

**PROPOSED REGULATION OF THE
TRANSPORTATION SERVICES AUTHORITY
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY**

LCB File No. R040-02

June 4, 2002

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

AUTHORITY: §§1-8, 125-138, 195 and 200, NRS 706.171; §§9-24, 26, 28-30, 32, 33, 139-141, 143-165, 167, 169-173, 175-183, 185-194 and 196-199, NRS 706.166 and 706.171; §§25, 142, 166 and 168, NRS 706.166, 706.171 and 706.443; §§27 and 31, NRS 706.166, 706.171 and 706.173; §§34-124, NRS 706.166, 706.167 and 706.171; §174, NRS 706.166, 706.171 and 706.471; §184, NRS 706.166, 706.171 and 706.286.

Section 1. Chapter 706 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 124, inclusive, of this regulation.

Sec. 2. *“On call” or “on-call” means available to schedule prearranged transportation.*

Sec. 3. *“Operating authority” means a certificate, permit or other approval issued by the transportation services authority pursuant to which a person may operate a motor carrier or tow car, act as a broker or engage in any other activity subject to the jurisdiction of the transportation services authority.*

Sec. 4. *“Permit” means a permit issued by the transportation services authority to operate:*

- 1. A van pool;*
- 2. A warehouse; or*
- 3. As a contract carrier.*

Sec. 5. *“Prearranged” means transportation that is scheduled through or reported to the central dispatch of a carrier before the provision of service.*

Sec. 6. *“Regular business hours” means Monday through Friday, 8 a.m. to 5 p.m., excluding legal holidays.*

Sec. 7. *“Shuttle service” means the transportation of passengers at a per capita or an hourly rate between definite points of origin and definite points of destination that have been approved by the transportation services authority.*

Sec. 8. *“Similar equipment” means equipment designed and used to transport cargo of the same specific class of commodities or passengers in the same type of motor vehicle.*

Sec. 9. 1. *An application for:*

(a) The initial issuance, expansion or modification of a certificate of public convenience and necessity to operate a tow car made pursuant to NRS 706.386 to 706.411, inclusive; or

(b) The sale and transfer of an interest in:

(1) Such a certificate;

(2) Fifteen percent or more of the stock of a corporation that holds such a certificate;

(3) A partnership that holds such a certificate; or

(4) A corporate entity that holds such a certificate which would result in a change in the corporate control of the carrier,

must, in addition to complying with the provisions of NAC 706.010 to 706.4019, inclusive, and sections 2 to 32, inclusive, of this regulation, that are applicable to pleadings, contain the data set forth in subsection 2.

2. An application described in subsection 1 must contain the following data, either in the application or as exhibits attached thereto:

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(a) The type of service proposed, a general description of the service and a reference to the authority pursuant to which the service will be performed.

(b) The specific authority requested and the statutory provision pursuant to which the certificate is requested.

(c) A copy of a sample invoice that will be used by the applicant. The invoice must have imprinted thereon the procedures that a customer of the tow car may use to file a complaint against the operator of the tow car.

(d) If the applicant will provide:

(1) Nonconsensual tows, a statement of the rates proposed to be charged and the rules governing service in the form of a tariff prepared pursuant to NAC 706.138 to 706.139, inclusive.

(2) Only towing services with the consent of the owner of the vehicle being towed, the title page of the tariff prepared in accordance with NAC 706.1385.

(e) The type and number of units of equipment that will be used in the proposed service and a statement as to which units of equipment are owned by the applicant, including photographs of the equipment to be used and copies of the registration and titles of those vehicles already owned by the applicant that will be used under its operating authority.

(f) A statement of the qualifications and experience of the personnel who will manage and operate the proposed service, and the proposed operating procedures relating to service, safety, maintenance, the training of drivers, billing, relations with customers and the keeping of records.

(g) A statement describing the facilities that will be used to provide the proposed service, including, without limitation, offices, terminals and impound yards.

(h) If the applicant is a corporation or a limited-liability company, a copy of its articles of incorporation or articles of agreement, certified by the secretary of state, and all effective amendments thereto. If the corporation or limited-liability company was incorporated or established in another state, the application must include a copy of the certificate issued by the secretary of state authorizing the corporation or limited-liability company to transact its business in the State of Nevada, or its equivalent.

