



**Transcript of Advisory Board on  
Automotive Affairs**  
Held on October 14, 2014 at 9:00 am  
**by** Videoconference

**from the** Legislative Counsel Bureau  
Room 2134  
401 Carson St.  
Carson City, NV 89701

**to the** Grant Sawyer Building  
Room 4406  
555 E. Washington Ave.  
Las Vegas, NV 89106

**1. Call to Order by the Chairman "for possible action"**

9:00 am

**2. Roll Call**

In attendance: Steve Yarborough, Robert Compan, Donnie Perry, Louis Gardella, Gilbert Grieve, Michael Lee, Dick Mills, Joni Eastley,

**3. Public Introductions**

Ivie Hatt, DMV; Lauri Vandebroke, DMV; Todd Pardini, DMV; Glenn Smith, DMV;

Also in attendance: Renee Clark, DMV; Aja Hensley, DMV

**4. Approval of Agenda Order "for possible action"**

*Yarborough:* So I would ask if everybody had a chance to review the agenda; that we ask for approval of the agenda as published.

*Unknown Speaker:* I move to approve the agenda.

*Yarborough:* All in favor.

*Group:* Aye.

*Yarborough:* No opposition? We'll move forward.

**5. Approval of February 25, 2014 Meeting Minutes "for possible action"**

*Yarborough:* How about the minutes from last--the February meeting? Everybody had a chance to review? Any changes to note for that? If not, I'd ask for approval of the minutes.

*Grieve:* I make a motion.

*Yarborough:* Thank you, Gil.

*Eastley:* Mr. Chairman, I have a question.

*Yarborough:* Yes.

*Eastley:* I didn't get an agenda. I did get an e-mail from Aja that said, "This is what I have so far for agenda topics."

*Yarborough:* Oh.

*Eastley:* But as far as an agenda, I never got one.

*Yarborough:* Oh, I'm--yeah, there...

*Eastley:* Thank you.

*Yarborough:* ...was a...

*Eastley:* Perfect. Thank you.

*Compan:* (Inaudible) bylaws and...

*Eastley:* I got the bylaws.

*Yarborough:* Okay.

*Eastley:* This I didn't get. Thanks.

*Yarborough:* Are we okay with that, the agenda?

*Eastley:* We're good.

*Yarborough:* Okay. Good.

*Compan:* I'll second the motion.

*Yarborough:* For the minutes. All in favor to approve the minutes.

*Group:* Aye.

*Yarborough:* No opposition? We'll move forward.

## **6. Bylaws, Approval of Changes**

*Yarborough:* You have before you--we had discussed some changes in the actual bylaws. We were talking about the minutes previously, but the bylaws. If everybody's had a chance to review. I think we talked about that at length in the last meetings. And Aja has provided us with a copy with the amendments and the changes there. Any questions regarding the bylaws of the Nevada Advisory Board?

*Mills:* I have just a question. This was changed because the NRS statutes were changed?

*Yarborough:* Correct.

*Mills:* We're just trying to get up to that? Okay.

*Eastley:* Mr. Chairman, I'll make a motion to adopt the revised bylaws.

Yarborough: Great. Thank you.

Mills: I'll second.

Yarborough: Thank you. All in favor?

Group: Aye.

Yarborough: Great. We're moving forward. We have a formal copy that we'll sign, myself and Robert, and that will go into public record at the conclusion of the meeting.

## 7: Consumer Complaints - Statistical Data Review

Compliance Enforcement Division						
FY15						
License Type:			Active			
Body Shops			313			
Salvage Pools			6			* Active Numbers through 10/08/14
Wreckers			65			
Garages			1545			
Emissions			421			
		<b>Total</b>	<b>2350</b>			
Total Cases			342			
Cases with Complaints			114			33%
<b>Case data July - October 8, 2014</b>						
Cases		Cases	Complaints	Actions	Action Defined	%
<b>Body Shops</b>	<b>Total</b>	<b>26</b>	<b>10</b>	<b>26</b>		<b>38%</b>
Repair, Removal & 487 Disposal of Vehicles	<u>Total</u>	<u>10</u>		<u>10</u>	6 CD - Cease Desist 1 IE - Insufficient Evidence 3 RO - Referred to other Gov Agency	
<b>Actions Defined without Complaints</b>	<u>Total</u>			<u>16</u>	3 AF - Administrative Fine 11 CD - Cease Desist 1 IC - In Compliance 1 OB - Out of Business	
<b>Garages</b>	<b>Total</b>	<b>181</b>	<b>96</b>	<b>181</b>		<b>53%</b>
Repair, Removal & 487 Disposal of Vehicles	<u>Total</u>	<u>86</u>		<u>86</u>	3 AF - Administrative Fine 23 CD - Cease Desist 4 IC - In Compliance 1 IE - Insufficient Evidence 4 IR - Case Referred to Master Case 1 OB - Out of Business 25 RO - Referred to other Gov Agency 25 US - Unsubstantiated	
UN Unlicensed Activity	<u>Total</u>	<u>10</u>		<u>10</u>	2 CD - Cease Desist 1 IE - Insufficient Evidence 6 RO - Referred to other Gov Agency 1 US - Unsubstantiated	
<b>Actions Defined without Complaints</b>	<u>Total</u>			<u>85</u>	12 AF - Administrative Fine 3 AS - Administrative Stop 22 CD - Cease Desist 13 IC - In Compliance 4 IE - Insufficient Evidence 18 OB - Out of Business 2 RE - Revoked 6 RO - Referred to other Gov Agency 1 RT - Remedial Training 4 US - Unsubstantiated	

<b>Wreckers</b>	<b>9</b>	<b>1</b>	<b>9</b>	<b>11%</b>
Repair Removal & 487 Disposal of Vehicles	<u>Total</u>	<u>1</u>	<u>1</u>	1 US - Unsubstantiated
<b>Actions Defined without Complaints</b>	<u>Total</u>	<u>8</u>	<u>8</u>	1 CD - Cease Desist 1 OB - Out of Business 5 RO - Referred to other Gov Agency 1 US - Unsubstantiated
<b>Salvage Pools</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Actions Defined without Complaints</b>	<u>Total</u>	<u>0</u>	<u>0</u>	
<b>Emission Stations</b>	<b>126</b>	<b>7</b>	<b>126</b>	<b>6%</b>
445B Pollution Control	<u>Total</u>	<u>6</u>	<u>6</u>	1 CD - Cease Desist 4 RO - Referred to other Gov Agency 1 RT - Remedial Training
CV Covert	<u>Total</u>	<u>1</u>	<u>1</u>	1 IE - Insufficient Evidence
<b>Actions Defined without Complaints</b>	<u>Total</u>	<u>119</u>	<u>119</u>	3 AF - Administrative Fine 19 CD - Cease Desist 72 IC - In Compliance 1 IE - Insufficient Evidence 10 IR - Case Referred to Master Case 3 RO - Referred to other Gov Agency 9 RT - Remedial Training 2 US - Unsubstantiated
	<u>Total</u>	<u>342</u>	<u>114</u>	<u>342</u>

*Yarborough:* Moving right along then. The Item 7 would be Consumer Complaints and the Review. We got a copy, I think, in the last couple of days, of the actual numbers. And, Donnie, did you want to go over that for us?

*Perry:* I just want to have Ivie Hatt do it. I left my copy on my desk.

*Hatt:* Do you want me to--do you want a copy?

*Perry:* You can go ahead and go over it, if you want. Can you just come...

*Hatt:* Well, it would be better if Renee since she figures it out (inaudible).

*Perry:* Okay.

*Compan:* Is that the one with your notes on it? Your copy with all your comments?

*Perry:* Yeah. Go ahead.

*Clark:* Okay. This query consists of the time frame July 1<sup>st</sup> to October 8<sup>th</sup> for body shops, garages, wreckers, salvage pools, and emission stations. Did you want me to go over each set of numbers, specifically, or...

*Perry:* Do you have any questions on it?

*Yarborough:* No, it looks--I didn't see any radical or glaring changes from what we've been running, as far as percentages and...

*Clark:* Unh-unh.

*Yarborough:* ...resolutions and so forth. Were there any other questions or comments with regards to the statistics?

*Mills:* I have a question on the auto wrecker's portion.

*Yarborough:* Okay.

*Mills:* There was nine complaints. One of them was unsubstantiated, and then down at the bottom of that there's another one that's unsubstantiated. What's the difference between the top category and the bottom category?

*Clark:* The top category is driven--or in this case, the 487, driven by a complaint.

*Mills:* And the bottom eight ones are just...

*Clark:* They're actions defined without complaints.

*Mills:* Okay.

*Clark:* No complaint was received.

*Mills:* Okay.

*Compan:* Mr. Chairman, if I could direct a question. Do we have--I'm looking at it and, of course, to me, we haven't looked at this since last year--a comparative year to year based on complaints if we're looking at percentages, which I think I would have liked to have seen today. I should've probably brought this to your nose before I got it earlier this week. Regarding body shops where it's a total of 26, 10 of them were complaints, and each one all the way down the line. I would like to see a side-by-side comparison on how they compare to the same timeframe as the report was run the year before, so we can see if there's any trends.

*Clark:* Yeah, I have the historical reports at the office.

*Yarborough:* Would you like to put that as an agenda item for next meeting and do a comparison then, where we have time to analyze and look at it, or would you like to...

*Compan:* Yeah, Mr. Chairman, that'd be fine since our next meeting is going to be, I think, next month. So that'd be great. Thank you.

