

Joe Lombardo
Governor



Tiffany Greenameyer
Director

Curtis Palmer
Deputy Director

David Lenzner
Deputy Director

**STATE OF NEVADA
GOVERNOR'S FINANCE OFFICE
Budget Division**

209 E. Musser Street, Suite 200 | Carson City, NV 89701-4298
Phone: (775) 684-0222 | www.budget.nv.gov | Fax: (775) 684-0260

Date: January 20, 2026
To: Tiffany Greenameyer, Director
Governor's Finance Office
From: Vince Young-Brown, Executive Branch Budget Officer
Governor's Finance Office, Budget Division
Subject: INTERIM FINANCE COMMITTEE **INFORMATION** ITEM *VYB*

The following describes an information item submitted for placement on the agenda of the next Interim Finance Committee meeting.

DEPARTMENT OF BUSINESS AND INDUSTRY – TAXICAB AUTHORITY

Agenda Item Write-up:

Pursuant to the 2025 Legislative Session Letter of Intent – The Legislature requires semiannual reports on the financial solvency and long-term sustainability of the Taxicab Authority. The report includes an analysis of fee changes and a study of a potential merger of the Taxicab Authority and the Nevada Transportation Authority.

Additional Information:

Per the requirements of the Letter of Intent, the report contains information within the required timeframe for the period of July 1, 2025, through December 31, 2025.

Statutory Authority:

Submitted in accordance with 2025 Legislative Letter of Intent.

REVIEWED: <u>KL</u>
GFO INFO ITEM: <u>II.C</u>
LCB AGENDA ITEM: _____

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

PERRY FAIGIN
NIKKI HAAG
MARCEL F. SCHAEERER
Deputy Directors

**DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR**

January 16, 2026

To:
Fiscal Analysis Division
Legislative Counsel Bureau

From:
Dr. Kristopher Sanchez
Director
Department of Business and Industry

Subject: Semiannual Financial Solvency Report – Taxicab Authority

Dear Fiscal Analysis Division,

As directed by the 83rd (2025) Legislature, the Taxicab Authority is providing this semiannual report regarding its financial solvency and long-term sustainability. The report includes an analysis of fee changes and a study of a potential merger of the Taxicab Authority and the Nevada Transportation Authority.

This report is being submitted to the Fiscal Analysis Division in accordance with the intent of the Senate Committee on Finance and the Assembly Committee on Ways and Means, and within the required timeframe for the period July 1, 2025, through December 31, 2025.

Should you have any questions or require additional information, please feel free to contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kristopher Sanchez".

Kristopher Sanchez
Director, Department of Business and Industry

SEMIANNUAL FINANCIAL SOLVENCY REPORT

Taxicab Authority

Reporting Period: July 1, 2025 – December 31, 2025

I. Legislative Direction and Purpose of Report

This report is submitted in response to the Letter of intent dated October 27, 2025, from the Senate Committee on Finance and the Assembly Committee on Ways and Means regarding the Taxicab Authority's declining reserves and long-term financial solvency, as discussed during the 83rd (2025) Legislative Session

As part of closing the Taxicab Authority budget for the 2025–27 Biennium, the Legislature approved the elimination of four vacant positions and reduced the transfer to the Department of Human Services, Aging and Disability Services Division for the Taxi Assistance Program to \$200,000 in each year of the biennium. In addition, the Legislature directed the Authority to analyze potential fee changes and to study, during the 2025–26 Interim, a potential merger of the Taxicab Authority and the Nevada Transportation Authority (NTA).

This report fulfills the requirement for a semiannual update to the Interim Finance Committee (IFC) on the Authority's financial solvency and outlines the actions taken, analysis conducted, and next steps underway to address both near-term stability and long-term sustainability.

II. Current Financial Condition and Reserve Trajectory

The Taxicab Authority continues to meet its statutory and regulatory obligations; however, its current financial condition reflects a growing structural imbalance between revenues and baseline operating costs.

The Technology Fee has remained unchanged at five cents since 2013, despite significant cumulative inflation over that period. In addition, the Authority's drop fee has not been adjusted since 2003. These prolonged rate stagnations have eroded purchasing power and constrained the Authority's ability to absorb rising fixed costs associated with regulation, enforcement, and public safety.

At the same time, revenues have experienced a gradual decline tied to long-term ridership trends. While this decline has been incremental, its persistence, combined with

inflationary pressures, has resulted in revenues that are no longer sufficient to fully support ongoing operations.

