



**Transcript of Advisory Board on
Automotive Affairs**
Held on January 20, 2016 at 9:00 am
by Videoconference

from the Department of Motor Vehicles
Carson City Branch
Director's Conference Room
555 Wright Way
Carson City, NV 89711

to the Department of Motor Vehicles
West Flamingo Branch
Large Conference Room
8250 W Flamingo Rd
Las Vegas, NV 89147

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

Steve Yarborough: 9:07 am

2. Roll Call

In attendance:

Steve Yarborough, Chairman
Robert Compan
Donnie Perry
Louis Gardella
Gilbert Grieve
Dick Mills
Joni Eastley

Auto Repair
Insurance
DMV
Emissions
Body Shop
Auto Wrecker
Public Representative

By telephone:

Michael Lee

Leasing (called in approximately
45 minutes after start of meeting)

3. Public Introductions

No one from the public in attendance

Also in attendance:

Renee Clark, DMV

Aja Hensley, DMV

4. Approval of Agenda Order "for possible action"

Eastley made a motion to approve the agenda; the motion was seconded and passed unanimously.

5. Approval of January 14, 2015 Meeting Minutes "for possible action"

Passed unanimously.

6. Statistical Overview of Data – Consumer Complaints

Donnie: Consumer complaints reports overview presented utilizing the DMV's ISIGHT reporting module for the second time. General discussion about the differences in report format and the fact that ISIGHT has much more data available. Data reviewed was FY to date (July 1, 2016 to current).

Gil: I received two Cease & Desists for expired license. Payment had been made, but applied incorrectly, eventually found and corrected. What is process? Seemed like it was a challenge to get payment applied correctly. I kept getting notices, calls.

Donnie: We can check into it to see if cleared from record since it was a clerical error. As long as payment was dated prior to due date you are okay.

Gil: There was no follow up from the DMV.

Discussion of payment process.

Comment was made, and acknowledged, that statistical numbers could not be 100% accurate due to clerical or data errors. Investigators can be contacted for clarification. New case management process is still on learning curve. Donnie reviewed process.

Bob (as Devil's advocate): Looking at the reports, it does not look like there are many complaints. One of the issues, problems is people do not know they can file a report and where. Need education for consumers, PSA, etc. Discussion followed about education.

Bob to Gil: Do you have your customers file a complaint?

Gil: Complaints are subjective, when I get a complaint about my work; I do everything I can do to rectify. Most people do not go back to the business to complain, believes if consumer does so, 99% of the time the problem could be solved. In Washoe County, the body shops strive to make the consumers happy.

Donnie – in the north, we got a good handle on it, in the south it is different due to the demographics/numbers.

Bob: The number one complaint from insurance carriers is for work the consumer thinks they should get, but the carrier or the shop does not believe it should be included with the work the vehicle was brought in for. Records are skewed.

Steve: For the record, 20 years ago, legislature came up with the Bill of Rights to be posted in every shop. We are not seeing an increase or an area of concern that suggest that the AAAB need to address with legislature. The public has the ability to access the information, unless we put a budget together and ask the legislature to do a PSA, etc., I am not sure what we can do to increase public awareness.

Donnie: I think we do pretty well in the north; there are challenges in the south.

Donnie: It is a good discussion. Gil, Bob, one of the insurance companies I deal with track their complaints - procedures is the big one.

Renee: Need to look at the total number of complaints instead of percentages; you need to look at the percentages of complaints generated, rather than the numbers. Need to look at pie charts.

Bob: Need to make sure we know how to read the reports and they are accurate, before we go before the legislative body.

Donnie: The Governor uses how many cars are sold to gauge how the economy is doing. 2015 good for state, people are buying cars.

Michael Lee called in approximately 45 minutes after start of meeting.

Pleased that we now have reports that illustrate the trends of the industry.

Discussed interpretation of reports at great length.

