

**LEGISLATIVE REVIEW OF ADOPTED REGULATION AS REQUIRED BY
NRS 233B.066**

LCB FILE R061-13

The following statement is submitted for adoption, amendment, and/or repeal of regulations pertaining to Nevada Administrative Code chapter 706.

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

LCB File R061-13 amends the definitions of “bus” and “livery limousine” in order to update regulations to apply to certain new types of vehicles. At the request of industry members, the Authority has expanded the applicability of certain restrictions regarding the solicitation of passengers. Additionally, the Authority proposes to permit a designated agent who arranges transportation through an “electronic ride hailing system” to charge and collect direct from customers a system access and payment fee in an amount not to exceed that as prescribed by order of the Authority. The regulation file also permits carriers providing charter limousine service may charge fuel surcharges in increments of one-half hour following the first hour of service. Lastly, the regulation proposes to increase the length of time a vehicle may be put into service to serve as a taxicab (currently in Washoe County only) and exempts from this requirement a certificate holder whose authority to operate is limited to areas of the county outside the city limits of any city that has a population of 60,000 or more.

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 notices of workshop to solicit comments and the notices of intent to act upon the proposed regulations were sent by U.S. mail, electronic mail, or via facsimile to all persons on the Authority’s mailing list for administrative rulemaking and to all passenger motor carriers licensed by the Authority. Copies of the notices were also posted at all county libraries in Nevada, at the offices of the Authority, on the Authority’s website, on the Nevada State Legislature’s website, 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 offices of the Authority, on the Authority's website at www.nta.nv.gov, at the Nevada State Library, 100 North Stewart St., Carson City, NV, and at the main public library in all counties in which an office of the Authority is not maintained. Copies of the notices and text of the proposed regulation were mailed to members of the public upon request.

Workshops were held on September 24, 2013; February 28, 2014; and, August 14, 2014. On September 30, 2014, the Authority issued a Notice of Intent to Act Upon a Regulation. A public hearing was held on November 5, 2014. It was then discovered the Authority took action prematurely in adopting the regulation because it did not post the LCB official revised version for a minimum of 30 days. Thus, on November 19, 2014, the Authority again issued a Notice of Intent to Act Upon a Regulation. A public hearing was held on December 22, 2014. The minutes of the workshop and the adoption hearings, attached hereto, contain summaries of the discussions 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 Boulevard, Suite #110, Las Vegas, NV 89146, (702) 486-3303.

3. The number of persons who:

- a. Attended each workshop/hearing:** September 24, 2013 — 54; February 28, 2014 — 47; August 14, 2014 — 51; November 5, 2014 — 17; December 22, 2014 — 7
- b. Testified at each workshop/hearing:** September 24, 2013 — 13; February 28, 2013 — 10; August 14, 2014 — 11; November 5, 2014 — 5; December 22, 2014 — 1
- c. Submitted to the agency written comments:** 6.

4. For each person identified in paragraphs (b) and (c) of number 1 above, the following information if provided to agency conducting the hearing:

Testified at Workshops:

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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.

Comments were solicited from affected businesses in the same manner as they were solicited from the public. The summary may be obtained in the response to question #2 above.

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. Over the course of the rulemaking process as a result of the three workshops, there were significant modifications. At the adoption hearings, there were no proposed/suggested changes to the final version considered by the Authority.

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 will have no significant adverse impact upon the regulated industry, either immediately or long-term. However, there will be beneficial economic impacts upon the regulated industry both immediately and in the long-term. The beneficial economic impacts are as follows:

- Section 4 of the regulatory docket, permitting agents who arrange transportation services through an electronic ride hailing system to charge a system access fee, will result in an additional immediate – and long-term - revenue stream to said agents in addition to the currently permissible commission or referral fee of ten percent. The system access fee will undoubtedly grow the burgeoning e-hailing market.

- Section 6 of the regulatory docket will have several beneficial impacts upon taxicab operators in Washoe County. By permitting carriers to operate their vehicles for a longer period of time, costly vehicle replacement costs will be reduced. Additionally, the new provision found in subsection 2 will permit carriers operating in the north Lake Tahoe area to utilize their vehicles for a longer period of time. Perhaps more importantly, the provision will grow the taxicab market in this area because operational costs which can oftentimes serve as a barrier to entry will be reduced. Lastly, carriers who in the past have desired to operate hybrid electric vehicles but found the costs of said vehicles to be prohibitive, will be able to operate those vehicles for an additional 24 months, thus making this type of significant asset purchase more affordable over the long-term.

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

There is no additional cost to the Authority for enforcement, specifically due to this regulation.

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.

Not applicable.

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.

Not applicable.

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 regulations do not impose a direct and significant economic burden upon small business or restrict the formation, operation or expansion of a small business. In making this determination, the Authority considered that several representatives of affected small businesses were present at the workshops and at the adoption hearings; and that at the workshops and the adoption hearings, Chairman Andrew J. MacKay asked the participants several times to address any impact on small business; and that no impacts on small business were identified for the regulations as adopted.

Additionally, the Authority afforded businesses additional time following the workshops, as well as prior to and during the adoption hearings to submit, in writing or verbally, any impacts the proposed regulation may have; no written or verbal comments were received by the Authority. Testimony – both oral and written – before, during, and after the workshops, resulted in significant modifications to the proposed regulatory changes. The vast majority of the changes were to eliminate impact on small businesses affected by the proposed regulation.

*Further explanation on how the Authority determined the impact the adopted regulations will have on small businesses can be found in statement prepared by Chairman MacKay pursuant to NRS 233B.0608 and NRS 233B.0608.