

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TRANSPORTATION**

**Seventy-Third Session
April 19, 2005**

The Committee on Transportation was called to order at 2:08 p.m., on Tuesday, April 19, 2005. Chairman John Ocegüera presided in Room 3143 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. John Ocegüera, Chairman
Ms. Genie Ohrenscha1, Vice Chairwoman
Mr. Kelvin Atkinson
Mr. John Carpenter
Mr. Chad Christensen
Mr. Jerry Claborn
Ms. Susan Gerhardt
Mr. Pete Goicoechea
Mr. Joseph Hogan
Mr. Mark Manendo
Mr. Rod Sherer

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Marjorie Paslov Thomas, Committee Policy Analyst
Linda Ronnow, Committee Attaché

OTHERS PRESENT:

Tom Jacobs, Lead Public Information Officer, Nevada Department of Motor Vehicles

Ginny Lewis, Director, Nevada Department of Motor Vehicles

Dan Musgrove, Intergovernmental Relations Manager, Office of the County Manager, Las Vegas, Nevada

Chairman Ocegüera:

[Meeting Called to order. Roll called]. I would like to open the hearing on S.B. 33.

Senate Bill 33 (1st Reprint): Authorizes Director of Department of Motor Vehicles to enter into agreements for certain placements of advertisements. (BDR 43-396)

Tom Jacobs, Lead Public Information Officer, Nevada Department of Motor Vehicles:

I am here today to present S.B. 33, which is a Department bill, and ask for your support. When passed into law, it will allow the Department to accept advertising in its offices, mailings, on its website, and allow the Department to use funds generated from that advertising to educate the public on alternatives to visiting a DMV [Department of Motor Vehicles] office.

In explaining why this bill is important, I will say a few words about the Department's public education efforts, and tell you what's happening in other states, and outline our plan when the bill becomes law. A bulleted summary of what I am going to say today has been provided to you [Referred to [Exhibit B](#).] I am sure you are aware of the fact that the DMV has been both aggressive and creative in reducing office wait times. We have done that through systems that will allow Nevada motorists to do business with the Department without visiting an office. Those systems include the phone, U.S. mail, and our website. Our website is the most versatile alternative and holds the greatest potential.

In the first two years after debuting our website, we ran two short ad campaigns about a year apart, urging the public to use the site. Usage spiked after each campaign, but the numbers tailed off shortly after the campaigns ended. We believe the reason for that drop was that our message, "you're just a click away from being first in line at DMV at <www.DMV.com>," wasn't reaching the motorist during that narrow annual window when they renewed

their vehicle registration. The Nevada motorist didn't have "top of the mind" awareness of the services on our website. In the summer of 2002, the Interim Finance Committee funded a test campaign running through the last three quarters of fiscal year 2003. By the end of the year, over 190,000 registrations or driver's license renewals happened on the web.

[Tom Jacobs continued.] Because of that success, in fiscal year 2004, we requested and received an annual budget for a sustained public education campaign. We began to consistently promote alternatives to a trip to the DMV. As a measure of its success at the end of January this year, vehicle and license renewal transactions were at nearly 190,000, almost equal to fiscal year 2003, but with this fiscal year just over the halfway mark. Those numbers not only reflect the success of the campaign, but the growth of our state as well. It's no news that our state has been the fastest growing state in the union for years. As the state grows, so grows the audience for our message, and so does the cost to reach them. Furthermore, all those new to the state have yet to learn that they have alternatives when it's time to renew their license or registration.

By being able to accept advertising in our offices, mailings, and website, and by channeling any revenue realized to our public education efforts, the Department can, if not keep pace with the growth of this state, at least not fall further behind. We will be able to do that without burdening the state's taxpayers. It's an idea that has already occurred to other states. There are dozens of other state DMV's that accept advertising in some form. California, Florida, New York, Massachusetts, and Minnesota are just a few. I think it's important to say that it's not our intention to barrage Nevada motorists with ads. There are limited opportunities for advertising regardless of the venue. For example, in our mailings there is room for only four inserts.