*Yarborough:* Okay. That's be great, Renee.

*Clark:* Okay.

*Yarborough:* Okay. Thank you, appreciate it. That's a good suggestion. Thank you. Any other comments or notations, with regards to the Consumer Complaints?

*Compan:* One more, Mr. Chairman. On the cease and desist and the areas with the administrative fines, are those public?

*Clark:* I'm not...

*Compan:* Yeah, the administrative fines that are levied on the individual businesses?

*Clark:* Are they public meaning...

*Compan:* Are they public record, what the fine was levied?

*Clark:* That's probably – refer to Todd, you know, was that something that...

*Unknown Speaker:* (Inaudible).

*Clark:* ...if they requested with the public?

*Pardini:* They can request but I don't think the department publishes on the website.

*Clark:* No, but would they—would we tell them the amount?

*Pardini:* If somebody asked for instance how many complaints...

*Compan:* So basic...

*Pardini:* (Inaudible) certain business (inaudible).

*Clark:* Not details though?

*Compan:* So basically now that--my question would be, you know, I would want to still take a look at what the actual administrative fine was per statutory language and what the--I don't--I'm not--I don't have it in front of me. I don't even see what the chapter is, but what it would be that could be levied through the DMV based on the administrative fines. And so by looking at it, I can get kind of a picture, you know, all across the board as to, you know, what kind of actions are being taken; what kind of punitive actions are going to--and take a look at, say, "Okay, well, you know, these fines--or we may see somebody who's a professional, you know, habitual, you know, person who keeps getting fines before they get a cease and desist or whatever." But they may--it's not--may not be punitive enough in nature so that they can't, you know, that they just will keep on doing it, you know, kind of like Nevada Live when it originally was just an original \$250 fine, but now it's a tiered fine. So I mean, it's something, Mr. Chairman, I'm interested. I don't know what's the flavor of the Board.

*Yarborough:* We could probably put that on the agenda for next meeting, as well. Give time to what we can disclose and what we can look at, right? That's what you're asking?

*Compan:* Yes, sir.

*Yarborough:* Okay. All right. We'll put that on the agenda for next meeting, as well. Another good suggestion. Thank you very much.

*Compan:* Yeah, if I'm going to drive--if I'm going to fly up from Vegas, I really want to get a whole bunch of stuff in. Just kidding. That's not on the record.

*Yarborough:* I thought we were going to--the flow of the way the meeting was going, I thought we'd be done in another five minutes. Thank you, Robert. Okay. Any other comments, with regards to the Consumer Complaint Review?

*Clark:* I have...

*Yarborough:* Yes.

*Clark:* ...a question, so clarification. Do you want to know what we will disclose to the public, or what the progressive sanctioning process is or both?

*Compan:* I think both, disclose to the public. And if it can't be disclosed to the public, can it be disclosed to this Board. That would be A. And B, what's the tiering and sanctions of the fines.

*Yarborough:* Okay. Is there anything else? Thank you.

## **8. Notification & Posting on Website "for possible action"**

*Yarborough:* With that being said, we'll move on to 8, Notification and Posting on Website, "for possible action." And, Donnie, we have that on the agenda for you to speak to. What exactly are we talking about here?

*Perry:* I think Renee was going to cover that one. That was the issue that we brought up the last time in terms of, I believe, the garage fees and fines. And a survey was done by MS&P in terms of that question. They wanted to know why--I believe the answer--or the question was the way it was being displayed, and could we change the way it was being displayed. And they went to MS&P process, and then they changed the way the fines are being reported.

*Compan:* I'm sorry, Donnie, for the ignorant down here. MS&P?

*Perry:* That was Management Services and Program that does the research for those questions.

*Compan:* Thank you.

*Perry:* So it was--it came up as to how the garage survey was being reported. And I think the question was in reference to if they put a zero and then that would kind of set off the total number of...

*Compan:* It would skew the numbers based on (inaudible).

*Perry:* It would skew the numbers in terms of--and they redid the process; is that correct? Yeah.

*Compan:* Thank you.

*Yarborough:* We're referring to the hourly survey for the body shops; is that correct?

*Compan:* (Inaudible) body shops.

*Perry:* Correct.

*Yarborough:* Okay. Thank you.

*Compan:* Did we get an answer? I mean it's been rectified?

*Perry:* It's being corrected...

*Conpan:* Oh, okay.

*Perry:* ...on the website, yes.

*Compan:* Thank you.

*Yarborough:* Okay. And since, Gil, you're the representative of the body shops that working for...

*Grieve:* I think it was... I believe it was the right thing to do. It's--when you take the pros and the cons, I think it was a good medium.

*Yarborough:* Okay.

*Grieve:* I truly do. I (inaudible) yeah.

*Yarborough:* Okay. Thank you.

*Grieve:* It was a good medium.

*Yarborough:* Thank you, Donnie, for doing that.

*Perry:* Okay.

*Yarborough:* Thank you. Any further comments on Item Number. 8?

## **9. Classic Vehicle & Safety Inspection Program "for possible action"**

*Yarborough:* If not, we'll go right into Item Number 9, Classic Vehicle and Safety Inspection Program "for possible action." And, again, Donnie, that's...

*Perry:* The question that came up around that was whether or not we should have one and whether or not we should sponsor a workshop, I believe. And they want--it was recommended I speak to the director about DMV hosting a web shop on this topic. And the director stated he would prefer that the Board sponsor the workshop, so it wouldn't be perceived as any biases in terms of the Department of Motor Vehicles supporting it in one way or another.

*Compan:* And if I could chime in. This basically, started in my wheelhouse. I got a call from Speaker Kirkpatrick on a couple of issues, one being smoking vehicles. And then--which is the next subject down. And then the second turned in to a classic vehicle situation where--and I don't know you're noticing it here in the north, but in the south, you know, when you look at the statute, which is provided with us today, and it looks like the definition of a classic vehicle is (inaudible) they'll have to receive emissions and they have a lot--but they still can't be used as a personal passenger vehicle, or 5,000 miles per year.

And in the south we're just noticing tons of vehicles with classic vehicle license plates on them. And, I mean, I've seen--I saw an old Nissan pickup truck--Datsun, sorry, pickup truck. It was classic for sure. And it had ladder racks on it. It had, you know, a plumbing sign on it, 24-hour business. So clearly, it was in violation of the statute. So in conversations with the Speaker, because this is her legislation--and so whatever would be a recommendation, whether it be from this Board or from the Governor's office, we would have to definitely get her involved in it.

But I know she was working with Bruce before on the legislation and there was a lot of pushback for inspections and things of that nature, because basically, the smog fees, they thought, were just too exorbitant, you know, many of these cars aren't going to pass smog. So I made a call to Director Dillard. We had a conversation regarding, you



know, what kind of possible actions could happen. And as Donnie was mentioning, you know, maybe a workshop to discuss--and who's representing the emissions?

*Yarborough:* That would be Lou Gardella.

*Compan:* Yeah. So, Lou, you would probably be interested in this. So--and it's done in other states and we'll have to do some--maybe we can get the Legislative Counsel Bureau or whoever does research for the DMV to do some review for statutory language in other states. But there are states where they mandate that if you want to register your vehicle as a classic vehicle, you have to do a yearly safety inspection program. They're very expensive. Usually, the emission operators do it at a cost of \$10 to \$15, so it's not like it's a really big cost to the consumer, but that time you're capturing, you know, whether the vehicle is safe to be on the road, you know, tire tread depth, things of that nature that you would see typical in a classic vehicle. If it is smoking, obviously, that there's an issue there. And then the best thing is, you know, you're verifying that mileage.

So if they're saying that, you know, it's either some fraudulent activity going on where they're spinning the odoms because they can't on those older cars, they have them disconnected and, you know, it says 29,000 miles and next year it says 29,000 miles again, you know, obviously there's a problem. So, I think that you would capture a whole bunch. I think a workshop would be pretty good. It would be a good idea that I had made a suggestion. I haven't ran it by the Speaker yet, because obviously she's got a lot more on her mind right now.

*Yarborough:* The workshop would be as legislation--or language is introduced to have a public workshop, with regards to language of a bill, or just an open forum to discuss? Because it's quite apparent that the classic car registration is, first and foremost, being used to circumvent the emissions program. I mean, that's the obvious there, because if the car won't pass it's easier to register it for--as a classic if it's beyond the 25 years than try to fix the emissions.

And then secondly, the registration fees and--but primarily, it's used to circumvent. There's truly classic cars, but most classic car owners that register--that have a car as a classic are running a nostalgic plate or a personalized plate--vanity plate versus a classic plate. So, I've seen your example of the tool supply truck also. I've seen, you know, a lot of the, you know, older four-wheel drive vehicles up here than the recreational-type...

*Compan:* Right.

*Yarborough:* ...vehicles here being done the same way. And then some, even motor homes now, because--light-duty motor homes because they really aren't using them and they don't like taking them out of storage to get the smog check during that period of time, so they'll go ahead and register classic as well.

*Compan:* Well, Mr. Chairman, I mean if it's, you know, to the pleasure of the Board, I think the workshop would be effective in two ways. I mean my suggestion--I don't know if it would spawn at legislation or not. It may or it may not. My suggestion would be to invite, you know, both Chairman Manendo and Chairman Carrillo, both chairmans of transportation, to be part of the process to see what's going on so--and I brought this to their attention. They both already are aware of it.

