



DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA TRANSPORTATION AUTHORITY

**LEGISLATIVE REVIEW OF ADOPTED REGULATION AS REQUIRED BY NRS
233B.066
LCB FILE R017-23**

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 (TNCs) 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 both the notice of workshop and the notice of intent to act upon the initial **temporary** regulation and the notice of intent to act upon the **permanent** regulation were sent by U.S. mail to all persons on the Authority’s mailing list for administrative rulemaking, to all transportation network companies and to all motor carriers licensed by the Authority. Copies of both the notice of workshop and the notice of intent to act upon the initial **temporary** regulation and the notice of intent to act upon the **permanent** regulation were also posted at the following locations:

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>

Copies of all materials related to the proposal were made available at the workshop and two adoption hearings, at the offices of the Authority and on the Authorities website:
www.nta.nv.gov

A Workshop was held to solicit comments regarding the initial **temporary** regulation January 12, 2023. On or about February 16, 2023, the Authority issued a Notice of Intent to Act Upon a Temporary Regulation. A public hearing was held on March 20, 2023. No additional written or oral comments were received during this public hearing. All documents regarding the temporary regulation process were submitted to the Legislative Counsel Bureau.

Subsequently, the Authority issued a Notice of Intent to Act Upon the **Permanent** Regulation. A public hearing was held on October 13, 2023. The minutes of the public hearing are attached as **Exhibit 1** contain the summary of the discussion held regarding the permanent amended regulation.

3. The number of persons who:
 - a. Attended each workshop/hearing regarding the temporary regulation: 2 persons/1 person
 - b. Testified at each workshop/hearing: 1 person/None
 - c. Submitted written comments to the agency: None/None
 - d. Attended the adoption hearing for the permanent regulation: 3 persons
 - e. Testified at the adoption hearing for the permanent regulation: None
 - f. Submitted written comments to the agency: None

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented for each person identified above in 3(d) and (e), as provided to the agency:

See attached **Exhibit 2** (which is the sign in sheet for the permanent regulation adoption hearing)

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

The Nevada Transportation Authority solicited comments on the proposed regulation by (1) posting a copy of the full text of the proposed changes to the Authorities' website as part of the Authorities' hearing materials, (2) posting notices and agendas in numerous public locations per NRS Chapter 233B, and (3) provided time for public comment at the adoption hearing on October 13, 2023.

Also, during the November 18, 2021 workshop, three different methods of calculating the applicable annual assessments were presented. The representatives of the TNC industry did not announce a specific preference for any of the of the three methods of calculations. But the small businesses seemed to like the less complicated method which had the least steps and presented the clearest information. That calculation method is contained within the proposed permanent regulation regulation.

A copy of the summary of the public response to the adopted regulation may be obtained from the Authority, 3300 W. Sahara, Suite 200, Las Vegas, Nevada 89102, (702) 486-3303.

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

The Authority adopted the regulation on October 13, 2023 as initially written because no comments were received from the industry or the public requesting any changes to the regulation.

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

- i. Adverse effects for businesses:
 - a. None for small businesses - the amendments to the regulation lower the assessment fees for two of the smaller sized businesses.
 - b. The only assessment fees, which are raised, are applicable to two mid-sized businesses ie (1) the company with an annual gross operating revenue of more than \$600,000 but not more than \$5,000,000 and (2) for the company which has an operating revenue of greater than \$5,000,000 but not more than \$15,000,000.
 - c. None for the largest businesses as those assessment fees are unchanged.
- ii. Beneficial effects for businesses:
 - a. The assessment fees for one of the smallest businesses are being lowered.
 - b. None for the mid-sized companies which have an operating revenue of greater than \$600,000 but not more than \$15,000,000.
 - c. The assessment fees for the largest companies remain unchanged.
- iii. Immediate effects for businesses: None
- iv. Long term effects:
 - a. One of the smaller businesses will pay less assessment fees during this fiscal year;
 - b. The mid-sized companies which have an operating revenue of greater than \$600,000 but not more than \$15,000,000 will have to pay an increase in assessment fees during this fiscal year.
 - c. The largest businesses will not have to pay more assessment fees than they did during the last fiscal year.
- v. Adverse effects for the public – the mid-sized companies with an operating revenue of greater than \$600,000 but not more than \$15,000,000 may increase the fees charged to the public. This would be an immediate and long term effect.
- vi. Beneficial effects for the public – the vast majority of the TNCs will be paying the same assessment fees as imposed during the last fiscal year and should not raise rates. This would be an immediate and long term effect.

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

Enforcement of amended NAC 706A.190 is minimal because this regulation requires the TNCs to submit the annual regulatory documentation regarding its gross annual operating revenue once per year. If the required documents are not received by the Authority, enforcement would involve a telephone call or two.

The assessment fees, received from the TNCs, pay for the estimated costs associated with the enforcement of NRS 706A and NAC 706A. Therefore, the Authority expects to expend \$2,400,000 during the fiscal year on the costs associated with enforcement of NRS and NAC 706A.

9. A description of any regulations of other state or governmental 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(s), the name of the regulating federal agency

There are no regulations by 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

An increase in assessment fees is only applicable to the mid-sized companies which have an annual gross operating revenue of more than \$600,000 but no more than \$15,000,000.

The annual assessment fees, received by the Authority from this regulation, fund the employment positions of individuals at the Authority who are responsible for the enforcement of NRS and NAC 706A which are particular to the TNC industry. The Authority will receive \$2,400,000 from the assessment fees.

Exhibit 1



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MUINUTES OF THE October 13, 2023
NOTICE OF INTENT TO ACT UPON A REGULATION
and
NOTICE OF HEARING FOR THE ADOPTION OF REGULATIONS

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.

AGENDA

1. Call to Order

Chairman Vaughn Hartung called the meeting to order at 9:30 a.m.

2. Roll Call

Present in Reno: Chairman Vaughn Hartung

Present in Las Vegas: Commissioner Dawn Gibbons, Commissioner R. David Groover, Deputy Commissioner David Rickert, Administrative Attorney Patricia Erickson, Applications Manager Liz Babcock, Financial Analyst Yvonne Shelton, Financial Analyst Paul Servello, Deputy Attorney General Radhika Kunnel

3. Pledge of Allegiance

Commissioner Groover led a recital of the pledge.

4. Public comment

none

5. Approval of Agenda

Approved 3-0

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

*Administrative Attorney Erickson detailed the regulations and indicated staff support.
Approved 3-0*

7. Public Comment

none

8. Adjournment

Meeting adjourned at 9:40 a.m.

Exhibit 2