Nevada Magazine has set precedents for promotional material in our mailings. They have for five years now placed subscription cards in our renewal notices, and see about 2,000 subscriptions a year as a result of that effort. *Nevada Magazine* has also expressed an interest in selling ads for the Department. Having a third party handle that part of the program, whether it's *Nevada Magazine* or some other entity, is our intention. It's also our intention to draft regulations regarding what ads are acceptable. Ads from any business regulated by the Department could not be accepted. Ads for alcohol, tobacco, or sexually oriented businesses would also be poor matches. However, we do anticipate businesses like insurance companies, road service clubs, and other vehicle-related businesses would see our website and mailings as useful channels. In all cases, the DMV director would have the final say as to what is accepted.

[Tom Jacobs, continued.] In summary, our efforts to persuade Nevada motorists to use alternative services have been successful. It's resulted in significant benefits for the Department and the State. Every transaction completed online means one less transaction completed in person at a DMV office.

Alternative services are convenient for the public and a critical part of our long-term plan to keep up with the state's growth. However, as our state grows, so must the budget we need in order to communicate the benefits of using those alternative services. By making S.B. 33 law, the DMV will have the ability, like many other states, to use systems already in place to augment its public education efforts without dipping into the public coffers.

It should be noted that two concerns were raised when this bill was before the Senate. The first was advertising in the Department's handbook. It was felt that the information in the handbook was too important to contain advertising, and the bill was amended to reflect that concern. The second concern was that we might use pop-up ads on our website. I assured the Senators, and I now assure you, that you will never see pop-up ads on our website. That would be in complete opposition to what we are trying to do. Our goal is to provide better, faster service to the Nevada motorist, and pop-up ads would do nothing but slow that process.

Assemblyman Manendo:

On your list of advertisements that would not be permitted, can you run that list by me again?

Tom Jacobs:

We are well aware of the fact that it would be inappropriate for us to accept advertising from any business we regulate—that would be auto dealers, dismantlers, body shops—as well as alcohol, tobacco, and sexually oriented businesses. They would certainly be inappropriate.

Assemblyman Manendo:

I had a bill years ago dealing with advertising on school buses. We actually provided a laundry list, because there were concerns from the Education Committee and the Legislature about alcohol, tobacco, sexually oriented businesses, and political ads. We wanted to make sure, especially where it involved tax dollars, that this wouldn't become an area where favoritism could be shown. Maybe we want to include a few of those in the statute. Do you have any businesses that are interested in advertising?

Tom Jacobs:

Yes. I have been in contact with Farmers Insurance and also a business in California that sells auto warranties. They both have expressed high interest. There is also a national company by the name of Imagitas that is interested in forming a relationship with the DMV. They have a relationship with four other states where they deal with the DMV's mailings and sell advertising. In our metropolitan offices we have reader boards that, at this time, don't contain advertising because it's against the law. We have purchased that service from the Motor Vehicle Network, and they also are interested in running a limited number of ads on those reader boards.

Assemblyman Manendo:

I think the DMV's entrepreneurial spirit DMV is wonderful. This is a way to create some revenue, and I would like to see some of those things specifically in the statute.

Assemblyman Carpenter:

If you put three or four of these stuffers in, people may lose the application. I have a problem with you putting things in the envelopes for renewals. I think people will get the idea that it's junk mail and throw it away.

Tom Jacobs:

There are at least three stuffers already included in our registration and driver's license renewal envelopes. They are relatively small slips of paper, or something that is similar to *Nevada Magazine's* card. I think you have an example in the back of your packet ([Exhibit B](#)) of what they look like. We have put a *Nevada Magazine* card in, a slip that shows where your money goes when you register your car, and also some information on our website. I believe at this particular time there is a slip for organ donors and a slip for our insurance verification program. Those stuffers already exist; they just don't generate any funds for the Department.

Assemblyman Carpenter:

They are not advertising State Farm or whatever. They're something to do with the State, your program, or something else. However, if you start putting in State Farm, I have a problem with it; I think people are going to be turned off.

Assemblyman Hogan:

Based on the experiences of other states, do you have a ball park idea of what the potential might be for offsetting some of your other costs?

