

**ADOPTED REGULATION OF
THE TAXICAB AUTHORITY OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY**

LCB File No. R003-16

Effective December 21, 2016

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§1-36, section 1.7 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2596 (NRS 706.88181).

A REGULATION relating to taxicabs; authorizing certain certificate holders to lease a taxicab to an independent contractor; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Taxicab Authority has regulatory authority over taxicab motor carriers in any county whose population is 700,000 or more (currently Clark County). (NRS 706.881) Existing law authorizes a person who holds a current certificate of public convenience and necessity for the operation of a taxicab business which was issued by the Taxicab Authority to lease a taxicab to an independent contractor who is not a certificate holder, provided that the person gets approval from the Taxicab Authority. (Section 1.5 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2595 (NRS 706.88396)) The Taxicab Authority is required to adopt regulations to provide for such leases and to ensure that the taxicab business remains safe, adequate and reliable. (Section 1.7 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2596 (NRS 706.88181))

Section 2 of this regulation authorizes a certificate holder to lease a taxicab to an independent contractor provided that the: (1) Administrator of the Taxicab Authority approves the lease agreement; (2) independent contractor possesses a driver's permit obtained from the Taxicab Authority and a medical examiner's certificate; and (3) taxicab bears a lease medallion obtained by the certificate holder from the Taxicab Authority. **Section 5** of this regulation provides the requirements for what a lease agreement between a certificate holder and an independent contractor must contain, and **section 4** of this regulation provides the criteria to be used by the Administrator in determining whether to approve or preapprove such a lease agreement or a lease agreement template.

Section 6 of this regulation authorizes a certificate holder who leases a taxicab to an independent contractor to require a security deposit from the independent contractor to secure the return of the taxicab in good condition. **Section 8** of this regulation requires a certificate holder who leases a taxicab to an independent contractor to maintain certain records relating to the lease

agreement and the taxicab. **Section 9** of this regulation requires an independent contractor who leases a taxicab from a certificate holder: (1) to submit daily trip sheets to the certificate holder; (2) to collect from each passenger all applicable taxes and fees; and (3) to remit all such taxes and fees to the certificate holder.

Section 10 of this regulation requires a certificate holder who wishes to lease a taxicab to an independent contractor to obtain a lease medallion for the taxicab from the Taxicab Authority. **Section 12** of this regulation provides that certain provisions of existing law relating to unlawful acts, prohibited and required acts of drivers, and disciplinary actions that may be taken by the Taxicab Authority apply to a certificate holder and an independent contractor who have executed a lease agreement for the operation of a taxicab.

Section 13 of this regulation provides definitions needed to distinguish between: (1) a regular or temporary taxicab medallion and a lease medallion; and (2) a taxicab driver who is an employee of the certificate holder and an independent contractor who enters into a lease agreement with the certificate holder. (NAC 706.450) **Sections 14-36** of this regulation make conforming changes to existing regulations to apply the distinctions between drivers and independent contractors to those sections.

Section 1. Chapter 706 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this regulation.

Sec. 2. 1. *A certificate holder may lease a taxicab to an independent contractor pursuant to section 1.5 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2595 (NRS 706.88396), and sections 2 to 12, inclusive, of this regulation, provided that the:*

(a) Lease agreement has been approved by the Administrator pursuant to section 4 of this regulation;

(b) Independent contractor:

(1) Holds a driver's permit issued pursuant to NRS 706.8841; and

(2) Has obtained a medical examiner's certificate pursuant to NRS 706.8842; and

(c) Taxicab which is leased under the lease agreement bears a lease medallion issued to the certificate holder pursuant to section 10 of this regulation.

2. If a lease agreement executed pursuant to sections 2 to 12, inclusive, of this regulation terminates before the expiration date included in the lease agreement, the certificate holder shall notify the Authority in writing within 48 hours after the termination.

Sec. 3. *1. Except as otherwise provided in sections 2 to 12, inclusive, of this regulation, a certificate holder may not lease any vehicle which it uses as a taxicab.*

2. A certificate holder may not lease a taxicab pursuant to sections 2 to 12, inclusive, of this regulation unless the certificate holder:

(a) Is the registered owner of the taxicab; or

(b) Has the legal authority to lease the taxicab to an independent contractor pursuant to sections 2 to 12, inclusive, of this regulation.

3. As used in this section, “registered owner” has the meaning ascribed to it in NRS 482.102.

Sec. 4. *1. Except as otherwise provided in this section, a certificate holder seeking to lease a taxicab to an independent contractor must submit a copy of the lease agreement to the Administrator. Except as otherwise provided in subsection 4, such a lease is not deemed executed until it has been approved or preapproved by the Administrator pursuant to this section.*

2. Except as otherwise provided in subsection 3 of section 5 of this regulation, the Administrator shall approve a lease agreement submitted pursuant to subsection 1 if:

(a) The lease agreement meets the requirements of section 5 of this regulation;

(b) The certificate holder and the independent contractor who are parties to the lease agreement meet the requirements of section 2 of this regulation; and

(c) All other applicable requirements of sections 2 to 12, inclusive, of this regulation are met.

