



DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA TRANSPORTATION AUTHORITY

DEPARTMENT OF BUSINESS AND INDUSTRY

**NOTICE OF INTENT TO ACT UPON A REGULATION
and
NOTICE OF HEARING FOR THE ADOPTION OF REGULATIONS**

The proposed amendment has been designated as **Docket 22-11007** by the Authority and as **File No. R017-23** by the Nevada Legislative Counsel Bureau. A copy of the proposed amended Nevada Administrative Code 706A.190 is attached to this notice.

The Nevada Transportation Authority ("Authority") will hold a public hearing regarding this amended regulation at **9:30 am on Friday, October 13, 2023**.

The public may attend this hearing at either:

**Nevada Transportation Authority
3300 W. Sahara Ave., 4th Flr. Room 400
Las Vegas, Nevada 89102**

**Nevada Transportation Authority
1755 E. Plumb Lane, Suite 229
Reno, Nevada 89502**

WEBEX LINK: <https://businessnv2.webex.com>

DIAL IN NUMBER: 1-844-621-3956

MEETING ACCESS CODE: 2486 603 9494

MEETING PASSWORD: AtckMgxp365

The purpose of the hearing is:

- a. To receive comments from all interested persons regarding the adoption of amended Nevada Administrative Code 706A.190; and,
- b. For the Authority to act on the adoption of this regulation which revises the annual regulatory assessment paid by the transportation network companies (TNC).

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. The proposed amendment of Nevada Administrative Code 706A.190 is necessary to revise the annual regulatory assessment paid by a TNC as required by NRS 706A.140.
2. In substance, the regulation to be adopted sets out the annual fees to be paid by a TNC to the Authority for the costs associated with the Authority's oversight of the TNCs. The fees to be paid are determined by the annual gross operating revenue of each TNC.
3. The estimated impact of the regulations:

- a. The proposed regulations will not have a significant adverse or beneficial economic impact upon the regulated industry, either immediately or long-term.
- b. The proposed regulations will not have a significant adverse or beneficial economic impact upon the public, either immediately or long-term.

The Authority notes that these assessments of impact are limited to the impacts of the proposed amended regulations themselves.

4. The Authority determined the impact on small business as required pursuant to NRS 233B.0608 by analyzing verbal comments from the public and from businesses to be affected by the proposed regulations during a workshop held on January 12, 2023.
5. The Authority has incurred and is anticipated to continue to incur additional enforcement and regulatory oversight expenses because of the enactment of NRS 706A and NAC 706A. The Authority anticipates such expenses being met by revenue from the regulatory assessment amended by the present regulation as required by NRS 706A.140.
6. The Authority is not aware of any overlap or duplication of the proposed regulations with any regulations of other state or local governmental agencies.
7. The proposed regulations are not required pursuant to federal law.
8. The proposed regulations are not more stringent than any federal regulation that regulates the same activity.
9. The proposed regulations implement the regulatory assessment fees established by NRS 706A.140. The amended regulation does not otherwise establish a new fee or increase an existing fee.

Persons who wish to comment regarding the action of the Nevada Transportation Authority may appear at the scheduled public hearing or may submit their comments, data, views or argument in written form. Written submission must be received by Patricia M. Erickson, the Administrative Attorney at the Nevada Transportation Authority on or before October 9, 2023.

AGENDA

- 1. Call to Order**
- 2. Roll Call**
- 3. Pledge of Allegiance**
- 4. Public comment** - Public comment is welcomed during public comment periods and is limited to 3 minutes per person per public comment period. Unused time may not be allocated to other speakers. A speaker's viewpoint will not be restricted; however, reasonable restrictions may be imposed upon the time, place, and manner of speech. Irrelevant statements, unduly repetitious statements, and personal attacks that would objectively antagonize or incite others are examples of speech that may be reasonably limited. All comments are to be directed to the Commission as a whole.

During the general public comment period, at the beginning and end of the meeting, speakers may address any matter either on or off the agenda. Items voted on in a separate block or blocks shall have a single public comment period per block, and public comment will only be heard about the specific items being considered by the Commission in the block. For the remainder of the agenda, during items designated "for possible action" that are considered individually, public comment will only be heard about the specific item being considered by the Commission.

5. Approval of Agenda – *FOR POSSIBLE ACTION*

DISCUSSION ITEM / RULEMAKING ADOPTION

6. **Docket 22-11007** - The Nevada Transportation Authority will consider adoption of amended NAC 706A.190 regarding the annual assessment fees due from the Transportation Network Companies pursuant to NRS 706A.140 - ***FOR POSSIBLE ACTION***

7. **Public Comment** – Public comment is welcomed at this time and is limited to 3 minutes per person. Unused time may not be allocated to other speakers. A speaker’s viewpoint will not be restricted; however, reasonable restrictions may be imposed upon the time, place, and manner of speech. Irrelevant statements, unduly repetitious statements, and personal attacks that would objectively antagonize or incite others are examples of speech that may be reasonably limited. All comments are to be directed to the Nevada Transportation Authority as a whole. During this period of public comment, speakers may address any matter either on or off the agenda.

