



# Commission on Off - Highway Vehicles

## Full Commission Meeting

January 15, 2015

Meeting Minutes **\*\*APPROVED\*\***

Meeting Locations:

Truckee Meadows Community College 7000 Dandini Blvd. Red Mountain Building – Room 412 Reno, Nevada	College of Southern Nevada 3200 Cheyenne Avenue Main Building – Room 2638 North Las Vegas, Nevada
Great Basin College 1500 College Parkway Greenhaw Technical Arts Building – Room 118 Elko, Nevada	

### **I. MEETING OF THE NEVADA COMMISSION ON OFF-HIGHWAY VEHICLES**

#### **1. CALL TO ORDER**

Chair McKay called the meeting to order at 9:40 am.

#### **2. PLEDGE OF ALLEGIANCE**

The pledge was recited.

#### **3. ROLL CALL OF THE COMMISSION MEMBERS**

Commissioner Cox - Present, Las Vegas  
Commissioner Elmore - Present, Reno  
Commissioner Baker - Present, Las Vegas  
Commissioner Griggs – Present, Elko  
Commissioner Gerow – Present, Reno  
Commissioner Jackson - Present, Reno  
Commissioner Lambert - Present, Elko  
Commissioner Lee - Present, Las Vegas  
Chair McKay – Present, Reno  
Commissioner Richardson – Present, Reno

There is a quorum.

#### **4. PUBLIC COMMENT**

##### **Reno**

Larry Caulkins, Nevada Association of Four Wheel Drive Club - He wrote a letter in reference to the Four Wheel Drive Association being on the agenda which is addressed on today's agenda. He read the letter; the letter was submitted for the record, marked as Article A.

Scott Gerz, Nevada Trail Stewards - He wants to address the scored non subjective grant process. He read the letter; the letter was submitted for the record, marked as Article B.

Karen Boger, Nevada Chapter of Back Country Hunters and Anglers and Nevada Wildlife Coalition - For those people who were not around for the almost decade long process of trying to get this registration bill through the legislature; there was serious consideration to which entity should administer it. There were lots of ideas at the time and one of the strong contenders was the Department of Wildlife, due to the fact that they have an established boat registration process. The DMV was selected to be

the agency to handle the process. It seems the Commission is going to consideration who should be the proper entity to handle the process so it can be completed most effectively and maximize the funds. Secondly, why is a BDR needed to put the grant program into law? As she remembers, it was the act that went through legislature that there was a well set up system of the percentages of funds to be dispersed.

#### Las Vegas

Ross Williams, resident of Las Vegas - He is here today to speak about the resource management plan that BLM is doing in Clark and Nye county right now. Every 15 years the BLM takes their RMP. The RMP governs what the BLM does with the lands that they manage. The current revision they have been working on for the past 6 years is 2,200 pages. The part of this RMP that affects the OHV community the most is that they are going to take 1.6 million acres in Clark County alone and change the status. From allowing the use of existing roads, trails and dry washes to limiting it to only designated routes. It looks like there will be an approximate loss of 90 percent of the routes that are currently being used. The BLM is trying to change the classification from using existing to using only designated. Once that rule is changed, they will do a travel management plan which will actually decide what the routes will be. There is a group of people in Las Vegas which calls themselves SAFER, a group of people that have various interests in the public lands and access to the public lands. This group is trying to put as much pressure on the county commission, city of Las Vegas, city of Henderson and as many governmental agencies that they can. The primary objective at the moment is to have the period for public comment extended. Initially it was 90 days, beginning of October of 2014 and ending January 7, 2015. There was a 30 day extension, so currently it will close on February 6, 2015. The group is pushing for a 12 month extension which will give everyone the chance to really evaluate it. There has been a resolution put out asking for the one year extension. There has to be a stop to the limiting use of the lands. The place people can make comments about this RMP is [tinyurl.com/qzvaht7](http://tinyurl.com/qzvaht7).

#### Elko

No Comment

### **5. MEETING MINUTES**

Approve, modify, or reject the minutes from the NVOHVC meetings held on:

(a) March 13, 2014

(b) October 27, 2014

MOTION: Commissioner Jackson makes a motion to approve the minutes from March 13, 2014 and October 27, 2014.

Seconded by Commissioner Gerow.

Commissioner Elmore asks that since these minutes have been held up due to various reasons, he wants to make sure all issues have been cleared up before making his vote. Chair McKay asked if there were any problems. None stated.

The motion passes unanimously.

### **6. PUBLIC HEARING ON DRAFT REGULATIONS RETURNED BY LEGISLATIVE COUNSEL BUREAU**

The Commission will discuss and hear public comment on the draft regulations (R-131-14) returned by the Legislative Counsel Bureau ("LCB") pertaining to the grant administrative process.

This is a Public Hearing; notification was posted 30 days ago at the various locations mandated by statute. The public will be able to speak first and then the Commission will have a discussion in regards to the draft regulations and any concerns.

#### Reno

Leo Drumm, BLM - He submitted a letter via email to the Commission Secretary addressing several issues. Section 9, the term person is taken to mean an individual or business and excluding government agencies, which was not the legislative intent. He has documents of the minutes of the Senate Transportation Committee hearing in 2009 that collaborates the legislative intent was to include government agencies. This may take a legislative fix and he has prepared some draft language. BLM's short term strategy for grant projects on public land was to partner with various groups and local and state government agencies.

There are a handful of groups that are capable of performing large projects on public land which they have worked with in the past. There are several circumstances where they have actually partnered with local communities and counties. The Sand Mountain Blue Butterfly trail system is a good example. That used Question 1 money and federal agencies were specifically prohibited by statute from applying for Question 1 grants. The BLM partnered with Churchill County. They applied for a grant to establish a trail system at Sand Mountain through the Blue Butterfly Habitat. Churchill County received the grant and hired Great Basin Institute to perform the work on public land. The BLM would like to continue to be able to continue with these types of partnerships. Partnering with other groups is the best use of OHV funds and that way the national operations center is not taking a 22% cut off the top for administrative costs. Section 27, allows for different types of costs to be included in the application. He was concerned with number 3 that states expenses related to providing programs and activities that will benefit children. That is too broad and needs to be further defined. Number 5, the cost of supplies, materials and tools for the proposed project including without limitation, item B is vehicles. There needs to be some type of limit or definition as to what

the intent is. Number 15, also under Section 27, the cost of studies plans and analysis necessary to carry out the proposed project including without limitation, item B, management plans for shared trails to be used by off highway vehicles. The question is, shared by whom? It seems as if there is a requirement that the trail would have to be shared but shared with who? He suggests the term shared be removed. Management plans for all off highway vehicles trails should be appropriate for funding regardless of whether they are shared or not. Section 28, the following cost must not be included in an application. Number 5, the cost of facilities that are ornamental in nature and do not provide a direct benefit to the general public or the users of off highway vehicles. The word ornamental needs to be defined. As written it is too subjective. Commissioner Jackson comments to Mr. Drumm, that under Section 3, using a person. In your opinion does that preclude the BLM from the using partnerships since the other partner would be regarded as a person? Leo Drumm states that in the recent dealings it would severely limit who the BLM is able to work with. The BLM is one of the few organizations in the state that has the capability to manage the funding and processes to be accountable to those funds. If it is completely limited to those organizations, then questions may be raised by the public that this handful of groups will be the one's receiving those grants. The BLM's history of working with local governments to provide a voice for the people seems to work really well and he would hate to see this whole class of any local, county, state governments being excluded from applying for grants. Commissioner Jackson comments that Mr. Drumm is correct in his statement that the legislative intent was not to exclude public bodies. What do you think would be a correction? Leo Drumm submitted a draft of language; it is the section that refers to the person applying for grants. This language was submitted for record as Article C.

