

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY  
ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066  
LCB FILE NO. R003-16**

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) Chapter 706.

**1. A clear and concise explanation of the need for the adopted regulation.**

These regulation are necessary to create procedures for Senate Bill 376 of the 78<sup>th</sup> (2015) Nevada Legislative Session that permits certificate holders to lease taxicabs to independent contractors in Southern Nevada in counties regulated by the Taxicab Authority. These regulations:

- a) Establish provisions governing when and the manner in which a certificate holder may participate in leasing its taxicabs to independent contractors [Senate Bill 376 of the 78<sup>th</sup> (2015) Nevada Legislative Session];
- b) Establish provisions governing who may qualify as independent contractors permitted to lease taxicabs and their responsibilities during lease periods [Senate Bill 376 of the 78<sup>th</sup> (2015) Nevada Legislative Session];
- c) Establish regulations regarding the issuance of lease medallions to taxicab owners and their responsibilities during lease periods [Senate Bill 376 of the 78<sup>th</sup> (2015) Nevada Legislative Session];
- d) Establish procedures for the submission and approval of lease agreements prior to parties entering into such agreements [Senate Bill 376 of the 78<sup>th</sup> (2015) Nevada Legislative Session];
- e) Establish provisions governing security deposits [Senate Bill 376 of the 78<sup>th</sup> (2015) Nevada Legislative Session];
- f) Establish provisions regarding the applicability of existing laws and regulations to independent contractors and taxicab owners during lease periods [Senate Bill 376 of the 78<sup>th</sup> (2015) Nevada Legislative Session].

**2. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.**

Copies of the proposed regulations, notices of workshop, notice of intent to act upon regulation, and notice of hearing for the adoption of regulation were sent by U.S. mail and by email to persons who were known to have an interest in leasing taxicabs. The Taxicab Authority also posted these documents consistent with open meeting laws; made these documents available at its business office located at 2090 East Flamingo, Suite 200, Las Vegas, Nevada 89119, Monday through Friday during regular business hours; and posted such information on its official website at <http://taxi.nv.gov/>. Finally, the Taxicab Authority made available a physical copy of the proposed regulations for review by persons interested in reading it at its agency website and office. The Taxicab Authority posted notices at the following locations:

*Nevada State Library & Archives, 100 North Stewart Street, Carson City, NV 89701  
Carson City Library, 900 North Roop Street, Carson City NV 89701  
Churchill County Library, 553 South Main Street, Fallon, NV 89406  
Clark County District Library, 833 Las Vegas Boulevard North, Las Vegas, NV 89101*

*Douglas County Library, 1625 Library Lane, Minden, NV 89423*  
*Elko County Library, 720 Court Street, Elko, NV 89801*  
*Esmeralda County Library, Corner of Crook & 4th Streets, PO Box 430, Goldfield, NV 89013*  
*Eureka Branch Library, 80 South Monroe Street, Eureka, NV 89316*  
*Humboldt County Library, 85 East 5th Street, Winnemucca, NV 89445*  
*Lander County Library, 625 South Broad Street, Battle Mountain, NV 89820*  
*Lincoln County Library, 63 Main Street, Pioche, NV 89043*  
*Lyon County Library, 20 Nevin Way, Yerington, NV 89447*  
*Mineral County Public Library, 110 1st Street, Hawthorne, NV 89415*  
*Pershing County Library, 1125 Central Avenue, Lovelock, NV 89419*  
*Storey County Courthouse, 26 South B Street, Virginia City, NV 89440*  
*Tonopah Public Library, 167 Central Street, Tonopah, NV 89049*  
*Washoe County Library, 301 South Center Street, Reno, NV 89501*  
*White Pine County Library, 950 Campton Street, Ely, NV 89301*  
*State of Nevada Taxicab Authority 2090 E. Flamingo Road, Suite 200 Las Vegas, Nevada 89119*  
*Clark County School District 2832 E. Flamingo Road Las Vegas, Nevada 89121*  
*Las Vegas City Hall 495 S. Main Street Las Vegas, Nevada 89101*  
*Clark County Commissioners 500 S. Grand Central Parkway Las Vegas, Nevada 89101*  
*Grant Sawyer Building 555 E. Washington Avenue Las Vegas, Nevada 89101*  
*Nevada Taxicab Authority Website [www.taxi.state.nv.us](http://www.taxi.state.nv.us)*  
*State of Nevada Website <https://notice.nv.gov>*  
*Nevada State Legislature Website: [www.leg.state.nv.us](http://www.leg.state.nv.us)*

The Taxicab Authority conducted workshops on December 18, 2015, May 16, 2016, and September 22, 2016, minutes of each attached hereto as Exhibits 2, 3, and 4, respectively. It also held two (2) public adoption hearings before the Taxicab Authority Board on July 21, 2016 and October 27, 2016, minutes attached hereto as Exhibit 5 and 6. These minutes summarize public comments received during these meetings. Subsequent written comments received by the Taxicab Authority reiterated the same statements expressed during the workshops and board meetings.

