

MINUTES OF HEARING - JOINT TRANSPORTATION COMMITTEES - 55TH
NEVADA SESSION - MARCH 11, 1969

Present: Senators Bunker (Chairman), Farr, Hecht, Manning,
Pozzi and Harris.

Assemblymen B. Hafen (Chairman), Kean, Ashworth,
Wood, Glaser and Howard.

Absent: Senator Herr and Assemblyman Tyson.

Also Present: Senator Hecht;
Byron Hasty, Star Cab Company, Las Vegas;
Donal Walls, Checker Cab Company, Las Vegas;
E.M. Gunderson, Checker Cab Company, Las Vegas;
William W. Morris, Attorney at Law, Las Vegas;
Assemblyman McKissick
Other interested parties and representatives of
the press.

Senator Bunker called the meeting to order at 7:15 p.m. and noted
the agenda as follows:

<u>S.B. 155</u>	Establishes regulation for taxicabs;
<u>S.B. 205</u>	Provides for county regulation of taxicabs;
<u>S.B. 381</u>	Regulates taxicabs in counties over 120,000 in population;
<u>A.B. 578</u>	Provides for issuance and allocations of permits to operate taxicabs.

S.B. 381 Senator Hecht spoke and began by noting Section 73
which states that the intent of the legislature is to provide an
interim solution to the problem of taxicab regulation in counties
having a population of 120,000 or more. If successful, two
years from now, the regulatory machinery would be transferred to
the control of the individual counties. He continued through the
bill as follows:

Sections 1 through 12 deal with definitions;
Section 13 sets forth the taxicab commission consisting of three
members responsible to the Governor; provides for appointment of
an administrator;
Section 14 provides for the hiring of necessary employees;
Section 15 adopts necessary regulations;
Section 16 provides for the handling of monies by the commission;
Section 17 provides for hearings on violations;
Section 18 provides right of revocation and suspension of licenses;
Section 19 provides for hearings on applications;
Section 20 provides for allocation of taxicab procedures;
Sections 21 through 41 deals with regulations on fees and rates
charged to the taxicab operators and certificate holders;
Section 42 provides for insurance for the certificate holder;
Section 43 provides for uniform system of accounts;
Section 44 sets forth records to be kept by certificate holder;
Section 45 provides for listing in telephone directory;

Section 46 requires two-way radio installed in cabs;
Section 47 sets forth the color schemes to be followed;
Section 48 covers the life of a cab;

Senator Hecht noted that many taxicab companies use their cabs for too long a period of time and others use cabs which last much longer; they agreed upon the term of 4 years;

Section 49 provides for display of fee schedule;
Section 50 sets forth the requirements necessary to operate the taxicab in a safe manner. It was agreed that no certificate holder should be permitted to use junk automobiles.

Section 51 sets 24 hour limit for operation of cab with certain exemptions;
Section 52 sets penalties to be assessed for violation of requirements;
Section 53 provides for taximeter;
Section 54 sets certain requirements for drivers;
Section 55 applies to reimbursement by drivers to administrator for costs of administration;
Section 56 sets forth medical requirements for drivers;
Section 57 continues with requirements for drivers;
Section 58 prohibits operator from working longer than permitted by law; This prevents working around the clock.
Section 59 through 61 continues with requirements of drivers;
Section 62 provides that operators cannot refuse to transport anyone requesting except under certain conditions. One of those conditions caused a great deal of controversy. It provided that a driver may not be forced to enter any area where he would have reason to fear for his personal safety;
Section 63 sets forth penalties for failure to comply with the requirements;
Sections 64 through 67 sets forth provisions for complaints and penalties for offenses;
Section 68 sets forth law enforcement procedures;
Section 69 additional law enforcement procedures;
Section 70 notes violations by drivers;
Sections 71 and 72 cover other public carriers and private carriers;
Section 73 states the intent of the legislature by this statute.

Hecht stated that the taxicab study committee consisted of himself, Herr, Ashworth, and Lowman. Hundreds of hours of hearings and discussion were spent and all cab companies and drivers were invited to appear. He said the difference between this bill and the others was that it was a compromise. S.B. 381 takes the control out of the hands of the Public Service Commission and puts it into the hands of the Governor and sets up similar type operation as that of the gaming control board.