Las Vegas

No comment

Elko

No comment

The discussion will now be open to Commissioners, keeping in mind that there can be no decisions today. Discussion only. Commissioner Lambert, considering the last round of grants, the subjective language needs to be removed and along things that are not in the guidebook. The guidebook should be all inclusive.

Commissioner Griggs agrees with all of Leo Drumm's comments and thinks they should be incorporated.

Commissioner Cox is concerned about the government entities as well. On the memorandum page, number 2, it deals with the grant guide/book. The way he reads it is that the commission cannot have one. The commission has to call the request for grant applications. His other concern starts on page 10 with regards to the timeline. This needs to be looked at in the future and possibly modified; it is long, subjective, and drawn out.

Commissioner Baker would like to discuss the timeline. To her understanding there is public comment and then the grants are scored during the meeting. Next the scores are posted; then the appeals period. Then another meeting for those entities that wish to be reheard for possible adjustment of scores. Next the scores will be posted again. Then the Commission will meet a third time to award the grants. She wants to make sure that everyone has the same understanding of this timeline. Commissioner Cox would like to know if there is a legislative reason for this timeline, he does not remember requesting it that way. Chair McKay states that is something that will have to be discussed with LCB after this discussion.

Commissioner Elmore is concerned about the exclusion of certain agencies that should be included. The section in NRS 490.068, Section 2, Item A is actually where this issue is listed. It looks like it could be addressed in a simple legislative text adjustment where the word person is used twice and the word applicant is used everywhere else. Chair McKay states that AG Palmer has completed some research on this topic. AG Palmer comments in regards to how governmental agencies can participate, regulations seem to make it clear that there is nothing that would prevent a partnership with a governmental agency in the manner that is prescribed by regulation. When she speaks with Mr. McKenna at LCB she will ask him what he believes the regulation will allow and will not allow for. Her biggest concern when she first read it was the NRS 490.069 which requires the Commission to disperse 20% of the funds to law enforcement. The 20% dispersed to law enforcement does not have to go through the grant process. The other 75% is subject to the grant process. Chair McKay states that there will be more discussion in regards to that in Item 9. Law enforcement will be based on the office of criminal justice recommendations and not part of the grant process. Based on the balance available January 1 of each year, 20% of those funds will be given to law enforcement upon the recommendation of the office of criminal justice.

Commissioner Baker states that it seems like NRS allows the Commission to reserve some money and not give it all through the grant process. Even though they dictate the percentage for law enforcement, maybe instead of changing the NRS so that the federal agencies can be in partnership with local or state agencies to apply for the grant; what if the Commission set a separate amount aside for those agencies and work directly with them to give money that is directly related to OHV use. AG Palmer states that would entail a legislative change. She also clarifies that 80% of the funds are discretionary and do not have to be dispersed. The only part that must be dispersed in the 20% that has to go to law enforcement. NRS 490.069 subsection 3b1 and 2; the items in 1 and 2 is what the grant process pertains to, nothing else. If the Commission wants to be able to designate a percentage to go somewhere else that would not be discretionary, that would have to be done through a legislative change. Currently you can disperse 60% to any of the listed 6 but no more than 30% can go to any one project; no more of 30% of the 60%. This can only be done through the grant process. Commissioner Baker likes the idea of not making the federal agencies compete with the non profits for grants and set aside a certain dollar amount.

Chair McKay states the information provided today from the public and commission has given a good direction to areas that need to be investigated. He agrees with all of the points that were brought up today. Please give the Commission a chance to take the information back to LCB and work with them for some better more clear answers and this will be addressed at the next Commission meeting. AG Palmer states that this is time that Mr. Boger's question about the BDR could be answered. She is not sure if she was referring to a BDR or this regulation. The statute provides that you have to adopt regulations setting forth how you are going to administer the grant process. That is the reason why you need the regulation, if you are going to award grants you have to have the regulation. Karen Boger states that she understands what is being said, it was not her understanding that the method that they chose to do so had to be put into law. AG Palmer states that it is through administrative code which is law, it is not an NRS so it does not have to go back through the legislative process but it does have to go through the legislative drafting process.

Larry Caulkins comments on Commissioner Baker's question in regards to the time line and where it came from and the answer is the August 7th workshop.

Commissioner Lambert asks that if the Commission were to hold some money aside, would that specific money set aside still be part of the 20% required to go to law enforcement? AG Palmer stated yes. Commissioner Lambert stated that he would be in favor of legislation to change that so that money could be set aside. In his opinion to block the user group's contribution to this money and say that it is going to the government would be a violation to the user group faith in him and he would oppose that. Commissioner Jackson states that Mr. Drumm's point wasn't that he was going to exclude user groups; he wanted to work in partnerships. He had concerns about sizable projects and how they will be done with only a certain number of user groups being able to do that. The Commission is not forced to take on the grants, there is latitude. One of the reasons for the latitude is to be able to consider things and user group input.

Commissioner Richards states the user groups are the ones that need to be represented not the population base.

Chair McKay states that everyone made good points and when it comes time for the grant application these topics can be discussed then.

Commissioner Baker wants to go on record stating that she does not agree at all. If the people in southern Nevada are paying the registration fees, then the Commission should be make sure that some of that money stays in southern Nevada to develop some of the trails. Chair McKay states that the Commission is aware of who purchases a sticker and where. If there are opportunities for development in southern Nevada they will be considered very strongly.

Commission Elmore has a question in regards to the LCB draft where it defines a person and then there was clarification on how a person was defined. So if NDOW for example, put together a grant the commission currently could not award them the money, is that correct? AG Palmer states the money could not be awarded to them directly, they would have to partner with a nongovernmental agency. Commissioner Elmore states that having the word "person" in NRS is limiting. AG Palmer states that it is limiting in the sense that you cannot award directly to a governmental entity. Also, to answer Mr. Gerz question in regards to the subjective portion of the grant process versus non subjective. If one looks at NRS 490.068 sub section 3, the nonvoting adviser to the commission are suppose to be involved in the process. There are other people involved in the process other than the commissioners that are advising but not voting. Chair McKay closes the Public Hearing.