(i) If the applicant is a partnership, a copy of the partnership agreement and any amendments thereto.

(j) If the applicant is not a natural person, a list of all owners, including associated stock certificates, membership certificates or associated documents, along with the percentage of ownership interest of each partner, member or owner. If the applicant is a publicly traded corporation, the requirements of this paragraph may be satisfied by attaching to the application a copy of the Form 10-K or its equivalent filed with the Securities and Exchange Commission showing the controlling ownership, officers and directors of the corporation.

(k) If the applicant is operating under a fictitious name, a copy of the certificate filed pursuant to chapter 602 of NRS, if applicable.

(l) A sample of the dispatch log that will be used by the tow service.

(m) Evidence that the applicant can secure the insurance required by NAC 706.191.

(n) Additional information as is necessary for a full understanding of the application.

3. If any item required pursuant to this section or by statute is omitted or otherwise deficient after acceptance of the application or filing, the transportation services authority will notify the applicant of the omission or deficiency, in writing, at the address of the applicant listed on the application or filing. If the applicant does not cure the omission or deficiency

within 15 working days after the issuance of that notification, the deputy commissioner shall, at the next regular meeting of the transportation services authority, move that the application or filing be dismissed.

4. As used in this section, “nonconsensual tow” has the meaning ascribed to it in NAC 706.4022.

Sec. 10. 1. An application for:

(a) The initial issuance of a certificate of public convenience and necessity to provide intrastate charter service by bus made pursuant to NRS 706.386 to 706.411, inclusive; or

(b) The sale and transfer of an interest in:

(1) Such a certificate;

(2) Fifteen percent or more of the stock of a corporation that holds such a certificate;

(3) A partnership that holds such a certificate; or

(4) A corporate entity that holds such a certificate which would result in a change in the corporate control of that entity,

FLUSH *must, in addition to complying with the provisions of NAC 706.010 to 706.4019, inclusive, and sections 2 to 32, inclusive, of this regulation, that are applicable to pleadings, contain the data set forth in subsection 2.*

2. An application described in subsection 1 must contain the following data, either in the application or as exhibits attached thereto:

(a) The type of service proposed, a general description of the service and a reference to the authority pursuant to which the service is to be performed.

(b) The specific authority requested and the statutory provision pursuant to which the certificate is requested.

(c) The terminal and other points to be served, and the number and location of points where equipment will be located.

(d) A copy of the charter order that the applicant proposes to use in providing intrastate charter service by bus.

(e) A statement of the rates or fares proposed to be charged and the rules governing the operations of the intrastate charter service by bus pursuant to NRS 706.321 in the form of a tariff prepared pursuant to NAC 706.138 to 706.139, inclusive.

(f) The type and number of units of equipment to be used in the proposed service that includes, without limitation, the year, make, model, passenger capacity and vehicle identification number of each vehicle to be used to provide the intrastate charter service by bus, and a statement as to which units of equipment are owned by the applicant that includes photographs of the equipment to be used and copies of the registration and title of each vehicle already owned by the applicant that will be used under its operating authority.

(g) A statement of the qualifications and experience of the personnel who will manage and operate the proposed service, and the proposed operating procedures relating to service, safety, maintenance, the training of drivers, billing, relations with customers and the keeping of records.

(h) A statement describing:

- (1) The facilities that will be used to provide the proposed service;*
- (2) The address of the domicile of the company and the location where the company maintains its business office and records; and*
- (3) The address and location of the terminal and the equipment to be used by the company.*

(i) If the applicant is a corporation or a limited-liability company, a copy of its articles of incorporation or articles of agreement, certified by the secretary of state, and all effective amendments thereto. If the corporation or limited-liability company was incorporated or established in another state, the application must include a copy of the certificate issued by the secretary of state authorizing the corporation or limited-liability company to transact its business in the State of Nevada, or its equivalent.

(j) If the applicant is a partnership, a copy of the partnership agreement and any amendments thereto.