Wood asked if the transfer after two years was automatic and Hecht said the intent was to have it transferred back if successful in handling the problem before that.

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Wood: Will this taxicab commission operate under the authority of the PSC or independently?

Hecht: It will operate at the pleasure of the Governor.

Wood: You will provide the initial revenue from an appropriation from the highway fund. At what point and when does it provide its own funds?

Hecht: The drivers have to pay a fee and the certificate holders must pay a fee. Under allocation there would be an amount equal to 53% of the tax revenues returned to the commission. As far as a specific amount it will be determined on the basis of needed personnel, etc. With the amount of money provided in this bill, it is taken care of by the industry. Any utility pays for its own regulation and this should be basically the same.

Wood: Would you point out where the revenue is provided for in this bill to off-set this?

Hecht: Page 4 - certificate holder is to pay \$66.50 for each cab he operates. Each cab operated by a certificate holder pays \$25 and on line 49 of page 5 provides for an additional fee. And on page 3, line 43, it provides for the county to pay 53% of the tax revenues.

Monroe: Despite this fact, it says in Section 16, "All costs of administration of this chapter shall be paid from the state highway fund on claims presented by the commission,....." It does not say anything about putting the funds back into the highway fund.

Hecht: But conceivably, more money would come in than would go out.

Kean: How close have you figured this?

Hecht: The amount cannot be brought down because of the cost of the investigators; they said they would need about 8 of them but I think that is too many. I think one around the clock and an additional one at night would be adequate. I think the money provided for in here would take care of it.

Farr: The bill states that the Governor appoints an administrator and they appoint the employees and investigators. I don't see where it states the salaries to the employees.

Monroe: In Section 16, I think it is a constitutional problem. The only way to get around this is to make up a general fund allocation and provide the general fund with balances to make up the difference. If you take one time, it is unconstitutional.

Ashworth: Are the regulations that you have outlined for the taxicab companies, drivers and cabs the same regulations the study

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committee has worked on?

Hecht: Yes, exactly.

Ashworth: Are you purporting that S.B. 381 is a result of the study committee as recommended to the legislature?

Hecht: I did not say that.

Ashworth: I think there was one thing, including the union and the cab companies, that the authority for the cab companies should be vested in the PSC. S.B. 155 puts the authority in the PSC and your bill puts it in the hands of the Governor for a period of two years and then transfers to the county commissioners?

Hecht: No, it comes back to the legislature.

Bunker: Let's discuss the other bill.....

Howard: Section 13 states that "There is hereby created the taxicab commission, which shall be composed of three members who shall be appointed by and responsible to the governor and who shall be in the unclassified service of the State of Nevada." And in paragraph 3 of Section 13, it states "The commission shall appoint an administrator who shall be in the classified service of the State of Nevada....."

Bunker: I think we would have to take that into advisement.

Bowler: What is the point in sub-paragraph (a) of Section 54 wherein it provides that no driver shall be hired unless he "Has been a resident of the State of Nevada for 6 months prior to his application for a permit;"?

Hecht: That is put in to prevent some guy from coming into town, running up a bunch of bills, going bankrupt or whatever and then going to work for the cab company. We want to be sure they know the place and I don't think they should get a job driving cabs if they don't know the area. I don't think that is asking too much.

Bowler: What if there was a shortage of taxicab drivers. What would you do?

Hecht: It has not happened up to this time. It was not that way at the hearings.

Bowler: What about the guy who comes to the area because of his health and needs to find a job; he would be unable to work until he had lived here for six months?

Hecht: Naturally there will be extenuating circumstances.

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Bunker: I think it would be a good idea to go through the rest of the bills first. Do any of the witnesses wish to be heard now?