AAAB Report - Dealers

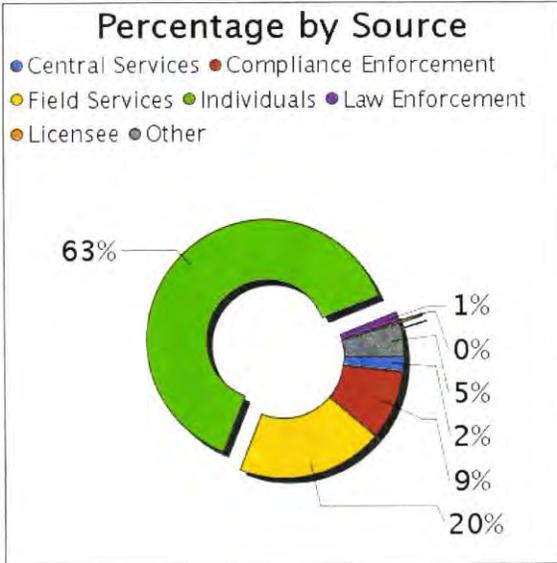
AAAB Report Fiscal Year to Date - Dealers

01/14/2016

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

		1	In Compliance
		3	Referred to master case
		8	Cease and Desist.
	Other	1	Referred to master case
		1	Tracking
		1	Unsubstantiated
		2	In Compliance
		3	Cease and Desist.
	Placards	1	Out of Business
		1	Unsubstantiated
		2	Admin Fine
		3	Referred to master case
		5	In Compliance
		7	Cease and Desist.
		7	Tracking
	Unlicensed Activity	1	Admin Stop Cease and Desist.
		1	Insufficient Evidence
		2	In Compliance
		2	Unsubstantiated
		11	Cease and Desist.
Individuals	Dealers Report of Sale	1	Admin Fine Cease and Desist.
		1	Admin Fine Suspended
		1	In Compliance
		1	Out of Business
		1	Referred to master case
		3	Unsubstantiated
		9	Cease and Desist.
	Deceptive Trade/Contracts	2	Insufficient Evidence
		3	Out of Business
		5	Admin Fine Cease and Desist.
		8	Admin Fine
		10	Referred to master case
		17	Cease and Desist.
		17	In Compliance
		41	Unsubstantiated
	Expired License/Bond/Ins.	1	Out of Business
	Mechanical Disputes	1	Admin Fine Cease and Desist.
		1	Out of Business
		2	Cease and Desist. Referred to master case
		5	Referred to master case
		6	Admin Fine
		7	Referred out - external
		15	Cease and Desist.
		15	In Compliance
		55	Unsubstantiated
	Misuse of Plates	1	Cease and Desist.
	No Smog	1	Admin Fine Cease and Desist.
		1	Out of Business
		1	Unsubstantiated
		2	Admin Fine
		3	Referred to master case

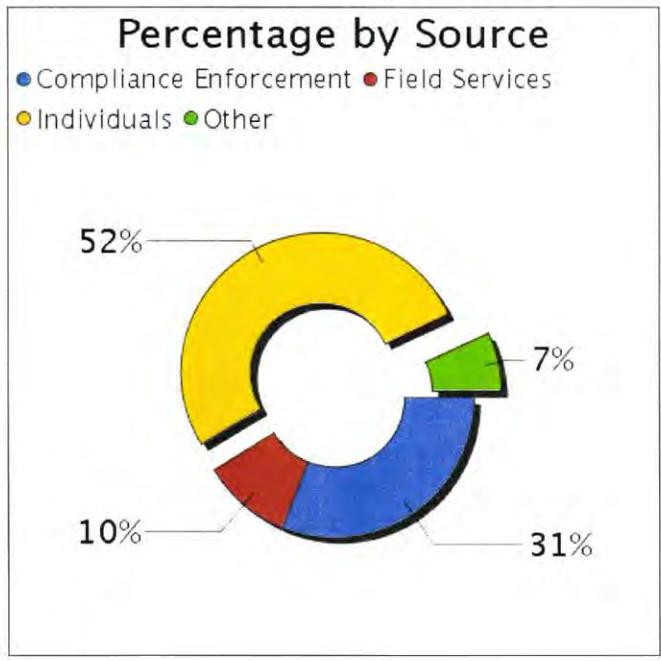
Source	Subject	Number of Cases	Disposition of Case
		4	Cease and Desist.
	No Title	1	Admin Fine Admin Stop
		1	Cease and Desist. Out of Business
		1	Insufficient Evidence
		2	Referred out- internal
		5	In Compliance
		7	Unsubstantiated
		13	Cease and Desist.
		14	Admin Fine
		22	Out of Business
		24	Referred to master case
	Other	1	Referred to master case
		1	Referred to master case Unsubstantiated
		3	Cease and Desist.
		5	In Compliance
		6	Unsubstantiated
	Placards	1	Cease and Desist.
		1	Cease and Desist. Referred to master case
		1	Unsubstantiated
	Unlicensed Activity	1	Admin Fine
		1	Admin Fine Revoked
		1	Insufficient Evidence
		1	Revoked
		2	In Compliance
		4	Referred to master case
		6	Unsubstantiated
		8	Cease and Desist.
Law Enforcement	Misuse of Plates	1	Cease and Desist.
		1	Unsubstantiated
	Unlicensed Activity	1	Admin Fine
		1	Unsubstantiated
		3	Cease and Desist.
Licensee	Deceptive Trade/Contracts	1	Referred to master case
	Other	1	In Compliance
Other	Dealers Report of Sale	1	Referred to master case
	No Title	1	Unsubstantiated
		11	Referred to master case
		12	Out of Business
	Unlicensed Activity	1	Insufficient Evidence
		1	Unsubstantiated
		595	



