

**NEVADA LEGISLATURE
LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY THE
ALLOCATION OF LIMOUSINES (A.B. 518)
SUMMARY MINUTES AND ACTION REPORT**

The second meeting of the Legislative Commission's Subcommittee to Study the Allocation of Limousines was held on Monday, April 5, 2004, at 9 a.m. in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. A copy of this set of "Summary Minutes and Action Report," including the "Meeting Notice and Agenda" ([EXHIBIT A](#)) and other substantive exhibits, is available on the Nevada Legislature's Web site at www.leg.state.nv.us/Session/72nd2003/Interim. In addition, copies of the audio record may be purchased through the Publications Office, Legislative Counsel Bureau (LCB) (e-mail: publications@lcb.state.nv.us; telephone: 775/684-6835).

SUBCOMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Assemblywoman Vonne Chowning, Chairwoman
Senator Maggie Carlton
Senator Warren B. Hardy
Senator Joseph M. Neal
Assemblyman Walter Andonov
Assemblyman Jerry D. Claborn
Assemblyman Harry Mortenson

SUBCOMMITTEE MEMBERS ABSENT:

Assemblyman Bob Beers

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Brian L. Davie, Legislative Services Officer, LCB, Las Vegas Office
Scott Wasserman, Chief Deputy Legislative Counsel, Legal Division, LCB
Joyce Garrett, Program Analyst, Fiscal Division, LCB
Melisa Aguon, Secretary/IS Support Specialist, LCB, Las Vegas Office

OPENING REMARKS

Assemblywoman Chowning called the meeting to order. She welcomed the members and public to the second meeting of the 2003-2004 interim, and congratulated Kimberly Maxson-Rushton, Commissioner of the Transportation Services Authority (TSA) for having become a new mom.

APPROVAL OF MINUTES OF THE NOVEMBER 24, 2003 MEETING

The Committee **APPROVED THE FOLLOWING ACTION:**

ASSEMBLYMAN CLABORN MOVED APPROVAL OF THE SUMMARY MINUTES OF THE NOVEMBER 24, 2003, MEETING HELD IN LAS VEGAS, NEVADA. THE MOTION WAS SECONDED

BY SENATOR HARDY AND CARRIED UNANIMOUSLY.

UPDATE ON DISCIPLINARY ACTIONS TAKEN BY THE TSA SINCE THE PREVIOUS MEETING OF THE SUBCOMMITTEE AND SUMMARY OF ENFORCEMENT ACTIVITIES ON LIMOUSINES

- Sandra Lee Avants, Chairman, TSA, introduced the TSA representatives and noted that Investigator Tim Janda would be reporting on enforcement activities in place of Byram Tichenor, Chief of Enforcement. Mr. Tichenor was unable to attend due to a family emergency. A letter to the Subcommittee from Mr. Tichenor is available as [EXHIBIT C](#). In response to several questions from Senator Neal, Ms. Avants informed the Subcommittee on the TSA's procedures for safety inspections.
- Tim Janda, Investigator, TSA, on behalf of Mr. Tichenor, expressed Mr. Tichenor's sincere regret for not being able to attend. He noted that Chief Tichenor would be available for questions, and could be reached at his office after April 12th. In lieu of his absence, Mr. Janda provided an overview of the significant areas of enforcement and other activities for the TSA. Please see [EXHIBIT D](#) for details of Mr. Janda's remarks. In his presentation, Mr. Janda explained that "sting operations" were conducted in an attempt to enforce NRS 706.756 and NRS 706.758.
- Kimberly Maxson-Rushton, Commissioner, TSA, in response to a question from Senator Neal, informed the Subcommittee of the statutes governing the TSA's authority of enforcement in the area of illegal solicitations by limousine drivers and identified areas of non-compliance for limousine violators. In response to a question from Senator Carlton, Ms. Rushton informed the Subcommittee on the limousine lease agreement procedure and how the limousine and taxicab industries are affected by the operational inspection process.
- Yvette Moore, Administrator, Taxicab Authority explained how the current taxicab rates and fuel surcharges were derived, and clarified rate change procedures submitted to the Taxicab Authority Board. She specifically noted that taxicabs in Clark County only charge the metered rate. That rate is controlled by the Taxicab Authority Board. Rates normally are reviewed on an annual basis, but currently, due to escalating prices, they are reviewed quarterly. Earlier this year the Taxicab Authority placed a fuel surcharge in addition to the current rate of twenty cents. Ms. Moore explained that the additional fuel surcharge of twenty cents existed from September 2003 thru March 2004 and the surcharge was converted into a permanent rate increase in March 2004. Finally, she stated that the Taxicab Authority Board ordered a quarterly assessment of rates based on the projections of rising gas prices of potentially \$3 a gallon.