3. A certificate holder may submit a lease agreement template to the Administrator for preapproval. Except as otherwise provided in subsection 3 of section 5 of this regulation, the Administrator shall preapprove a lease agreement template submitted pursuant to this subsection if the lease agreement template meets the requirements of section 5 of this regulation. A lease agreement template that has been preapproved pursuant to this subsection is deemed to be preapproved for not more than 2 years after the date on which the Administrator issues the preapproval.

4. Upon receiving a lease agreement or lease agreement template from a certificate holder for approval or preapproval pursuant to this section, the Administrator will, within 10 working days, approve or preapprove the lease agreement or lease agreement template, disapprove the lease agreement or lease agreement template or request more information from the certificate holder. A lease agreement or lease agreement template which has not been acted on by the Administrator within 10 working days after receipt of the lease agreement or lease agreement template is deemed approved or preapproved, as applicable.

5. A certificate holder may appeal the disapproval of a lease agreement or lease agreement template by the Administrator pursuant to this section. Such an appeal:

(a) Must be filed not more than 10 working days after the date of the disapproval; and

(b) Will be heard pursuant to the requirements of NAC 706.876 to 706.990, inclusive, by the Authority at the next available meeting of the Authority.

Sec. 5. 1. A lease agreement entered into between a certificate holder and an independent contractor pursuant to sections 2 to 12, inclusive, of this regulation must:

- (a) Be in writing and in a form approved by the Authority.*
- (b) Be signed by each party, or his or her representative, to the agreement.*
- (c) Identify the use to be made of the taxicab by the independent contractor and the consideration to be received by the certificate holder. The use to be made of a taxicab must conform to the authority granted by the certificate to operate the taxicab.*
- (d) Include language that the certificate holder and the independent contractor indemnify, release and hold harmless governmental agencies, including, without limitation, the Authority, from all claims arising from the lease agreement.*
- (e) Identify the taxicab to be leased under the lease agreement.*
- (f) Specifically state that the:*
 - (1) Independent contractor is subject to all laws and regulations relating to the operation of a taxicab which have been established by the Authority and other regulatory agencies and that a violation of those laws and regulations will breach the lease agreement.*
 - (2) Certificate holder is responsible for providing insurance for the taxicab which meets the requirements of NRS 706.8828.*
 - (3) Lease agreement does not release the certificate holder from any of his or her duties or responsibilities set forth in this chapter and chapter 706 of NRS.*
 - (4) Independent contractor:*
 - (I) Shall comply with the requirements of subsections 1 to 4, inclusive, of NAC 706.549 concerning hours of service;*
 - (II) Shall return the taxicab to the certificate holder not less than one time per day to enable the certificate holder to comply with the requirements of NRS 706.8837 and 706.8838;*

(III) Shall not transfer, assign, sublease or otherwise enter into an agreement for another person to operate the taxicab; and

(IV) Shall remit to the certificate holder all applicable taxes and fees required pursuant to NRS 706.8826 and section 9 of this regulation collected by the independent contractor from each passenger.

(5) Taxicab provided by the certificate holder pursuant to the lease agreement:

(I) Will be painted with the name and unit number of the certificate holder; and

(II) Is in good mechanical condition that will meet the requirements for operating taxicabs in this State and the county or other political subdivision in which the taxicab will be operated.

(g) Contain any other provision which the Authority deems necessary to protect the health and safety of the public.

2. A lease agreement entered into between a certificate holder and an independent contractor pursuant to sections 2 to 12, inclusive, of this regulation may contain a requirement for a security deposit that meets the requirements of section 6 of this regulation.

3. If the Authority has reason to believe that a lease provision required by this section is being violated, the Authority may, upon at least 5 days' notice to the certificate holder or independent contractor, as applicable, and after a hearing unless waived by the certificate holder or independent contractor, as applicable:

(a) Order the certificate holder or independent contractor, as applicable, to cease and desist from any action taken in violation of the lease agreement;

(b) Impose an administrative fine as provided in subsection 2 of NRS 706.885; or

(c) Revoke or suspend the approval or preapproval granted pursuant to section 4 of this regulation for any lease agreements entered into by the certificate holder or independent contractor, as applicable.