Tom Jacobs:

No, I really don't, simply because each state is different. I can tell you that California does accept advertising in their handbooks, and that means about \$500,000 a year to them. That is not a benchmark for Nevada, because California is a much larger state. New York is at about \$300,000 a year, but that is also a bigger state. Some of the states I have talked to have been at a breakeven point. Understand that something like this won't initially bear fruit; it is going to take time to develop. We may not realize many funds in the first year, but as the program becomes established, it might become lucrative. It's hard to predict what it might generate. It may prove to be ineffective for advertisers, or it may prove to be incredibly valuable.

Assemblyman Hogan:

It occurs to me that if your rates are somewhat under the going rate for commercial magazines, there might be a wide array of not-for-profits or various types of public interest organizations that might be using grant funds and public funds to buy regular commercial space. You might find you are reaching a lot of people that they want to reach, so we might be saving some money through other accounts that we're otherwise funding. It seems like a fairly intriguing idea. It also occurs to me that you may find a lot of opposition to various products. In the school bus example, I could see parents unhappy to see ads for McDonald's and fast foods. It might be an education, and you might have to answer quite a few irate letters from time to time.

Tom Jacobs:

In talking to New York, the only problem they expressed was that occasionally someone misunderstood that the State was endorsing that particular product, even though they had disclaimers clearly stated on it. You make a very good point about nonprofits, and I agree that could prove to be mutually beneficial for them and us.

Assemblyman Sherer:

In your handbooks, maybe you could also include one sheet that could pay for the cost of printing the handbooks.

Tom Jacobs:

The Senate was concerned that the information in the handbook was too important to dilute with advertising. Although the bill, as initially put forward, included our handbooks or publications, the bill was amended to pull that out. As it stands now, we cannot take advertising in our handbooks.

Chairman Oceguera:

I noticed that this bill was controversial in the Senate; it was 13 yeas, 7 nays, and 1 excused. Could you give me the history of the attempts of this bill and what some of the issues were? I guess people believe that we shouldn't be advertising on State property.

Ginny Lewis, Director, Nevada Department of Motor Vehicles:

I think this has come up in multiple sessions. Our concept is a little different from what's come forward before. I think what happened previously was the notion of advertising in State offices and how to manage that. There were some strong feelings on both sides, and it never survived. My history is that we have never brought forward anything like this where we wanted to use our mailings as a vehicle to find a logical fit with the Department. I think there are some good companies out there where it would be a good match for us and for that company. There is certainly an opportunity to promote our message with that revenue. It's new and it's unknown, but I think it has some potential.

Chairman Oceguera:

What was your sense of why the vote was fairly close? Same reason?

Ginny Lewis:

I really can't address that. I can't get a feel for why people vote the way they do.

Assemblywoman Gerhardt:

I would like to hear a little more about the disclaimer. Particularly with Farmers Insurance, people might see that as the DMV endorsing that particular insurance company. How is this disclaimer put together?

Tom Jacobs:

We would have complete control of the content of the ad; the Director has the final say. The disclaimer would be in a prominent spot. It says, "Insertion of this ad in the Department's mailings does not constitute an endorsement of this business."

Chairman Oceguera:

I will close the hearing on S.B. 33 and open the hearing on S.B. 417.

Senate Bill 417 (1st Reprint): Authorizes counties and cities to regulate use of electric personal assistive mobility devices. (BDR 20-331)

Dan Musgrove, Intergovernmental Relations Manager, Office of the County Manager, Clark County, Nevada:

Senate Bill 417 is what we consider a cleanup bill from last session. If you remember, S.B. 363 of the 72nd Legislative Session dealt with making the Segway, which is a two-wheeled gyroscopic vehicle, considered under the law as a pedestrian so that they had access to sidewalks. In both the testimony on the Senate side and in this Committee on May 1 [2003], the sponsors of the bill made the contention that local governments would have the ability to control where these Segways are used. However, that did not get into the bill. Counties are in difficult position. If it's not directly in statute, because of Dillon's Law, then we don't have the right to enact an ordinance to prohibit something.