### 3. The number of persons who:

<b>Attended each workshop:</b>	December 18, 2015	19
	May 16, 2016	24
	September 22, 2016	33
<b>Attended board hearing:</b>	July 21, 2016	35
	October 27, 2016	41
<b>Submitted written comments to the agency:</b>		2

### 4. A list of names and contact information of attendees.

A list of names and contact information, including entity name or organization represented, telephone number, business address, business telephone number and/or electronic mail address for attendees identified above are attached hereto as Exhibit 7.

**5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

The proposed regulations has no impact on small businesses. The Taxicab Authority determined the proposed regulations' impact on small businesses by asking for and accepting both verbal and written comments from the public, the industry, and affected businesses throughout the regulation adoption process. On November 24, 2015, it began accepting comments on whether the proposed regulations negatively impacted small businesses by providing notice pursuant to Open Meeting Laws that specifically sought business and public input, and by requesting comments during its workshops on December 18, 2016 and May 16, 2016. It also gave individuals, businesses, and the public another opportunity to provide statements before, during, and after its workshop scheduled during its September 22, 2016 board meeting. Furthermore, persons had additional time to submit negative business impact comments before, during, and after its adoption hearings on July 21, 2016 and October 27, 2016. The Taxicab Authority received no comments. A Second Amended Final Small Business Impact Statement has been attached hereto as Exhibit 8.

**6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The proposed regulations adopted on October 27, 2016 contain many of the recommendations discussed during the workshops and adoption hearings. It also contains changes that reflect and remain consistent with Nevada statutes.

**7. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:**

**(a) Both adverse and beneficial effects; and**

**(b) Both immediate and long-term effects.**

The adopted regulations will vary in their adverse and beneficial impact to existing certificate holders and independent contractors. There are many variables such as the number of independent contractors interested in leasing, the duration of the lease(s), and cost of lease(s) that make it difficult to project what percentage of independent contractors will lease taxicabs pursuant to Senate Bill 376 of the 78<sup>th</sup> (2015) Nevada Legislative Session. Similarly, certificate holders have their own separate variables to consider including their responsibilities towards benefit coverage, insurance, cost of maintenance, and the cost of ensuring independent contractors satisfy the terms of their agreements. Some certificate holders have expressed having no interest in leasing while others remain open to the possibility of participating in leasing. As these factors will affect who will participate and to what extent, the proposed regulations will have varying adverse and beneficial economic effects on businesses they regulate.

Immediate effects include providing current certificate holders and independent contractors flexibility in defining their business relationships. Independent contractors now have the opportunity to simultaneously drive for various carriers; define when and how long they will drive, and further control how much profit is to be generated. Benefits to certificate holders include having another way to generate profit, potentially limiting liability for driver

transgressions, and limiting certificate holder obligations to provide benefits. Leasing provides certificate holders yet another way to compete for drivers in the industry.

Long term effects of leasing remain unknown. This will depend on how many drivers and carriers decide to participate and to what extent they participate. As discussed above, both parties must consider many variables in order to determine whether leasing benefits them or whether this type of business relationship is viable within Clark County.

The adopted regulations will benefit the riding public in Clark County because of the increased number of taxis available to people desiring to get their destinations. Taxi availability will no longer be limited by a certificate holder's decision on the number of drivers to deploy during the day and night. Instead, drivers of leased taxicabs may supplement and provide needed rides to the public.

**8. The estimated cost to the agency for enforcement of the adopted regulation.**

The Taxicab Authority anticipates incurring minimal cost, if any, to enforce lease regulations in Clark County. Minimal training is required because Taxicab Authority Investigators already have the required knowledge, training, and means to conduct enforcement. No special equipment is needed. Leasing regulations mainly change the relationship between taxicab owners and drivers but do not significantly affect the manner in which Investigators enforce.

**9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

The adopted regulations do not overlap or duplicate any regulations of other state, local, or federal governmental agencies.

**10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

There are no federal regulations that regulate the same activity.

**11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The adopted regulations do not establish a new fee nor increase an existing fee.