And secondly, and not only does it affect the emissions and the safety on the road, but it affects insurance as well. So being the insurance representative, if somebody, you know, can insure their car as a classic vehicle, it falls under the same guides of the 5,000 miles per year and so and so forth. So if, you know, a lot of people are circumventing that issue, they're getting low insurance, which is ultimately being spread on to the Nevada consumers.

*Yarborough:* Certainly. So from the...

*Gardella:* Mr. Chairman?

*Yarborough:* Yes, go ahead.

*Gardella:* I just want to say that the classic car program, while well-intended, is seriously flawed and we knew that when it was implemented. Number one, obviously we can see that the dramatic increase in classic cars is to evade emissions. And also there's no checks and balances. There's no one checking mileages. Although, yes, you can disconnect your odometer, but there's no checks on it. And, my understanding was through Senator Kirkpatrick, is that the DMV was going to address this issue in the legislature. So I'm not really sure--I think maybe we should check with that, first, with Mr. Dillard and find out if that's in fact, true, before you do a workshop, because I know they're very concerned about it, and everything I heard is that they were going to do something to address this. So, you might want to check with that first.

*Yarborough:* Well, we have Aja, and--Ivie, and Laurie from the Department here now. And, actually, Ivie brought it to the Board to have us look at it originally when the conversation came up, as what this Board could facilitate with regards to that. So, I think the Department is looking for some guidance, as well, on that, if I'm not mistaken. They're looking for somebody to initiate action of some type, right?

*Hatt:* Well, along with the I/M...

*Gardella:* Yeah. Well, if they're not going to do it, then definitely we need to do something, because the big problem is the, for lack of a better word, the policing of the mileage. I mean, you don't want to--you want to make the classic thing available to the people that really have classic cars, but obviously, the program has been--if you were to look at a percentage, it's people evading emissions. We--like he was mentioning, the tool truck. I mean I see rusted-out Astros that are not classic cars, that have classic plates, and so it's being used--and there's no way to backtrack on those people that have done that.

But, obviously, with no--nothing in place to verify mileage, you know, which I suggested before that they could do it at the VIN inspector, but the DMV didn't want to do that, or the second choice would be an emissions station to verify mileage. But with no checks and balances in place it's just going to keep growing and growing and growing. So, you know, if we need to do a workshop I would wholeheartedly support that to find some kind of remedy or situation that the Assemblywoman and legislature would support.

*Yarborough:* Thank you. Is that something that this body would start and institute, or is it something that would be done through Legislative Counsel Bureau, or a sponsor in the legislature? That's just a question I'm posing.

*Compan:* Well, it can't be from a sponsor through the legislature. I mean, they could sponsor a bill, certainly. I don't know if they can do workshops, but workshops--I don't know, does this body have the authority to call for a public workshop?

*Unknown Speaker:* I would think so.

*Compan:* But if not...

*Hatt:* A public workshop is if you guys are (inaudible) regulation. You would--the regulation would need to come from the Department--a changing regulation. But it's--this is a statute, correct?

*Unknown Speaker:* Yeah.

*Hatt:* So it would have to be a bill. Somebody would have to...

*Compan:* Well, see, if you don't have a bill there's still workshops. I've been to many, many workshops and statutory language where there's not a bill that's been vetted or even introduced as bill language, that hasn't even been a placeholder as a BDR, you know. So I've been to workshops. I've been to DMV workshops, you know, on items that are not of regulatory nature. You know, one was being--which turned out to be AB3, was Barbara Buckley's back in 2003 or '05, I can't remember--'05--2005 was a--that spurned the language, you know, regarding the body shops and the information that body shops have to put on their--in the body shop bill of rights. I think it was 2005, I don't remember.

That started out just as a simple public comment workshop with interested parties would come to--to look at it and discuss maybe possible legislation, but it wasn't--there was no bills or no placeholders for the bill at the time. But that was, obviously, the Speaker--well, she was the assembly majority leader at the time. So maybe something to look in to.

*Hatt:* Yeah, I think--I don't think we call it a workshop. They call it something else like the Aside Committee that gets together and does (inaudible) what they want to do, and that is a public (inaudible). We have a meeting today, as well, with the I/M Program and this is hot topic with them as well, that we have meetings. And we don't know what their proposal is going to be, as well, but they may have something that they want to (inaudible).

*Yarborough:* Might I suggest, and I'll take a step back here, that we can, as a body, suggest language for a bill as part of our function, and that we go ahead and ask the Legislative Counsel Bureau to start a bill draft that would require an annual inspection of classic vehicles. That in itself would spur workshops and conversations, bring forward the car collector people that are interested in it, and then look at this. That would be the impetus to start workshops and bringing it forward. Is there an appetite for that from the Board?

*Smith:* Chairman...

*Yarborough:* Yes, sir.

*Smith:* ...may I say something?

*Yarborough:* Um-hum.

*Smith:* I'm Glen Smith with the Department of Motor Vehicles. I work in the Emission Control Section. I've been the--in the Emission Control Section for 21 years now, and I've seen this evolve to what it is today. And we deal with these classic vehicle issues on a daily basis. And this has kind of snowballed into a bigger deal, where you have your motor homes and what-have-you come in.

One thing that worked up against now is with the Classic Rod vehicles, at 20 years of age they can become classics. That means that next year will be 1995 and older and the following year 1996. And where we're going to run into a problem is 1996 and newer vehicles are required to be OBD compliant. That's the way they were certified by the EPA. If they become classic vehicles, it's going to open the gate to a lot of severe tampering, which can also create a gross polluter. And that's one of the things we see with some of these classic vehicles. Once they know they don't have to emission test these vehicles anymore and (inaudible), they start pulling the emission equipment off. They're putting big blocks in. They're gross polluters.

When you take an OBD vehicle and start disconnecting those devices that control that engine, it can become a gross polluter, as well, worse than some of these older vehicles that we see on the road. You get an adverse effect. So by those vehicles falling into that category, the ones that want to circumvent the system and get their classic vehicle, it's very simple on the odometer thing right now. They can put anything down. It's an honor system. I can see where these vehicles have the potential to become gross polluters and it could affect our air quality. There's no doubt about it.

*Yarborough:* And our (inaudible) and our status, as well, correct?

*Smith:* Correct. So I think if we--if there is some kind of legislature on this, the model year should be frozen at '95 and not go beyond that because, again, if we get any OBD vehicles.

*Yarborough:* Yeah. What I'd like to suggest then is that we have some suggested language to amend the current classic car statute that would cap the year that would be allowed classic, outside of the OBD federal requirements, and possibly include an annual inspection for odometer and very basic, basic safety requirements. Maybe tread wear, windshield, and lights. Something very, very basic similar to a re-registration of a salvage vehicle. It's a very simple inspection that doesn't cost the consumer a lot, but also puts the owners on the person registering a classic car. Because part of it too is when they get the classic plate then they don't have to pull the car out to be inspected for the smog test annually, so they're also looking at keeping the car parked if it truly is a classic. But it should be at least verified that it is a classic on an annual basis.

A true classic. I mean there is an exemption for a true classic vehicle. There should be. But, this would put the responsibility of that person wanting to keep a classic vehicle registered as a classic to demonstrate that it is driven less than 5,000 miles a year; that it is safe for the road to be driven on the road because, you know, a 1954 Chevrolet that is driven less than 5,000 miles a year may be neglected in tire, you know, just tire checking--cracking from being set so long. Certain safety issues that would be important to the public, those around them.

So is it possible that the DMV could create some basic language addressing those issues, that we would review as a board and then possibly, in our summary for the year, too, that legislation ask that maybe legislation be drafted for that purpose? Is that a

process that we could do and move this forward? Because it has been a subject--a topic for quite a while now.

*Compan:* Mr. Chairman, Bob Compan again. Yeah, you know, I think obviously the DMV has already submitted their Omni Bus bill, and I'm sure Director Dillard would not like us to step on top of his wish list for the 2015 legislation. But, you know, as provided by the bylaws of this Board and to make recommendations to the Governor and the Governor's office would probably authorize a bill draft coming out of the Governor's office as a recommendation of the Automobile Affairs Advisory Board.

So I'd like to make a motion that under NRS 482.2655, that we recommend legislation to mirror what you just stated earlier, under the classic vehicle statute.

*Yarborough:* We have a motion. Is there any further discussion on the motion?

*Mills:* Who's going to--this is Dick Mills. Who's going to draft the proposed language?

*Compan:* Well, it can be done two ways. I mean, you know, the legislature--you just take the idea from the Board and if it gets--and then you have to get somebody through the Legislative Counsel Bureau, I believe. Don't you have your own LCB representative? Donnie?

*Perry:* We have representatives at the LCB. We don't have a--they're not solely for the Department of Motor Vehicles. It's for the Governor's office, and they help with any bills that go forward.

*Compan:* So, you could give them the genesis of the bill in concept. They can write some proposed language in to--that'll fit into the statutory requirement with the right commas and the right I's and T's crossed, and then maybe we can review it at the next AAAB meeting in December--or November and, you know, approve it to be forwarded on to the Governor's office for review and vetting.

*Perry:* I would suggest that--as Ivie mentioned, this is a topic that's going to be discussed at the I/M Committee meeting at 1:30. And it may behoove of us to take a look at what's coming out of there before we propose any language. Particularly, it's coming out of, I believe, Clark County is the primary...

*Hatt:* Washoe County.