As a result, the Authority drew on its reserves in FY 2026 to maintain baseline operations. Without corrective action, reliance on reserves will continue through FY 2027, and reserve levels will be depleted during the next biennium, creating a material solvency risk.

Detailed FY26 budget-to-actual results, projected revenues and expenditures under current law, and reserve trends are provided in **Attachment A**

III. Revenue Trends and Operating Environment

The Authority's revenue base is closely tied to ridership activity. Over recent years, ridership levels have experienced a gradual decline, reflecting broader market and transportation trends rather than a single anomalous event. While recent data indicates relative stabilization compared to pandemic-era lows, volumes remain below historical baselines, and revenue growth has not kept pace with fixed regulatory and enforcement costs.

Historical and projected ridership trends informing the Authority's revenue outlook are summarized in **Attachment B**. These trends underscore the challenge of sustaining a regulatory framework with largely fixed costs in an environment of slowly declining or flat demand.

IV. Actions Taken to Date

Consistent with legislative direction, the Authority implemented the reductions approved during the 83rd Legislative Session, including:

- Elimination of four vacant positions; and
- Reduction of the transfer to the Taxi Assistance Program to \$200,000 per fiscal year.

These actions were necessary to preserve solvency during the early portion of the 2025–27 Biennium. However, they were limited in scope and temporary in effect, and they did not resolve the underlying structural gap between recurring revenues and baseline operating expenses.

V. Fee Analysis and Interim Solvency Measures

As directed by the Legislature, the Authority conducted an analysis of fee structures to identify options to address declining reserves and stabilize operations.

That analysis indicates that an adjustment to the Technology Fee is necessary to restore revenues to a level sufficient to sustain baseline regulatory functions and to prevent insolvency during the next biennium. The Authority is currently in the process of evaluating specific fee adjustment options through its public board process. Any approved adjustment would be implemented as part of the Authority's broader interim solvency strategy.

Fee adjustments are not intended to expand programs or operations, but rather to align revenues with the cost of existing statutory responsibilities and to support modest rebuilding of reserves to improve fiscal resilience.

On December 17, 2025, the Taxicab Authority Board considered the Authority's financial condition and approved an adjustment to the Technology Fee, increasing the existing fee from \$0.05 to \$0.30. This action was taken in response to the Authority's declining reserves and ongoing structural imbalance between baseline operating costs and incoming revenues.

Preliminary analysis indicates that the approved adjustment is expected to increase ongoing revenues to a level sufficient to sustain baseline regulatory operations and reduce the Authority's reliance on reserves in the near term. While this action is anticipated to slow or arrest reserve depletion, continued monitoring will be necessary, as the Authority's long-term financial outlook remains sensitive to ridership trends and broader market conditions.

The approved fee adjustment represents an interim measure intended to stabilize operations while longer-term solutions are evaluated. The Authority will continue to assess revenue performance and expenditure trends and will report updated information in future semiannual submissions to the Interim Finance Committee.

VI. Potential Merger with the Nevada Transportation Authority

Consistent with legislative direction, the Taxicab Authority is actively conducting an interim study of a potential merger with the Nevada Transportation Authority. This effort is underway and is intended to evaluate whether a consolidated regulatory structure could improve long-term financial sustainability and operational alignment.

Work completed to date has focused on identifying areas of overlap between the two agencies, reviewing administrative and regulatory functions, and assessing how combined revenue streams could provide greater stability for Taxicab Authority operations.

Preliminary observations suggest that a merger may offer opportunities to streamline administrative functions, improve coordination across related transportation programs, and reduce exposure to revenue volatility driven by ridership trends.

In August 2025, the Enforcement Chief from the Nevada Transportation Authority and the Administrator from the Taxicab Authority began working together to manage and coordinate operations for both the NTA and the TA. The enforcement duties statutorily remain separate as two different sections of statute govern each agency. Personnel, however, can be utilized to conduct enforcement activity for the combined agencies' enforcement staff.

Likewise, day-to-day business operations can be managed by one Administrator over both agencies. Processes are being evaluated for efficiency and to identify which processes can be combined under one consolidated agency. Currently budgets remain separated, however coordinated utilization of both agencies to regulate the industries is being evaluated. Statutes, regulations, budgets, personnel needs and processes are being examined to see if consolidation would be an avenue for improved efficiency and cost effectiveness for both agencies.