Our fear is that these Segways would be used inappropriately in the resort corridor, on the Strip or on the sidewalks where pedestrian volume is huge. These "pedestrian machines" can go up to 15 miles an hour. They weigh 75 pounds, and they can carry a 250-pound person. Fifteen miles an hour is about five times the speed of anyone walking. It would be like an NFL [National Football League] linebacker hitting you, or even harder than that. It is our intent to have the flexibility on the local ordinance side to be able to regulate the usage of Segways.

We have had one vendor attempting to get on the Strip and rent these out. There would be minimal training involved and it could be a scary situation. We want to be able to effectively control their usage. We don't want to limit the owners of Segways from using them. We just want the flexibility at the local level to do what was the intent of S.B. 363 of the 72nd Legislative Session, which is to provide local ability to control their usage.

Our original bill, S.B. 417, strictly made it for counties. The Senate Committee on Transportation wanted to make sure it was clear in statute, and gave that authority to cities as well. That's what the amendment was, simply to expand that passage to all local governments. I think you all can understand the fears that we might have with those things operating on the Strip, and that is our intent.

Chairman Oceguera:

Did you pull those Committee hearing minutes?

Dan Musgrove:

I did, I looked at them. It was Senator Care who asked if this would prevent local government entities from mandating where the transporter could be used. At that time, Fred Hillerby was representing the Segway Corporation, and I have actually contacted Segway since then. It was their intent that this never

preclude local governments from controlling where they are used. Mr. Hillerby did say it was not their intent to force local governments to abide by the provisions of the bill. In this Committee during the actual testimony made on May 1 [2003], they stated that we are not taking away local government's right to regulate them, we are simply declaring that they are pedestrian devices, as opposed to vehicles. It is that pedestrian connotation that gives them the right to use the sidewalks with unfettered access. I did contact Segway, and they are in complete support of what we are trying to do before the Legislature today.

Assemblyman Carpenter:

What is the difference, and how do you describe people who have electric wheelchairs? Would this definition possibly reach those?

Dan Musgrove:

The original intent of the bill was to include them all in the same category. Our ordinance on the local level would make a distinction between those types of handicap assistance devices and the Segway. It would not be our intent to preclude them from being used on the Strip. There is a specific description, it's the EPAMD, electric personal assisted mobility device, and I think that is what the Segway is. We would make sure that we are specific in the definition on the local level that those assisting the handicapped would not be precluded.

Assemblywoman Gerhardt:

Can you explain to me what a Segway is?

Dan Musgrove:

It's in statute, NRS 482.029 [*Nevada Revised Statutes*]. This "EPAMD is a self-balancing two non-tandem wheeled device designed to transport only one person with an electric propulsion system that limits the maximum speed of the device to 15 miles an hour or less." They have two large wheels that are maybe the size of a bicycle tire. There is a flat stand and a handlebar situation that uses a gyroscope; if you lean forward it goes forward and if you lean back it goes backward.

Assemblywoman Ohrenschall:

I need a little more clarification on how exactly you're positive a local government would not confuse a motorized wheelchair with one of these things. I know it refers to NRS Chapter 482 to be defined, but do you think the language is that specific?

Dan Musgrove:

I believe it is. I think if you look at NRS 482.029, I don't think there is any way this can be connoted as a wheelchair, or a three- or four-wheeled vehicle that you see running around for the disabled.

Assemblywoman Ohrenschall:

What about the motorized scooters so popular with young people today?

Dan Musgrove:

I think those fit a different definition and are not considered as pedestrians. That is why they would not have access to the sidewalks.

Chairman Oceguela:

Can you tell me again what you were quoting from the record?

Dan Musgrove:

I went directly to S.B. 363 of the 72nd Legislative Session and looked at the minutes from April 8, 2003 and also the minutes from Assembly Transportation on May 1, 2003. Midway down on the Senate side was a question from Senator Care about the legal equivalent of a pedestrian, and it discussed Mr. Hillerby's response. Later, I cut and pasted some testimony that they gave in front of this Committee talking about how the bill would permit Segway to be operated on Nevada sidewalks, bike paths, and low speed highways. We are not taking away local government's right to regulate them; we are simply declaring that they are pedestrian devices as opposed to vehicles.