BRIEFING ON A COMPARISON OF FUNDING SOURCES AND THE 2003-2005 BIENNIUM LEGISLATIVELY APPROVED BUDGETS OF THE TSA AND TAXICAB AUTHORITY

- Joyce Garrett, Program Analyst, Fiscal Analysis Division, LCB, provided a comparison of funding sources, highlighting the differences and similarities of revenue sources between the TSA and Taxicab Authority. The TSA's primary funding source, an appropriation from the Highway Fund, made up 78 percent of its entire funding over the 2003-2005 biennium. The Taxicab Authority, a fully self funded agency, supported its operations through revenue collected from various sources such as fines and assessments. The Taxicab Authority's largest source of revenue is collected by a Taxicab Trip Charge that is paid by every passenger taking a taxicab trip in Clark County. In response to a question from Senator Carlton, Ms. Garrett explained the Taxicab Trip Charge only exists in Clark County. Please see [EXHIBIT E](#), and [EXHIBIT F](#) for details of Ms. Garretts' comments.
- Michael Mersch, Senior Deputy Attorney General, Attorney General's Office, on behalf of the TSA, clarified the agency's statutory authority to enforce NRS 706.771. Mr. Mersch also discussed the TSA's general fine schedule regarding the type and severity of violations. He further explained TSA's separate fine account for money collected which is controlled by regulation and limited to uses relating to enforcement activities.
- Scott Wasserman, Chief Deputy Legislative Counsel, LCB, in agreement with Mr. Mersch, indicated that agencies are limited in their use and collection of fines. When agencies impose fines, they are to follow due process to ensure that fines are being imposed fairly and equally. Furthermore, the legislature has authority to statutorily regulate the use of those fines.

- Senator Hardy requested more specifics on the issue of fines and showed concerns regarding agencies having complete control over the administration of fines. In response to his request, Ms. Garrett will provide the Subcommittee historical data showing how the TSA's fine revenues have been spent.

PRESENTATION OF THE INDEPENDENT STUDY ON THE ECONOMIC STATUS OF THE NEVADA LIMOUSINE INDUSTRY WITH SPECIAL REFERENCE TO WHETHER AN ALLOCATION SYSTEM OF LIMOUSINES IN CLARK COUNTY IS APPROPRIATE

Dr. R. Keith Schwer, Director, The Center for Business & Economic Research, University of Nevada Las Vegas (UNLV), presented a report outlining the reasons for establishing and implementing an allocation system for the limousine industry in Clark County. Dr. Schwer reported that limousines operating *without* an allocation system fared poorly in comparison to taxicabs operating *with* an allocation system. His report pointed out how the limousine industry has expanded significantly since the year 2000, yet revenues have declined – reporting net income deficits for the years 2001 and 2002. His final analysis suggests that an allocation scheme would create a process to help evenly balance the competition levels between taxicabs and limousines. This system would give the traveling public the best service at a favorable cost; ensure the industry the sufficient returns needed to provide a safer working environment; and provide the limousine drivers a more steady income. Please see [EXHIBIT G](#) for details of Dr. Schwer's remarks.