On December 19, 2025, enforcement staff from both agencies were co-located under one roof. While each agency continues to operate independently, bringing the operations of the TA and NTA together under a single location and providing a unified leadership structure enhances efficiency, coordination, and collaboration between the two teams.

As the agencies evaluate the potential for future consolidation, placing both under the direction of a single Chief of Enforcement and Administrator is a practical and strategic first step. This period of close operational alignment will allow leadership to assess effectiveness, identify efficiencies, and determine whether full consolidation is the appropriate path forward.

The merger study is being evaluated in parallel with other financial sustainability efforts and is viewed as a potential long-term structural solution that could complement near-

term fiscal actions already implemented during the 83rd Legislative Session. Analysis will continue throughout the interim, including further review of governance, operational impacts, and fiscal considerations.

The Authority will continue to refine its assessment and will provide additional updates on the status and findings of the merger study in future semiannual reports, consistent with legislative intent.

VII. Path Forward and Ongoing Reporting

The Authority's current financial condition reflects the combined effects of prior legislative reductions, fixed regulatory costs, and gradual declines in revenue tied to ridership trends. While recent actions have extended solvency into the next biennium, additional measures are necessary to ensure the Authority's ability to continue fulfilling its statutory mission in the long term.

The Authority remains committed to transparent reporting, prudent fiscal management, and continued engagement with the Legislature, the Interim Finance Committee, and the Legislative Counsel Bureau as it advances its analysis of fee structures and structural options, including a potential merger with NTA. Future semiannual reports will provide updated information as additional actions are taken and analyses are completed.

FY26 Agency 750 Taxicab Authority Overview

RGL	Revenue Description	Approved Budget	FY26 Actual YTD Rev/Exp	Remaining FY26 Projection	Projected FY26 Total	Budget vs. Projected
2511	BALANCE FORWARD FROM PREV YEAR	5,102,244	5,102,244.00	-	5,102,244	-
3315	REGULATORY ASSESSMENTS	115,601	-	115,601	115,601	-
3610	CERTIFICATES	1,059,000	340,175.00	718,825	1,059,000	-
3656	DRIVER PERMITS	102,530	44,791.00	57,739	102,530	-
3703	FINGERPRINT FEES	51,762	-	51,762	51,762	-
3717	APPLICATION FEES	67	400.00	-	400	333
3750	TECHNOLOGY FEE	678,307	209,383.10	1,822,200	2,031,583	1,353,276
3810	SERVICE & HANDLING CHARGE	446	-	446	446	-
3818	PHOTOCOPY SERVICE CHARGE	23	36.00	-	36	13
3832	TRIP CHARGE	2,713,228	875,725.65	1,717,303	2,593,029	(120,199)
4157	FINES	144,718	63,785.00	80,933	144,718	-
4252	EXCESS PROPERTY SALES	-	-	-	-	-
4326	TREASURER'S INTEREST DISTRIB	138,365	55,851.60	74,733	130,585	(7,780)
TOTAL REVENUE:		10,106,291	6,692,391.35	4,639,542	11,331,934	1,225,643

Cat	Expenditure Category Description	Approved Budget	FY26 Actual YTD Rev/Exp	Remaining FY26 Projection	Projected FY26 Total	Budget vs. Projected
01	PERSONNEL SERVICES	4,561,254	2,065,286.04	2,449,555	4,514,841	46,413
02	OUT-OF-STATE TRAVEL	1,816	1,815.37	-	1,815	1
03	IN-STATE TRAVEL	94,470	23,794.62	69,107	92,902	1,568
04	OPERATING	386,583	269,959.17	110,893	380,852	5,731
05	EQUIPMENT	102,968	84,918.00	17,648	102,566	402
10	TAXI ASSISTANCE PROGRAM (TAP)	200,000	50,530.03	149,470	200,000	-
11	RECORDS MANAGEMENT SYSTEM	196,629	28,359.79	168,269	196,629	-
16	FINGERPRINTING FEES	51,762	-	51,762	51,762	-
26	INFORMATION TECHNOLOGY	71,683	25,834.87	44,893	70,728	955
29	UNIFORM ALLOWANCE	21,532	303.96	21,228	21,532	-
30	TRAINING	3,294	140.00	3,154	3,294	-
49	NSRS REPLACEMENT (Includes FY25 Stale Claim)	29,824	-	126,918	126,918	(97,094)
80	TRANS TO B&I	429,904	214,952.00	214,952	429,904	-
83	NDOT 800 MH RADIOS SW COST ALLOCATION	12,905	-	12,905	12,905	-
88	STATEWIDE COST ALLOCATION	33,441	16,720.50	16,721	33,441	-
TOTAL EXPENDITURES:		6,198,065	2,782,614.35	3,457,475	6,240,089	(42,024)