*Perry:* ...and Washoe County. So, I mean, it may help us to determine where we want to go as a Board when we take a look at what the recommendations are from the committee meeting, because their issue was the same in terms of a safety program for the classic vehicles and the emission program--the emission process. So there may be something we want to take a look at.

*Compan:* So they're basically going to cross-pollenate. So will you be at that meeting today?

*Perry:* Yes.

*Compan:* So you can, kind of, bring it on over and say, "Okay, this morning we have the same issues. Here's what the simple recommendations of the Automobile Affairs Advisory Board are."

*Perry:* I think we have the same concerns from both Boards, it seems like it's coming from. So, I don't know what everyone's schedule us, but at 1:30--what's the location?

*Hatt:* DMV.

*Perry:* Oh, at...

*Hatt:* Director's Conference Room at DMV.

*Perry:* Yeah. So I think it's going to be pretty interesting. If you're available, you may want to stop by. But, we certainly can do that.

*Yarborough:* Okay. I will be at the meeting, so I can certainly represent this Board.

*Perry:* Okay.

*Yarborough:* It's public, there is supporting that and determining which body wants to bring forward action on it, because it's beyond talk. It needs action, right?

*Perry:* Yes.

*Yarborough:* Yeah, all right. Is there any further discussion then on that? We have--I would add that, too, if the I/M Committee is not interested in bringing forth suggested language for legislation that we would come--circle back around and do that.

*Compan:* So I would--Mr. Chairman, I'll retract my motion and ask that we wait for the findings of the meeting this afternoon and, if we can, have it reagendaized for the next...

*Yarborough:* Yes.

*Compan:* ...meeting.

*Yarborough:* All right. Thank you.

## **10. Smoking Vehicle Processes "for possible action"**

*Yarborough:* Okay. And I think that kind of rolls right into Smoking Vehicle Processes. You want to take that, Donnie?

*Perry:* Well, Bob had the concern. I don't know if you want to start, Bob, we can help you out. I have our representatives here for our smoking vehicle process. I'm not sure where we want to start with this.

*Compan:* And this--that's where the whole genesis of all this started was with the speaker.

*Perry:* Right.

*Compan:* And I had--then I had conversations with Troy. So you can see how it's kind of filtered down. So Speaker Kirkpatrick has, through Constituent Services--and for those of you who know the legislature, they have a body here called Constituent Services that takes complaints--takes those complaints per a legislative district and forwards those complaints on to the lawmaker that represents their constituents. Then that complaint--then they usually work on it and they usually reach out to different industries depending on whatever the complaint is.

I don't know how I got involved in this, but maybe the Speaker knew that I was on the Automobile Affairs Advisory Board. And she has been getting several constituent complaints, where--and this is, you know, third-party hearsay--and I can't confirm any of it--that her constituents and it's usually younger kids, you know, are getting smoking vehicle tickets, and then they take the vehicle down to the--to get it smogged, and then they take it back down to the DMV, and they're still getting assessed a \$250 fine. And that is all I know, and I told her I would reach out to Troy, which I did, and Troy showed me the process.

And I see we've got some examples here on who can--it's my understanding that if you dial the 486 smoking vehicles, whatever number that is, you know, it doesn't--it'll initiate a letter but it won't necessarily facilitate an action. So, I really don't know the clarity on the process. I don't know how it works, but I told her I would bring it up at this meeting.

*Perry:* Okay. And I have a supervisor present so he can go over some of--so Todd, I would ask--I'm not sure if Lou can hear us if you don't come forward to the microphone. So if you could come forward to the microphone and try to explain some of those processes.

*Unknown Speaker:* (Inaudible).

*Perry:* Thank you.

*Pardini:* He's going to talk about SB(inaudible).

*Perry:* Okay.

*Yarborough:* While you're coming up, I'd like to also talk about a trend that I've witnessed lately, with diesel--young people in diesel trucks. They actually have a process by which they enrichen a diesel truck to purposely throw out black smoke, and it's called "laying carbon." It's like burning rubber, but they're doing it intentionally with diesel trucks now. And it's rather obnoxious when you witness it. But it's an intentional bypass of the fueling system to enrichen it to make an extreme black cloud. And so, there is a problem with smoking vehicles that's being done intentionally, beyond what older vehicles or vehicles that need repair are happening today. All right. Thank you, Glenn.

*Smith:* For the record, I'm Glenn Smith, Department of Motor Vehicles Compliance Enforcement, Supervising Emission Control Officer. The way you were explaining that there was some confusion regarding--and I'm speaking about gasoline-powered vehicles, where they go down and get an emissions test, and it passes, and then it comes to one of the emissions labs, and it smokes and it fails at that portion. When a gasoline-powered vehicle is tested, especially an OBD vehicle and 1996 or newer light-duty vehicle, it--the inspector is to check for smoke, but the test procedure only requires that they check for smoke while it is idling.

The issue is when these vehicles are going down the road under a load, of course it puts more of a load on the engine. It's at a higher RPM, a higher load. And a vehicle can smoke under those conditions, where normally just at an idle smoke won't necessarily be apparent unless it's really, really worn, you know, burning oil excessively. So that's where you get the difference between under a load on the road, versus an emissions test.

When they're inspected at the lab, they usually raise the RPM to try to simulate a load even though that doesn't put much of a load on it, and they check for visual smoke at that time. If it smokes then, yes, a gasoline-powered vehicle cannot smoke. It's determined if it's smoking. If it doesn't then they will follow the vehicle in traffic under a load to assure that it's not polluting while it's on the road. And, that's the purpose of the Smoking Vehicle Program, is so they don't pollute while they're going down the road, not necessarily while they're being tested but, you know, every day traffic.

As far as the diesel-powered vehicles, they're handled a little differently. And I think Todd will probably touch on that there.

*Compan:* Well, on the gas vehicles--if I can just interrupt. Bob Compan, Mr. Chairman. Her concern was, obviously, was gas vehicles, young kids with the, you know, the low cars with the big, you know, after-market exhaust on them and everything, who are getting these tickets erroneously. Somebody is reporting them. And in talking to the Director, they're just used--they would just get a letter at that time; isn't that correct?

*Smith:* We refer to this as our SVOR Smoking Program. If it's an anonymous call that goes to our hotline, they get a letter. We refer to it as a courtesy letter. It basically states that--it explains the law to the customer, and it says, if your vehicle smokes we would like you to address it, you know, and that's basically it. That's as far as it goes unless we get multiple complaints, then we take it a step further.

As far as vehicles that are--the registration is going--if it is witnessed by a law enforcement or by a DMV employee or by, say, Washoe County Air Quality or Clark County, they take it a step further. They send them a notice stating that the vehicle has to be seen by the DMV or by a law enforcement officer within so many days. And then if they do not follow through with it, if they don't present the vehicle, then their registration is cancelled.

*Compan:* So in this example of what you've provided us is the administrative citation?

*Smith:* No. No, it's not a citation. It's an administrative process and it basically cancels their registration. The citation part...

*Compan:* So that would explain this, because she was talking about \$250 and this, I see...

*Smith:* Right.

*Compan:* ...is a \$300 fine (inaudible).

*Smith:* Right. Which is a different program than our SVOR Program, which I'm explaining now. Todd is the supervisor over the investigators that issue those citations, which is--I'll leave that part to him. I forgot my train of thought.

*Compan:* I've sat at that chair many times.

*Smith:* Oh, and the--as far as the vehicles that are on the--that we handle the administrative process through, I wouldn't--at least on that end--I wouldn't say young kids or anything like that are targeted, because we have these vehicles coming in daily, into the lab where we're checking them. The most common issue is the vehicles have over 100,000 miles on them. Certain makes and models smoke more than others, you know. Some vehicles can go a quarter of a million miles or more without showing any



wear, where other ones just barely hit 100,000 miles depending on the make and model, and they smoke like a freight train.

And if you go through out database, you can see what those makes and models are, how many, you know, the similarities, a lot of miles on them, older vehicles. So it's-- that's what we target is smoking vehicles.

*Pardini:* Todd Pardini for the record, the Supervisory Investigator for the Compliance Enforcement out of Reno. Just to touch on something that Glenn was talking about with the smoking vehicle observation call in-type thing. The reason we have that two prong where they just get a courtesy letter on an anonymous complaint is, believe it or not, we actually have ex-spouses turning in their, you know, their spouse and, you know, there's retribution and stuff going on. So, that's why the Department doesn't take a very aggressive stance when it's an anonymous complaint. The reason it goes to the second stage is usually because it's a Department employee or law enforcement that saw it and their name is on the form. So we can, you know, try to eliminate any kind of malfeasance or false reporting.

Our sworn investigators, they're assigned to the heavy-duty diesel program that drive marked units with lights and sirens and are capable of legally doing traffic stops. Smoking gas vehicles are a collateral assignment for them. Their main assignment is for heavy-duty diesel emissions, but if we don't stop--if the public sees a DMV police vehicle and a gas car goes by them smoking, they get upset if we don't do something about it. They don't know that their primary assignment is heavy-duty diesel.

So, from my personal observations in traveling to Las Vegas, the first car I got behind, the last time I went to Las Vegas, was smoking like it was on fire. So, the Division made smoking gas vehicles a collateral. They don't go out looking for them. They don't--rarely take complaints on them. That's all handled through the SVOR Program, but if they see them they take action on them. I think the complaints that came through Kilpatrick's [sic] office actually got to me. That was a smoking gas vehicle.

