



Advisory Board on Automotive Affairs

Held on March 29th at 10:00 am

at the Nevada Department of Transportation

1263 S Stewart St.

3rd Floor Conference Room

Carson City NV, 89711

Video conference to Nevada Department of Transportation

123 E Washington Ave

Training Room: Building B

Las Vegas NV 89101

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
March 29, 2019**

Department of Motor
Vehicles
555 Wright Way
Carson City, NV. 89711

Washoe County District
Health Department
1001 E 9th St
Reno, NV 89512

Department of Motor
Vehicles
305 Galletti Way
Reno, NV. 89512

Department of Motor
Vehicles
2701 East Sahara Ave.
Las Vegas, NV. 89104

Department of Motor
Vehicles Website
www.dmvnv.gov

Clark County Government
500 Grand Central Pkwy
Las Vegas, NV 89701

Nevada State Library
100 N Stewart St
Carson City, NV 89701

1. Call to Order by the Chairman

Steve Yarborough called the meeting of the Advisory Board on Automotive Affairs to order at 10:06 am.

2. Roll Call

MEMBERS:

Steve Yarborough - Chairman
Gordon Rogers
Phonisha Mack
Richard Mills
Michael Lee
Gilbert Grieve
Dawn Bobbert
Vacant
Vacant
Vacant

Representing

Garage Operators
DMV/CED
Salvage Pools
Wreckers
Dealers
Body Shops
Insurers
Emissions
General Public
General Public

Present

3. Public Introductions

INTERESTED PARTIES: *Representing:*

Shauna Dennis DMV/CED
Juan Medina DMV/CED

4. Public Comments

A. There were none.

5. Approval of February 15th 2019 Meeting Minutes

A. Board approved meeting minutes.

6. Approval of Agenda

A. Board approved agenda

7. Legislative Matters Pertaining to Board Industries

A. AB 173

- Gil Grieves (Body Shops): States AB 173 is a twofold bill. One, takes the responsibility of getting the aftermarket parts waiver from the body shop to the insurance company at the initiation of the claim. The second part ensures that insurers explain why they want to use aftermarket parts on cars that are up to sixty months old. If the insurer would like to override anything, they can then have that conversation with claimant before it gets to the body shop. It is a bill that swaps the responsibility of the waiver back to the one that sold the policy.
- Dawn Bobbert (Insurers): States that she watched the entire hearing. It is already written into law that insurers have to provide that disclaimer to the policy holders. Signing a waiver at the beginning of a claim in addition to signing their policy is excessive. From watching the session, other insurers agree.
- Gil Grieves (Body Shops): Agrees with Dawn. However, there is no educational mechanism in place for when a consumer buys a policy. There is no explanation and there needs to be one given at the time a consumer buys a policy. If there are questions after the purchase, questions should be answered by the person who sold the policy. The responsibility of the waiver has been given to the body shop for over twenty years. It has always been a challenge. The responsibility lies with the insurance company.
- Dick Mills (Wreckers): Garages were also brought into the Bill. They want to use NAPA parts for the cars. The manufacturer of the parts that go to the OEM dealers are manufactured by Monroe (for example). They were not happy with the Bill.
- Gil Grieves (Body Shops): States that the industry does not care what parts are used as long as the policy holder is educated on what they are buying and know what to expect when there are repairs that need to be made. There needs to be made a mechanism where at the

time of purchase a policy holder is made aware they might need a rider that would cover OEM parts for the first 48 months. The cost is going to go up, but these vehicles are expensive to repair. Someone on the selling end of insurance must explain to the consumer what they are purchasing so that they know what to expect.