## **7. PRESENTATION FROM THE NEVADA DIVISION OF AUDITS**

The Commission will hear a presentation on the audit performed by the Nevada Department of Administration, Division of Internal Audits. The audit was finalized on December 10, 2014, by the Nevada Board of Examiners and was conducted for the purpose of evaluating the Commission's performance and making suggested improvements. The Commission may accept, reject, or amend implementing the recommendations posed in the audit.

The presentation Mr. Ozoude read into record is marked as Article D.

Commissioner Jackson is interested in the reference to the DMV. It seems as if the audit agrees with DMV's BDR to have their actual fees paid as opposed to just a percentage, then the left over fees would come to the commission. The other part to be aware of is making sure that when the bill goes forward that there some amendments to the bill which give the commission some control and also provide information to the actual costs that DMV incurs. Commissioner Lambert agrees with some of Commissioner Jackson's point and would like to point out that the transition based upon the math that the \$85,000.00 advertising to the growth of the OHV funds is probably the one flaw in the audit. The law is the motivation for a lot of people, along with clubs and organizations discussing it. As grant cycles are added and clubs and organizations can validate that the sticker funds are being used effectively, then there will be more participation.

Commissioner Elmore comments that in the report it provides some specific recommendations on the Commissioner being hosted through DMV fully and to seek other funds. Where he does not see specifics is in the second section, the third recommendation, consider developing and implementing procedures to ensure funds are expended for OHV enforcement and public outreach. Do the auditor's envision something specific that the commission is not already doing? Are there any ideas of

how to work the Commission better within the laws that they are restricted to? Mr. Ozoude comments that he knows the Commission has had difficulties and they are not trying to be critical, they are trying to present possible solutions. Part of what the audit was trying to say with the public outreach and enforcement efforts is that for most of the states that they looked at, public outreach and getting the word out is what helps the program to grow. Without enforcement then nothing will happen; the public outreach and enforcement will help this program to move forward. The audit is not saying the Commission is not working; the writing of the grant programs is what has stopped the Commission from moving forward. Once the money starts going out and people start seeing progress then the audit feels that compliance will increase. Commissioner Elmore states that nowhere in the audit does it show that the Commission is trying to do that. The Commission has tried for public outreach and have been continually been bogged down in administrative processes. Commissioner Griggs has a question about partnering with a state agency. For him that was the solution and the Commission could have avoided some of the pitfall that occurred. Is there a recommendation to what state agency they should partner with? Mr. Ozoude states that the Commission is doing a great job but it has been hampered by other factors out of the Commission's control. The audit met with the division of wildlife and state parks; state parks seem to be the state agency that would work the best because they are already receiving money for off highway vehicles. In talking with state parks they said one of the problems is where the money going to come from for administrative processes, which is why they looked at other options for funding and the RTP funds, should be part of it. The audit hopes that when enforcement and public outreach starts moving forward there will be more money in this program to make things work. Commissioner Jackson has two points, as to the comment that Nevada is the only state that has an independent commission from all state organizations; that was done deliberately. Parks and Recreation has been receiving money which is designated for OHV, it is believed by many people and organizations that the money has not been spent on OHV. The Commission needs to be very careful in regards to partnering with a state agency. Agenda Item 9 refers to NRS 490.069 being that those funds do not seem to fall into our preview as being granted then as of January 1, the Commission could take 20% of the money and basically hand it over the criminal justice for them to distribute among law enforcement. If that was done, it would fall in line with one of the recommendations of the audit that money is out there for enforcement. Law enforcement has stated that they would use that money for awareness and educations and not only write tickets. That might be a short term answer. Commissioner Lambert comments that we are the only state in the west that has no OHV trails. He has had discussions with the Federal Highway Transportation Authority that provides the RTP money to Nevada over the frustration of having filed an exemption for not funding the 33% minimum for motorized vehicles. Chair McKay provides a recommendation from Governor Sandoval, that Nevada has a department of state grants and they offer free services that can be used for outreach, administration, tracking and other issues related to grants. They might be a solution for the commission's purposes; to put administrative and procedure in place while still allowing the Commission ability of picking the grant recipients. Commissioner Baker has a question about the out of state decals and the revenue to be collected if the process was initiated. Your intentions were to still allow reciprocity with all the states that support it and only sell them to the states that don't, which are Colorado and Wyoming. Did she understand that right? Mr. Ozoude stated the audit tried to estimate how many out of state OHV's actually come into Nevada but there is nothing that addresses that. The calculation was based on the estimated number of OHV's from out state that are coming into this state and using the \$20.00 and then taking out the DMV expenses. Yes, there would still be reciprocity. Commissioner Gerow states that the research shows money going into parks and recreation that is due for the off road community. It seems as if we have to partner with another agency to get that money. Mr. Ozoude states that there needs to be some type of dialogue with the Commission and State Parks and how and what this money can be used for because there are some strings attached. But yes there is money there that is designated for OHV projects. Commissioner Gerow states that 30% is a large amount of money that should be going towards trails and other OHV uses. This has been going on for the past 20 or more years that is a lot of money that is being taken away from the Nevada citizens and he feels there needs to be more research and discussion on this topic. Commissioner Jackson stated that the Parks and Recreation is supposed to have someone on the Commission and they have failed to add someone to the Commission. Doug Holcomb, Pine Nuts Mountain Tail Association - In regards to the DMV, they should seek legislation so that the Commission can obtain any OHV revenue and expense and also obtain the revenue and expense data and get the extra money transferred over to the Commission. You should also not require out of state decals for OHV users who have home state decals, I believe in reciprocity. In regards to the Commission being hosted by another state agency, at this time the Commission is finally on the right track and should not be under the umbrella of another state agency and if so the Commission has to have absolute control of all the OHV funds. The Commission should also seek a portion of the fuel tax

dollars. The compliance issue was and still is attitude. From day one until recently there has been no need for registration. So the attitude of the long time OHV people in Nevada has not been one of compliance but it is slowly changing. Once the funds are awarded He feels that is when the attitude will change for the better and increase compliance.

Larry Caulkins, Nevada Four Drive Association - In regards to public outreach and law enforcement there needs to be education before enforcement. The Commission needs to increase its public image. In talking with members that purchased stickers but not renewed them stated, they feel that their money has not done anything and that is the public view right now. The administration fees for being hosted by another state agency will come right off the top and the political influence through the host agency will not be good. He feels the commission should still continue to investigate whether being hosted by state agency but the Nevada Four Wheel Drive Association feels that a successful independent commission is very possible. Also continue to seek the national and federal recreational trails money.

#### Las Vegas

Ross Williams, Nevada resident - He would like to speak about the compliance issues as well. Commissioner Lambert stated that there is no OHV in Nevada and probably what he meant to say is that there is no official OHV in Nevada. Nevada has one of the most extensive networks of trails of any state in the US. When he hears that the compliance is at 10%, he feels that is very low. The Commission needs to be realistic on what enforcement would mean; it is a huge state. There will not be effective enforcement unless you have aircraft and observation towers. He would encourage this Commission to consider is to try to increase voluntary compliance and try to increase the user's desire to buy the sticker. Create value in the sticker.

