

**ADOPTED REGULATION OF THE  
NEVADA TRANSPORTATION AUTHORITY**

**LCB File No. R136-16**

Effective December 21, 2016

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

AUTHORITY: §§1 and 2, NRS 706A.100, 706A.110, 706A.140 and 706A.240.

A REGULATION relating to transportation network companies; revising provisions relating to the annual regulatory assessment paid by a transportation network company; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law authorizes and empowers the Nevada Transportation Authority to regulate all transportation network companies and drivers who operate or wish to operate within this State. (NRS 706A.110) Existing law requires the Authority to levy and collect an annual assessment from each transportation network company at a rate determined by the Authority based on the gross operating revenue derived from the intrastate operations of the company in this State. (NRS 706A.140) Existing regulations establish the annual regulatory assessment for a transportation network company. (NAC 706A.190) **Section 1** of this regulation changes the method for calculating the annual regulatory assessment for a transportation network company and establishes certain dates relating to the assessment process. **Section 2** of this regulation applies the revised method for calculating the annual regulatory assessment for transportation network companies to assessments due in calendar year 2016 and in each subsequent calendar year.

Existing law requires each transportation network company to provide an annual report to the Authority and requires the Authority to adopt regulations setting forth the form and contents of the annual report. (NRS 706A.240) **Section 1** establishes the contents of the annual report each transportation network company is required to submit to the Authority and makes the annual report confidential.

**Section 1.** NAC 706A.190 is hereby amended to read as follows:

706A.190 1. One year after the date of issuance of a permit to a transportation network company, the company shall, within 10 days ~~and~~ *and annually thereafter on or before July 10,* submit to the Authority a statement of the *category described in subsection 2 which includes the*

gross operating revenue of the transportation network company derived from the Nevada intrastate operations of the company for that year of operation. Upon receipt of the statement, the Authority will, within 10 days, issue to the transportation network company a notice of its annual regulatory assessment ~~+~~ *determined pursuant to subsection 2.*

2. The *annual* regulatory assessment described in subsection 1 must be calculated ~~at a rate of 1 percent~~ *on the basis* of the gross operating revenue of the transportation network company derived from the Nevada intrastate operations of the company ~~reported in the statement by the company.~~ *as described in the following schedule:*

- (a) For a company with an annual gross operating revenue of \$250,000 or less.....\$1,000*
- (b) For a company with an annual gross operating revenue of more than \$250,000 but not more than \$500,000.....\$6,000*
- (c) For a company with an annual gross operating revenue of more than \$500,000 but not more than \$1,000,000.....\$30,000*
- (d) For a company with an annual gross operating revenue of more than \$1,000,000 but not more than \$2,500,000.....\$60,000*
- (e) For a company with an annual gross operating revenue of more than \$2,500,000 but not more than \$4,000,000.....\$150,000*
- (f) For a company with an annual gross operating revenue of more than \$4,000,000 but not more than \$6,250,000.....\$300,000*
- (g) For a company with an annual gross operating revenue of more than \$6,250,000 but not more than \$8,500,000.....\$420,000*
- (h) For a company with an annual gross operating revenue of more than.....\$500,000*

\$8,500,000.....

*(i) For a company whose permit limits the operation of motor vehicles in affiliation with the company to providing nonprofit transportation services to elderly persons and persons with disabilities with an annual gross operating revenue of any amount.....\$600*

↪ The Authority will annually reevaluate the ~~regulatory assessment rate~~ *schedule described in this subsection* based upon the total revenues generated from the fees set forth in NAC 706A.150 and the expenses of the Authority for the regulation of transportation network companies.