8. Adjournment

This Notice of Hearing and Intent to Adopt Proposed Regulation has been sent to all persons on the Authority’s mailing list for administrative regulations, to all common motor carriers of passengers licensed by the Authority, and has been posted at the following:

Department of Business & Industry, 3300 W. Sahara Ave., Suite 425, Las Vegas NV 89102
Nevada Transportation Authority, 3300 W. Sahara, Suite 200, Las Vegas, NV 89102
Nevada Transportation Authority, 1755 East Plumb Lane, Suite 229, Reno, NV 89502
Nevada Transportation Authority website: www.nta.nv.gov
Nevada State Legislature Website: www.leg.state.nv.us
State of Nevada Website: <https://notice.nv.gov>

A copy of all materials relating to the present amended regulation may be obtained from:

1. The office locations, set out above, of the Nevada Transportation Authority;
2. The adoption hearing; or,
3. Patricia M. Erickson, Administrative Attorney at the Nevada Transportation Authority; perickson@nta.nv.gov

Pursuant to NRS 233B.064: Upon adoption of any regulation, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption which incorporates its reason for overruling the consideration urged against its adoption.

In accordance with Nevada’s Open Meeting Law, the Authority may:

1. Take items on the agenda out of order;
2. Combine two or more agenda items for consideration;
3. Remove any item(s) from the agenda or delay discussion relating to an item on the agenda at any time.

NOTE: The Authority is pleased to make reasonable accommodations and will assist and accommodate people with a disability who wish to attend its meetings and hearings. If special arrangements are necessary, please contact the Authority in Las Vegas at (702) 486-3303 or in Reno at (775) 688-2800 as far in advance of the workshop as possible.



DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA TRANSPORTATION AUTHORITY

WebEx and Teleconferencing Instructions

This meeting can be accessed via the video conference link or teleconference number below.

Please note your device must have microphone capabilities in order to participate in the web conference.

Video Conference Link Instructions for Regulation Adoption Meeting on: Friday, October 13, 2023:

Open a browser on your computer and type in the following URL:

<https://businessnv2.webex.com>

At the Join A Meeting screen, enter the following in the grey area labeled Enter meeting information: **2486 603 9494**

The next screen will ask for a password. Type in the following: **AtckMgxp365**

If your device does not have the Cisco Application (App) WebEx Meeting installed, you will be prompted to download the App at this time. If so, download the app and follow the instructions. You may be asked to provide your name and email address.

Teleconference Call Instructions:

On your cell phone or desk phone dial the following toll-free number:

1-844-621-3956

Next you will be asked for an access code or meeting number. Punch in the following: **2486 603 9494**

At the next prompt push the # sign to be placed in the meeting.

Below are the instructions for use throughout the meeting.

1. Keep your phone or microphone muted until called upon by the coordinator.
2. If joining by phone, you will mute and unmute yourself by pressing star six (***6**) and you will state the following information:
 - a. Your first and last name.
 - b. The name of your company, if applicable.
 - c. Your item number on the agenda.
3. For all comments, please do the following to let us know you wish to speak:
 - a. By web, raise your hand in the participant box.
 - b. By phone, press star three (***3**).
 - c. Wait to be recognized by the coordinator before unmuting your phone/mic to speak.
 - d. State your name as you begin your comments for the record.

**PROPOSED REGULATION OF THE NEVADA
TRANSPORTATION AUTHORITY**

LCB File No. R017-23

July 31, 2023

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

AUTHORITY: § 1, 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 requires the Nevada Transportation Authority to levy and collect an annual regulatory 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 set forth the annual regulatory assessment for a transportation network company in each of several ranges of gross operating revenue. (NAC 706A.190) This regulation revises the amount of the annual regulatory assessment due from a transportation network company with an annual gross operating revenue of more than \$400,000 but not more than \$15,000,000.