The process for the citation is, they're written a citation if the officer sees that they are smoking and it's a gas vehicle. They're issued a \$300 administrative citation. They have 30 days in which to do several things. They can ask for a hearing with the administrative law judge of the DMV to have it contested if they don't believe it was smoking, or they can come in to compliance which is have the vehicle repaired, or surrender the registration. If they surrender the registration or have the vehicle repaired and re-inspected by the Department or law enforcement, not an emissions station, then the fine is reduced to \$200.

The reason we don't waive the fine completely, like we do on some of the heavy-duty diesel violations because of code and statute that are made to be waived completely like opacity, that's an \$800 fine. But if the trucking company fixes the truck, we waive the entire fine, because usually on those situations fixing the truck is thousands and thousands and thousands of dollars, because the turbine is ready to go or whatever it was. And believe it or not, we actually have trucking companies that thank us for writing them a citation, because a lot of the truck drivers don't know their truck is emitting opacity or they don't care, because they don't own the truck. But they'd much rather get an \$800 citation and then the maintenance person or whoever knows, and then they go in and look at it and they fix a problem that could've run into tens of

thousands of dollars. So we actually get thank you's from the industry for catching it before something actually really expensive let go in the truck.

But to get back to the smoking vehicle citations, if the subject that got cited ignores the ticket, doesn't ask for a hearing, doesn't pay the fine, doesn't have it inspected, then an additional letter is sent to the driver and the registered owner, if it's two different people, indicating that the registration will be cancelled in 10 days. Immediately upon issuance of the citation, I personally put a stop on that vehicle in our system so that it cannot be reregistered--renewed or registered without being inspected, because once it's--once my officers have determined that it's smoking, we can't, as a Department, allow it to continue to be on the road legally.

I would say a majority of the vehicles that are issued these citations, come into compliance, either by surrendering the vehicle registration, and a lot of them take it to a wrecker because they don't--they can't afford to fix it, or it's too expensive, or the vehicle is not worth fixing. Some do repair them. The ones that completely ignore the ticket, obviously, the sanction goes into effect, the registration is cancelled, and it goes into our collections file.

*Mills:* Dick Mills with Auto Wreckers. Do you--if you issue--do you have the authority to waive the \$200?

*Pardini:* We could. Sure. I don't normally waive any ticket that's not written by me. I don't want to tromp the authority of my--the investigators that work for me. The reason we don't waive the \$200 is because they were actually caught polluting. They're...

*Compan:* I'm sorry?

*Pardini:* They were actually caught polluting, and the vehicle was driven unlawfully per NAC. The NAC is pretty explicit. 445B.576 says in (1) "A person shall not operate a motor vehicle powered by gasoline which emits smoke." There's no opacity levels. There's no percentages. It's just flat out no smoke. So, the way the Department has looked at is we don't know how long they've been driving it. We don't know how long they've been a gross polluter, so there has to be some kind of punitive action.

*Mills:* But like the diesels, it could cost thousands of dollars to repair a gas motor...

*Pardini:* Correct.

*Mills:* ...in the same situation.

*Pardini:* Correct.

*Mills:* I mean I would think that same logic of--that you're using for the diesels would roll over to the gas motors.

*Pardini:* The reason that it is the way it is, as far as the diesel motors is, is because it's statute and in code that it will be waived. We follow the same--you know, and this is all opt to change by the Department Chief or the Director. But, the way we work the smoking gas vehicles is the same way we work our evader program, which is the same fine structure and the same reduction.

*Lee:* Many times I know that John Q. Public, after their smog--all the smog equipment, after they pass, disappears. Countless times I have experienced people coming in and

saying, well, it will pass smog. And I say, why won't it pass now. Well, I need to put all the equipment back on. How does DMV deal with that or are you looking for that?

*Smith:* Through our emission--Glenn Smith, Department of Motor Vehicles. Through our emissions test, '95 and older, and all our heavy-duty vehicles, we do a visual inspection for the emission devices. And then on our OBD vehicles, the system--the OBD system is checking to make sure those are functioning, and if they aren't then the vehicle fails. It doesn't--it sounds like a lot of effort to me for someone to remove all the devices and then a year later have to put them on just for the test and then remove them again. That wouldn't make too much sense to me. I, you know, I know like some of the diesel trucks...

*Gardella:* Chairman, (inaudible) interject. I was just going to make a comment. Especially on diesel vehicles, we see it quite often where a person will remove the catalytic converter, come in for the test, and then hopefully the inspector doesn't catch it, and when he does he'll run home and put the catalytic converter back on. We just had one a couple months ago. And then he went to the lab after he reinstalled the catalytic converter and said, "Hey, the guy didn't do the test right," when there were two people at the emission station that saw the catalytic converter gone.

We see this quite often, where equipment is removed and reinstalled, especially on diesel vehicles. So I just want to make that comment to you that although well intended, it has always been an emissions program where people will make adjustments to their carburetors in the old days and after their test readjust it the way they want. And there's really not much we can do about that, but it does happen every day.

*Smith:* One thing I'd like to add to that. That one thing that is an easy--fairly easy tamper would be on your OBD systems and your diesels as well, scan tools--tuner scan tools where they can make adjustments to the computer to where it, you know, increases horsepower, pollutes more and what have you, and then they can adjust it back down before the test. That would be a fairly common tamper, but it involves, you know, purchasing the tool and a little knowledge to go along with it. And, some of them have tuners right in the vehicles to where they can turn them up or down, depending on load demand.

*Yarborough:* I know there are quite a few aftermarket products that do that, the banks, and the different chips that are available that can be installed aftermarket.

*Smith:* Exactly, yeah.

*Yarborough:* But, you know, according to federal law as well as state law, that's an illegal...

*Smith:* Yeah, whenever you make adjustments to change the way that that system was configured and approved by the EPA, it's considered tampering. And a lot of these--I don't want to get too far in depth on this, but a lot of these companies that sell these chips, and if you read in the fine print it says for off-road use only. But as we know they're not being used for off-road use only. And they continue to sell them and it gets frustrating for us. We would like to see the EPA clamp down on those manufacturers.

*Compan:* So for our reasons and our purposes here at the meeting, based on the request for discussion from the Speaker of the assembly, how big a problem then--let's just talk gas, forget diesel. I mean that's her concern, obviously. So, I mean, how many

of these citations are being issued off of courtesy letters? How many of these citations are being issued off of your enforcement officers who are on the scene and see a smoking vehicle? You know, how bad of a problem is it? Because there's really not, I mean, you know, I don't see where it really needs any action, you know, other than what's proceeding right now, what's happening.

*Pardini:* Todd Pardini with the DMV. No administrative citations are issued, other than from the sworn personnel. Those are--rather than doing criminal citations, which go through the court systems, we, as a Division, have decided to do the administrative citations.

*Compan:* But if there's multiple complaints on a smoking vehicle?

*Pardini:* That's not a citation, that's letters through the SVOR Program. The only ones that are issued citations, are the ones that are observed by a sworn officer.

*Compan:* Right. But will that--even if there's multiple, will that--I'm sorry, I must have lost it earlier. I thought somehow it received some sort of (inaudible).

*Smith:* If we have multiple anonymous calls on a vehicle, what we do is we create what's called a hot sheet, where we list the vehicle and it--we'll give it to the enforcement officer just to keep an eye out for the vehicle, and also, to our emission technicians that are out on route throughout the day to watch for that vehicle. And if they observe it smoking...

*Compan:* Right.

*Smith:* ...if it's an emission technician and non-sworn, he'll write it up and we'll do it through an administrative process. And ultimately, if it's not corrected, the registration will get cancelled, where if it goes to an investigator--a law enforcement investigator, he has the capability of pulling the vehicle over and citing it right there on the spot.

*Compan:* So my question, is it a big issue? Are you issuing a lot of those tickets?

*Pardini:* To address that question, I don't have the stats in front of me. Obviously, we keep our stats. But I would say it's average of probably 30 citations a month statewide, and that's three investigators.

*Smith:* And that's total, but that's not resulting from vehicles that are called in through the anonymous hotline.

*Compan:* Right. Right. I understand.

*Smith:* The results from vehicles from the anonymous hotline is very few that go to the next level to where they make that hot sheet that I referred to that we give...

*Compan:* Right.

*Smith:* ...to the investigator.

*Compan:* Thank you.

*Pardini:* To go back to a prior portion of this meeting, several of these vehicles are classic vehicle plates.

*Yarborough:* Really?

*Compan:* Surprise. So--and understandably so. So I think I got sufficient information that I need to bring back to the Speaker. I don't know what she'll want to do with it, but it doesn't look like--it looks like you guys are really on top of it and you're taking care of it. I mean I think she will probably have some issue, just knowing Marilyn, you know, with the fine being, you know, propagated even if the vehicle has been repaired. So, I mean that's--I mean, I'm just thinking ahead. I can't, you know, I can't speak for her on that, but I think that's where some of her issues may come in. So it may be a topic of discussion that, you know, we can see again, you know.

*Pardini:* Sure. And I would also--if when you talk to her, you might also let her know that a majority of the vehicles do not get repaired. They get jumped, or they get parked in somewhere and the registration gets turned in...

*Compan:* Great. Thank you.

*Pardini:* ...because they can't, you know, don't want to put the money--\$2,000 for a new motor in a car that's worth \$500.

*Compan:* I understand.