- Dick Mills (Wreckers): Questions whether this bill would require the policy holder to purchase that in the first five years.
- Gil Grieves (Body Shops): It is still contractual between the insurance and the policy holder. The body shop does not know who has a policy rider and who does not. Often the carrier does not know. The waiver is signed, the work is completed and then the customer realizes that aftermarket parts were used. At this time they disclose they have a rider to their policy and the insurance company agrees, however the body shop was never informed. This is the reason the obligation needs to go back to the insurer. The rules needs to be clarified before it gets to the repair stage.
- Dawn Bobbert (Insurers): An agent can explain, the customer can sign papers stating they understand, but can then walk away and have an argumentative reasoning that they still do not agree to aftermarket parts. If they do not sign something at the claim inception, now the mandate is on the insurer to pay for the OEM parts. The Bill is a mandate for the insurers to pay for OEM parts for vehicles 60 months and newer.
- Gil Grieves (Body Shops): There is not a mandate in the Bill. It does not mandate anything. The contractual agreement is going to determine what the insurance agency purchases for the policy holder. The body shops are not qualified to answer the questions as to why they have to use aftermarket parts.
- Dawn Bobbert (Insurers): Explains that by law the consumer must sign a waiver to agree to the aftermarket parts. She questions what would happen if the owner does not sign, if that would not leverage a mandate.
- Gil Grieves (Body Shops): States that it is between the insurer and the policy holder. It can be discussed at the inception of the policy if a rider needs to be added. He reiterates that body shops are not qualified to answer these questions.
- Dick Mills (Wreckers): Reads from section 2 number 1 of Bill: An insurer shall not require a body shop or garage to use aftermarket parts to repair physical damage to a motor vehicle that was manufactured less than 60 months before the date of the damage unless the insurer has obtained written consent from the owner of the motor vehicle to install aftermarket parts. Number 4 states: An insurer shall not require any body shop or garage to repair a motor vehicle in a manner which is contrary to the recommendations of the manufacturer of the motor vehicle. It is a mandate.
- Gill Grieves (Body Shops): States it should be in the policy.
- Dick Mills (Wreckers): Questions that OEM parts should then be written into insurance policies?
- Gill Grieves (Body Shops): Replies that either that or a rider on the policy until the vehicle no longer has a lien holder or until the warranty runs out.
- Dick Mills (Wreckers): Questions if the intent was to have OEM parts on all vehicles that are 60 months or newer.
- Gill Grieve (Body Shops): Agrees that is the intent. He explains that he believes it is better customer service for the policy holder.
- Dawn Bobbert (Insurers): States that insurance companies can be argued to already be in compliance with this law. Everyone signs several times for their policy. Insurance companies

do not mandate how repairs are done. There is a limit of liability. Insurance policies cover up to a certain dollar amount.

- Gil Grieves (Body Shops): Agrees that it is on the contractual side of the agreement, but that insurance companies must educate the consumer on aftermarket parts.
- Steve Yarborough (Garages): Questions where the prevue of the board falls into the conversation since two members of the board have opposing views.
- Dick Mills (Wreckers): Agrees that no action can be taken with opposing views on the board.
- Michael Lee (Dealers): The process starts with customers getting a vehicle, and then insurance. It has nothing to do with the board. The only way to address it is to enact a law.
- Steve Yarborough (Garages): States that board should move on to next bill since no further action can be done.

B. AB288

- Dick Mills (Wreckers): AB288 makes changes to vehicle registration. Questions Juan Medina about registration services in Las Vegas.
- Juan Medina (DMV): States that when working in field services, he dealt with them regularly. States that the industry is not regulated and that perhaps the DMV should regulate them.

C. SB 22

- Dick Mills (Wreckers): The other bill was SB22 on the revised definition of a salvage vehicle. States he testified on the bill. It was to change the language on what a non-repairable vehicle was.
- Steve Yarborough (Garages): States he only sees one change and was corrected to two changes. He sees that the bill is striking “non-repairable” language to salvage. He questions who sponsored the bill.
- Dick Mills (Wreckers): States that the DMV introduced the bill in order to clear up some language. He believes it was not to allow non-repairable vehicles to get registered, but rather it was for clarification.
- Gil Grieves (Body Shops): States it transfer “non-repairable” language from NRS 487.760 to NRS 487.770 instead of having it in both places.
- Dick Mills (Wreckers): Agrees with Gil. States that non-repairable is a death certificate and cannot go back on the road again.
- Michael Lee (Dealers): States that if a dealer takes in trade a vehicle with a salvage title it is worth almost nothing. States that a salvage title says at one point and time it was not reasonably repairable. It was salvage at one point and salvage parts were used to repair it.
- Gil Grieves (Body Shops): Disagrees, stating that it means that the cost of repair exceeded the value of the vehicle. Once fixed, these vehicles can be put back on the road. He believes that is another argument.
- Michael Lee (Dealers): Some of these cars do not look salvage. The customer can bring it into the lot and it looks beautiful, but they hand over a salvage title and now the dealership cannot sell it. It should go to a wrecker, but it looks beautiful.
- Dick Mills (Wreckers): States that it should be disclosed on the title that it has been salvaged. People can buy these cars for less. It is serviceable and looks great. It can be a great value. As long as it is disclosed, he does not see a problem.
- Steve Yarborough (Garages): Questions whether it changes the disclosure on the title.
- Dick Mills (Wreckers): States that it does not.

