

PROPOSED REGULATION OF THE TAXICAB AUTHORITY

LCB File No. R003-16

Section 1. NAC 706.450 is hereby amended to read as follows:

706.450 Definitions. (NRS 706.8818) As used in NAC 706.450 to 706.990, inclusive, *and sections 2.1 to 2.11, 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. *"Independent Contractor" means a person who holds a lease permit issued by the Administrator pursuant to section 2.4 of this regulation and enters into a contract to lease a vehicle from a certificate holder.*

~~5~~⁴. "Medallion" means the metal plate issued by the Authority which is affixed to a taxicab authorizing it to be operated within the jurisdiction of the Authority.

5. "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.

6. *"Ownership" means:*

(a) the person

or entity who holds legal title to a vehicle or

(b) the person or entity legally obligated to make payments on the principal and/or interest of a vehicle until the outstanding balance is fully paid.

~~7~~⁵. "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.

8 ~~6~~⁷. *"Regular business hours" mean Monday through Friday from 8 a.m.-5 p.m., excluding legal holidays.*

9. "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.

Section 2. Chapter 706 of NAC is hereby amended by adding thereto the provisions set forth as sections 2.1 to 2.11, inclusive, of this regulation:

Sec. 2.1. *Applicability. (NRS 706.8818) The provisions of sections 2.1 to 2.11, inclusive, of this regulation apply to any county regulated by the Taxicab Authority pursuant to NRS 706.881. These provisions shall be in addition to NRS 706.881-706.885.*

Sec. 2.2. *Trip Charges; Annual fee for operation. (NRS 706.8818; 706.8826)*

1. *A driver of a taxicab pursuant to this section shall adhere to NRS 706.8826 and NAC 706.507, funds to be collected and forwarded by the certificate holder to the Taxicab Authority.*

2. *The Authority will charge an annual fee of \$100 pursuant to NRS 706.8826(3) for each medallion that the Taxicab Authority has allocated to the certificate holder.*

Sec. 2.3. *Records required. (NRS 706.8818, 706.8829)*

1. *Certificate holders leasing vehicles to drivers pursuant to sections 2.1 to 2.11, inclusive, of this regulation must keep its records, accounts, and any and all other documents pertaining to leasing in a manner consistent with NRS 706.8829, 706.883, and NAC 706.651.*

These documents, records, and responsibilities shall be in addition to those required under NRS 706.8829, 706.883, and NAC 706.651.

2. The Taxicab Authority may examine at any reasonable time the records maintained by the certificate holder pursuant to section 2.3(1) of this regulation.

3. The certificate holder shall provide supplemental documentation, records, and any other information as may be requested by the Taxicab Authority.

Sec. 2.4. Driver's permit: Issuance; fingerprints and qualifications of applicant; grounds for refusal to issue permit; fees. (NRS 706.8841)

1. The Administrator shall issue lease permits to qualified persons who wish to enter into a contract to lease a vehicle from a certificate holder. Before issuing a lease permit to an applicant, the Administrator shall:

(a) Require the applicant to submit a complete set of the applicant's fingerprints pursuant to NRS 706.8841 which the Administrator may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to ascertain whether the applicant has a criminal record and the nature of any such record, and shall further investigate the applicant's background; and

(b) Require proof that the applicant:

(1) Has been a resident of the State for 30 days before the application for a permit;

(2) Can read and orally communicate in the English language; and

(3) Has a valid license issued under NRS 483.325 which authorizes the applicant to drive a taxicab in this State.

2. The Administrator may refuse to issue a lease permit if the applicant has been convicted of:

(a) A felony relating to the practice of taxicab drivers in this State or any other jurisdiction at any time before the date of the application;

(b) A felony involving any sexual offense in this State or any other jurisdiction at any time before the date of the application;

(c) A violation of NRS 484C.110, 484C.120 or 484C.430 or a law of any other jurisdiction that prohibits the same or similar conduct within 3 years before the date of the application; or

(d) A violation of NRS 484C.130 or a law of any other jurisdiction that prohibits the same or similar conduct.

3. The Administrator may refuse to issue a lease permit if the Administrator, after the background investigation of the applicant, determines that the applicant is morally unfit or if the issuance of the driver's permit would be detrimental to public health, welfare or safety.

4. An applicant pursuant to section 2.4 of this regulation shall pay to the Administrator, in advance, \$40 for an original lease permit and \$10 for a renewal.

