f. Perry: Getting those additional items on the next agenda, we can get that right?
    - i. Hensley: Yeah.
  - g. Yarb: If we have those items on the agenda then I think we're fine. We can probably still work off [the current Consumer Complaints –Statistical Data Report].
  - h. Compan: And I would ask Aja if you can check LCB to see if we can get the room?
- B. Yarb: December 17<sup>th</sup>, 9:00am
- C. **Adjourned:**  
10:08am.