- Dawn Bobbert (Insurers): Clarifies that there are two types of titles after an accident: Salvage and Non-repairable. Salvage can be rebuilt, and non-repairable is the death certificate.
- Michael Lee (Dealers): Agrees, but questions whether they are safe to be on the road. He thinks not.
- Dick Mills (Wreckers): There is an inspection that is required through a licensed garage or body shop to rebuild a salvage vehicle. There is no inspection for a used car.
- Steve Yarborough (Garages): Questions if there are non-repairable titles issued.
- Dick Mills (Wreckers): There are non-repairable titles issued. It can only go through an automobile wrecker. It can then only be used for parts. It cannot go back on the roads.
- Steve Yarborough (Garages): Questions how vehicles are deemed non-repairable and who makes that determination.
- Dick Mills (Wreckers): States mostly the insurance companies make that determination. Auto wreckers can also make it non-repairable.
- Gil Grieves (Body Shops): There are three different types of titles; Rebuilt, Salvage, and a "clean title".
- Dick Mills (Wreckers): Questions if salvage pools disclose whether it is a salvage title.
- Phonisha Mack (Salvage Pools): States yes they do. She states that she was informed that salvage titles cannot be driven on public roads until it is "rebuilt" first.
- Dawn Bobbert (Insurers): Reads from the salvage guide, "once a non-repairable title is issued it cannot be registered or issued a certificate of title or be restored for use on Nevada highways."
- Gil Grieves (Wreckers): States that a salvaged title can be used on Nevada roads but cannot cross state lines. If it goes across state lines it must go to their DMV to make sure it follows their salvage laws.
- Steve Yarborough (Garages): That's unenforceable.
- Gil Greives (Body Shops): Agrees, but states that is the way the law reads. States that the answer to the salvage title challenge is that you can only put liability coverage on it, not collision coverage. Getting rid of collision coverage would stop a lot of problems for repairers since most insurance companies will not cover repairs on a vehicle that was a prior salvage.
- Steve Yarborough (Garages): Didn't realized that insurance companies would insure prior salvage.
- Gil Grieves (Body Shops): Doesn't know if insurers have the data base to know what is salvage or not.
- Dawn Bobbert (Insurers): States that they are not talking about a salvage title. They are talking about a rebuilt title. The salvage vehicles cannot be driven on the roads until it is inspected by the DMV and given a rebuilt title. The rebuilt title can be covered.
- Gil Grieves (Body Shops): Rebuilt titles are later model vehicles with substantial damage. Salvaged ones are the ones economically deemed a total loss. It is an economical challenge versus changing of major components.
- Dawn Bobbert (Insurers): Questions that there are four types of titles. A salvage title cannot be registered. A rebuilt title must be done first after the inspection.
- Gil Grieve (Body Shops): States that there is a salvage title, a rebuilt title, and he has seen a salvaged title.
- Shauna Dennis (DMV): States that Nevada only has a rebuilt brand. A salvaged brand is from California.
- Steve Yarborough (Garages): Questions if that is on the registration process.

- Shauna Dennis (DMV): States it is on the title. There is no salvaged brand in Nevada. Salvaged comes from California. Nevada takes any salvaged title and brands it rebuilt.
- Steve Yarborough (Garages): Questions that it is a rebuilt title when it is taken in as trade at a dealer.
- Michael Lee (Dealers): The majority of used vehicle going to dealers are coming out of auction in California. The title in California can have a clean title.
- Steve Yarborough (Garages): Wants to clarify. Vehicles can be bought back from the insurance company with salvage titles and they can be fixed and get a rebuilt title.
- Shauna Dennis (DMV): Yes.