5. If an applicant for a lease permit has an unexpired and valid permit previously issued by the Administrator pursuant to NRS 706.8841, the Administrator may perform an abbreviated investigation to fulfill the purpose of section 2.4 of this regulation. An abbreviated investigation may include any and all investigatory steps as outlined by this section.

Sec. 2.5. Control by certificate holder; prohibited sales and leases.

1. A taxicab must be registered in the name of the certificate holder. The holder may not enter into any agreement, lease, or arrangement for the payment of a commission if he or she does not have exclusive ownership rights to the vehicle at all times.

2. A certificate holder shall not:

(a) Sell, contract to sell, or mortgage leasing medallions to another person;

(b) Lease a taxicab to another person unless the lease agreement conforms to the provisions of SB 376 and section 2.9 of this regulation; or

(c) Lease a motor vehicle to a driver other than for use as a taxicab.

3. Every driver of a taxicab under sections 2.1 to 2.11, inclusive, of this regulation must be one of the following:

(a) A certificate holder;

(b) The employee of a certificate holder; or

(c) An independent contractor.

Sec. 2.6. "TX" plates; issuance; enforcement. (NRS 706.8824)

1. Upon the Administrator's or his or her designee's grant of an approval request pursuant to section 2.7 of this regulation, the Administrator or his or her designee will issue plates to the certificate holder at a cost of \$100 per plate. The Authority will ensure that the plate is imprinted with a unique number preceded by the letter "TX".

2. The certificate holder:

(a) Shall ensure that the plate is affixed on left rear fender or on the left rear quarter panel of the taxicab;

(b) Shall not allow a taxicab owned by the certificate holder to be operated unless the plate is affixed in the manner described in paragraph (a); and

(c) Shall return to the Authority all plates with the designation "TX" that are not in use for a period of 90 consecutive days.

3. If the plate is lost, stolen, or damaged, the certificate holder shall notify the Taxicab Authority of that fact and:

(a) Obtain a replacement plate at the cost of a \$100 per plate or

(b) Take the plate out of service. Plates are the property of the Taxicab Authority. Carriers shall remain responsible for paying \$100 per plate that becomes lost, stolen, or damaged even if the carrier decides to take the plate out of service.

4. If the Authority determines that the taxicab is being operated without the plate required pursuant to this section, the Authority will cause the taxicab to be withdrawn from service. The taxicab must not be placed back in service until the plate or a replacement plate has been obtained and affixed as required pursuant to subsection 2.

5. The Authority shall not issue temporary "TX" plates to certificate holders. Replacement plates will be available during regular business hours.

Sec. 2.7. Lease of vehicle for use as taxicab. (SB 376)

1. A common motor carrier authorized to operate a taxicab shall not lease any vehicle which it uses as a taxicab without prior approval of the lease template by the Administrator or his or her designee.

2. A carrier must submit to the Administrator or his or her designee an approval request for a lease template before the execution of the lease. The Administrator or his or her

designee will approve, disapprove, or request more information to supplement the lease template within 10 working days after receiving the request for the approval of the lease. If the Administrator or his or her designee takes no action within 10 working days, the lease template will be deemed approved.

3. The Administrator or his or her designee may approve a lease template if:

- (a) It contains the language as specified in section 2.9 of this regulation;*
- (b) The vehicle will be used only in an operation authorized by the lessor's certificate;*
- (c) Not more than one-half of the carrier's medallions may be used to lease vehicles;*
- (d) The total number of regular and leased vehicles operated by the carrier shall not exceed the number of medallions allocated to the carrier by the Taxicab Authority Board. TX plates may be used in lieu of regular medallions; and*

(e) The driver of the leased vehicle qualifies under section 2.4 of this regulation.

4. If a lease template is approved pursuant to this section:

(a) A copy of the executed lease agreement signed by the certificate holder and driver must be:

(1) Carried in the vehicle by the driver during the period of the lease; and

(2) Maintained in a file by the certificate holder for a minimum of 3 years.

(b) The certificate holder is responsible for maintaining:

(1) All required insurance associated with the taxicab and the service which is the subject of the agreement in accordance with NRS 706.8828;

(2) A file which contains the qualifications of the driver to drive the taxicab; and

(3) A file for records concerning the maintenance of the taxicab.

5. Pursuant to NRS 706.8822, challenges to denials of requests under this section must be filed by the certificate holder within 10 days from the denial date. Challenges are to be placed on the next available board agenda.