Sec. 6. 1. *A certificate holder may, as a condition of leasing a taxicab to an independent contractor, require the driver to deposit money with the certificate holder in an amount sufficient to secure the return of the taxicab in good condition.*

2. If a certificate holder collects a security deposit pursuant to subsection 1, the certificate holder shall ensure that the security deposit is maintained in an account separate from the account in which the operating capital of the certificate holder is maintained.

3. Upon the termination or expiration of the lease agreement, the certificate holder shall reimburse the independent contractor the amount of the security deposit and any interest accrued by the security deposit, minus the costs of repairs made to the taxicab pursuant to subsection 4, if any. If the cost of the repairs exceeds the amount of the security deposit, the certificate holder may retain any interest accrued on the security deposit in an amount equal to the difference between the cost of the repairs and the amount of the security deposit.

4. A certificate holder who, at the termination or expiration of the lease agreement, retains any amount from the security deposit authorized by this section must, within 30 days after the completion of any repairs made to the taxicab, provide the independent contractor with an itemized list of any repairs made to the taxicab and copies of receipts for such repairs in an amount equal to the amount that was retained.

Sec. 7. 1. *A certificate holder who enters into a lease agreement with an independent contractor pursuant to sections 2 to 12, inclusive, of this regulation shall provide the independent contractor with a copy of the lease agreement.*

2. An independent contractor shall keep a copy of the lease agreement provided pursuant to subsection 1 in the taxicab that is the subject of the lease agreement for the duration of the lease agreement.

3. If the Authority determines that a taxicab that is the subject of a lease agreement is being operated in violation of this section, the Authority may order the independent contractor to withdraw the taxicab from service. A taxicab withdrawn from service pursuant to this subsection may not be placed back into service by the independent contractor until the independent contractor provides evidence sufficient to the Authority that the lease agreement is in the taxicab as required by subsection 2.

Sec. 8. *1. A certificate holder who leases a taxicab to an independent contractor pursuant to sections 2 to 12, inclusive, of this regulation must, for a period of not less than 3 years after the termination or expiration of the lease agreement, maintain records pertaining to the lease agreement and the taxicab that is the subject of the lease agreement, including, without limitation:*

(a) A copy of the signed lease agreement;

(b) All records evidencing and pertaining to the insurance required by NRS 706.8828;

(c) All records evidencing registration and maintenance of the taxicab;

(d) A copy of the driver's permit and medical examiner's certificate of the independent contractor; and

(e) Any other records required to be maintained by the Authority pursuant to its authority under NRS 706.8829 and 706.883.

2. The records required by subsection 1 are in addition to, and must be maintained in accordance with, the requirements of NRS 706.8829 and 706.883 and NAC 706.651.

Sec. 9. *An independent contractor who leases a taxicab pursuant to sections 2 to 12, inclusive, of this regulation shall:*

1. Submit a daily trip sheet as required by NRS 706.8844, as amended by section 8.7 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2603, to the certificate holder not less than once every 24 hours after the date on which the independent contractor begins operating the taxicab.

2. Collect all applicable taxes and all applicable fees required pursuant to NRS 706.8826 from each passenger. All money collected pursuant to this subsection must be remitted to the certificate holder pursuant to the terms of the lease agreement.

Sec. 10. *1. A certificate holder may not lease a taxicab to an independent contractor pursuant to sections 2 to 12, inclusive, of this regulation unless a lease medallion obtained from the Authority is affixed to the taxicab.*

2. Except as otherwise provided in this section, the Authority will issue a lease medallion to a certificate holder upon request.

3. A certificate holder may not:

(a) Obtain a number of lease medallions issued pursuant to this section that exceeds one-half of the number of medallions otherwise issued to the certificate holder by the Authority;

(b) Permit the combined operation by drivers and independent contractors of more taxicabs than the number of taxicabs allocated to the certificate holder by the Authority pursuant to NRS 706.8824, as amended by section 8.1 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2601; or

(c) Sell, transfer or mortgage a lease medallion issued pursuant to this section.

4. A lease medallion obtained pursuant to this section must be affixed to a taxicab being leased by an independent contractor in such a manner and in such a place on the taxicab as directed by the Authority.

5. If a lease medallion is lost, stolen or damaged, the certificate holder to whom the lease medallion was issued:

(a) Shall notify the Authority within 3 business days; and

(b) May request that the Authority provide the certificate holder with a replacement lease medallion. A replacement lease medallion will only be available from the Authority during the regular business hours of the Authority.

Sec. 11. *An independent contractor who operates a taxicab which has been leased from a certificate holder pursuant to sections 2 to 12, inclusive, of this regulation:*

1. Will be deemed by the Authority to be on duty for the purposes of sections 2 to 12, inclusive, of this regulation.

2. Is subject to the applicable provisions of this chapter and chapter 706 of NRS, including, without limitation, all of the provisions of NRS 706.881 to 706.885, inclusive, which apply to a driver, as that term is defined in NRS 706.8814.