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 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 on the basis of the gross operating revenue of the transportation network company derived from the Nevada intrastate operations of the company as described in the following schedule:

(a) For a company with an annual gross operating revenue of \$200,000 or less	\$1,500
(b) For a company with an annual gross operating revenue of more than \$200,000 but not more than \$400,000	\$3,000
(c) For a company with an annual gross operating revenue of more than \$400,000 but not more than \$600,000	[\$8,000] \$6,000
(d) For a company with an annual gross operating revenue of more than \$600,000 but not more than \$5,000,000	[\$24,000] \$40,000
(e) For a company with an annual gross operating revenue of more than \$5,000,000 but not more than \$15,000,000	[\$90,000] \$120,000
(f) For a company with an annual gross operating revenue of more than \$15,000,000 but not more than \$30,000,000	\$900,000
(g) For a company with an annual gross operating revenue of more than \$30,000,000 but not more than \$65,000,000	\$1,000,000
(h) For a company with an annual gross operating revenue of more than \$65,000,000	\$1,200,000
(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 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. Except as otherwise provided in subsection 4, 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. A transportation network company, upon written notice to the Authority, may make quarterly payments, each in the amount of one quarter of the annual regulatory assessment due. Such payments must be made on or before July 31 and on or before October 31 of the year the Authority issues the annual regulatory assessment and on or before January 31 and on or before April 30 of the subsequent year.

5. 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.

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

7. 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.



DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA TRANSPORTATION AUTHORITY

SMALL BUSINESS IMPACT STATEMENT (NRS 233B.0609)
re DOCKET 22-11007/LCB File no. R017-23

1. Manner in which comment was solicited from affected small businesses, a summary of the response and an explanation of the manner in which interested persons may obtain a copy of the summary:

Discussions were held with industry representatives regarding the monetary impact that the revised regulation would have. Through discussion and a formal workshop, open to the public and all the regulated industry, it was decided that the sliding scale established in the 2022 amendment would be maintained. This sliding scale means that the smaller the business and the gross operating revenue, the lower the administrative assessment to be paid to the NTA.

2. The manner in which the analysis was conducted:

The analysis was conducted through meetings with industry representatives, input from Management Analysts, Financial Analysts, Commissioners and NTA staff. During the regulation process in 2022, three different methods of determining the assessment were submitted for consideration. The industry indicated that the sliding scale method was the most acceptable method of calculation. The present proposed amendment is based on the 2022 sliding scale. During the workshop on January 12, 2023, none of the participants suggested or requested any change the scale or amount of the assessment.

3. The estimated economic effect of the proposed regulation on the small businesses which the NTA regulates:

A. The adverse effects: There are no adverse effects based on the sliding scale of the regulation. The sliding scale results in the smaller businesses paying a smaller assessment than the larger businesses. As the gross operating revenue grows for a company so does the percentage of the assessment to be paid. However, the increase in the assessment is gradual. Moreover, the annual assessment fee in the present version does not increase, from 2022 amounts, until a business has an annual gross operating revenue of more than \$600,000 but less than \$5,000,000.

B. The beneficial effects: Smaller businesses will benefit because they are paying less than larger businesses. This will allow the smaller businesses to grow their companies.

C. The direct effects: The direct effect is that all companies pay a more equitable amount based on size and income.

D. The indirect effects: There are no true indirect effects. The sliding scale formula establishes a more equitable payment system based on size of the company and income.

4. Description of the method that the NTA considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the NTA actually used these methods”:

The regulation was analyzed in a way to make it more fair for all businesses. Smaller businesses will face the same standards of compliance as defined in NRS/ NAC Chapters 706A. However, consideration was given to the smaller businesses by modifying the assessment so the smaller business will pay less than the companies with the largest annual gross operating revenue.

5. The estimated cost to the NTA for enforcement of the proposed regulation:

Enforcement will be minimal as each company reports gross income to the NTA immediately after the last quarter of the fiscal year. The NTA will review that information and decide the amounts owed based on the approved formula.

6. If the proposed regulation provides for a new fee or increases an existing fee, the total annual amount the NTA expects to collect and the manner in which the money will be spent:

The present amended regulation slightly increases the existing assessments from 2022. The total annual amount the NTA expects to collect is \$2,400,000. These monies will be used for the operating expenses associated with the NTA employees who are designated to complete all activities associated with the regulation of the TNC industry.

7. Does the proposed regulation include provisions which duplicate or are more stringent than federal, state, or local standards regulating the small activity:

No duplicative or more stringent provisions are included in the regulation.

8. The reasons for the NTA conclusions regarding the impact of the regulation on small businesses:

In 2022, the NTA prepared three different methods of determining the annual assessment to be paid by each TNC carrier. At that time, the calculation method that set out the least number of levels, and was thus less complicated, appeared to be most favored by the smaller businesses. Therefore, that was the calculation method included in the regulation that was adopted on April 7, 2022. The present assessments continue to reflect the previously adopted calculation method. Also, an increased assessment was only applied to three gross operating income levels which are in the mid-range of the gross operating revenues and assessment fees.

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I certify to the best of my knowledge and belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement was prepared properly and is accurate.

Dated this 12th day of September, 2023.

A handwritten signature in blue ink, appearing to read "Vaughn Hartung". The signature is fluid and cursive, with a large initial "V" and "H".

Vaughn Hartung, Chairman
Nevada Transportation Authority