Commissioner Lambert clarifies something that was said, he did not say that Nevada does not have trail systems. Nevada has the best trail resource in America. State Parks in Nevada has zero OHV opportunities is what he said. We need to protect our resources; each mile of single track is worth as a value to the state of Nevada between \$10,000.00 and \$35,000.00 a mile. If access is lost to those trails because they are not submitted mapped and designated, will we have the strength to fight for it?

#### Reno

Scott Gerz, Nevada Trail Stewards - Something that continues to be over looked, is to help the states that have reciprocity as well with Nevada to continue as a benefit to promote tourism in the state. A simple way to look at this is to require the other states, as well as Nevada, to move renewals at least from out of state residents and refer them to their home state OHV program. Then have the out of state people be registering in their home state. We will reach a cap of how many OHV we have in the state but the renewals will be an ongoing process. The ability to benefit those and show the benefit to the other states could really help with the compliance. A little bit of outreach to the other states OHV commission's could be a large benefit for them as well as Nevada. It is a good long term sustainable concept to keep that revenue coming in.

#### Elko

John Glen - Commissioner Jackson stated the reason we did not partner with a state agency is very correct; we wanted to be separate without the ability for them to politically push in a certain direction. Plus no state agency wanted to take the OHV commission on; DMV was forced to take on the process since they already handled titling and registration and they had previously done titling on OHV's. We wanted the Commission to remain autonomous and to be able to control all of the money. In regards to the law enforcement issue, the way it was originally looked at was that yes 20% was going to law enforcement.

But it was to be given to them on a grant basis when they proposed what they would use the money for; it would not just be 20% going to law enforcement if they could not produce a grant. That is the way it was envisioned when it was originally written. What we felt was the most important thing in the beginning for the OHV Commission to do and for the grant money to be spent on, if you own a business and you have no idea of what your inventory is, how do you know what it is worth? At that point you have to know what your inventory is and the only way to know that is to map it all and to have a good series of maps working with all of the agencies and with the user groups also. There needs to possibly be a third party or someone that is a contractor to have that happen.

MOTION: Commissioner Jackson make the motion to take the audit under consideration and individual parts of the audit that is felt to be voted on that they are dealt with at the next meeting.

Seconded by Commissioner Gerow.

The motion passes unanimously.

Chair McKay call for a 10 minute break at 11:40am

The meeting resumed at 11:50am

## **10. DMV REPORT**

The Commission will receive a report from a representative of the DMV regarding the number of registrations and trends in the registrations. There may be discussion and a motion to create a more detailed report providing even better transparency between the DMV and the NVOHVC.

Doreen Rigsby, DMV - The numbers as of December 31, 2014 the OHV Commission revenue is \$372,593.25. The last bi monthly deposit was \$33,728.00. DMV's revenue was \$237,472.00 and that includes the VIN assignments, late fees and titles. Year to date the registrations are 48,636; renewals are 29,258. The duplicate decals are 402 and titles are 19,472. Chair McKay stated that Doreen submitted a sample report in order to create better transparency between the DMV and NVOHVC. It was not timely enough to be distributed, the report will be forwarded to the Commissioners in a matter of days and it will be on discussion for the next agenda.

## **8. DISCUSSION OF LEGISLATIVE PRIORITIES FOR THE NVOHVC 2015 LEGISLATIVE SESSION**

The Commission may hear a short presentation by Peter Kreuger, its lobbyist from Capital Partners, on the newest legislative developments. He may also provide guidance on legislative efforts after hearing the Commission and the publics' input on legislative priorities.

**The Commission discussed and prioritized issues identified in its October 27, 2014 meeting and voted to continue the discussion on the following items:**

- Requiring Nevada residents to have Nevada Off-Highway Vehicle ("OHV") stickers
- Exploring the option of having the Department of Motor Vehicles ("DMV") conduct vehicle inspections
- Eliminating late fees for OHV stickers
- Exploring other sticker sales options, including retail distribution, an attestation process for registering, and possible privatization of OHV sticker sales
- Creating a seat on the NVOHVC for Jeep/4WD representation
- Recommendations presented in the audit that may influence the Commission's Legislative Priorities
- Allowing for excess funds to be given to the NVOHVC from the DMV
- Allowing a portion of state gas tax revenue to be dedicated to the NVOHVC
- Developing a transparent monthly revenue/expense report for the NVOHVC prepared by the DMV and Commission
- Allowing the sale of out-of-state OHV stickers
- The feasibility of being hosted by another state agency

Possible action may include providing direction for the lobbyist and Chairman to proceed upon. Other items may be submitted by the Commissioners or the public to be acted upon.

Chair McKay states that he is going to go through the legislative process one at a time.

- Requiring Nevada residents to have Nevada Off-Highway Vehicle ("OHV") stickers

Commissioner Lambert strongly supports this item. There is no further comment.

- Exploring the option of having the Department of Motor Vehicles ("DMV") conduct vehicle inspections

No comment on this item.

- Eliminating late fees for OHV stickers

Chair McKay state this is 80% of the complaints from the present operators; currently it is about 2% of the revenue to the DMV.

Commissioner Elmore goes back to the previous item, given the previous discussions about the DMV giving everything beyond their expenses. We need to keep in mind that if we do ask DMV to perform VIN inspections, which the previously did not want to do because of the added expense, the portion of money that the Commission would be receiving would be getting smaller. Chair McKay also stated that to set the program up there would be some sort of computer program implementation and expenses. Right now it is just being considered. Commissioner Lee states that when a VIN inspection takes place that means a title will be issued. One does not have to complete a VIN inspection if just renewing. DMV is already getting paid for titling and they keep 100% of the titling money. He would be hesitant to think it would cost the DMV a lot more money. Currently his

department has been performing the VIN inspections. They have not received any money and do not expect any money. Commissioner Elmore agrees with Commissioner Lee but at the same time believe that he specifically asked this question to a DMV representative several meeting's ago and that the actual expense in performing the VIN Inspection was one of the main reasons it was off the table with DMV from the beginning. The question needs to be asked, what the expense would be or if it is likely that we are going down the disbursement route we need to be mindful of this as well. Commissioner Lee stated that even the audit showed that there was a surplus of money at DMV; he cannot see that a VIN inspection takes that much manpower. Commissioner Gerow states that the Commission will be asking for the leftover money with DMV. He would not be as supportive of it because he can see the DMV hitting the Commission with some pretty good fees. Commissioner Elmore agrees that the VIN inspections will get lower but right now there is only a 10% to 20% compliance rate. Chair McKay states that part of the problem is a typical inspection program is a federal highway funding and this is different being off road. Currently we are just exploring the option and there can be more discussion before a decision is made to move forward. Doreen Rigsby, the audit was discussing a different funding model, which is all OHV fees. DMV would only keep the administrative fees and OHV would receive the rest. It would not be that DMV would be keeping it if it happens this way.

MOTION: Commissioner Jackson makes a motion to drop from the list of things they would like to see in legislation the inspection of VIN's by DMV.