3. Must have on his or her person:

(a) A valid driver's license obtained under the provisions of NRS 483.010 to 483.630, inclusive;

(b) A driver's permit issued by the Administrator pursuant to NRS 706.8841; and

(c) A copy of the medical examiner's certificate obtained pursuant to NRS 706.8842.

Sec. 12. *A violation of any provision of sections 2 to 12, inclusive, of this regulation is subject to the provisions of NRS 706.885.*

Sec. 13. NAC 706.450 is hereby amended to read as follows:

706.450 As used in NAC 706.450 to 706.990, inclusive, *and sections 2 to 12, inclusive, of this regulation*, unless the context otherwise requires:

1. “Administrator” means the Taxicab Administrator or his or her authorized agent.
2. “Authority” means the Taxicab Authority created by NRS 706.8818.
3. “Certificate” means a certificate of public convenience and necessity issued by the Authority.
4. *“Driver” means a person who is employed by a certificate holder to operate a taxicab and includes a certificate holder when the certificate holder operates a taxicab. The term does not include an independent contractor.*
5. *“Independent contractor” means a person who drives and leases a taxicab from a certificate holder pursuant to sections 2 to 12, inclusive, of this regulation.*
6. *“Lease medallion” means the metal plate issued by the Authority pursuant to section 10 of this regulation which is affixed to a taxicab authorizing it to be operated by an independent contractor within the jurisdiction of the Authority.*
7. “Medallion” means the metal plate issued by the Authority which is affixed to a taxicab authorizing it to be operated *by a driver* within the jurisdiction of the Authority.
- ~~15.1~~ 8. “Permit” means the document supplied by the Authority authorizing a person to drive a taxicab within the jurisdiction of the Authority for a period of 1 year.
- ~~16.1~~ 9. *“Regular business hours” means Monday through Friday from 8 a.m. to 5 p.m., excluding legal holidays.*
10. “Temporary permit” means the document supplied by the Authority authorizing a person to drive a taxicab within the jurisdiction of the Authority for less than 1 year.

Sec. 14. NAC 706.476 is hereby amended to read as follows:

706.476 If a certificate holder receives a complaint concerning a driver *or an independent contractor* that alleges a violation of any of the provisions of this chapter or chapter 706 of NRS, the certificate holder shall notify the Administrator of the complaint not later than 2 working days after receiving the complaint.

Sec. 15. NAC 706.478 is hereby amended to read as follows:

706.478 A certificate holder shall maintain a log for each taxicab , *including, without limitation, a taxicab operated by an independent contractor*, dispatched for service by a radio call. The log must include:

1. The date and time the call requesting transportation was received;
2. The name of the person or location requesting transportation;
3. The unit designation of the taxicab dispatched; and
4. The date and time the designated unit was dispatched for the requested transportation.

Sec. 16. NAC 706.481 is hereby amended to read as follows:

706.481 1. If a driver *or an independent contractor* is the victim of a violent crime while on duty, the Administrator will notify all certificate holders concerning the commission of the crime, including all relevant details pertaining thereto.

2. Upon notification, a certificate holder shall immediately disseminate the information concerning the crime to all drivers and dispatch operators employed by him or her ~~H~~ *and to all independent contractors who have entered into a lease agreement with the certificate holder pursuant to sections 2 to 12, inclusive, of this regulation.*

3. If funding is provided by certificate holders for the payment of monetary rewards under a secret witness program, pursuant to which a witness to a crime may provide information

concerning the crime without divulging his or her identity, all certificate holders shall display an emblem, approved by the Administrator, on the outside passenger door of each of their taxicabs and may display the emblem on the card holder inside those taxicabs indicating their participation in the program.

Sec. 17. NAC 706.487 is hereby amended to read as follows:

706.487 1. A certificate holder shall not:

(a) Modify the color scheme or insigne of any taxicab unless the certificate holder first secures written approval for the modification from the Administrator in accordance with the provisions of this section.

(b) Operate any taxicab on which the color scheme or insigne has been modified without first securing written approval for the modification from the Administrator in accordance with the provisions of this section or for which approval has been withdrawn by the Administrator pursuant to this section.

(c) Request more than six modifications of the color scheme of its taxicabs at one time.

2. If a certificate holder wishes to modify temporarily the color scheme or insigne of any taxicab, the certificate holder must file a written application with the Administrator. The application must include:

(a) A description of the proposed temporary modification.

(b) Three colored copies or photographs of the proposed temporary modification.

(c) A description of the materials and procedures that will be used to achieve the proposed temporary modification.

(d) A copy of any written contract related to the proposed temporary modification.