AAAB Report - Body Shops

AAAB Report Fiscal Year to Date - Body Shops

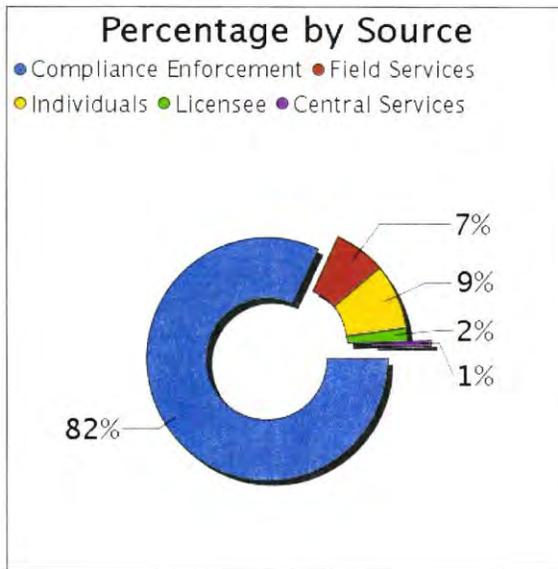
Source	Subject	Number of Cases	Disposition of Case	
Compliance Enforcement	Expired License/Bond/Ins.	1	Out of Business	
		2	Cease and Desist.	
		2	Referred to master case	
		3	In Compliance	
Field Services	Unlicensed Activity	1	Cease and Desist.	
	Unlicensed Activity	3	Cease and Desist.	
	Individuals	Complaint	1	Admin Fine
			1	In Compliance
			1	Referred to master case
			5	Cease and Desist.
	Other	Unlicensed Activity	5	Unsubstantiated
1			Cease and Desist.	
1			Unsubstantiated	
1			Cease and Desist.	
1			Unsubstantiated	
		29		



AAAB Report - Emissions Stations

AAAB Report Fiscal Year to Date - Emissions Stations

Subject	Source	Number of Cases	Disposition of Case	
Complaint	Compliance Enforcement	1	Admin Fine	
		1	Cease and Desist.	
		1	In Compliance	
		1	Insufficient Evidence	
		1	Other	
		1	Referred out- internal	
		1	Unsubstantiated	
		2	Criminal Citation	
		3	Admin Stop	
		5	In Compliance	
	Field Services	6	Admin Stop	
		Individuals	1	Admin Stop
			1	In Compliance
			1	Insufficient Evidence Referred out- internal
		1	Referred out - external	
	2	Cease and Desist.		
	Emission Station Covert	Licensee	4	Insufficient Evidence
			4	Unsubstantiated
			3	In Compliance
			Central Services	1
Compliance Enforcement				2
		9	Cease and Desist.	
		9	Referred to master case	
100		In Compliance		
161				