Seconded by Commissioner Lambert. There are some other avenues that can be looked at in the future. One of those avenues is for clubs or organizations to partner with a dealer for outreach; allowing that club or organization an individual that works under the dealer authority to fall within the current guidelines to go out to remote locations and create a major improvement in compliance. Commissioner Richard states that you are asking a lot for people to comply with an inspection if they have to go somewhere else to the registration. Just because you inspect does not insure compliance. Scott Gerz, states about allowing a third party to perform on site inspections. Going to large events and being able to monitor these events and perform VIN inspections and possibly sticker sales at time would be a huge benefit to boost compliance. Commissioner Gerow thinks the idea is great, but when you start having your dealership signing on something that a third party is completing; the liability is large and he would not agree with that. Now that does not mean that you cannot get law enforcement to come out to perform the VIN inspections, which would be a great start. Larry Caulkins, Nevada Four Wheel Drive Association - The only thing it says is explored; you cannot explore anything until you get a quote from DMV. Commissioner Jackson states that there is a time constraint. The legislature will start to meet February 2, 2015, the Commission needs to decide what they are and are not going to look for, and there is no time to explore.

The motion passes unanimously.

- Eliminating late fees for OHV stickers

Commissioner Jackson states that there is already a BDR in the Senate to eliminate late fee and he feels it should be supported. Commissioner Lambert states it has been a great complaint and he does not think the late fee falls within the legislative intent. It was clear during the last legislative session that people were in favor of being able to use vehicles on private land and to register them when they use them. A lot of the non compliance and non renewal comes from the \$30.00 fee when one is not re-registered within 12 months. He would support legislation to remove the late fee. Commissioner Gerow also comments that he has heard a lot of complaints about the late fees. He is not sure if a non operational was an option. Commissioner Lee agrees with Commissioner Gerow for the non operational option but he is a little worried if late fees were eliminated all together. Commissioner Elmore asks if we eliminate late fees are we further funneling our cash flow. Commissioner Jackson asks if other members of the commission would happy if it said, eliminate late fees for OHV stickers for vehicles that have been non operational or have been out of state or stored on private land or used on private land. Commissioner Lambert states that it seems as if those other avenues are more cumbersome.

MOTION: Commissioner Lambert moves to approach it as eliminating the late fee as stated in the line item.

Seconded by Commissioner Griggs.

Commissioner Richardson asks where the penalty for late registration? Is that okay? There needs to some type of penalty for a late registration. If we are not going to hold people accountable for late registrations then there is no incentive to register. Commissioner Griggs sees it as the opposite. The late fee is a disincentive to register. The incentive to register is the ticket you get when you operate your OHV illegally. What we should be working on is the benefit of the registration. Commissioner Elmore thinks it circles back to the enforcement issue. Commissioner Lambert as a point of order the vote was never finished. He strongly suggests the fall off and re registration is because it becomes a \$50.00 bill and you still can purchase a California sticker with no late fee. Commissioner Griggs comments on paper he agrees with an affidavit system but at the end of the day

we are making someone lie and fill out the affidavit which is an expense we incur for DMV's benefit. That is why he would like to drop the late fee and just let people come back and register. Commissioner Gerow states, if you make it to where there is no reason to register then there is no penalty. He still likes the idea of DMV being able to offer a non operational provision. Doreen Rigsby, DMV - currently the NRS 490 does not allow for a non operational. It states that if you register and you are late it is \$25.00. A process we currently do, when you register your vehicle, once you have met that year and whether it sat in your driveway you do accrue late fee's percentage wise and then you just get a new registration and you do the non operational. Non operation comes down to enforcement.

Commissioner Elmore would like to propose a friendly amendment, Commissioner Lambert would you be friendly to changing the statue to give the discretion to the Commission as to whether or not to charge a late fee. We could not charge a late fee now and when there is enforcement we could choose to charge a late fee. Commissioner Lambert would accept but first he asks Ms. Rigsby what the DMV's authority is under NRS 490 to collect a late fee on a non motorized vehicle. The late fee is written and it is specific to that amount. Commissioner Richardson reads the NRS 490.082 section 4, if the owner of a highway vehicle fails to renew the registration of the off highway vehicle before it expires, the registration may be reinstated upon the payment of the department annual renewal fee, a late fee of \$25.00 and if applicable proof of insurance. Commissioner accepts the friendly amendment.

MOTION: Commissioner Lambert restates his motion, to allow the OHV commission the discretion of whether or not DMV is able to collect a late fee and that can be determined as we go and it is not written in stone. We can institute a late fee and we can remove a late fee.

Commissioner Jackson makes a proposal would be to eliminate late fees from NRS and move them to regulations which would be governed by the Commission.

Commissioner Lambert with draws his motion.

MOTION: Commissioner Jackson make a motion to support any legislation that would eliminate any legislation OHV stick late fees from NRS and replace it in regulations which will be governed by the Off Highway Vehicle Commission.

Seconded by Commissioner Griggs

Motion passed unanimously.

· Exploring other sticker sales options, including retail distribution, an attestation process for registering, and possible privatization of OHV sticker sales

Commissioner Gerow comments that when you start taking and making an over the counter sale of stickers, basically what that will entail is that it will bring in a loop hole for people to buy pass the whole process. In some ways streamlining it would be easy, but he sees it in the non California stickers where you do not even have to prove who you are. It will make it easier to put stickers on stolen machines. He does not want to create a loop hole for wrong doing within our state. Commissioner Jackson states that there is part of a BDR with a suggestion that stickers be sold through DMV dealers who are already authorized by DMV to do VIN inspections. There will be a requirement of record keeping. Commissioner Lambert believes the attestation part could even include a photograph as has been discussed in previous meetings. There are some electronic techniques to make checking the VIN to the sticker very doable. Getting rid of waiting for the sticker and getting the sticker in the cash register; which does not mean that the VIN cannot be inspected by the dealer. I just mean that you get the gratification of leaving after you pay the money and putting the sticker on your vehicle knowing you might get stopped that day. Commissioner Lee agrees that it would be nice to have it that way but he fears that it is not just a sticker that you put on a vehicle saying that you can ride it. These people are obtaining titles for these vehicles. Do dealerships have access to the statewide law enforcement system so the VIN can be run to find out if the vehicle is stolen? Commissioner Lambert states that the only thing he supports is looking at other stick sales options including retail distribution and attestation for registering and possible privatization of the OHV sticker sales program. Commissioner Gerow wants to streamline the process but the two are intertwined because you are registering. One needs to be able to prove ownership. Commissioner Jackson states that Commissioner Lambert is correct in saying that this is a title. If someone has a title then they can go into a place and get a sticker. We are not writing legislation here, we are simply saying that we will support legislation which is done.

MOTION: Commissioner Jackson makes a motion to accept this item and that the Commission would support actions by the legislature to privatize or make stickers available to the public in a more stream line way possibly through retailers.

Seconded by Commissioner Gerow.

Commissioner Griggs he likes the fact that we can keep tab on who's out there. He supports the motion as stated but would like our position to reflect that we choose responsible dealers to sell stickers.

Motion passes unanimously.