Chairman Oceguela:

I see that. I am looking at it right now. I also see where, later on in that same meeting, Senator Care stated, "before we take the vote, Mr. Chairman, the question I asked about the municipalities regulating, we do have representatives of the municipalities present in the room today," and there was nothing said. I just wanted to make that clear for the record.

Dan Musgrove:

That was because it was our contention that the bill would be amended, or at least the legislative history would be such that local governments would have that right to do regulations. However, when the bill came out, and was eventually passed, our District Attorney specifically felt that, under Dillon's Rule [Law], we did not have the ability to pass an ordinance. That is why we came to the Legislature asking for that opportunity.

Chairman Ocegüera:

The mall at the Aladdin has people on Segways directing you on where and which way to go. You could possibly put those people out of business by enacting an ordinance, depending on what the ordinance said.

Dan Musgrove:

We would not have the ability to limit their usage on private property. A firm did come to us—I believe it was something they did at the Fashion Show Mall. We did allow a business operator to begin the use of those within mall property. There was a vendor who lasted for a while and eventually went out of business. We did allow them to do that under our business license ordinance, but we did not want them operating on the Strip, nor did the vendor intend for them to be operated on the Strip on public thoroughfares. Our intent would be just to control the safety of those pedestrians in the resort corridor.

Assemblyman Goicoechea:

Do you feel that, by statute, we have prohibited the county or city from regulating these devices on public sidewalks?

Dan Musgrove:

The counties definitely felt that we were precluded from going beyond what the original intent of S.B. 363 of the 72nd Legislative Session was. It was the Senate Committee on Transportation that felt it was important to give that right in statute to the cities. Our contention, under Dillon's Law, was that we did not have the ability to go ahead and go beyond what NRS allowed us to do. That's why we felt we needed to come back to the Legislature to clarify the legislative history that was developed last session.

Assemblyman Sherer:

What regulations are you going to put in place—just not being able to use them in the resort corridor, or are you going to do something downtown? What restrictions are you going to put on those?

Dan Musgrove:

Clark County would only be working on an ordinance, which would go through a public hearing process, for the Strip corridor. That would be south of Sahara, because that is the only area that we have control over. I do know that the City of Las Vegas was interested in looking at the Fremont Street Experience to make sure they did an ordinance for something there. Anything that we would do through an ordinance would be publicly noticed, and the public and any vendors who might be dissatisfied with the direction we are going would have an opportunity to appeal to the elective boards. Our main emphasis is strictly

the resort corridor—Las Vegas Boulevard south of Sahara Avenue—because of the high pedestrian volume on those public sidewalks.

Assemblywoman Gerhardt:

You are going to prohibit them from being on sidewalks. This doesn't mean that they are going to be in the streets, does it?

Dan Musgrove:

They asked for them to be in law as pedestrians. I don't think they would be allowed on the city streets, as pedestrians are normally not allowed to be in the thoroughfare. It would control their usage on the sidewalks only. For those folks who actually own Segways and are Las Vegas residents, we probably would have to work with the ordinance to allow them some way to access the resort properties, but maybe not on the Strip during peak time. There was some contention that, the way gas prices are going, people would begin using Segways more as their own mode of transportation.

We have not yet developed the ordinance because we did not have the ability in statute. That would be something our public works department, with the public's help, would work to ferret out. They are designed to be used primarily on sidewalks. In most areas, that is not a problem. Because of the high volume of pedestrian traffic on the Strip, we need to provide some safety to those who are already on the sidewalks and to those who might be using the Segway.

Assemblyman Claborn:

I think there is a need for these, maybe not on sidewalks. I think you could use those at the Convention Center; that thing is spread out to maybe four or five acres. I would hate to see an ordinance that would nullify anything that they could do. I can't support this until they come out with some specifics.

Dan Musgrove:

It is not our intent to preclude the usage of these. We simply want to provide some safety to those pedestrians who are already there using those sidewalks, and simply to try to control their usage and not preclude them. Our intent is not to preclude their usage but simply to regulate their usage and perhaps the times and locations. The Convention Center makes sense, yet that would be a determination that the Convention Center, as an entity, would need to make on its own. Our concern is for public sidewalks, public transportation, and the safety of our public that comes to Las Vegas and wants a good resort experience.