Morris: I represent Union Cab Company, one of the smaller companies. They have been in operation for 20 years and only have 15 cabs; I have represented them for the past six years and I also served with Senator Hecht and the others on the Governor's Taxicab Committee. To touch on the purpose of the committee, it was to remove the burden of the lengthy and numerous hearings from the Public Service Commission. There were extensive hearings and recommendations but here was one of the recommendations from the taxicab divisions. It came about because of the recommendation of just this problem novel to Clark County. Naturally the Administrator will be in Clark County because that is where the problem is. Under this bill, S.B. 381, it would deprive the PSC of the authority in Clark County. As quite a few of you know, especially Mr. Wood who is familiar with rate making, it is not easy to find an individual to devote his time to a committee and I don't see in S.B. 381 a full-time job for the commissioners. They will be somewhat temporary. They will rely on the administrator. You will have to find well-versed men in the taxicab and transportation industry. I would not be practical to have someone other than the public service commission and you must admit that they are knowledgeable of the taxicab industry. There is an allocation hearing going on right now before the public service commission. There has been an increase in needed transportation at the airport but not on the street because of the competing industries. This would not apply to jurisdiction over limosines and buses.

I can see where the administration can be created and operate under S.B. 155 because it is corresponding more with the taxicab committee. The PSC still maintains control over all of the taxicabs. Insofar as any hearings are concerned on revocations, suspensions, the Governor can step in and take control and make his recommendations. We have strived for allocation in Clark County. No legislation is effective without it. I don't believe that this legislature can legislate allocation. The Public Service Commission is under mandate to have an allocation hearing immediately for all persons to be heard. This is burdensome to the PSC and it is too bad they did not have an administrator before. But this legislature can provide for it. These hearings are half way through right now. You can understand the burden on the PSC. Besides this, they have a water dispute here now and naturally they need the help of an administrator. This bill S.B. 381 does follow the recommendations of the committee and so does S.B. 155. My preference is 155 because I did not contemplate that they would take the authority from the PSC to regulate the taxicabs in Clark County. It would shatter allocation and without allocation, Clark County is doomed.

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Farr: On S.B. 155, I find that the taxicab authority vested as you outlined. Will they set up the classification for the employees and the pay schedule for the employees represented here? How does it come about?

Ashworth: I think the study committee recommended that it be put through the commission's budget. They are in the budget and I have a work sheet in my desk. It started out at \$90,000 but after getting concurrence from Clark County, I think it got down to about \$60,000 for bienium distribution of the fund. As we progressed, Howard suggested the same as Hecht to fund for a period of two years and put repealer on S.B. 155, but the amendments are being held up. At the end of the two years they would return it back to the county and continue much as Senator Lamb's bill, S.B. 205, does.

Bunker: (To Mr. Morris) Would you pass the diagram around?

Farr: You have answered my question. The funds go into the PSC budget. It is provided in S.B. 155 also.

Ashworth: These are monies from county or city and industries; from drivers permits and fees from operators.

Monroe: In order to keep them straight you should not give the PSC the \$60,000 and the other amount too. There should be a specific allocation.

Ashworth: In addition to the members here there were other members on the committee and they felt that the problem with the taxicabs was a Clark County problem. But we concluded that no one in Clark County wanted this problem, so it had to vest in the committee. So the sub-committee went to the cities and counties for help. We did not feel we should come to the legislature and ask for funds to handle this problem. After two years the counties could fund it themselves and take it out of the state's hands; with the exception that they would not want the political pressures in allocating the cabs. There was some testimony that there should be state-wide regulations on the regulatory end of it.

Monroe: We are talking about the set up in S.B. 155 rather than S.B. 381?

Ashworth: Only talking about the commission vs. the Governor.

Hecht: There is no pride of authorship on this. The committee put this together to allow a separate organization under the Governor. There is a definite need for a bill so we are giving the legislators the chance to come forth and mix them together or whatever they want.

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Morris: I will produce copies of the plan and provide them to each member of the committee. (Mr. Morris then read his suggested language to be inserted into S.B. 155, part of which provided that the administrator would continue any allocation hearings now pending before the commission and enforce other orders and continue other hearings) Without this language you will be jeopardizing the meaning of the hearings.

Gunderson: I represent Checker Cab Company and I believe the last matter touched on by Mr. Morris is in my opinion the most significant. But before going into that, I want to say that I will state my views candidly and in all good will; and tell you what I think of the problems recognizing the people who have labored on this legislature. But despite this fact that I do recognize them I also feel that potentially in their bill from all of these proposed bills, represents various thoughts to the industry in particular areas. I have particular reference to the matter mentioned by Mr. Morris wherein he points out that the PSC has before it many proceedings with regard to taxicabs. I am sure that is true throughout the state. But they are now in Clark County and a number of days will be devoted before the contemplated date of effectiveness on this most needed bill is introduced. By July 1, 1969 they will be just at the stage to enter an order relating to the new allocation proceedings.