REPORT ON BUDGETARY NEEDS OF THE TSA TO ENSURE OPTIMUM REGULATION OF LIMOUSINES

- Brian L. Davie, Legislative Services Officer, LCB, reported on the budgetary needs of the TSA. He referred to his information packet which included a letter to Chairman Sandra Lee Avants requesting information from the TSA ([EXHIBIT H](#)) and the TSA's response to questions posed by Mr. Davie providing the mechanics of an allocation system ([EXHIBIT I](#)). The TSA's response document included details of their regulatory enforcement activities; background investigations they perform; and how they ensure compliance of those regulations. In addition, the TSA indicated staffing levels they would recommend to meet the optimum level of regulating limousines. Mr. Davie pointed out, in reference to Senator Neal's concern earlier, the mechanics of providing an allocation system would have to be further explored to develop some type of criteria to administer. The TSA addressed this issue with an estimate of about \$50,000 needed to examine the criteria.
- Chairwoman Chowning complimented and thanked Dr. Schwer, the UNLV staff and the TSA for their help in providing this study. She further complimented Dr. Schwer for accomplishing a very large task in a very short period of time.
- As indicated in the TSA's proposal, the total amount for an optimum level of limousine enforcement equaled \$1,450,510. Given that total, Ms. Chowning asked the TSA to consider the following issues:
 1. Office space – would more dollars be needed to accommodate office space that is unavailable in the TSA's current facility?
 2. Development of allocation system criteria – from where would the amount of \$50,000 come to develop the allocation system criteria?
 3. Assessment fee per vehicle – would increasing the assessment fee from \$100 per vehicle to \$1,550 per vehicle be the only means to accomplish the goal or are there other ideas from the TSA and members of the limousine industry?
- Dave Kimball, Deputy Commissioner, TSA, responded to Ms. Chowning's concerns regarding optimum as well as minimum requirements for an allocation system as follows:
 1. Office space *may* be available in the TSA's current facility;
 2. The \$50,000 amount to develop an allocation system would be available from within the TSA's budget in the first year, given the assumption that the \$1.4 million would be available; and

3. Instead of an assessment fee of \$1,550 per vehicle, the amount would be decreased to \$700 per vehicle. Please see [EXHIBIT J](#) for details of Mr. Kimball's remarks and changes to the TSA's initial proposal. Mr. Kimball agreed that the changes would be sufficient to fund a *minimum* allocation system; however, he was concerned about eliminating the Economist position.
- David Hartson, Limousine Consultant on behalf of Ambassador Limousines of Las Vegas has been in the industry for sixteen years both in California and Nevada. He was a limousine operator in California; has taught seminars; and was the president of the California Limousine Association for two years. Mr. Hartson gave an explanation of how limousines operate on any given week, noting the peaks and valleys of that week, and how those circumstances could adversely affect limousine companies. He also explained the different uses of limousines and their functions (i.e. proms, corporate purposes.) Mr. Hartson stated a posted tariff would help companies stay profitable, allow quality competition to occur between those companies and benefit the end user. However, he disagreed with the idea of having additional fees for limousine operators. In response to a question from Ms. Chowning, Mr. Hartson indicated that limousine companies, both in California and Nevada, have parallel concerns regarding auto insurance costs, workers' compensation issues and operating expenses.
 - Brent Bell, President, Whittlesea Bell Transportation, requested to have a discussion with the TSA to further understand their suggestions, and requested a breakdown of the TSA's cost requirements. He mentioned that some of the allocation components are already in place and became effective when A.B. 518 was passed – such as restricting the number of vehicles that limousine companies are allowed to operate on the road. On behalf of Whittlesea Bell Transportation Company, he stated they were prepared to pay for good regulation and that the company was prepared to pay the annual assessment fee of \$700 per vehicle. He noted the amount was not unreasonable and the cost would eventually pay for itself in the long run.
 - In order to make an informed decision at the next meeting, Chairwoman Chowning emphasized the need for the limousine industry, the TSA and staff members to meet in order to collect data and provide information for the Subcommittee members.

REPORT ON REGULATION OF LIMOUSINES IN OTHER JURISDICTIONS

Brian L. Davie, Legislative Services Officer, LCB, supplied information on the regulation of limousines in other jurisdictions and provided documents from Mr. Alfred LaGasse, Executive Vice-President for the Taxicab, Limousine & Paratransit Association (TLPA) of Kensington, Maryland. In the Consumer Services Department of Miami Dade County, Mr. Davie noted as a comparison, the annual license fee for each limousine was \$500 a year, with a 32 person staff. Other annual assessment fees mentioned in Mr. LaGasse's documentation included Houston and Detroit which ranged from \$250 - \$500 (highest in Miami Dade County.) A study from The Corradino Group, "The Regulation of Taxicabs and Luxury Sedans in Detroit, Michigan," Dec. 2000, Louisville, KY, indicated San Francisco as one of the leading cities that could benefit from an allocation system. Please see [EXHIBIT K](#) for details of Mr. Davie's remarks.