Sec. 2.8. Leasing of taxicab to drivers; Security deposit. (SB 376)

1. A certificate holder may, as a condition of leasing a taxicab to a driver, 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 termination or expiration of the lease, the certificate holder shall reimburse the driver the amount of his or her security deposit and any interest accrued therefrom minus any costs of repairs as shown pursuant to subsection 4 of section 2.8 of this regulation. Should any repair costs exceed the driver's security deposit, the certificate holder may collect against the interest accrued from such deposit.

4. A certificate holder must account for money deducted or retained from the driver's security deposit and/or interest with receipts that evidence repairs to the taxicab in an amount equal to the money withheld. The certificate holder must provide to the driver, within 30 days of the completion of repairs, an itemized list of repairs and a copy of such receipts.

Sec. 2.9. Leasing of taxicab to drivers; Requirements for lease agreement; enforcement. (SB 376)

1. Each lease agreement entered into by a certificate holder and a driver pursuant to SB 376 must:

(a) Be in writing and in a form approved by the Authority;

(b) Specifically contain language whereby the certificate holder and driver indemnify and/or release applicable State agencies including but not limited to the Taxicab Authority from potential, actual, and future suits or claims arising from the present lease agreement between the parties to the contract;

(c) Identify the use to be made of the taxicab by the driver and the consideration to be received by the certificate holder. The use to be made of the taxicab must conform to the authority granted by the certificate to operate the taxicab;

(d) Be signed by each party, or his or her representative, to the agreement;

(e) Specifically state that the driver 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 agreement;

(f) Specifically state that the certificate holder is responsible for maintaining all required insurance associated with the taxicab and the service which is the subject of the agreement in accordance with NRS 706.8828;

(g) Specifically state that the lease agreement does not relieve the certificate holder from any of his or her duties or responsibilities set forth in this chapter and chapter 706 of NRS;

(h) Specifically state that the taxicab provided pursuant to the lease agreement:

(1) Will be painted with the name, insigne and certificate number of the certificate holder; and

(2) Is in good mechanical condition that will meet the requirements for operating taxicabs set forth by this State or the county or municipality in which the taxicab will be operated.

(i) Specifically state that the driver shall not transfer, assign, sublease or otherwise enter into an agreement to lease the taxicab to another person;

(j) Specifically state that the driver:

(1) Shall not operate the taxicab for more than 12 hours in any 24-hour period;

(2) Shall not operate a taxicab after having accrued 70 hours of on-duty time within a period of 7 consecutive days; and

(3) Shall return the taxicab to the certificate holder not less than one time per day to enable the certificate holder to comply with the provisions of NRS 706.8837 and 706.8838.

(k) Include the vehicle(s) to be leased by the carrier under the lease; and

(l) Contain any other provision which the Authority may determine to be necessary for the protection of the health and safety of members of the public.

2. If the Authority has reason to believe that a lease provision required by this section is being violated, the Authority may, after a hearing:

(a) Impose an administrative fine pursuant to NRS 706.8848 to 706.885;

(b) Order the certificate holder or the driver to cease and desist from action taken in violation of this section;

(c) Revoke or suspend the authority of the certificate holder to operate a taxicab and/or enter into a lease agreement pursuant to SB 376; or

(d) Take appropriate action against the driver as permitted under NRS chapter 706 and NAC chapter 706.

Sec. 2.10. Leasing of taxicab to driver: Requirements for copy of lease agreement; enforcement. (SB 376)

1. A certificate holder who enters into an agreement to lease a taxicab to a driver shall provide a copy of the signed lease agreement to the driver.

2. The driver shall keep a copy of the lease agreement in the leased taxicab at all times during the duration of the lease.

3. If the Authority determines that a taxicab is being operated without a copy of the lease agreement in the taxicab in violation of this section, the Authority will cause the taxicab to be immediately withdrawn from service. A taxicab withdrawn from service pursuant to this subsection must not be placed back in service until the driver provides proof and the Authority verifies that the lease agreement is now located within the taxicab.

Sec. 2.11. Drivers: Applicability of statutes and regulations. (NRS 706.8818, SB 376)
The Authority will deem that a driver of a leased taxicab who is operating such taxicab is on duty and working his or her lease and is subject to the provision of sections 2.1 to 2.11, inclusive, of this regulation, chapter 706 of NAC, and chapter 706 of NRS.

Section 3. NAC 706.489 is hereby amended to read as follows:

706.489 Taxicabs: Display of medallions. (NRS 706.8818) A certificate holder shall not permit a cab to be put into operation unless the medallion issued by the Administrator is prominently displayed on the left rear fender *or on the left rear quarter panel* of the cab.