- Creating a seat on the NVOHVC for Jeep/4WD representation

Commissioner Jackson states that the Jeep drivers are not sticker holders and do not have a financial stake. There might be a lot of resistance if it is said that they have to have stickers if they are going to be represented; or whether it is done as a voluntary program and change the law while they are off road that they have to have stickers. Commissioner Lambert states that off highway vehicles are currently defined as vehicle that does not have a license plate. The largest group of OHV resources are license plated SUV's by a four to one ratio or more. They deserve a voice. He would support giving them a voice. Commissioner Gerow states that whether they are licensed or not, if they are designed for off road they are inclusive of and it is in NRS 490.060 subsection 1e. He is for the four wheel drive community and clubs, it would be foolish not to include them and they should have been included from the beginning. Larry Caulkins, Nevada Four Wheel Drive Association - their association represents street legal Jeep, truck as well as other off highway vehicles four wheel drive ATV's and UTV's and they are in the process of creating clubs for those groups. They offer a couple of benefits in the OHV and four wheel drive community because are the largest users of gasoline and they are willing to help try and obtain some of those tax dollars. As far as registration, they would be open to an option registration. The non street legal vehicles that do not fall into the ATV or UTV class should administered as ATV's or UTV's with some type of titling to them. We support going ahead and providing recognition of four wheel drive jeep/truck representation on the commission. Commissioner Griggs supports having them on the Commission for the same reasons. Commissioner Richardson want to ensure they are not making a mistake, it is referenced in NRS 490.060 that a motor vehicle that is registered by the DMV in accordance with chapter 482. If we are talking about recognizing vehicles that are already registered it may be precluded by part of the NRS. The rock crawler also comes to mind and that is referenced in NRS 484b.637. Other than those issues he does not see why the Commission cannot support it.

MOTION: Commissioner Lambert makes a motion that the Commission be supportive of any legislation that will allow the four wheel drive community a voice.

Seconded by Commissioner Richardson.

Motion passes unanimously.

- Recommendations presented in the audit that may influence the Commission's Legislative Priorities
- Allowing for excess funds to be given to the NVOHVC from the DMV
- Allowing a portion of state gas tax revenue to be dedicated to the NVOHVC
- Developing a transparent monthly revenue/expense report for the NVOHVC prepared by the DMV and Commission

Commissioner Jackson states that if the DMV's BDR goes through unchanged that would automatically happen anyway. The Commission needs to decide if they will support the DMV's BDR in its entirety or just part of it. Commissioner Lambert states that it is impossible to support a BDR without seeing the language.

MOTION: Commissioner Jackson makes a motion that we support all three of recommendations by the audit report including but not limited to: excess funds coming from the DMV to us, allowing a portion of the gas tax revenues to come to the Commission, and development of transparency monthly revenue and expense reports from the DMV to us.

Seconded by Commissioner Lambert.

Motion passes unanimously.

- Allowing the sale of out-of-state OHV stickers

Commissioner Lambert supports the sale of out of state OHV stickers but we do not prohibit the sale of out of state OHV stickers. You are not required to be a Nevada resident to purchase a Nevada OHV sticker and it is redundant. The same is true for the four wheel drive community; they are welcome to purchase a sticker. Commissioner Gerow would like some more information on what would be considered for an out of state OHV sticker. Do you have to be an out of state purchaser otherwise you are creating another loophole. He would be supportive of a program where a non resident will have to pay a premium price.

MOTION: Commissioner Jackson makes a motion that we support the responsible application for a sticker for out of state residents.

Seconded by Commissioner Gerow.

Motion passed unanimously.

- The feasibility of being hosted by another state agency

MOTION: Commissioner Griggs moves that we do not accept this recommendation to be hosted by another state agency.

Seconded by Commissioner Lambert.

Commissioner Jackson states that these items are things that the Commission will support in Legislation, though he does think it is possible that they may look at being hosted by another agency at some point. He does not believe they should support any legislation that forces them to do that. He is positive to the motion. Commissioner Richardson, one of the things that he noticed when he came to the Commission was a lack of instruction for those that were not familiar with the process. The AG's position was that they are there to make sure we don't go to jail not necessarily to advise us on what to do and not to do. One of the things he recognized was the inability to get things done. One of those reasons is because we are not being coach or mentored by another agency as to what the responsibilities are. We don't want more over site but as we see it we are not doing what we are suppose to be doing. If there was a way that we could get input and direction from a more experience commission or party then we should look at that as opposed to be run by someone else. Chair McKay states that there may be a possibility that the concerns expressed by others that the grant agency from the state may be able to do a lot of the administration, budgeting and those types of items and we could maintain the independent decision for funding. They could provide the support and objectivity that is needed. Commissioner Lambert states that the grant agency for the state of Nevada runs as an independent entity much as the Commission. It is a good recommendation that we seek their help and guidance on grant issues. He prefers a Commission that is motivated and directed by the user groups.

Motion passes unanimously.

#### **9. DISCUSSION OF POSSIBLE LAW ENFORCEMENT ADVISOR**

The Commission will discuss the merits of using a law enforcement advisor from the Nevada Office of Criminal Justice to assist the NCOHV in the law enforcement grant selection process.

**NRS 490.069 § 3(b) states "Except as otherwise provided in subsection 4, 20 percent of any money in Account as of January 1 of each year that is not used pursuant to paragraph (a) must be used for law enforcement, as recommended by the Office of Criminal Justice Assistance of the Department of Public Assistance or Department of Public Safety, or its successor . . .".**

The Commission will discuss and may move to follow the Office of Criminal Justice Assistance's recommendations pertaining to Law Enforcement Grants.

Chair McKay states, Item number 9 was not written correctly enough to be discussed by the Commission today. In an earlier discussion the roll of the office of criminal justice and the 20% that is supposed to be dispersed to them each year was talked about.

#### **11. TREASURER'S REPORT and 2015 PROPOSED BUDGET**

The Commission will receive a report from the Commission Treasurer. Items that may be discussed include last month's income and expenses and current bank balances. There will be a presentation from a DMV representative on 2014 actual revenues and expenses on OHV sticker sales as well as a 2015 proposed budget. Action could include the acceptance of the proposed 2015 budget or a modification or rejection of the proposed budget by the Commission. The 2014 actual revenue and expense report and the 2015 proposed budget are attached to this Notice and posted on the NCOHV's Website.

Chair McKay states that the 2015 budget will not be proposed today, there are a few more pieces of the puzzle that need to fall into place. It will be discussed in its entirety at the next meeting. Commissioner Lambert states that at current date for yearend balance for 2014 \$1,025,130.62. The budget document breaks down that we made it under our 5% although we did not make our obligation to pay stipends we have a good understanding of where we are going forward. Thank you to Commissioner Cox generated the document in quick books. Administration and Accounting Fee's were \$467.50; Contract Services (the executive secretary) \$18,156.88; Liability Insurance \$\$1,384.34; other office expenses \$166.02; postage / mailing \$365.57; printing and copying \$136.02; room rental \$415.75; office supplies \$491.13; travel to meeting \$466.40; fuel \$544.51; travel \$612.40; total administration \$23,206.55; grand expenditures and projects were not issued. The outstanding liabilities that Commission has that he is aware of is that they were submitted an invoice under my stipend when Commissioner Jackson was Chair for a partial payment of \$3,100.00. We have been advised several times by the AG that it is a payable item and it has yet to be paid.