Since I don't know how they will deal with so many clients, I could not honestly say, but it is clear that whoever should be the prevailing party in the allocation proceedings should be in the best interest of the public and the community and to circumvent those allocation proceedings would generally not be in the interest of the state or the County of Clark. If you look at S.B. 381, it does purport to create a special tax-cab administration. Now, just looking at the bill, it is not clear what happens on July 1, 1969 so far as the existing allocation end is concerned. Allocation order of December 14, 1966 which the supreme court has ruled to be valid and the subsequent order represents the only existing regulation regarding the number of taxicabs to be operated in Carson City. In addition to that order, the supreme court told the PSC to hold up on the new allocation proceedings. There is a great expenditure of money already invested in these proceedings and there will be a lot more before some bill goes into effect in July.

It would be a shame if any bill were passed that would not take into account the existing rights of the carriers or provide for their enforcement; provide jurisdiction by the PSC and allow them to continue with these hearings or petition for new hearings or schedule re-hearings. This is the biggest concern I have. Whether or not there should be a new and separate commission, I would wonder from what Mr. Ashworth has indicated and others, he said the committee contemplated the matter regarding a taxicab commission and felt the administrator, if there is to be one, should function under the PSC of Nevada. I say this for several reasons,

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but first of all just consider one detail - it takes a lot of understanding and a lot of work to begin to comprehend the taxicab industry. All of the men on the committee demonstrated a lot of knowledge in this industry; but the only available men as public servants that understand the taxicab industry is the PSC. If you are trying to frame the entire legislation, remember that you already have pending proceedings to be carried through by the PSC if you are to have any legislation at all. In any event it seems to be ill-advised to create a new commission who have no knowledge presently in the industry.

Now, furthermore, as Morris suggested, the transportation industry overlaps in numerous areas. There are regulations that we have stating that taxicab drivers may not solicit from bus stops or limosine stops. One effort to tie the entire industry into a whole to adequately serve the community is what you are striving to achieve and I feel that is to be done with the PSC. With regard to the bill, I find some other areas where I think the bills go considerably too far. Certainly much of what Mr. Hecht has in his bill which is similar to S.B. 155 - these areas starting with Section 19 or 20 in SB 155 are similar to 381. Many are appropriate for regulation but I do not feel they are appropriate to be put into the law where they are not susceptible to adjustment.

One question was what if you don't have enough of these people who are residents and the answer was that it has not come up yet - and I say, what if it arises a year from now and we have a positive position on state law. The taxicab company cannot hire a man unless he has become a resident of the State of Nevada. By these regulations you are tying the hands of the industry in many areas. Mr. Hecht justifies the language by saying he should be knowledgeable of the area; but I would be able to comply with the Nevada residency and if I live in Reno I would not know the area in Las Vegas any better than the man from out of state. There are a lot.....

Ashworth: If you are going to get into the regulations, we concluded that as far as the list of regulations, it should be left to the PSC for regulation; but we put them into the bill for guide lines for the commission to regulate the 3 areas.

Bunker: We have had three years of hearings on this. We are only here tonight to say if you object to the bill - if you do, say so.

Gunderson: I suggest that many of these things could be left to regulation by the PSC where the possibility of change would be more flexible.

Ashworth: I am sure they will take that into consideration when they hear the individual bills.

Hasty: I own the Star Cab Company and I know what I am talking about. I know what is going on. These attorneys like Mr. Gunderson are trying to prolong these hearings so they can keep getting their "fat fees". I have a bill which is being made up. It will not ask you guys for anything, it will pay you considerably instead. In the bill it provides that the cab company can have as many cabs as they want. Also there is nothing wrong with the PSC, they're a little slow but under the circumstances it is understandable; they are working with these smart lawyers who are trying to keep this going. I put my bill in through Paul May and it should be printed in a few days. We are sick and tired of going to hearings down there and as I understand it there won't be any more hearings. Now they are talking about continuing - and I don't blame them, they are getting a good fee. The judge of the supreme court slowed them down. Ask Mr. Gunderson, he'll admit it - the judge told him to sit down and he got back up again and the judge put him down again. He stood up three times.