PUBLIC TESTIMONY

None.

DISCUSSION OF NEXT MEETING DATE AND ITEMS FOR WORK SESSION DOCUMENT

Chairwoman Chowning indicated the Subcommittee's third and final meeting as scheduled for April 15, 2004, as a work session to provide recommendations for the 2005 legislative session.

ADJOURNMENT

There being no further business to come before the Subcommittee, the meeting was adjourned at 12:24 p.m.

Respectfully submitted,

Melisa Aguon
Secretary/IS Support Specialist

Brian L. Davie
Legislative Services Officer

APPROVED BY:

Assemblywoman Vonne Chowning, Chairwoman

Date: _____

LIST OF EXHIBITS

Exhibit A is the Meeting Notice and Agenda provided by Brian L. Davie, Legislative Services Officer, Administrative Division, Legislative Counsel Bureau, Las Vegas, Nevada.

Exhibit B is the set of approved minutes for the November 24, 2003, meeting provided by Melisa Aguon, Secretary/IS Support Specialist, Administrative Division, Legislative Counsel Bureau, Las Vegas, Nevada.

Exhibit C is a copy of a letter from Byram Tichenor, Chief of Enforcement, Transportation Services Authority, provided by Sandra Lee Avants, Chairwoman, Transportation Services Authority, Las Vegas, Nevada.

Exhibit D is a copy of a document titled "Significant Areas of Enforcement and Other Activities, Nevada Transportation Services Authority, November 24, 2003 – April 1, 2004," provided by Tim Janda, Investigator, Transportation Services Authority, Las Vegas, Nevada.

Exhibit E is a copy of a presentation titled "Transportation Services Authority and Taxicab Authority 2003-2005 Biennium Budget Overview," provided by Joyce Garrett, Program Analyst, Fiscal Division, Legislative Counsel Bureau, Carson City, Nevada.

Exhibit F is a report titled "Transportation Services Authority and Taxicab Authority Legislatively Approved Budgets, Fiscal Year 2003-04 and Legislatively Approved Budgets, Fiscal Year 2004-2005," provided by Joyce Garrett, Program Analyst, Fiscal Division, Legislative Counsel Bureau, Carson City, Nevada.

Exhibit G is a document titled "Study of the Appropriateness of an Allocation Scheme for Limousines in Clark County, Nevada: A Report in Response to A.B. 518," provided by Dr. R. Keith Schwer, Center for Business and Economic Research, UNLV, Las Vegas, Nevada.

Exhibit H is a copy of a letter addressed to Sandra Lee Avants, Chairman, Transportation Services Authority, dated February 27, 2004, provided by Brian L. Davie, Legislative Services Officer, Administrative Division, Legislative Counsel Bureau, Las Vegas, Nevada.

Exhibit I is a document titled "Response to Questions Posed by Brian L. Davie, Legislative Services Officer, on behalf of the Legislative Commissioner's Subcommittee to Study the Allocation of Limousines," provided by Brian L. Davie, Legislative Services Officer, Administrative Division, Legislative Counsel Bureau, Las Vegas, Nevada.

Exhibit J is a document titled, "Minimum Requirements for Allocation System," provided by Dave Kimball, Deputy Commissioner, Transportation Services Authority, Las Vegas, Nevada.

Exhibit K is a copy of a memorandum dated March 31, 2004, provided by Brian L. Davie, Legislative Services Officer, Administrative Division, Legislative Counsel Bureau, Las Vegas, Nevada.

This set of "Summary Minutes and Action Report" is supplied as an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits, other materials distributed at the meeting, and the audio record are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the Library by [e-mail](mailto:leg.state.nv.us/lcb/research/library/feedbackmail.cfm) (www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm) or telephone: 775/684-6827.