(e) Any additional information that the Administrator deems necessary to evaluate the application.

3. The Administrator shall approve or deny an application filed pursuant to this section within 30 days after receipt of the application. If no action is taken within the 30-day period, the application shall be deemed denied.

4. The Administrator may approve an application filed pursuant to this section subject to satisfaction of all the following conditions:

(a) Only the number of taxicabs equal to 20 percent or less of the total number of medallions issued to the certificate holder are temporarily modified at any given time, unless fewer than five taxicabs constitute more than 20 percent of those taxicabs, in which case the certificate holder may temporarily modify more than five taxicabs. For the purposes of this paragraph, a medallion issued for a special event *and a lease medallion* must not be included when calculating the total number of medallions issued to the certificate holder.

(b) The temporary modification of the taxicab does not last for more than 6 months.

(c) The color scheme and insigne of any taxicab that is temporarily modified remains sufficiently distinct from the approved color scheme and insigne or temporary modification of another certificate holder.

(d) The information required pursuant to NRS 706.8835 remains clearly visible at all times on any taxicab that is temporarily modified.

(e) The temporary modification of the taxicab does not create a risk to the health, safety or welfare of the traveling public, as determined by the Administrator.

5. If an application filed pursuant to this section is approved, not less than 7 days before the temporary modification of any taxicab, the certificate holder shall provide the Administrator with the following information for the taxicab that will be temporarily modified:

- (a) The unit designation number of the taxicab.
- (b) The dates on which the temporary modification of the taxicab will begin and end.

6. The Administrator may withdraw the approval of the temporary modification of any taxicab if the Administrator determines that:

- (a) The temporary modification is not sufficiently distinct from the approved color scheme and insigne of another certificate holder;
- (b) The materials used in the temporary modification have deteriorated to the extent that the color scheme or insigne is no longer neat in appearance; or
- (c) The temporary modification creates a risk to the health, safety or welfare of the traveling public.

7. The Administrator will not approve more than 12 applications for the modification of the color scheme and insigne of the taxicabs of a certificate holder in a calendar year.

Sec. 18. NAC 706.489 is hereby amended to read as follows:

706.489 A certificate holder shall not permit a cab to be put into operation unless the medallion *or lease medallion* issued by the Administrator is prominently displayed on the left rear fender of the cab.

Sec. 19. NAC 706.492 is hereby amended to read as follows:

706.492 A certificate holder shall not permit a taxicab to be operated in passenger service unless the taxicab meets all of the following standards in addition to those prescribed by NRS 706.8837:

1. The front suspension system is in good repair and proper working order.
2. The engine, transmission and drive train, including mounts, are in good repair and proper working order and, during normal operation, do not die, miss, backfire or show noticeable loss of power.
3. The engine, transmission, drive train or accessories must not emit loud noises so as to be disturbing to the passengers or distracting to the driver **H** *or independent contractor*.
4. The taxicab is equipped with an air filter or adequate flame arrester covering the air intake of the carburetor.
5. The taxicab does not pull to the left or right or tend to drift under normal driving conditions.
6. The engine, transmission, radiator or accessories do not allow a noticeable quantity of fluid to leak.
7. The engine does not emit excessive smoke from either the exhaust or crankcase.
8. All windows are operable, free of obstruction and the driver's *or independent contractor's* view is not impaired in any direction.
9. The brake lining is of sufficient thickness to prevent the metal portion of the brake shoe or pad from coming in contact with the brake drum or disc. Under normal braking conditions, the taxicab does not pull to the left or right or unusual locking of wheels does not occur.
10. Heating and air-conditioning systems are mandatory equipment on all taxicabs operating in this State and are required to provide reasonable comfort to passengers at their request and must conform to reasonable standards of efficiency.
11. The taxicab must be equipped with:
 - (a) A mirror on the outside of the front door on the passenger's side;

(b) Operable trunk lid supports or a trunk rod or bar, one end of which is permanently affixed to the vehicle;

(c) Straps to tie down the trunk;

(d) Windows that have not been tinted more than the manufacturer's specifications for the vehicle;

(e) Seat belts that are maintained in a clean and operable condition at all times;

(f) Automatic locks which control all doors and which are operable at the driver's *or independent contractor's* door; and

(g) A trunk release which is operable from inside the trunk.

Sec. 20. NAC 706.497 is hereby amended to read as follows:

706.497 1. Any vehicle operated as a taxicab must be registered to a certificate holder.