Bunker: I assure you that when your bill is presented it will be considered. We are not going to decide anything tonight.

Wood: I have made a couple of observations - I don't happen to be from Carson City but I am familiar with this problem and I want as a legislator to get the problem solved and secondly get it back to Clark County where it belongs. As explanation of my bill, A.B. 578, I notified the people who requested the legislation through me and attempted to have them here tonight. As far as the motor carriers and buses are concerned, we feel we have paid long enough; we have paid the bill on this taxicab matter. S.B. 381 does not take care of much. At the present time, the PSC is spending in excess of \$80,000 a year just trying to settle the situation and they don't have the number of people this bill calls for. It is not unusual for municipal governments to have a taxicab authority - there are only a couple of them on the state level. Rhode Island, I believe, has jurisdiction from the state level. It usually does when it goes from one boundary into another. I agree with the authority in this but the taxicab operators must provide the funds for the taxicab authority. It is inconceivable that you could justify taking these funds and putting them into an authority. In conclusion there is only one argument in the situation that is here today and that is the allocation and the only way we are going to allocate properly is the same way that all businesses do. On an historical basis. They are in business and they have to be recognized as such.

McKissick: The only reason I am in the act is because on the administrative procedures, it was tried to pattern this after the gaming control thing. You have under consideration S.B. 155 which means the PSC is in the act. Under S.B. 205, Mr. Lamb's bill, you have the county; and S.B. 381, Mr. Hecht's bill which is a new taxicab commission. You also have under consideration,

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A.B. 578, Mr. Wood's bill, with allocation conforming with motor vehicle licensing. I would say off-hand considering these bills notwithstanding the fact of the Governor's approval of S.B. 381, with the evidence presented, you should try to retain the PSC. After this time they have spent working on the taxicab matter, they have the expertise. You now have the power to take the good parts of S.B. 381 and putting them into S.B. 155 with the idea in mind that after two years it would be returned to county control. You can do that.

Ashworth: We thought we could do it. Change some sections putting the responsibility and administration back into the Clark County Commissioners at the end of two years - and the lame duck-administrator into the act?

McKissick: S.B. 381 is not bad but I talked with the Governor today and he was not aware of his new commission until he got upstairs. How can we say that the PSC is going to be three commissioners. After we have worked for years to make the PSC experts on this we change the definition on the first page and say "Commission" means the Public Service Commission of Nevada.... and go from there. In 155, from Section 19 or 20 through Section 41, personally I would strike those out of 155; just remove pages 4,5,6,7,8,9 and part of 10. Do this on the basis that it could be handled by regulation. There is no reason to clutter up the law. If I had tried this with the gaming board they would have crucified me. All this from Section 20 through 40 is superfluous. Put in the PSC establishing authority and put the experts into it. These people have held the allocation orders - but they don't want to sit there day after day - let them appoint a taxi cab administrator and then if any complaint is filed with the PSC they would act. The rest of this is all superfluous - why should we come back in 1973, 1975, 1977 and re-enact these laws? That is ridiculous. Give it to the PSC to operate through the use of an administrator.

Farr. I agree and I just read these bills - I have not studied them at all. There is no question that the PSC should have the authority and not try to write the rules and regulations into the law. These can be put in by regulation.

Ashworth: It was our basic intent-it was put in for guide lines only. If you want to pull all of that out - fine. They can be put into the administrative regulations. The PSC has been down in Las Vegas since January 28 and they are only half way through. No one wants to handle the taxicab matters in Clark County. The problem was created here at the legislature four or five years ago. Now we need to take care of it; but we need some help for a couple of years. I say help with some money, some administration and then let Clark County have it back.

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Hecht: We served with others and we feel the same way. The taxicab operators and drivers wanted this in the bill and we spent hours and hours working on this to put it in. I am not in disagreement with you but they wanted it put in. We went over each and every one of these things individually.

Harris: I think you are spinning your wheels.

Meeting adjourned.