*Pardini:* And I don't think I addressed the Chairman's comment about these diesel trucks that are purposely making clouds of noxious fumes or...

*Yarborough:* laying carbon.

*Pardini:* The problem with that is those are probably not going to get a lot of bite on the SVOR Program, because we're going to look at the registration and it's going to be a diesel, and we all know that diesels are allowed to emit some visible pollution. But in the same--in that same turn, any vehicle, like in your instance, that's observed by one of my investigators, could easily receive a citation for opacity, because all of our HDD, heavy-duty diesel investigators are certified through EPA and the California Air Quality Board, to do citations for visual opacity, not necessarily test it with a meter.

*Yarborough:* Right. I would also think that every law enforcement officer could do some type of citation for observed public nuisance.

*Pardini:* I would assume. We usually tell regular law enforcement to let us address the issue, and they can let us know that they've seen a vehicle or whatever. But, I mean, most law enforcement are not going to--don't have the capacity to cite anyway under code--under NAC. They only have NRS. So unless they can somehow address it that way, I don't know.

*Yarborough:* All right. Thank you. Just one other comment on this. When you said 30 a month, was it just coincidence that these two citations were 40 minutes apart on the same day?

*Pardini:* Yeah, probably.

*Yarborough:* Okay. Because they look like...

*Mills:* They have a quota.

*Yarborough:* Yeah, that's what it looked like.

*Pardini:* There is no quota. The investigators do not get a percentage of the fines.

*Yarborough:* Okay. All right. Thank you. Is there any further comment with regard--does this satisfy the conversation for your sake, Robert?

*Compan:* Yes, sir.

*Yarborough:* Okay. Thank you.

## **11. I/M Program - OBD Testing "for possible action"**

*Yarborough:* If there are no other comments with regards to Item 10, we'll move to Item Number 11. You guys might as well stay seated since you're both with the Department. I actually originally asked to bring this item to the agenda, with regards to--and, Lou, I'm sure you'll want to address this as well. Being an emission tester myself, is that with the majority of the motor fleet aging, that the equipment that we're required to have to do two-stage testing on '96 and older vehicles, is becoming somewhat obsolete and expensive to maintain. And that--I know that we've talked about this in other hearings, but it's time that we have two different tests available and two different licensing, if you will, and two types of equipment for emission testing. And I just wanted to bring that up and talk about that at this point and then possibly as an agenda item on the I/M Committee as well.

Where we're going with that, because obviously the OBD testing is a plug-in test. It doesn't require a tailpipe probe. And the equipment to do that test pass/fail on OBD is completely different than our current equipment that requires that we still have a bench and a probe that takes noxious gases in and filters, and provides wear and tear on the equipment, and expensive to maintain for a small percentage of the vehicle population now. So is there anything currently in the works to separate the tests and allow shops to do possibly OBD testing separate from two-stage testing or tailpipe testing, and looking at it as a different type program?

*Smith:* Glenn Smith, Department of Motor Vehicles, Compliance Enforcement Division. Currently, as far as I know, there is not. One thing that we need to--I know we've discussed considering OBD-only vehicles. One thing that we're faced with though, that excludes your heavy-duty vehicles which are not OBD, and also your older vehicles, your '95 and older, which that is the majority of your polluting vehicle because they don't have the controls on them that OBD does.

So, again, that's something that...

*Yarborough:* Oh, I'm not...

*Smith:* ...could have an effect on air quality as far as eliminating the--what we refer to as the two-speed idle test.

*Yarborough:* Um-hum.

*Smith:* But as far as having a--bringing it to another license tier for OBD only, no, we haven't. And one issue that I can see just off the top would be there would be some confusion to the public at first. They have a '95 vehicle, and they also have a 2003 vehicle, and they go to this facility for their emissions test, and they have for years, and now all of a sudden this station can't do it because they don't maintain the equipment for doing the two-speed idle test.

If we were to make a change, I mean, I can't speak completely for the Department, but if we were to make a change like that it would be--it would probably be an OBD-only test period. The thing is the fleet has to get old enough to where there's less and less of the non-OBD vehicles on the road, because you've got to figure your OBD--non-OBD vehicle is basically a polluting vehicle compared to a newer OBD vehicle. We want to have less of those on the road if we're going to exempt them.

*Yarborough:* I'm not suggesting at all, and I appreciate what you're saying, but I'm not suggesting that we eliminate it at all, but that shops very similar to California has test only and test and repair. Shop owners elect to stay in that business would be able to charge a different rate for a two-stage. It would be separated there, so it would justify the cost of having the equipment. It would be more expensive for an older vehicle to test it, because the OBD test takes much less time and less energy to test, you know, less wear and tear on the equipment. So shops...

*Smith:* So are you...

*Yarborough:* ...it would be the same as a two G shop. It would be a, yeah, '95 and older vehicle shop to take tests to. No different than distinguish between a diesel test and a gas test. There are shops that only diesel test--that have the equipment that DMV has available to the public. The shops that do the diesel testing, they would also have available to the--the shops that do two-stage testing or two-speed testing.

*Smith:* Right. So just so I understand you, are you suggesting that shops that do both OBD and non-OBD tests, be allowed to charge more for the tests for the...

*Yarborough:* On the non-OBD, be allowed to charge more.

*Smith:* Okay. The way...

*Yarborough:* The time required in the inspection.

*Smith:* Um-hum. Right. The way the test--or the test fee structure is, and it's been this way ever since I've been in the program, you're--we allow up to 35% of the hour to do the emissions test. And that was way before OBD ever came along.

*Yarborough:* Correct.

*Smith:* So non-OBD test procedure has not changed. We still allow the same amount of time. And 35% of an hour is roughly, I want to say 20 or 25 minutes--I could figure it out at one time--which is more than enough time to do a non-OBD test. If you time them, they run anywhere from five to ten minutes, and OBD tests are done as little as--within three minutes.

So, if you take into consideration the majority of your OBD vehicles, which is more than non-OBD, you're getting--a station owner or a station is getting 35% of an hour for a test that takes three to five minutes, versus a non-OBD vehicle, takes 10-15--let's say at the most 20 minutes. And that's what they're allowed, the OBD test would outweigh the amount of non-OBD. I mean from my aspect of it here, it looks like a pretty good tradeoff to the...

*Yarborough:* Well...

*Smith:* ...owner.

*Yarborough:* ...except that what you're talking about is the maximum that we're allowed to charge, the competitive forces have changed that dramatically...

*Smith:* Right.

*Yarborough:* ...as to the time that's being charged for the time involved. And, the cost of maintenance of the equipment is dramatically higher for the two-speed equipment versus straight OBD. Lou, is there something you'd like to add to that or is it something that you've considered? Is there any...

*Gardella:* Oh, sure. I can add a lot to that, but I'll shorten it. Number one, the 35% to labor rate that's antiquated and doesn't really apply anymore. My biggest crux with the system is that the test-only stations have no say whatsoever, in the pricing of an emission test, which is really, really bad. But, Steve, you're right. Marketing conditions, since I've been in this business, you can get an emissions test less than you can get it for 1984, and that's due to the increased population and number of vehicles. So the pricing is one issue.

The going to OBD-II only, it has always been my experience that the DMV has always had it where, if you open an emissions station, you should be able to test every car that comes to you. The only caveat to that would be an all-wheel drive diesel. But, if an old vehicle comes in, which are the gross polluters and such, when you're doing a two-speed idle test where it takes X amount of time, as opposed to an OBD-II that you can get in and out of there, I think that my members, as far as the Nevada Emission Tester Counsel, while all we would like to do is, you know, basically spend half the price for a new piece of equipment that's OBD-II only, it's going to be too convoluted to go to something like California, where the public doesn't know. Well, I have this car, I need to go here. It's this model year, I need to go here.

And Nevada has always had a one-stop shop for gas vehicles, and I would probably support keeping that, although I don't really like, you know, the box we're put in as far as the analyzers and the costs where, you know, where if an emissions station has to change a printer, we have to call worldwide and pay \$173 to change a printer. But the one-stop shop for the public is probably the best idea. And, again, I said this at our previous meeting, it would be nice if they would basically eliminate the price controls on the emission test, because I'm not really sure of anybody that charges full price, other than maybe a couple of dealers.

But the majority of stations that are test only, again, have no say in their price what the test is. But, again, market conditions have--you can get a test for under \$20 in Nevada, and that's a really good thing for the general public. So that's my comment. I'll stop there.

*Yarborough:* Would you support a different fee rate for--thank you, Lou. But, would you support a different rate for two-speed testing?

*Gardella:* No, because you don't really base your--you know, I own 21 stations and I don't really base my fee on how long it takes to do it.

*Yarborough:* No, I understand.

*Gardella:* I base my fee like any other business, the volume at the station. And if I have, you know, I mean that's how it's really done. It's not--if you spend--like before--



you get a motor home now, okay. Let's say you had a two-speed motor home. You could spend 30 minutes, 40 minutes on that motor home. You do an OBD-II. I have some inspectors that, like the DMV people, say they get it done in three to five minutes. I have other people that takes them 10 or 15 minutes. I don't know how it does--why it would take them that long, but I've watched them take that long.

The fee is pretty much based on the volume of cars and what you're doing. It's not, you know, like I say, you have a two-speed test. Take you 15 minutes. No, it'll only take you five minutes. And I think pretty much that's how all the emission stations base their rates. And the caveat would be like the automotive dealers, where I see that if I go into a dealer their price is the maximum price set by the Labor Survey, you know. But the general people that are competing for emission testing, you can get it pretty darn cheap. I know it's probably a little bit more up in the Reno-Sparks area, but down here you can get it pretty cheap, so...