2. ~~1A~~ *Except as otherwise provided in sections 2 to 12, inclusive, of this regulation, a certificate holder may not enter into any lease, commission arrangement or other agreement concerning any taxicab registered to the certificate holder unless he or she maintains full and complete control of the taxicab at all times.*

3. ~~1A~~ *Except as otherwise provided in sections 2 to 12, inclusive, of this regulation, a certificate holder may not enter into a:*

(a) Contract for sale;

(b) Conditional sale;

(c) Chattel mortgage; or

(d) Lease,

↳ with an employee of the certificate holder concerning any taxicab registered to the certificate holder.

4. ~~4A~~ *Except as otherwise provided in sections 2 to 12, inclusive, of this regulation, a taxicab driver must be a certificate holder or the employee of a certificate holder.*

Sec. 21. NAC 706.510 is hereby amended to read as follows:

706.510 1. The Administrator may confiscate a daily trip sheet at any time for good cause after first furnishing the certificate holder, ~~for~~ driver *or independent contractor* with a duplicate or substitute copy of the sheet.

2. A simple receipt for a confiscated trip sheet is sufficient if the sheet is confiscated more than 10 days after the date of the sheet.

Sec. 22. NAC 706.513 is hereby amended to read as follows:

706.513 1. No person may operate a taxicab within the jurisdiction of the Authority without having first obtained a permit from the Administrator.

2. Permits issued by the Authority *to a driver* remain the property of the Authority and must be returned to the Authority when a driver changes companies, leaves the industry or upon demand of the Authority.

3. Permits issued by the Authority to an independent contractor remain the property of the Authority and must be returned to the Authority if the permit is suspended, revoked or expired or upon demand of the Authority.

Sec. 23. NAC 706.528 is hereby amended to read as follows:

706.528 1. A permit holder may, on or within 30 days before the expiration date of his or her permit, renew it upon making application therefor, providing proof of completion of an annual program for driver training specified by the Administrator and paying the prescribed fee, subject to the requirements set forth in NAC 706.453 to 706.555, inclusive. After the expiration date, a holder must make an application for a new permit and is subject to the same laws and

regulations and fees as a new applicant, unless before the expiration date the Administrator for good cause grants a waiver or extension of the requirements for renewal.

2. Upon the loss of a permit, the holder shall immediately notify the Administrator and shall not operate *or enter into a lease agreement for* a taxicab until the fee for a lost permit has been paid and a duplicate permit issued.

Sec. 24. NAC 706.531 is hereby amended to read as follows:

706.531 1. A driver *or independent contractor* shall display his or her permit to the left of the rate schedule in the bracket or holder provided for that purpose at all times while on duty.

2. The permit must be displayed in an upright position and facing the passenger for an unobstructed view and so it may be easily read.

Sec. 25. NAC 706.534 is hereby amended to read as follows:

706.534 1. Any person who is found by the Administrator to be operating a taxicab without having in his or her possession a valid driver's permit is in violation of NAC 706.513.

2. A taxicab, found by the Administrator to be operated by a driver *or independent contractor* without a valid driver's permit, may be taken out of service until put back in service by a driver *or independent contractor* who has a valid permit.

3. Any driver *or independent contractor* in possession of an altered or defaced permit will not be considered to be in possession of a valid driver's permit.

4. Any driver *or independent contractor* who is found by the Administrator to have committed any violation of an applicable law or regulation while his or her permit is expired, is subject to hearing and appropriate disciplinary action.

Sec. 26. NAC 706.537 is hereby amended to read as follows:

706.537 1. All applicants for a driver's permit must enroll in and successfully complete a defensive driving, driver orientation and safety course approved by the Authority before being issued a driver's permit. All applicants for the renewal of a permit must enroll in and successfully complete an annual course on driver safety which has been approved by the Authority.

2. Any driver *or independent contractor* who fails to comply with the requirements of this section is subject to suspension of his or her driver's permit.

Sec. 27. NAC 706.540 is hereby amended to read as follows:

706.540 1. Certificate holders shall submit to the Authority a proposed standard of dress and appearance for its drivers ~~and~~ *and independent contractors, if applicable*. Upon approval by the Authority, each certificate holder will be responsible for maintaining those standards of dress and appearance for its drivers ~~and~~ *and independent contractors*.

2. A driver *or independent contractor* who fails to meet the standards of dress set by his or her employer *or the certificate holder with whom the independent contractor has entered into a lease agreement pursuant to sections 2 to 12, inclusive, of this regulation* as approved by the Authority shall be considered by the Authority to be in violation of subsections 1 and 2 of NRS 706.8845.

Sec. 28. NAC 706.543 is hereby amended to read as follows:

706.543 During a driver's *or independent contractor's* period of duty, he or she shall, in addition to the requirements of NRS 706.8845:

1. Not engage in verbal arguments or acts of physical violence.
2. Refrain from backing into position in any taxicab stand.