*3. Payment of an annual regulatory assessment is due:*

*(a) Within 11 days after the Authority issues to a transportation network company the notice of its first annual regulatory assessment; and*

*(b) On or before July 31 of each subsequent year.*

*4. On or before May 15 of each year, each transportation network company shall, pursuant to NRS 706A.240, submit an annual report to the Authority, on a form prescribed by the Authority, which must include, for the preceding calendar year:*

*(a) A description of the services performed in this State by the transportation network company;*

*(b) The number of trips arranged in this State using the digital network or software application service of the transportation network company;*

*(c) The total number of drivers for which the transportation network company provided notice to the Authority pursuant to subsection 2 of NAC 706A.180, reported separately for each month;*

*(d) The category described in subsection 2 which includes the gross operating revenue of the transportation network company derived from the Nevada intrastate operations of the company for that year of operation; and*

*(e) A description of any new products launched in this State by the transportation network company.*

*5. Each annual report submitted by a transportation network company pursuant to subsection 4 is confidential and must not be disclosed to any person other than an employee of the Authority.*

6. As used in this section, the term “gross operating revenue of the transportation network company derived from the Nevada intrastate operations of the company” does not include any revenue that is paid or in any other manner transferred to a driver.

**Sec. 2.** 1. The Nevada Transportation Authority will apply the provisions of NAC 706A.190, as amended by section 1 of this regulation, to determine the amount of each annual assessment levied and collected pursuant to NRS 706A.140 in calendar year 2016 and in each calendar year thereafter.

2. If a transportation network company has submitted a payment of the annual assessment levied against the company pursuant to NRS 706A.140 on or after January 1, 2016, and on or before December 21, 2016, the Nevada Transportation Authority will credit the amount paid by the company toward the amount owed by the company pursuant to NAC 706A.190, as amended by section 1 of this regulation, in calendar year 2016.

3. The Nevada Transportation Authority will, on or before January 5, 2017, determine the amount of the annual assessment owed by each transportation network company in calendar year 2016 and credit any payments made pursuant to subsection 2. If the Nevada Transportation

Authority determines that the transportation network company has paid more than the company owes, the Authority will refund the overpayment. If the Nevada Transportation Authority determines that the transportation network company has not paid the full amount owed, the Authority will notify the company of the amount due. A transportation network company which receives such a notice shall pay the amount due within 15 days after receipt of the notice.

**DEPARTMENT OF BUSINESS AND INDUSTRY  
NEVADA TRANSPORTATION AUTHORITY**

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY  
NRS 233B.066  
LCB FILE R136-16**

The following statement is submitted for adopted amendments to Nevada Administrative Code (“NAC”) chapter 706A.190.

**1. A clear and concise explanation for the need for the adopted regulation**

This regulation is necessary to allow the Nevada Transportation Authority to revise amounts due for the annual regulatory assessments of transportation network companies to offset expenses of regulating that industry pursuant to NRS 706A.140 (2) & (3).

**2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.**

Copies of the notice of workshop and the notice of intent to act upon the regulations were sent by U.S. mail or via facsimile to all persons on the Authority’s mailing list for administrative rulemaking and to all transportation network companies and passenger motor carriers licensed by the Authority. Copies of the notices of workshops and the notice of intent to act upon the regulations were also posted at all county libraries in Nevada and at the following locations:

Clark County Court House  
200 Lewis Ave.  
Las Vegas, NV 89155

Department of Business & Industry  
555 E. Washington Blvd., Suite #4900  
Las Vegas, NV 89101

Department of Business & Industry  
1830 College Parkway, Suite #100  
Carson City, NV 89706

Nevada State Library & Archives  
100 N. Stewart St.  
Carson City, NV 89701

Washoe County Court House  
75 Court St.  
Reno, NV 89501

Copies of all materials relating to the proposal were made available at the workshop and adoption hearing, at the offices of the Authority, on the Authority’s website at [www.nta.nv.gov](http://www.nta.nv.gov), and at the Nevada State Library, 100 North Stewart St., Carson City, NV.

A Workshop was held on June 29, 2016. On or about September 30, 2016, the Authority issued a Notice of Intent to Act Upon a Regulation. A public hearing was held on November 2, 2016. The minutes of the workshops and the public hearing, attached hereto, contain summaries of the discussion held regarding the proposed amendments.

A copy of this summary of the public response to the proposed regulation may be obtained from the Authority, 2290 South Jones Blvd. Suite 110, Las Vegas, Nevada 89146, (702) 486-3303.

