



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

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

**THIS MEETING WAS PROPERLY NOTICED AND POSTED IN THE FOLLOWING
LOCATIONS ON NOVEMBER 30, 2006.**

DMV 555 Wright Way Carson City, NV. 89711	Nevada State Library 100 N. Stewart St. Carson City, NV. 89701	Department of Motor Vehicles 2701 E. Sahara Las Vegas, NV. 89104	Department of Motor Vehicles 305 Galletti Way Reno, NV. 89512
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DMV Website
www.dmvnv.com

1. Call to Order

- A. Steve Yarborough called to order the meeting of the Advisory Board on Automotive Affairs at 10:30 am.
- B. Board introductions took place along with the public that was present.

MEMBERS PRESENT:

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

INTERESTED PARTIES:

Dave Ziegler, LCB-Research Division
Jeanette Blez, Prop. Casualty Ins. Assoc.

2. Approval of 05/18/06 Meeting Minutes

- A. Minutes of the May 18, 2006 Advisory Board meeting were approved without any changes.

3. Review of Bylaws for Accuracy

- A. Troy Dillard with the Department requested that this item be placed on the agenda to ensure that all Board members have had a chance to review the Boards approved Bylaws for accuracy. All members stated they have had a chance to review them and they are accurate.

4. Letter of Support for B/A 4690 to move into the Highway fund

- A. During the 05/18/06 meeting of the Advisory Board on Automotive Affairs the Department added to the agenda budgetary issues they are encountering with shortfalls of revenue within budget account 4690. The board agreed with the Department's position and voted in support of the Department moving budget account 4690 into the highway fund. Troy with the Department is requesting a letter of support from the board that may be submitted to the Legislative body.
- B. The Board requested that the Department draft the letter of support for the board to review and sign. Troy notified the Board that the Department will draft the letter, however the Board may not be able to meet to review the language in the letter before it is needed for submission to the Legislative Body. Troy requested that the Board vote to send a letter of support to the Legislative Body that states what the board supports and then a draft of that letter goes to the board members for review. Troy will check with the AG's office to ensure if confirming language after the fact is in violation of open meeting law. If the AG returns with a ruling that this is a violation, the Department will verbally testify on the Boards action of the 05/18/06 meeting.
- C. The Board motioned to have the Department draft and submit to the Legislative Body a letter of support on the Boards behalf of moving budget account 4690 into the highway fund. All were in favor and the motion carried.

New Task:

- Troy will obtain the opinion of the AG in reference to open meeting law.
- Troy will forward a draft of the letter of support to the board members for review after the fact, unless it is a violation of open meeting law.

5. Letter of Support for Department Clean-Up Bill

- A. The Department did not receive a copy of the Department's Clean-Up Bill back from LCB in its final form for review of the Board as anticipated when this item was placed on the agenda. Troy at this time requested to withdraw his request for a Letter of Support until the Board has the opportunity to review the language. Once the Bill is received by

the Department in its final form, it will be forwarded on to the Board members for review. The Chairman will call a meeting of the Board and this item will be added to the agenda at that time.

B. The Board was in agreement with Troy's proposal.

6. Meeting with Consumer Affairs Division on Memorandum of Understanding (MOU)

A. Consumer Affairs Division (CAD) was not aware that the Advisory Board on Automotive Affairs was in existence. Troy invited them to attend the Board meetings even though they are not official members by the action of Legislation. Commissioner Jarmin indicated she would like to research the option of having CAD placed on the Board as a member. Troy is still waiting to hear back.

B. Under the Boards bylaws **2.0 Purpose: (b) it reads:** *Analyze and advise the Department relating to any consumer complaints provided to the Department by the Consumer Affairs Division of the Department of Business and Industry pursuant to NRS 598.985 or otherwise received by the Department concerning garagemen, automobile wreckers or operators of body shops or salvage pools;* This is a two part section:

- Report complaints that are received by the Department with regards to those operations, *and*
- Report any complaints that are received by the Department from CAD in relation to Business Trade Practices.

In previous meetings of the Board, the Department discussed the potential conflict within open meeting law, the Boards authority to review the complaints and the confidentiality requirements within NRS 598. The formal opinion of the Attorney General was the Board was able to review the complaints, however CAD does not agree with that opinion. The Department met with CAD and the intent of the meeting was to identify who had primary responsibility in regulating the industry that is shared by Department and CAD and to come up with a process of communication to avoid any further doubled sanctions of businesses. The outcome was the focuses of the two agencies are different and each has primary responsibilities. The focus of the Department was to enforce regulations pertaining to requirements of businesses within NRS and the focus of CAD was to recover money and damages to consumers as a result of the action of the business. A method of sharing information was agreed on, so that both agencies are knowledgeable of what each other is doing in relation to shared statutes.

C. Troy was unable to provide CAD complaints to the Board for review due to discussion during the meeting with CAD. There are attempts to set up a process so that confidentiality issues are not violated with NRS 597.