Scott Gerz asks if these funds are being held in an interest bearing account and what that interest bearing might be at this point. Commissioner Jackson stated that we going to put an agenda item up and look for interest bearing avenues.  
No Further Comment.

## **12. PUBLIC COMMENT**

### Reno

Scott Gerz - Nevada Trail Stewards, if the money is in a general account, yes it would be great to get some interest bearing on that. He has not heard anything addressed on the issue of the previous grant process and the funds that were applied for in that grant process. Maybe that could be an agenda item in the next meeting.

Charise Whitt - Criminal Justice Assistance, a suggestion would be that if you know that you are not going to discuss an agenda item, if you could let the people know at the beginning of the meeting that would be helpful. In reference for the law enforcement 20% to be put on an agenda soon, she would agree with that. A lot of state process, guidelines and the laws that take time to get through, it is going to take them a while to work out the specifics. I believe Commissioner Richardson's suggestion of having some state assistance would be helpful. The state grants office would be a good starting point. There is a lot of frustration in working with anything within government. AG Palmer responds and does not want the office of criminal justice to be under the misunderstanding that the regulations in anyway are things that your office will have to become familiar with or implement. The regulations that were drafted are not for the law enforcement part of the grant. Your office is the recommending body to this commission for who those grant funds should be dispersed to.

### Las Vegas

No comment

### Elko

No comment

Commissioner Gerow would like to bring up a few points so they can be placed on the next agenda. It has been brought to his attention from the public that currently there is no tax credit for a trade in on an OHV. There is a tax credit if it is a watercraft or a street vehicle. If it is an OHV there is no tax credit. People should get the credit that is due. The other bullet point is the dealers having to have a separate license bond for off road sales. It has been discussed but he does not think it has made it to legislative action and would also like that on the next agenda.

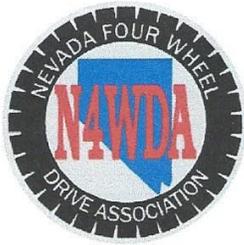
## **13. ADJOURNMENT**

MOTION: Commissioner Jackson makes a motion to adjourn.

Seconded by Commissioner Elmore.

The meeting adjourned at 1:48pm

Chair McKay asks if it is acceptable to have the next meeting on February 19, 2015. Hearing no negative comments we will move in that direction.



[www.n4wda.org](http://www.n4wda.org)

**Nevada Four Wheel Drive Association**

**65 Jasper Lane  
Dayton, NV 89403  
775-246-3212**

December 13, 2014

Nevada Commission on Off Highway Vehicles

Dear Commissioners,

We have a couple of comments on enclosures sent to us with the Meeting Announcement for NCOHV for December 11, 2014, which was subsequently cancelled.

Our first concern was Agenda Item 7, Discussion of Legislative Priorities for NCOHV 2015 Legislative Session. We have been in attendance at all of the recent NCOHV meetings and have been involved in discussion concerning the role of 4 wheel drive (street legal) vehicles with regard to the NCOHV. We have heard positive discussion about amendment of the NCOHV charter to include 4 wheel drive vehicles along with the motorcycles, ATV's and snowmobiles.

There was also favorable discussion of adding a seat to the NCOHV for 4 wheel drive recreation.

However, Agenda Item 7 does not include these items for consideration as legislative priorities for the upcoming session. Perhaps, this was an oversight, or we do not understand this issue. Perhaps these concerns are addressable without inclusion in the legislative change package.

The second item concerns the memo from Scott McKenna to Chairman McKay, item (1). As we understand this, governmental entities, because they are not "persons", would be not allowed to apply for NCOHV grant monies. This, we believe, impacts the Grant Program in that the US Forest Service (USFS), Bureau of Land Management (BLM), state and local entities, and, unless stated otherwise or elsewhere, county law enforcement agencies, will not be allowed to apply for the grants. In the case of the USFS and BLM, this would result in a lack of opportunity for OHV enthusiasts as these agencies comprise the great majority of the public lands that we recreate on. In the case of law enforcement, the ability to enforce OHV in regard to public laws, as well as participation in the NCOHV program, will be non-existent.

If, in fact, this is the case, we suggest that the NCOHV consider a legislative change that would allow governmental agencies applying for NCOHV grants an exception from this prohibition under NRS 490.068(2).

We understand that the above concerns are not current agenda items, but we expect that they will be addressed at the next full commission meeting.

Thank you, Commissioners, for your continued consideration,

A handwritten signature in cursive script that reads "Lawrence H. Calkins".

Larry Calkins, President



January 14, 2015

Nevada Commission on Off Highway Vehicles

The Nevada Trail Stewards and the OHV Community strongly believe in the scored non-subjective grant process. This alarming concept continues to send up red flags and has been highlighted in the 2013 ~ 2014 grant process requiring this appeal, subsequent rebuilding the grant process, and pursuit of regulatory standards.

As Mr. Jackson stated 2:14:40 in the 7/2/14 Nevada Commission on Off Highway Vehicles meeting at the Legislative Counsel Bureau 'Two Commissioners could vote to score zero and block a grant giving two Commissioners veto power'. This concept of placing legislation specifically designed to entice this type of behavior by our public officials is unacceptable and a potential abuse of political power, especially for an appointed, not an elected Commission. Legislative language such as this subjective grant award process will lead to moral and certainly legal issues tempting conspiracy and coercion.

The Nevada Commission on Off Highway Vehicles is charged with dispersing what may very well be 10s of millions of Nevadan's dollars and must be held to I much higher standard in the future.

This process must not be over looked and removed from the regulation.

Sincerely,

Scott Gerz

Chairman

2. The Commission may award a grant of money from the Account for Off-Highway Vehicles created by [NRS 490.069](#). Any such grant must comply with the requirements set forth in [NRS 490.069](#). The Commission shall:

(a) Adopt regulations setting forth who may apply for a grant of money from the Account for Off-Highway Vehicles and the manner in which ~~such a person may submit~~ the application may be submitted to the Commission. The regulations adopted pursuant to this paragraph must include, without limitation, requirements that:

(1) Any ~~person~~ requesting for a grant provide proof satisfactory to the Commission that the appropriate federal, state or local governmental agency has been consulted regarding the nature of the project to be funded by the grant and regarding the area affected by the project;

(2) The application for the grant address all applicable laws and regulations, including, without limitation, those concerning:

(I) Threatened and endangered species in the area affected by the project;

(II) Ecological, cultural and archaeological sites in the area affected by the project; and

(III) Existing land use authorizations and prohibitions, land use plans, special designations and local ordinances for the area affected by the project; and

From Leo Drumm

## Nevada Commission on Off Highway Vehicles

**PRESENTATION TO THE NEVADA COMMISSION ON OFF  
HIGHWAY VEHICLES.**

Mr. Chairman and members of the Commission, my name is Vita Ozoude, Executive Branch Auditor for the State of Nevada Division of Internal Audits. We performed an audit of Nevada Commission on Off Highway Vehicles Program which was presented to the Executive Branch Audit Committee on December 10, 2014.