	Approved Budget	FY26 Actual YTD Rev/Exp	Remaining FY26 Projection	Projected FY26 Total	Budget vs. Projected
REALIZED FUNDING (INCLUDING BALANCE FORWARD):	3,908,226	3,909,777	1,182,068	5,091,845	1,267,667

FY26 Beginning Reserves (Balance Forward from FY25):	\$ 5,102,244	100.00%
FY26 Projected Ending Reserves (Balance Forward to FY27):	\$ 5,091,845	99.80%
FY26 Projected Total Reserves Accrual (Depletion):	\$ (10,400)	-0.20%

	Budgeted	Projected	Approved Budget vs Actual	
FY26 Revenues (Less Balance Forward):	\$ 5,004,047	\$ 6,229,690	\$ 1,225,643	24.49%
FY26 Operating Expenditures:	\$ 6,198,065	\$ 6,240,089	\$ 42,024	0.68%

NOTE: FY26 actual year-to-date revenue and expenditure data is current as of 01/02/2026.

FY26 Agency 750 Taxicab Authority Recent & Projected Ride Data

	Baseline FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Actual FY25	Projected FY26	Projected FY27	Projected FY28	Projected FY29
July	1,416,995	1,233,891	360,740	1,287,186	1,121,162	1,079,226	1,039,809	930,482	937,969	945,516	953,124
August	1,372,613	1,180,594	402,019	1,169,109	1,091,980	1,041,629	1,094,415	1,046,156	1,054,574	1,063,059	1,071,613
September	1,390,270	1,263,617	436,395	1,095,216	1,239,580	1,138,255	1,143,815	1,124,558	1,133,607	1,142,728	1,151,923
October	1,492,120	1,231,916	431,979	1,305,439	1,379,031	1,283,684	1,265,579	1,239,239	1,249,210	1,259,262	1,269,395
November	1,301,529	1,162,544	317,912	1,106,371	1,142,950	1,008,185	948,493	956,125	963,818	971,574	979,391
December	1,027,101	1,081,514	234,312	932,545	1,025,758	1,024,626	1,031,044	1,039,340	1,047,703	1,056,134	1,064,632
January	1,370,056	1,261,074	293,274	831,329	1,156,760	1,081,288	1,087,195	1,095,943	1,104,762	1,113,651	1,122,612
February	1,199,246	1,108,640	389,708	941,829	1,085,426	1,197,380	978,207	986,078	994,013	1,002,011	1,010,073
March	1,387,075	499,926	699,536	1,251,434	1,328,344	1,155,661	1,168,965	1,178,371	1,187,853	1,197,411	1,207,046
April	1,271,723	12,216	896,711	1,198,353	1,114,961	1,140,244	1,163,971	1,173,337	1,182,778	1,192,295	1,201,889
May	1,383,358	18,157	1,091,830	1,247,518	1,134,647	1,219,055	1,181,721	1,191,230	1,200,815	1,210,477	1,220,217
June	1,225,606	182,927	1,170,664	1,132,300	1,076,520	1,121,596	996,270	1,004,286	1,012,367	1,020,513	1,028,725
FY Total	15,837,692	10,236,816	6,725,080	13,498,629	13,897,119	13,490,829	13,099,484	12,965,145	13,069,469	13,174,632	13,280,641
Monthly Avg	1,319,808	853,068	560,423	1,124,886	1,158,093	1,124,236	1,091,624	1,080,429	1,089,122	1,097,886	1,106,720
% of FY19	100.00%	64.64%	42.46%	85.23%	87.75%	85.18%	82.71%	81.86%	82.52%	83.19%	83.85%
Yr % Change	-14.66%	-35.36%	-34.30%	100.72%	2.95%	-2.92%	-2.90%	-1.03%	0.80%	0.80%	0.80%

Shading denotes projected values.

FY19 is used as a baseline for pre-COVID ride levels.