- 3. The number of persons who:**
  - a. Attended each workshop/hearing:** June 29, 2016 — 27; November 2, 2016—10.
  - b. Testified at each workshop/hearing:** June 29, 2016 — 8; November 2, 2016—1.
  - c. Submitted to the agency written comments:** 2.
- 4. For each person identified in paragraphs (b) and (c) of number 1 above, the following information if provided to the agency conducting the hearing:**

**Testified at workshops:**

Craig Hulse, Uber,  
Mike Hillerby, Lyft,  
Craig Hulse, Uber  
Dale Stamper, Jacob Transportation/Executive Limo,  
John Hickman, Western Companies,  
Jonathan Swartz, Yellow Checker Star Transportation,  
Ian Poirier, Lyft

**Submitted written comments:**

Martin McConnell, GetMe

- 5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation of how other interested persons may obtain a copy of the summary.**

Before conducting workshops in this matter, the Nevada Transportation Authority made a concerted effort to determine whether the proposed regulations are likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business. The methods used by the Authority in this effort included taking and analyzing written and verbal comments from the public and from businesses to be affected by the proposed regulations in public Special General Session Meeting and Workshop on June 29, 2016. Despite

repeated invitations for comment (either written or oral) identifying small business impacts of the proposed regulations, and extensive commentary from current and prospective small business owners, no such impacts attributable to the regulations (as opposed to the authorizing legislation) has been identified. NTA Commissioners and/or staff have met individually at least twice with Uber, Lyft and Get Me, the three currently-licensed transportation network companies, regarding the impact of the proposed regulations, with appropriate edits including the addition of a lower tier being added to NAC 706A.190(2).

The Authority determined pursuant to NRS 233B.0608(1) that the proposed regulations are not likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business. Further, the proposed regulations will not have a significant adverse or beneficial economic impact upon the regulated industry, either immediately or long-term, and the proposed regulations will have not a significant adverse or beneficial economic impact upon the public, either immediately or long-term. Accordingly, the agency has not prepared the statement referenced in NRS 233B.0608(2)(b).

The Authority notes that these assessments of impact are limited to the impacts of the proposed regulations themselves, and that the amendments are in accord with the requirements of NRS 706A.140.

**6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reason for adopting the regulation without change.**

Not applicable.

**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 proposed regulations themselves will have a significant beneficial economic impact upon the regulated industry, primarily over the next six months to one year. The proposed regulation is intended to fund the expenses incurred by the Authority during that time period for the regulation of the transportation network providers pursuant to NRS 706A.140. The long term impact of the proposed regulation is minimal, as the Authority is required to reassess the costs of regulation the transportation network companies each year pursuant to NRS 706A.140(2).

Similarly, the regulations themselves will have a significant beneficial economic impact upon the public in the next six months to one year, as the regulation at issue will assist the transportation network companies to continue to provide employment opportunities in the transportation industry, availability of services provided by the new industry, and tax revenues generated by the new industry.

**8. The estimated cost to the agency for enforcement of the adopted regulation.**

De minimus.

**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 federal regulation, the name of the regulating federal agency.**

There are not any regulations of other state or government agencies which the proposed regulation overlaps or duplicates.

**10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

N/A

**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 regulation increases the annual assessment on the transportation network companies from 1% of their annual gross revenue to a tiered assessment. The Authority expects to collect approximately \$800,000 annually. The revenue will be used to fund and support the Authority's regulatory oversight of the industry pursuant to NRS 706A.140 (2) & (3)..

**12. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?**

The Authority has determined that the proposed regulation does not impose a direct and significant economic burden upon small business or restrict the formation, operation or expansion of a small business. Rather, the regulations enable the formation, operation, expansion and regulation of small business. In making this determination the Authority consulted with representatives of each of the transportation network companies operating in Nevada and no such concerns were raised or expressed. Additionally, the Authority afforded businesses additional time following the workshops to submit, in writing, any impacts the proposed regulation may have; no written comments have been received addressing such impacts.

Further discussion of small business impacts can be found in the statement prepared by Authority Chairman Alaina Burtenshaw pursuant to NRS 233B.0608.