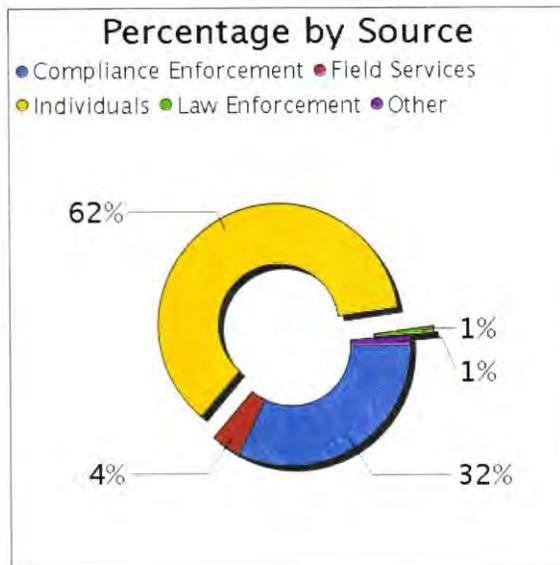
AAAB Report - Garages

AAAB Report Fiscal Year to Date - Garages

01/14/2016

Source	Subject	Number of Cases	Disposition of Case
Compliance Enforcement	Complaint	1	Cease and Desist.
		1	Cease and Desist. In Compliance
		1	In Compliance
		1	Unsubstantiated
		1	Referred to master case
		1	Out of Business Referred to master case
		3	In Compliance
		5	Admin Fine
		6	Referred to master case
		21	Out of Business
		22	Cease and Desist.
		1	In Compliance
		1	Insufficient Evidence
		1	Out of Business Referred out - external
		Field Services	Complaint
3	Cease and Desist.		
2	Unsubstantiated		
1	Admin Fine Cease and Desist.		
1	Admin Fine		
1	Admin Fine Cease and Desist.		
1	Other		
Individuals	Unlicensed Activity	2	Cease and Desist.
		1	Referred out- internal
		1	Admin Fine Cease and Desist.
		1	Cease and Desist. Referred to master case
		1	Revoked
		2	Referred out- internal
		3	Admin Fine
		3	Insufficient Evidence
		5	Out of Business
		5	Referred out - external
Compliance Enforcement	Complaint	6	Referred to master case
		11	In Compliance
		26	Cease and Desist.
		47	Unsubstantiated
		1	In Compliance
		1	Deceptive Trade

	Expired License/Bond.	1	Out of Business
	Other	1	Out of Business
		1	Referred to master case
	Unlicensed Activity	1	Admin Fine
		1	Insufficient Evidence
		1	Other
		1	Out of Business
		1	Referred to master case
		1	Revoked
		8	Unsubstantiated
		9	Cease and Desist.
Law Enforcement	Unlicensed Activity	2	Cease and Desist.
Other	Complaint	1	Unsubstantiated
	Other	1	Referred to master case
	Unlicensed Activity	1	Unsubstantiated
		224	



7. AB326, Classic Vehicle & Safety Inspection Program Outcome of Amendment

Bob: The bill was vetoed. Richard Carillo's bill, Marilyn Kilpatrick original author. {Bob only testified as to insurance issue}. More emissions than insurance concern. Classic POS here in South – discussed the original idea for classic vehicles – but there are a lot of them out there using classic vehicle when they are just circumventing the system. Originally intended to have a safety check by the DMV, the amendment that came out looked very vague and had specific years indicated. Bob's concern is the safety of the vehicles on the road and consumer protection.

Legislative action taken to create a review, (Charlene/subcommittee created to overall the emissions programs which included classic vehicles. Odometer checks, insurance requirements, inspections and second vehicle. The increase in the amount of vehicles registered as classic is great.

Legislative action taken was to create a process by the Emissions Council to review all laws impacting motor vehicles. The EPA Chairman created a subcommittee adding Classic Vehicle and Overhaul of the Emissions. Options will be brought up to legislature to shore up the loop holes currently being experienced with Classic Vehicle licensing.

A portion of the Governor's veto message was read and discussed by the board.

No final answer and it will come down to legislation.

No action to be taken.