D. Troy has reviewed NRS 597 and is not certain that it is Department's responsibility to enforce. He has sent it back over to the Attorney General's Office for an opinion. The question is, how did we get to where we are today with NAC 487 referring to NRS 597 and why is NRS 597 indicating under enforcement the Commissioner of Consumer Affairs may bring action for violations with no mention of the Department. Should the Department, under the existing Statute be regulating those things they are regulating under NRS 597 and was that the legislative intent? Troy will bring back the opinion of

the Attorney General to the next meeting, however he expressed that it is imperative that a clear line of responsibility between the two agencies needs to be identified.

- E. Steve asked for the Boards support in reviewing the issue of authority between Department and CAD when the formal opinion from the AG's Office is received and if possible under the advisement of Troy as the Representative of Department assigned to the Board, draft some language to clarify NRS 597 and NAC 487. Troy advised the Board that there was a Speaker that is always interested in bills pertaining to this area of the industry. If this Board is in support of something that adds additional protection to the consumer and it is an appropriate action for the State she too would probably support it, however the Department is uncertain of what CAD's stand is on these Regulations. It is going take both agencies working together to get through these issues.
- F. Under the Boards bylaws **2.0 Purpose: (d) it reads: *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 transmission to the Legislature.*** Troy informed the Board that this report is coming and requested a list of projects/activities that this board felt should be reported to the Governor and the Director of the Legislative Counsel Bureau. The Board requested that the following activities be added to the report:
- Vote in support of the transfer of funding to the highway fund.
 - Clarification on the Regulation of the garage industry between Department and CAD.
 - Vote in support of the Department Clean Up Bill and reviewed by the Board on 05/18/06.
 - Vote in support of the Class "A" Collision Repair Shop. (BDR451)

7. Complaint and Statistics 1:16:16

- A. Troy updated the Board on the Department's current breakdown of complaints received. The Department regulates the account for garages, wrecker, body shops and salvage pools. As of December 1st 2006 there were 296 licensed bodyshops, 4 salvage pools, 55 wreckers and 1,568 garages for a total of 1,882 businesses. There are 442 cases in the South and 66 of those were complaints. There where 24 cases against body shops with 7 complaints, 382 cases against garages with 56 complaints, 21 cases against wreckers with 1 complaint and 15 miscellaneous complaints due to a variety of different things. Those are then broken down into complaint type. The bulk of the complaints and cases are NAC 487 guideline related.
- **Q.** Steve – Troy, do you happen to know off hand how many are licensed emission stations?
 - **A.** Troy – I don't know of the garages, but there are about 390 stations that are licensed for emissions with close to 1,400 inspectors.
 - **Q.** Steve – Are the stations that are registered 2G affected by this Board because they are also a garage?
 - **A.** Troy - If the garage is registered to emissions they do not fall under this Board, they are under the Emissions Program.

- **Q.** Susan – Troy, out of all of these complaint cases filed, are they resolved now? If they are not resolved will they result in some sort of fine, penalty or sanction if found in violation?
- **A.** Troy – No they are not all resolved and many times they are first time violators which results in a cease and desist order. When the new civilian investigators came aboard they found that there were a lot of garages out there operating without licenses and many of them had no idea. In Clark County, the Department set up with the local Business Licensing Department a process where we now share information. Many times what is happening is the garage will go and get a city business license and even though it states that they must register with the Department they don't. They go into business. Now they actually will not even get a business license until the Department sends the city a letter that they made an application for license.

- **Q.** Susan – Do you have the same agreement with Northern Nevada?
- **A.** Troy – Not yet, this is still in the pilot process.

- **Q.** Susan – Is there an internal timeline or prior set of goals of when you want to see resolution of a case?
- **A.** Troy – It is prioritization of the complaint, clearly fraud has first priority. We try to respond to all complaints as quickly as possible. This is easier to do with this industry because of the dedicated manpower.

- **Q.** Susan – When a business receives several complaints, does the Department mark them with a red flag?
- **A.** Troy – Yes, and those are usually the ones that we cannot do anything about at this point. We know they are not performing in the best interest of the consumer and we don't have the authority to stop it.

- **Q.** Susan – Is there a way to coordinate between the Better Business Bureau to have these garages that receive sanction after sanction added to a list or could the Department take additional steps?
- **A.** Troy – That would take a policy change on the Department's behalf. This is public information and it can certainly be posted, but I would look to this Board for direction and determination.

- **Q.** Steve – Is there something that this Board could review in that process to help in determining where the problem is and then make some suggestions for clean up?
- **A.** Troy – Yes, there are closed cases that I can bring you the details on, and we can certainly discuss and try to identify the businesses trends so that we may try and plug holes. I will not be able to bring anything from the other agency that they are working on; I will only be able to bring closed complaints from the Department's investigations, what the circumstances were, and why the results are what they are.

8. Public Comment

A. There was no public comment.

9. Next Meeting and Adjournment

- A. The next meeting will be called by the Chairman during Session and held in Carson City.
- B. The meeting adjourned at 12:20 pm.