Assemblyman Claborn:

Everyone is for safety. This bill, the way it's written, ties everybody's hands, where you cannot run them at all, is that correct?

Dan Musgrove:

I would respectfully disagree. It simply gives us the ability to begin that ordinance process. Right now we have no ability to regulate them at all. They can be used at any time, any place, anywhere, by anybody. We think that can cause a very dangerous situation. I think our elected board of county commissioners, with the response of the public, could craft an ordinance that would satisfy all parties. That is what this enables us to do.

Assemblyman Claborn:

Is this going to give you the latitude to do that?

Dan Musgrove:

Yes, sir. That's all it does. It gives us the ability to begin that ordinance process. There wasn't a reason to craft an ordinance because we didn't have the ability within NRS to begin that process. This is simply the first step to begin the public hearing process so that our seven county commissioners can make an informed vote on what should be the best interest of the public.

Assemblyman Claborn:

Would you take public input?

Dan Musgrove:

Yes, sir.

Assemblyman Carpenter:

I haven't read NRS 482.029, because this "electric personal assisted mobility device is exactly what I would call electric wheelchairs, and there needs to be some kind of real definition. A few years ago we didn't have these electric wheelchairs, and now they are becoming very necessary and proper.

Assemblywoman Gerhardt:

I agree with Mr. Carpenter, because never having seen one of these, that is exactly what I thought it was, a mobility device for someone who was disabled. We need a better definition for the Segways to distinguish the two.

Dan Musgrove:

I would defer to Legal and staff. In this section of NRS, there are numerous definitions, everything from golf carts to Mopeds. I haven't read down far enough to find out if they have wheelchairs or assistive devices actually defined

here. The verbiage, under the original definition that I discussed with you, where it talks about the self-correcting, that is a strictly defined definition that only applies to that. I call your attention to NRS 482.029 where it says, "electric personal assisted mobility device;" that means a self-balancing device. That is what differentiates it from any other device that is on the market today.

[Dan Musgrove, continued.] That is one reason why they wanted to get away from calling it a Segway, because that's the manufacturer and the inventor's name. This is the definition that was offered by the company, which strictly defines this type of vehicle. It does not include any other device that might be used to assist the handicapped that we are normally used to seeing, whether it is the small carts or a standard wheelchair. This was really the issue that was hashed out last session, making sure this definition applied only to that unique device known as the Segway.

We have no problem with you trying to make sure that's all we are doing here, because that is our only intent. We certainly do not want to preclude anybody who is physically challenged from having access to sidewalks or our resort hotels. That is absolutely not our intent. We are strictly trying to prohibit these machines that can go 15 miles per hour, which are now considered a pedestrian, from having unfettered access.

Chairman Ocegüera:

You have to lean forward to make them go, and if someone touches you it stops. Maybe there is not a big safety issue.

Dan Musgrove:

Our only fear is that at 15 miles per hour the only thing that makes you stop is the person in front of you whom you would hit. That would definitely stop it from going forward, but I would think the impact of 250 pounds plus the 75 pounds of Segway could provide a pretty big jolt to someone. We are just trying to make this a safe environment.

Assemblyman Goicoechea:

Do you have ordinances that preclude you from riding a bicycle down those same sidewalks?

Dan Musgrove:

I am not sure. I can find that answer out for you.

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Chairman Ocegüera:

We will close the hearing on S.B. 417, but we'll hang onto it for a day or two.
Meeting adjourned [at 2:53 p.m.].

RESPECTFULLY SUBMITTED:

Linda Ronnow
Committee Attaché

APPROVED BY:

Assemblyman John Ocegüera, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Transportation

Date: April 19, 2005

Time of Meeting: 2: 08 p.m.

Bill	Exhibit	Witness / Agency	Description
	A	Agenda	1 page
SB 33	B	Tom Jacobs / DMV	Information packet: <i>A Click Away From First in Line at DMV</i> , mailing inserts, DMV homepage