8. Class Certification for Body Shops

Gil - agenda speaker: Did some research – I was emailed from Class A body shops, was put together, brainchild of Michael Spears of Collision Authority which is now Service King. Consumers will need to know what body shops can do the work or not. Looked into nationwide groups, found a comprehensive plan.

Further discussion about monetary value (licensing fee) for Class A or B shop registration and the licensing fee should not define the class of a shop.

Bob: How are shops regulated and who makes sure they are following regulations according to their classification?

Gil: Minor training and visuals could be used; anyone could go out and determine if the shop has the equipment, education and knowledge for their classification.

Further discussion about the risk of uneducated technicians to consumers; and how damage they may cause to a vehicle by use of proper techniques diminishes the vehicle's value. The vehicle history reports (Carfax) can contribute to diminishing a car's value in the mind of the consumer (multiple owners, accident data, etc.).

Gil: Three type of Diminished Value: Inherent, Body Shop and Insurance Co.

Gil to Bob: Are cars that are total losses being put back into the consumer pool. Does the insurance address this issue with consumers? Salvage cars covered only a percentage of the loss.

Bob: If a vehicle does not meet the guidelines as a total loss, the Insurance Division is working on Total Loss or Salvaged Vehicle, it needs to be cleaned up and simplified. First issue is if the vehicle is deemed a total loss vehicle, the insurance company may not provide coverage.

Won't insure salvage vehicles because they can't be title in the state of NV.

Rebuilt can be titled.

Consumers are not aware they will be on the hook for a portion of the repairs since the vehicle has been classified salvaged, then rebuilt.

Carriers need to be clear on what is covered. If a salvaged vehicle is rebuilt, suffers damage, the consumer will be on the hook for the amount it takes to make the car whole again.

Bob and Gil may be invited to the NV Insurance Council.

No action to be taken.

9. Definition of Towing Service vs. Salvage Pool

Bob – agenda speaker: It was not clear why this was on the agenda.

Likely due to a letter received from industry asking for clarification of the difference between the two and as to whether Insurance Holding Lots have the ability to process liens. The issue may need to be addressed or interpreted by the Attorney General or Legislative Council Bureau.

In Clark County (because of populace) - At scene of accident law enforcement finds out Insurance Company, go directly to insured's holding lot. Takes out the middle man (towing operators); so no clean up fees, holding fees, etc. What they are asking for is the ability to process liens.

Gil: B&T contracts with Farmers to hold the losses. Who initiates the fees? Who is responsible to initiate lien fees, storage fees?

They are not a towing facility that can process lien fees. Insurance companies don't care either way. Cheaper for consumer to get their car out rather than a tow company.

NRS 108 covers the lien process. Addresses tow yards, salvage pool definition.

10. Other Legislature Updates

AB146 discussion on ongoing classic car dilemma and emission controls. The Emission Controls board tasked with reviewing these issues.

The statute states they are to conduct a study concerning inspection and testing of motor and system control of vehicle emissions for the state and is not specific to classic cars. Governor said in veto message, AB146 allows state environmental commission to review alleged issues. That is not what 146 says. Mr. Chairman do you think it is

appropriate for us to communicate with that advisory board and let them know this is one of our targets. This is one already one of their focuses.

Steve: On 146 some of the sleepers in that are that we believe the powers that be are going to eliminate the vehicle information record and move that fee off of the smog test and place it on registration as a pollution fee. Every vehicle would pay the fee. Does it apply to every registration? Model year? Looking at coming out probably next month.

EPA ran modeling on six different scenarios reducing the frequency of testing, every one of the scenarios increased motor vehicle pollution. From a consumers point of view the program will be legislated to be exempt in 4 years, as opposed to 2 year biannual for the next 4 years, then annual after that Nevada becomes a hybrid program. For the consumer the VIR fee becoming a pollution fee would be major, as it would apply across the board as compared to just a smog check. Air quality districts depend on the smog fee for funding and this would affect their funds.

As a result of AB146 they will be proposing looking at the environmental testing of vehicles.

11. Other Information Items

We have informed everyone what is going on in the industry.

Nothing further.

Aja was acknowledged for her service and congratulated on her promotion. Renee was also acknowledged for her work.

Meeting Adjourned at approximately 10:50 am.