*Yarborough:* Okay. All right. Thank you. Any other comments on I/M Program-OBD testing? I know this was listed as a topic for Donnie. Was there anything that you wanted to add or include or...

*Perry:* No, I'm okay. Thanks.

*Yarborough:* Okay. Any other conversation? Okay. I don't see any.

*Smith:* May I ask a question? If--and this is just hypothetical--if we were to suggest raising the amount of time to do the non-OBD test, would it be feasible to lower the amount of time allowed to do an OBD test?

*Yarborough:* I think with the training requirements, the enforcement issues that we're faced with, and equipment maintenance, I can't see that that would happen. It's free market. It's driven free market.

*Smith:* Exactly. Yeah.

*Yarborough:* But if I was able to post two signs and have a different rate for my pre '95--'95 and earlier, I would. I definitely would. And I would--I'd base my OBD test on what the market rates are.

*Pardini:* I just have a question. I know you, Chairman, have been in this industry for a while doing the emissions. Just for my own information, do you recall why there was a price set by the state?

*Yarborough:* It was in the earliest legislation. It wasn't because people were gouging it, because it's always been a very competitive market. I think it was more about posting a price for the consumer...

*Pardini:* Okay.

*Yarborough:* ...and having (inaudible).

*Pardini:* I just was wondering why the Department would even go down that road. I mean, I could understand it to a point where it's a required thing for your registration, but so is insurance.

*Yarborough:* Yeah.

*Pardini:* And we don't regulate the maximum you can charge for insurance.

*Yarborough:* And I don't think there's ever been a...

*Compan:* Thank you.

*Yarborough:* ...complaint.

*Pardini:* And I would think that in a fair market capitalist system, you charge what you want and your business will reflect how busy you are, by what you're charging.

*Yarborough:* Um-hum. Well, maybe that's a consideration (inaudible).

*Pardini:* It was meant to protect consumer.

*Yarborough:* It was, but it's never been an enforcement issue because the competitive free market has driven the pricing. It's never been really maximized other than the--like you say, Lou, the dealerships going to the maximum amount, but it's sure a lot of work for the surveys and the posting of the pricing. And also, the regulations showing how you can advertise pricing and how it's--the size of the letters in comparison to the verbiage and all of that has been regulated heavily for consumer protection, obviously.

*Pardini:* Well, and it's obvious too, that the enforcement for a franchise dealership is obviously completely different. We have, you know, we only have so many vehicles we can use for say covert, you know, and if we roll up in a '72 Corolla to BMW, they're probably going to know something's up. So that's always, you know, something that we have to deal with, too...

*Yarborough:* Right.

*Pardini:* ...because the--like it or not, the franchise dealers are the franchise dealers and they don't work on, you know, they don't have people pulling in in a '75 Dodge van to have it smogged.

*Yarborough:* Right.

*Pardini:* So...

*Yarborough:* And the likelihood of them doing testing fraudulently is less, because they're working on their own vehicles...

*Pardini:* Correct.

*Yarborough:* ...you know, so--unless they're re-conning their used equipment.

*Pardini:* And I think, too, from the Department's standpoint, I don't think there's a lot of fraud in the industry--the public portion of the industry. A lot of it is lack of education, or being too busy, or not caring, or whatever it is. I mean obviously we do have fraudulent testing going on, but I don't think that's the majority of the issue with violations.

*Yarborough:* Yeah, a lot of that was eliminated with the OBD. It's (inaudible).

*Pardini:* Correct.

*Yarborough:* Great. Thank you. All right.

*Smith:* Along those lines...

*Gardella:* And I think the issue is we have lazy inspectors that don't do it. They're just too lazy to do the job properly.

*Smith:* Right.

*Pardini:* I think it's a combination of that and some that just don't know and don't care to know, and get through their, you know, their education as quickly as possible. And, you know, I know we have a few in the Reno area that we get all the time, same people over and over again, because they just refuse to do their job correctly, thereby lack of knowledge or, like he said, being lazy.

*Yarborough:* All right. Thank you.

*Smith:* Very quickly, just to get back to the maximum fee. We've, you know, at least in the north, the majority of the dealers do charge maximum allowed fee for their emissions test. It's more of a convenience for their customer. And we've had some dealerships, particularly ones that deal with exotic cars say, you know, being in the smog program is more of an inconvenience for them but a convenience for the customer. And if they would, they would charge over \$100 per test, just because it's more of a nuisance to them. So, I can see why the maximum fee is in place. It's a consumer protection issue, yes.

*Yarborough:* Thank you. Todd and Glenn, thank you very much for your time.

## **12. Tesla Legislation**

*Yarborough:* We'll move to the next Item 12, if there's no further conversation with regards to that. And, Dick, you brought that to the agenda for the Tesla Legislation.

*Mills:* Yeah, I was just--I mean I'd heard that there's exemption from the direct sales. I was wondering if there was anything in the Tesla Legislation that affects any of our industry. And if somebody could explain the exemption from the direct sales to me.

*Yarborough:* (Inaudible) the question, I'm not sure that...

*Mills:* I mean, is there an exemption in that bill that they can sell directly to the public? I'm just, you know, more of a curiosity thing for me. Nobody knows?

*Gardella:* I think they already are, aren't they? Don't they have dealers already in Las Vegas? I don't know about in Reno, but aren't they selling directly to the public right now?

*Mills:* All dealerships can sell directly then to the public, or just Tesla?

*Gardella:* Well, no. I know there's a Tesla dealer here in Las Vegas, so I'm just trying to understand your question whether--obviously the state wouldn't do everything they did and not let them sell direct to the public in Nevada, I don't think.

*Mills:* Okay. I must have misunderstood. I thought that Tesla was requesting that they could sell directly to the public without going through a franchise dealership. And I may have misunderstood that.

*Compan:* This is Bob Compan. You are correct, I mean they did. And that is their model. And that was the opposition of the Nevada Dealers Association was that, you know, you're taking out the middle man, therefore you're taking out the cost. But ultimately, you know, if Chevy wanted, you know, put a stand-alone Chevy dealership and sell it, you know, not being under the name of, you know, whoever, they can.

That was part of the deal cut with Tesla. But, it's my understanding that (inaudible) been doing it. It's been happening in Vegas already, you know, through a non-licensed dealership. It's going to change the whole game, I think, really. And if you look at, you know, on the retail side you have, you know, outlet stores that do basically the same thing.

*Mills:* Did it also allow Toyota to sell Priuses that way, or is it just purely for Tesla, or did other dealerships get that same exemption?

*Compan:* You know, I didn't look at the legislation that deep because I was just concerned with the insurance issues and the home office credits.

*Lee:* I think in the automobile industry for years, in what they call factory stores, they're owned by the manufacturers themselves, managed by their crew. And, I know in Los Angeles, they're competing with the standard people and they're having to stay at the market value of the car at the MSRP and it, you know, accordingly, and it doesn't occur.

*Yarborough:* Yes.

*Pardini:* Todd Pardini with the DMV. I also supervise dealers. And I'll do my best to answer any questions you have. The way the statutes and codes are written currently in Nevada, are if you buy a vehicle from a dealer, the transaction has to occur at the dealership. As someone just mentioned, the wave of the future is that's not necessarily so. I know the Director just met with a company out of Georgia. The only thing though, everything is done over the internet. Every single thing. They don't do test drives. You look at your car; you buy your car. Everything is done over the internet. There's no contracts signed at a specific area in Nevada, and they deliver the car to your house.

So that's something that the legislature and/or the Department are going to have to look at in the future is where was that contract signed. I mean if you're clicking a mouse in your house in Sparks, is that transaction happening in Sparks or is it happening in the internet. So, those are the things that are going to have to be addressed in the future, and Tesla is probably one of the forbearers in going that direction.

*Compan:* For example, I mean if--down in the south and for many years people would go to St. George to buy their vehicles because the tax base was a lot lower there.

*Pardini:* Um-hum.

*Compan:* And so they would be taxed there. They would come back to the DMV here and then they'd register the car, showing that they paid tax in Utah. They wouldn't be subject to Nevada tax.

*Pardini:* Well, the way the DMV operates those--and that's a reoccurring thing too, especially in places that don't have sales tax, like Oregon. A lot of vehicles are being sold by probably one of the biggest dealers in the country, Smith, up in Idaho--Kellogg,

Idaho. Yes, that is partially correct. They do pay the taxes in the state that they bought it, but if there's a difference, they pay the difference to the state of Nevada.

*Compan:* Do they?

*Pardini:* Yes. So--and that state that collected the taxes is--it's up to them to forward that money to the state of Nevada, if there's a difference. So Nevada does get their taxes when they can.

*Compan:* Okay.

*Pardini:* I mean it's all set up to get the taxes. I haven't looked at any of the specific things for Tesla or what they're actually asking to do, but it's not beyond the realm of possibilities that they would not have a brick and mortar store. I can see maybe in my lifetime, I don't know, the Chevrolet dealership will consist of a bunch of cars locked up on a lot and you show up, put your ID in there. You test drive the car. You bring it back and then you go home and you order it and it's delivered to your house, whether it's delivered by drone or truck or who knows.

But as far as the brick and mortar dealers, there are--they may be on their way out. Who knows. I mean everything is changing, so...