In the course of our audit, we interviewed current and former members of this Commission, state of Nevada agencies, federal bureau of land management and Department of Motor Vehicles (DMV) personnel. Part of our procedures involved reviewing and testing DMV's OHV revenues and expenses. We also verified the accuracy of the registration fee apportionments to the Commission.

In addition, we surveyed other states regarding their OHV programs. After performing all these procedures, we focused on three objectives that we believe would be beneficial to the Commission.

**Our First Objective** deals with revising the funding structure to maximize funds for OHV projects. Per statute, the current funding structure allocates 85 percent of registration fees to the Commission and 15 percent to the DMV.

In addition to the 15 percent of the registration fees, DMV also retains all the title and late registration fees. For fiscal year 2014, the commission received \$665,339 in registration fees while DMV received \$118,121 in registration fees, \$263,497 in title fees and \$23,615 for late registration fees for a total of \$405,233

DMV's portion of the total revenue goes into an account called "Account for Administration of OHV Titling and Registration". All funds in this account must be used by DMV solely for the administration of OHV titling and registration and any fund remaining in the account must be carried forward to the next fiscal year.

## Nevada Commission on Off Highway Vehicles

At the time of our audit, DMV revenues exceeded its administrative expenses, by approximately \$100,000. Since these funds cannot be used for any other purpose, excess funds will continue to accumulate in this account.

We estimate the excess funds in the account would accumulate to \$2.78 million in 10 years assuming 100 percent compliance.

*We recommend the commission should consider seeking legislation that would allow DMV to transfer to the commission all OHV program revenue in excess of its expenses.*

The second part of this objective deals with sharing of revenue and expense data. Discussions with Commission members and DMV officials disclosed program revenue and expense data are not currently being shared with the commission members. We believe that sharing such information would help the Commission to verify the accuracy of the revenue apportionment.

*We recommend the Commission should consider coordinating with DMV to obtain program revenue and expense data.*

Such an arrangement leads to increased transparency as well as assure the Commission the funds are being properly allocated.

**Our Second Objective** deals with increasing OHV program revenues.

At the beginning of the program, DMV spent \$88,000 for public outreach; which resulted in approximately 20 percent registration compliance or 40,000 OHV registrations.

NRS 490 requires OHV funds to be used for purposes such as enforcement public outreach and trails management. Because of the difficulties you have encountered so far in establishing regulations for administering grants, no funds have been expended for these activities. Consequently, much of the OHV public is either unaware of the OHV titling and registration requirements or are unconcerned with compliance as enforcement efforts are currently non-existent.

*Ensure that the funds are being properly allocated.*

## Nevada Commission on Off Highway Vehicles

In the first quarter of fiscal year 2015, the program experienced negative growth in active registrations for the first time since the program began. Active registrations declined as new registrations were not sufficient to offset the decline in renewals.

Our survey of other states disclosed that enforcement and public outreach is critical to program compliance especially in the early stages.

As of January 1, 2015, the commission has approximately \$150,000 available for public outreach and \$200,000 for enforcement efforts.

***We recommend the Commission should consider developing and implementing procedures to ensure funds are expended for OHV enforcement and public outreach.***

Based on results of the initial expenditures for public outreach by DMV, we estimate spending \$150,000 could generate approximately \$1.2 million in additional registration revenue as the public is made aware through public outreach that registration and titling of OHVs is now legally required.

The second part of this objective deals with out of state OHVs. At this time, current statute does not require registration for an OHV if the OHV is registered in another state and located in Nevada for less than 15 days. Additionally, the statute has no provision for out-of-state riders who are in Nevada longer than 15 days or are not registered in another state.

Our survey of other states disclosed that out of state OHV registration requirements vary from state to state. However, all the states surveyed have programs to accommodate out-of-state OHVs and OHV riders. Some states offer out-of-state decal programs that are operated similar to the selling of fishing licenses, whereby licensed vendors will maintain a stock of decals and remit fees collected minus nominal agent fees to the commission.

***We recommend the Commission should consider implementing a program where decals are required for out-of state OHVs located in Nevada for more than 15 days or not registered in another state.***

Implementing a decal program could provide additional revenue of approximately \$144,000 while allowing out of state riders a means to participate in Nevada's OHV recreational opportunities.

## Nevada Commission on Off Highway Vehicles

**Our Third Objective** deals with the Commission being hosted by a state agency.

The OHV commission was established as an independent body with no administrative or budgetary support from an executive branch agency. As a result, the commission is still trying to establish policies and procedures that already exist in state agencies. This delay in establishing policies and procedures has hindered the progress of the commission's mission to promote the responsible use of recreational OHVs.

We surveyed ten western states, all of which have OHV programs similar in nature to Nevada's program. In all these states, the OHV programs are hosted by state agencies. The host agencies provide administrative and budgetary support. Seven of the ten states surveyed have OHV commissions that act in an advisory capacity while three have no OHV commissions.

Based on our survey, only Nevada has an independent OHV commission not hosted by an executive branch agency.

In the states with OHV advisory commissions, grant functions such as approval and monitoring are segregated between the commission and the host agency to provide appropriate checks and balances.

In Nevada, all the functions of granting the OHV funds reside with the Commission with no oversight from an executive branch agency.

*We recommend the Commission should consider seeking legislation to be hosted by a state agency.*

Being hosted by a state agency would provide the commission administrative and budgetary support as well as ensure proper checks and balances.

The second part of this objective deals with seeking other funding sources to defray the costs of the host agency. Presently, the only source of funding for the Commission is their portion of OHV registration fees.

## Nevada Commission on Off Highway Vehicles

We surveyed other states regarding additional funding sources for their OHV programs. We identified two additional sources of funding used by these states namely; federal Recreational Trails Program (RTP) fund and fuel tax allocation.

Five of the surveyed states use RTP funds for OHV projects. In Nevada, the Division of State Parks receives approximately \$1.5 million of RTP funds, 30 percent of which is designated for OHV projects. Currently, there is no coordination between the Commission and State Parks as to how these funds are expended.

Eight of the states surveyed also supplement OHV program funding with an allocation of fuel tax dollars. The amount of fuel tax dollars allocated to the OHV programs is based on studies of fuel consumed by OHVs which they believe contribute directly to the state's highway funds.

***We recommend the Commission should consider seeking other funding sources to defray the cost of the host agency.***

Seeking other funding sources will not only defray the costs of the host agency but will also ensure the continued viability of the OHV Program.

~~We express our appreciation to the OHV commission members and the department's management and staff for their cooperation and assistance throughout the audit.~~

This concludes my presentation.

*I want to thank the commissioners that took time out of their busy schedules to meet with us and discuss the program.*