

DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA TRANSPORTATION AUTHORITY

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY
NRS 233B.066
LCB FILE R136-16**

The following statement is submitted for adopted amendments to Nevada Administrative Code (“NAC”) chapter 706A.190.

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

This regulation is necessary to allow the Nevada Transportation Authority to revise amounts due for the annual regulatory assessments of transportation network companies to offset expenses of regulating that industry pursuant to NRS 706A.140 (2) & (3).

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

Copies of the notice of workshop and the notice of intent to act upon the regulations were sent by U.S. mail or via facsimile to all persons on the Authority’s mailing list for administrative rulemaking and to all transportation network companies and passenger motor carriers licensed by the Authority. Copies of the notices of workshops and the notice of intent to act upon the regulations were also posted at all county libraries in Nevada and at the following locations:

Clark County Court House
200 Lewis Ave.
Las Vegas, NV 89155

Department of Business & Industry
555 E. Washington Blvd., Suite #4900
Las Vegas, NV 89101

Department of Business & Industry
1830 College Parkway, Suite #100
Carson City, NV 89706

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

Washoe County Court House
75 Court St.
Reno, NV 89501

Copies of all materials relating to the proposal were made available at the workshop and adoption hearing, at the offices of the Authority, on the Authority’s website at www.nta.nv.gov, and at the Nevada State Library, 100 North Stewart St., Carson City, NV.

A Workshop was held on June 29, 2016. On or about September 30, 2016, the Authority issued a Notice of Intent to Act Upon a Regulation. A public hearing was held on November 2, 2016. The minutes of the workshops and the public hearing, attached hereto, contain summaries of the discussion held regarding the proposed amendments.

A copy of this summary of the public response to the proposed regulation may be obtained from the Authority, 2290 South Jones Blvd. Suite 110, Las Vegas, Nevada 89146, (702) 486-3303.

3. The number of persons who:

- a. Attended each workshop/hearing:** June 29, 2016 — 27; November 2, 2016—10.
- b. Testified at each workshop/hearing:** June 29, 2016 — 8; November 2, 2016—1.
- c. Submitted to the agency written comments:** 2.

4. For each person identified in paragraphs (b) and (c) of number 1 above, the following information if provided to the agency conducting the hearing:

Testified at workshops:

Craig Hulse, Uber,
Mike Hillerby, Lyft,
Craig Hulse, Uber
Dale Stamper, Jacob Transportation/Executive Limo,
John Hickman, Western Companies,
Jonathan Swartz, Yellow Checker Star Transportation,
Ian Poirier, Lyft

Submitted written comments:

Martin McConnell, GetMe

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

Before conducting workshops in this matter, the Nevada Transportation Authority made a concerted effort to determine whether the proposed regulations are likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business. The methods used by the Authority in this effort included taking and analyzing written and verbal comments from the public and from businesses to be affected by the proposed regulations in public Special General Session Meeting and Workshop on June 29, 2016. Despite

repeated invitations for comment (either written or oral) identifying small business impacts of the proposed regulations, and extensive commentary from current and prospective small business owners, no such impacts attributable to the regulations (as opposed to the authorizing legislation) has been identified. NTA Commissioners and/or staff have met individually at least twice with Uber, Lyft and Get Me, the three currently-licensed transportation network companies, regarding the impact of the proposed regulations, with appropriate edits including the addition of a lower tier being added to NAC 706A.190(2).

The Authority determined pursuant to NRS 233B.0608(1) that the proposed regulations are not likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business. Further, the proposed regulations will not have a significant adverse or beneficial economic impact upon the regulated industry, either immediately or long-term, and the proposed regulations will have not a significant adverse or beneficial economic impact upon the public, either immediately or long-term. Accordingly, the agency has not prepared the statement referenced in NRS 233B.0608(2)(b).

The Authority notes that these assessments of impact are limited to the impacts of the proposed regulations themselves, and that the amendments are in accord with the requirements of NRS 706A.140.

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

Not applicable.

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 proposed regulations themselves will have a significant beneficial economic impact upon the regulated industry, primarily over the next six months to one year. The proposed regulation is intended to fund the expenses incurred by the Authority during that time period for the regulation of the transportation network providers pursuant to NRS 706A.140. The long term impact of the proposed regulation is minimal, as the Authority is required to reassess the costs of regulation the transportation network companies each year pursuant to NRS 706A.140(2).

Similarly, the regulations themselves will have a significant beneficial economic impact upon the public in the next six months to one year, as the regulation at issue will assist the transportation network companies to continue to provide employment opportunities in the transportation industry, availability of services provided by the new industry, and tax revenues generated by the new industry.

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

De minimus.

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 federal regulation, the name of the regulating federal agency.

There are not any regulations of other state or government agencies which the proposed regulation overlaps or duplicates.

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

N/A

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 regulation increases the annual assessment on the transportation network companies from 1% of their annual gross revenue to a tiered assessment. The Authority expects to collect approximately \$800,000 annually. The revenue will be used to fund and support the Authority's regulatory oversight of the industry pursuant to NRS 706A.140 (2) & (3)..

12. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?

The Authority has determined that the proposed regulation does not impose a direct and significant economic burden upon small business or restrict the formation, operation or expansion of a small business. Rather, the regulations enable the formation, operation, expansion and regulation of small business. In making this determination the Authority consulted with representatives of each of the transportation network companies operating in Nevada and no such concerns were raised or expressed. Additionally, the Authority afforded businesses additional time following the workshops to submit, in writing, any impacts the proposed regulation may have; no written comments have been received addressing such impacts.

Further discussion of small business impacts can be found in the statement prepared by Authority Chairman Alaina Burtenshaw pursuant to NRS 233B.0608.