D. SB491

- Dick Mills (Wreckers): SB491 has to do with Salvage Pools.
- Phonisha Mack (Salvage Pools): DMV is requiring any vehicles reported to NMVITS come back as a salvage title. Copart would sell a vehicle with a clean title. The customer would go to the DMV and they would be required to get a salvage title. SB491 reverses it back to where when the DMV runs NMVITS it comes back as salvage, they do not have to title the vehicle as salvage. I strongly support the Bill.
- Dick Mills (Wreckers): Salvage Pools can also lien sale cars with this Bill. There is a lot of cars that come in and they do not have clean titles.
- Phonisha Mack (Salvage Pools): Many come from donations.
- Dick Mills: If paperwork isn't solved after a period of time they consider it an abandoned car and a lien sale can be processed.
- Steve Yarborough (Garages): States a mechanism has to be in place otherwise there would be a stockpile of vehicles.
- Phonisha Mack (Salvage Pools): States that is what Copart has. A lot of vehicles are donations. A lot of charities allow them to pick up without titles. Copart gets stuck with vehicles without titles that just sit on the property.
- Steve Yarborough (Garages): Questions if mechanics lien apply.
- Phonisha Mack (Salvage Pools): Salvage Pools are not allowed to do mechanics lien.
- Dick Mills (Wreckers): States the Bill would allow Salvage Pools to do lien sales. The Bill does not seem overly controversial.
- Steve Yarborough (Garages): States that is all the Bills up for discussion.
- Dick Mills (Wreckers): Questions Gordon Rogers if there were other bills that he had heard of at the DMV.
- Gordon Rogers (DMV): States in the negative.
- Dick Mills (Wreckers): Questions Juan Medina if he has heard of any legislative matters.
- Juan Medina (DMV): States in the negative.

8. Proposed Changes to NRS 487.002

- Dick Mills (Wreckers): States that this was put into discussion because of the previous meetings discussion. It is a two year process that would not get enacted now.
- Steve Yarborough (Garages): The issue was brought up because of problems of meeting the requirements of a quorum. As long as the board has active members, there should be no issue.

- Dick Mills (Wreckers): States there are three vacancies on the board. If changes need to be made it needs to be started within the next six months. A sponsor will need to be found. It is not controversial so it should be an easy process.
- Steve Yarborough (Garages): States he would support it if the board can get it slated. He questions if it needs a sponsor.
- Dick Mills (Wreckers): He has never seen a bill without a sponsor. He suggests that the DMV can sponsor it.
- Steve Yarborough (Garages): States that should be considered long before the next legislative session. He clarifies that it is for the changes to the language of a quorum to members present and change the required meetings to once a year.

9. Informational Items

- There were none

10. Vote on Chair and a Vice Chair

- Dick Mills (Wreckers): Would like to look at Steve Yarborough again as Chair.
- Steve Yarborough (Garages): States that he believes a new person would be good for the board. He is not as active in the industry as he previously was. He would like to see Dick Mills take the Chair.
- Dick Mills (Wreckers): States that he has no desire to. He questions Gil Grieves, Michael Lee, or Dawn Bobbert if they would be willing to take the position.
- Steve Yarborough (Garages): States that the responsibility of the Chair is to conduct the meeting and keep the board on track. If there was an opportunity to address legislature on the board then that is a responsibility as well. Questions Gil Grieves if he would be opposed to being the Chairman.
- Gil Grieves (Body Shops): Would not be opposed.
- Michael Lee (Dealers): Nominates Gil Grieves as Chairman.
- Dick Mills (Wreckers): Seconds.
- Steve Yarborough (Garages): All in Favor?
- All: Aye.
- Steve Yarborough (Garages): Opens up for Vice-Chair. Currently it is Gil Grieves.
- Gil Grieves (Body Shops): Questions Dawn Bobbert if she would be Vice-Chair.
- Dawn Bobbert (Insurers): States she would accept.
- Steve Yarborough (Garages): Entertains a motion for Dawn Bobbert as Vice-Chair.
- Dick Mills (Wreckers): Makes a motion for Dawn Bobbert as Vice-Chair.
- Michael Lee (Dealers): Seconds.
- Steve Yarborough (Garages): All in Favor?
- All: Aye.

10. Public Comments

There are no public comments.

11. Next Meeting and Adjournment

- A. The next meeting was scheduled tentatively for the first quarter of the next year.
- B. The meeting adjourned at 11:05 am.