*Compan:* You know who would probably be the best person to answer that question? It would be Wade Federani. (Inaudible). Yeah, because he was a vocal opponent of the Tesla Legislation, so...

*Pardini:* And I know there was concessions made that they're--that, I believe--isn't the New Car Association on board now with the concessions that were made, or is that still up for debate?

*Perry:* Donnie Perry with DMV. I think we--I agree with Bob. We may want to--I don't want to put words in anyone's mouth, but Wade Federani would probably be the person to look--I can tell you from a DMV perspective, and maybe Laurie can help me if I misspeak. The legislation part of it I'm not familiar with, but Tesla has a dealer's license--I'm not sure if that's what you're asking--they have a dealership license and they have a garage license...

*Vandebrake:* Correct.

*Perry:* ...from the Department of Motor Vehicles. I'm not sure how the legislative part was, what we were asked to look into. It was how many electric car dealers there were in the state or how many dealers sold electric vehicles. That's what DMV was asked as part of the legislative process. And there are several dealers that sell electric vehicles. Some of them--not just Tesla. For instance, and you can take a look at--some of them were hybrids such as Nissan has an electric vehicle. Chevy has the Chevy Volt. So there are several dealerships. The smart car is an electric car.

So what we looked at in our process, the legislative portion that we--part that we played in that was what other electric--what other dealerships sell electric vehicles. So, it came down to an electric dealership versus the different types. And what we looked at is that we found out that there were other dealerships, your traditional dealerships, I guess we can call it that, that sell electric vehicles. And that was primarily the input that the DMV had in that legislative process that you--that we have here about Tesla Legislation, so...

*Yarborough:* I think the questions are more with the franchise laws...

*Perry:* Yes.

*Yarborough:* ...than with the motor vehicle regulations.

*Perry:* Correct.

*Yarborough:* And up until now, the franchise laws said that new vehicles would be sold through a franchise dealer, not from a direct factory. And I think Tesla has gone into many states and had that language changed to allow them to sell direct to the public. And that's, again, probably a trend or a way of the future. And I'm sure the franchise representation here would be highly opposed to that. And probably the only exemption would be, that I can envision seeing this in other industries with regards to franchise, is the quantity of vehicles being sold. That would be the exemption that Tesla probably is running under now, so...

*Perry:* This is Donnie Perry with DMV. And I--it's my understanding that the Nevada Franchise Association has modified their position in terms of their stance. I'm not sure if they're still opposed or not, but I--and it had to do with the battery plant that had come in to the state. So I'm not sure what their position is, but I know that they're--at one point they were opposed, but I do understand that they have modified their position in terms of--against Tesla and dealerships in the state.

*Yarborough:* Dick, is there any other comments with regard...

*Mills:* No, thank you.

*Yarborough:* All right. Thank you.

### **13. Other Legislative Update(s)**

*Yarborough:* Next item, Number 13, Other Legislative Update(s), Round Table. Is there any other that we know of? Mr. Compan, that's usually your subject.

*Compan:* I don't think anything that'll affect this Board. One bill of interest to the Board maybe, you know, BDR Number 2 from Richard Carrillo, Assembly Transportation, is going to allow for electronic proof of insurance verification. So it may affect the DMV. It's intended for law enforcement, but now that I think about it, it may be beneficial to include the Department of Motor Vehicles in on that. Instead of having to bring down proof of insurance for your vehicle, we can just have e-verification, which is actually better because it's real time. So that's it, so far.

*Yarborough:* So far. It's early.

*Compan:* It's early.

*Yarborough:* Thank you.

*Gardella:* Mr. Chairman, there's also one I'm not aware of yet. I guess it's from the Department of Motor Vehicles. It's BDR 380. And I don't know what the content of that is, other than it affects the licensing of emission stations.

*Yarborough:* Anybody representatives of the Department aware of that?

*Perry:* No, I'm not aware of it, sir.

*Yarborough:* But it's a placeholder in the BDRs or is there language available on it? Do you know, Lou?

*Gardella:* I just got it this morning. It was BDR 380 from the Department of Motor Vehicles. It had to do with licensing and some other things with emission stations, and I don't know the--I don't know anything more than what I read this morning.

*Perry:* Okay.

*Yarborough:* Well, we'll certainly want to look into that.

*Perry:* Yeah.

*Yarborough:* Thank you. Thank you. Any other legislative updates?

#### **14. Information Items**

*Yarborough:* If not, we'll move to Item 14, Information Items. And 15. We'll combine the two, Information and Public Comments. It seems like we've incorporated a lot of information and comments already. So if there's anything from--anybody from the Department want to add, share. We have an open forum now. All right.

*Yarborough:* That being said, we'll go to Next Meeting.

*Perry:* I have a comment, sir.

*Yarborough:* Oh, thank you.

*Perry:* Just for clarification on the--Donnie Perry with the DMV. Going to the I/M Committee meeting tonight, I think the--we will be doing a video conference from the DMV. I think the actual meeting is going to be in Las Vegas; is that correct? At the Grant Sawyer Building, and we'll be doing a video conference.

*Unknown Speaker:* (Inaudible).

*Gardella:* No, it's going to be at the--I think it's at (inaudible) Flamingo at 1:30.

*Hatt:* DMV, West Flamingo, video conference to Carson City DMV Director's Conference Room.

*Perry:* Okay. So at the Director's Conference Room here at 555 Wright, will be video conferenced to the West Flamingo office? Okay. All right. Thank you.

*Yarborough:* Thank you.

#### **15. Public Comments**

#### **16. Next Meeting and adjournment "for possible action"**

*Yarborough:* Okay. Next Meeting and Adjournment. Next Meeting, we do need to, by our bylaws, have another meeting this year or before the legislative session starts that we can make our recommendations. Is that correct? I'm asking Aja.

*Hensley:* From my understanding, you guys had your first meeting this year already, in February. And this would be--this would fulfill your requirement for this year. If you guys choose to meet again, you can. You can meet as many times as you want.

*Yarborough:* We have some agenda items that would need to be discussed--or that were referred to in a future agenda that are timely. Do we want to wait until the session has opened and schedule a meeting? Obviously, we couldn't use these facilities, but call for a meeting next year after we see what is--as was stated, it is early as what may be coming available--or being presented to the legislature, BDRs and such drafts, and review some of those at that time as well, and pick up on these agenda items.

How late do we have if we do want to submit a bill into the session, with regards to the classic vehicles?

*Compan:* Mr. Chairman, I agree with you. I mean, obviously we're, you know, I think that the prefiled bills will be coming out posthaste. And, by January, we should have an idea on what the legislative language intent of the bills are. And, it would give us an opportunity to also discuss the issues we put on the next agenda. And, if they were action items to recommend to the Governor, I think it may be pushing a little bit but, you know, the session doesn't start until February 2<sup>nd</sup>. So I would recommend maybe somewhere early mid-January. I mean--and, Aja, you could probably look at the facilities at the DMV to see if we can video-conference from maybe--just like today, the Director's office and then to the DMV on West Flamingo.

*Hensley:* Yeah, I looked in December, but not January. And December, we--as of, you know, when I looked. I don't know as of today now, but either the 12<sup>th</sup> or 19<sup>th</sup> of December. But if you guys are looking more at January, you're probably going to have more options just because it's further out at this point.

*Perry:* Mr. Chairman, Donnie Perry with DMV. We currently have a bill before the LCB, in terms of the language that Robert had brought up earlier, to be done and we have to have it--the draft and everything done by December 20<sup>th</sup>. We're working with the attorneys. It's in reference to our consignment auction. So if you're looking at some type of time frame, I know we had mentioned about possible language for a draft for the classic vehicles and safety program. So just to let you know that they've given us a deadline of December 20<sup>th</sup>, the attorneys for the LCB, in terms of finalizing that language to move it forward.

*Compan:* Bob Compan. And, I don't want to tread on any of the DMV's billing (inaudible), and I think if we did anything regarding classic vehicles would go right directly to the chairman of the committees, at the pleasure of mostly maybe of the DMV and this committee to have the bills introduced as committee bill, so we're not stepping on your toes, on your Omni Bus bill.

*Perry:* I agree. I think that's the way it should be done, but I was just trying to give you like a time frame. What they're looking at with us is like December 20<sup>th</sup>, so if we're thinking about any of those things, we may be looking at the same time frame. I'm not sure.

*Yarborough:* Right. So after the results of today's I/M meeting, we'll see if that's--decide then if we want to make a recommendation. First, we have to provide an update to the Governor of the Board's actions between the legislative sessions. So we'll draft a letter reviewing and capping what we've done, and then if there is a bill that we will



support or in conjunction with the I/M Committee with regards to classic cars, we can also go to the chairmen of the Transportation Committees with a letter of support, I think would be the process then (inaudible). Okay.

*Compan:* Okay.

*Yarborough:* All right. January date in mind, anybody have...

*Mills:* We probably ought to see what dates are available at DMV and send it out, and we can comment back as the available times.

*Yarborough:* Okay. Then I would ask, Aja, if you would, look at some mid-January dates and throw us out some options. That would be great. Thank you. Are there any further comments, any further discussion? If not, I call the meeting adjourned. All in-- oh, I'll entertain a motion for adjournment.

*Compan:* So moved.

*Mils:* Second.

*Yarborough:* All right. All in favor.

*Group:* Aye.

*Yarborough:* And so it is. Thank you.

**Adjournment**

10:38 am