Section 3.1. NAC 706.497 is hereby amended to read as follows:

706.497 Taxicabs: Registration and control by certificate holder; arrangements with driver. (NRS 706.8818)

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

2. 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.~~ *the certificate holder has exclusive ownership rights to the vehicle at all times.*

3. A certificate holder may not enter into a:

(a) Contract for sale;

(b) Conditional sale; *or*

(c) Chattel mortgage ~~or~~

~~(d) Lease.~~

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

4. *Unless otherwise defined in NAC 706.450 to 706.555, inclusive, and section 2.1 to 2.11, inclusive, of this regulation,* A taxicab driver must be a certificate holder or the employee of a certificate holder.

Section 3.2. NAC 706.528 is hereby amended to read as follows:

706.528 Drivers: Renewal, reapplication and replacement of permits; waiver or extension of requirements for renewal. (NRS 706.8818, 706.8841)

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 *and sections 2.1 to 2.11 inclusive, of this regulation*¹. 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 a taxicab until the fee for a lost permit has been paid and a duplicate permit issued.

Section 3.3. NAC 706.558 is hereby amended to read as follows:

706.558 Definitions. As used in NAC 706.558 to 706.855, inclusive, *and sections 2.1 to 2.11 inclusive, of this regulation* unless the context otherwise requires, the words and terms defined in NAC 706.561 to 706.648, inclusive, have the meanings ascribed to them in those sections.

Section 3.4. NAC 706.651 is hereby amended to read as follows:

706.651 Records required. (NRS 706.8818, 706.8829)

1. Each company must keep its books of account and all other books, records and memoranda which support the entries in its books of account and be able to furnish readily full information as to any item included in any account. Each entry must be supported by such detailed information as will permit ready identification, analysis and verification of all relevant facts.

2. The books and records must include not only accounting records in a limited technical sense, but all other records, such as trip sheets, minute books, stock books, reports, correspondence, memoranda and other records which may be useful in developing the history of or facts regarding any transaction.

3. Trip sheets, invoices, cancelled checks, ledgers, inventory records, minute books, reports, correspondence, memoranda and other documents, not currently in use, must be stored in such orderly and systematic manner as will permit ready review or reference to any particular dated trip sheet or other record for at least 3 years.

4. In addition to prescribed accounts, clearing accounts, temporary, or experimental accounts and subdivisions of any accounts, may be kept, provided the integrity of the prescribed accounts is not impaired.

5. All amounts included in the accounts prescribed for operating revenue deductions must be just and reasonable and any payments or accruals by the company in excess of just and reasonable charges must be included in the account for miscellaneous other expenses described in subsection 4 of NAC 706.852.

Language

¹Language may not be necessary if sections 2.1 to 2.11 of this regulation is codified between NAC 706.453 to NAC 706.555

6. The Authority may at any time call for additional detailed information from the company to be obtained from the books and records required to be maintained by the company under NAC 706.558 to 706.855, inclusive, *and sections 2.1 to 2.11 inclusive, of this regulation* when in the judgment of the Authority such additional information is necessary for regulatory purposes.

7. The arrangement or sequence of the accounts prescribed is not controlling for the arrangement or sequence in report forms which may be prescribed by the Authority.

Section 3.5. NAC 706.660 is hereby amended to read as follows:

706.660 Item lists. (NRS 706.8818, 706.8829) Lists of “items” appearing in the texts of the accounts or in NAC 706.558 to 706.855, inclusive, *and sections 2.1 to 2.11 inclusive, of this regulation* are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive.

Section 3.6. NAC 706.813 is hereby amended to read as follows:

706.813 Accounts for operating revenue. (NRS 706.8818, 706.8829)

1. The account for taxicab fares includes all revenues derived from the transportation of passengers, their luggage and packages except for fees prescribed by the Authority. When the Authority’s fees are collected they are considered a liability, as provided in NAC 706.795.

2. The account for advertising revenues includes all revenues derived from others for advertising in or on taxicabs, taxicab stands, offices or any other form of advertising from which revenue may be derived.

3. The account for sundry operating revenues includes revenues derived from taxicab operations not included in any of the revenue accounts in subsection 1 or 2. This account also includes all other revenue not provided for elsewhere in NAC 706.558 to 706.855, inclusive, *and sections 2.1 to 2.11 inclusive, of this regulation*, if the costs or expenses associated with the earning of such revenues are not or cannot be separately classified or accounted for. This account must be maintained in such detail and description to permit ready identification, analysis and verification of all relevant facts.