3. Refrain from loading passengers at any establishment where a taxicab stand has been established unless the driver *or independent contractor* has been through the rotation of the stand. This provision does not apply if ~~there~~ :

(a) *There* are no ~~leabs~~ *taxicabs* on the stand ~~H~~ ; *or*

(b) *The taxicab is operating via an electronic hailing service pursuant to NRS 706.88184 which connects passengers directly to a driver or independent contractor.*

4. Not permit more than two passengers in the front seat of the driver's *or independent contractor's* taxicab and not permit more than five passengers in his or her taxicab at any one time.

5. Not knowingly operate a taxicab equipped with a faulty or inaccurate taximeter, or that shows signs of having been tampered with.

6. Not operate a taxicab in which the taximeter is not sufficiently illuminated or the face obscured to the extent that the entire fare recording device cannot be easily seen by the passenger.

7. Not operate a taxicab in which the taximeter does not have a properly attached seal as affixed by the Administrator.

8. Not operate a taxicab that does not have properly affixed a valid medallion *or lease medallion* as issued by the Administrator.

9. Not operate a taxicab when any illness or physical or mental disorder may impair his or her safe operation of a taxicab.

10. Not operate a taxicab while taking drugs that may impair his or her ability safely to operate a taxicab.

11. Keep a complete and accurate trip sheet as prescribed in NAC 706.510 and 706.549 and NRS 706.8844.

12. Not display or distribute any advertising within or on the driver's *or independent contractor's* taxicab which has not been authorized by his or her employer ~~H~~ *or the certificate holder with whom the independent contractor has entered into a lease agreement pursuant to sections 2 to 12, inclusive, of this regulation.*

Sec. 29. NAC 706.544 is hereby amended to read as follows:

706.544 For the purpose of NRS 706.8847, a driver *or independent contractor* has good reason to fear for his or her personal safety in transporting a person if, without limitation:

1. The person refuses to state with specificity the person's intended destination or requests a change of destination to an inexact location;
2. The person acts in a disorderly manner, including the use of:
 - (a) Hostile or offensive gestures; or
 - (b) Indecent or offensive language; or
3. The driver *or independent contractor* has a reasonable suspicion that the person is concealing a weapon or other dangerous object under the person's clothing.

Sec. 30. NAC 706.546 is hereby amended to read as follows:

706.546 1. No certificate holder may allow a driver *or independent contractor* to operate a taxicab under any of the following conditions:

- (a) When the driver's license of the taxicab driver *or independent contractor* is not in his or her possession or has been suspended or revoked by the Department of Motor Vehicles, until proof of reinstatement of driving privileges has been furnished to the Administrator;

- (b) When a driver's permit has been denied or revoked by the Administrator or is under suspension as ordered by the Administrator;
- (c) During the time that a driver *or independent contractor* shows temporary or permanent inability to meet the standards of NRS 706.8842;
- (d) When a driver *or independent contractor* is intoxicated or shows signs of having been drinking;
- (e) When a driver *or independent contractor* shows obvious effects of having taken drugs;
- (f) When a driver *or independent contractor* does not meet the prescribed minimum standards of dress and appearance as set forth by the certificate holder; or
- (g) When a driver *or independent contractor* does not possess a valid permit issued by the Administrator which authorizes him or her to be employed by the certificate holder ~~+~~ *or operate a taxicab, as applicable.*

2. In case of unforeseen circumstances, a driver having a valid permit issued by the Authority who has not exceeded the hours of service established by NAC 706.549 may drive a period of duty for another company using the same dispatch facilities.

3. A driver who has driven more than 10 periods of duty for a company within a 30-day period must be carried as a permanent driver of that company.

Sec. 31. NAC 706.549 is hereby amended to read as follows:

706.549 1. A driver ~~{of a taxicab}~~ *or independent contractor* shall not work a period of duty longer than 12 consecutive hours except when under a charter or a trip, the charter or trip having commenced within a reasonable period before the end of the driver's *or independent contractor's* period of duty.

2. Under no circumstances may a driver *or independent contractor* work longer than 16 hours within a 24-consecutive hour period.

3. A driver *or independent contractor* who has completed a period of duty of 8 hours or more must not be knowingly permitted or required to resume driving unless the driver *or independent contractor* has been off duty for at least 8 consecutive hours.

4. A certificate holder shall not knowingly require or permit any driver ~~of a taxicab~~ *or independent contractor* to work longer than 12 consecutive hours, except as provided in subsection 1.

5. Each certificate holder shall provide an appropriate, accurate and operable time clock. The time clock must be approved by the Authority before its use, and the certificate holder shall require its drivers to time stamp their trip sheets at the beginning and end of each of their periods of duty.

Sec. 32. NAC 706.550 is hereby amended to read as follows:

706.550 At the end of each trip, the driver *or independent contractor* shall, upon request, provide his or her passenger with a receipt that includes:

1. The amount of the fare as indicated on the taximeter;
2. The name of the certificate holder who owns *or leases to an independent contractor* the vehicle in which the passenger was transported; and
3. The permit number of the driver ~~H~~ *or independent contractor*.

Sec. 33. NAC 706.551 is hereby amended to read as follows:

706.551 Each driver *and independent contractor* shall conduct a search of the interior of his or her taxicab at the termination of each trip. If the driver *or independent contractor* discovers any property of a passenger in the taxicab, the driver *or independent contractor* shall

immediately report the property discovered to the driver's employer *or the certificate holder with whom the independent contractor has entered into a lease agreement pursuant to sections 2 to 12, inclusive, of this regulation* and, as soon as practicable, deliver the property to his or her employer ~~H~~ *or the certificate holder, as applicable*. The employer *or certificate holder* shall maintain the property in his or her possession and dispose of the property in the manner provided by law.

Sec. 34. NAC 706.552 is hereby amended to read as follows:

706.552 **1.** A taxicab driver *or an independent contractor* shall, in addition to the requirements of NRS 706.8849 ~~†~~

~~†~~, *as amended by section 8.9 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2604:*

(a) Ensure that the electronic taximeter of his or her taxicab is engaged while the taxicab is on hire.

~~†2~~ **(b)** Not solicit passengers by voice or action.

~~†3~~ **(c)** Not accept, directly or indirectly, a gratuity or any form of compensation from any person for diverting or attempting to divert a prospective customer from any commercial establishment.

~~†4~~ **(d)** Not knowingly operate a taxicab that is unsafe for passenger service.

~~†5. Upon changing employment from one certificate holder to another, present to the Administrator the taxicab driver's permit and a referral slip from his or her new employer for issuance of a permit. Before commencing employment, a taxicab driver must present his or her taxicab driver's permit to his or her employer.~~

~~—6.— Except as otherwise provided in NAC 706.546, not operate a taxicab within the jurisdiction of the Authority for other than the company listed on his or her driver's permit.~~

~~—7.†~~ (e) Report immediately any inoperable or defective taximeters to the certificate holder or the certificate holder's representative.

~~†8.†~~ (f) Not divert or attempt to divert a prospective customer from any commercial establishment.

~~†9.†~~ (g) Except as authorized by the taxicab driver's employer, *the certificate holder with whom the independent contractor has entered into a lease agreement pursuant to sections 2 to 12, inclusive, of this regulation* or the Authority, not permit any person, other than himself or herself, within his or her taxicab unless that person is a passenger who is actually being transported and is paying a fare.

2. A taxicab driver shall, in addition to the requirements of NRS 706.8849, as amended by section 8.9 of Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2604:

(a) Upon changing employment from one certificate holder to another, present to the Administrator the taxicab driver's permit and a referral slip from his or her new employer for issuance of a permit. Before commencing employment, a taxicab driver must present his or her taxicab driver's permit to his or her employer.

(b) Except as otherwise provided in NAC 706.546, not operate a taxicab within the jurisdiction of the Authority for a company other than the company listed on his or her driver's permit.

Sec. 35. NAC 706.555 is hereby amended to read as follows:

706.555 A taxicab driver *or independent contractor* must not willfully, knowingly or intentionally use his or her taxicab, or the taxicab driver's employment to facilitate the

commission of a crime, or permit the use of his or her taxicab by another, as a means of facilitating the commission of a crime.

Sec. 36. NAC 706.879 is hereby amended to read as follows:

706.879 1. The office of the Administrator will be open ~~from 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. of each week day except Saturday, Sunday and legal holidays or other days declared by proper authority.~~ *during regular business hours.*

2. Regular sessions of the Authority are held in its principal office or such other place as the Authority may from time to time specify, at such times as the Authority may designate.

3. All formal written communications and documents must be addressed to the Taxicab Authority and not to individual members of the Authority or its staff. All communications and documents are deemed to be officially received only when delivered at the office of the Authority. Formal or informal communications from the Authority must be signed by the responsible staff member or Authority.

4. Communications must contain the name and address of the communicant and must embrace but one subject. Informal communications must be properly identified.

**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 78th (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 78th (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 78th (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 78th (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 78th (2015) Nevada Legislative Session];
- e) Establish provisions governing security deposits [Senate Bill 376 of the 78th (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 78th (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
State of Nevada Website <https://notice.nv.gov>
Nevada State Legislature Website: 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:

Attended each workshop:	December 18, 2015	19
	May 16, 2016	24
	September 22, 2016	33
Attended board hearing:	July 21, 2016	35
	October 27, 2016	41
Submitted written comments to the agency:		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 78th (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.