(k) If the applicant is not a natural person, a list of all owners, including associated stock certificates, membership certificates or associated documents, along with the percentage of ownership interest of each partner, member or owner. If the applicant is a publicly traded corporation, the requirements of this paragraph may be satisfied by attaching to the application a copy of the Form 10-K or its equivalent filed with the Securities and Exchange Commission showing the controlling ownership, officers and directors of the corporation.

(l) If the applicant is operating under a fictitious name, a copy of the certificate filed pursuant to chapter 602 of NRS, if applicable.

(m) The name and address of all transportation entities owned or controlled by the applicant, and a copy of the certificates or permits under which each such transportation entity is operating.

(n) A copy of the complaint procedures that will be used.

(o) A copy of each city and county business license issued to the applicant in this state.

(p) Evidence that the applicant can secure the insurance required by NAC 706.191.

(q) Additional information as is necessary for a full understanding of the application.

3. If any item required pursuant to this section or by statute is omitted or otherwise deficient after acceptance of the application or filing, the transportation services authority will notify the applicant of the omission or deficiency, in writing, at the address of the applicant listed on the application or filing. If the applicant does not cure the omission or deficiency within 15 working days after the issuance of that notification, the deputy commissioner shall, at the next regular meeting of the transportation services authority, move that the application or filing be dismissed.

Sec. 11. *1. A common motor carrier authorized to operate a traditional limousine or livery limousine shall not lease any vehicle that it uses as a traditional limousine or livery limousine without the prior approval of the chairman or his designee.*

2. A carrier must submit a request for the approval of such a lease to the transportation services authority at least 10 working days before the execution of the lease. The chairman or his designee shall approve or disapprove the lease within 10 working days after receiving the request for the approval of the lease. If the chairman or his designee does not approve or disapprove the lease within 10 working days after receiving the request for approval of the lease, the lease shall be deemed to be approved.

3. The chairman or his designee shall approve such a lease if:

- (a) The vehicle will be leased for not more than 14 days;*
- (b) The vehicle will be used only in an operation authorized by the certificate of the carrier;*
- (c) Including the vehicles to be leased by the carrier under the lease:
 - (1) Not more than one-half of the vehicles of the carrier will be leased; and**

(2) The total number of vehicles operated by the carrier does not exceed the number of vehicles the carrier is authorized to operate pursuant to its operating authority;

(d) The driver of the vehicle will be an employee of the carrier who has no ownership interest in the vehicle; and

(e) The carrier demonstrates to the satisfaction of the chairman or his designee that the carrier temporarily needs to increase the size of its fleet, including, without limitation, facts which indicate that the carrier expects to experience:

(1) An increase in customer demand; or

(2) A decrease in the size of its permanent fleet.

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

(a) A copy of the lease must be submitted to the transportation services authority not later than the date on which the lease becomes effective; and

(b) A copy of the lease and a copy of the approval of the lease must be:

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

(2) Maintained by the carrier for a minimum of 3 years.

5. A carrier may not lease vehicles for more than 45 days in any calendar year.

6. The approval of a lease pursuant to this section does not relieve the carrier of the obligation to comply with all other laws that otherwise apply with respect to the operation of the traditional limousine or livery limousine.

Sec. 12. 1. A common motor carrier authorized to provide off-road scenic tours shall not lease any vehicle without the prior approval of the chairman or his designee.

2. A carrier must submit a request for the approval of such a lease to the transportation services authority at least 10 working days before the execution of the lease. The chairman or

his designee shall approve or disapprove the lease within 10 working days after receiving the request for the approval of the lease. If the chairman or his designee does not approve or disapprove the lease within 10 working after receiving the request for the approval of the lease, the lease shall be deemed to be approved.

3. The chairman or his designee shall approve such a lease if:

(a) The vehicle will be leased for not more than 14 days;

(b) The vehicle will be used only in an operation authorized by the certificate of the carrier;

(c) The driver of the vehicle will be an employee of the carrier who has no ownership interest in the vehicle; and

(d) The carrier demonstrates to the satisfaction of the chairman or his designee that the carrier temporarily needs to increase the size of its fleet, including, without limitation, facts which indicate that the carrier expects to experience:

(1) An increase in customer demand; or

(2) A decrease in the size of its permanent fleet.

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

(a) A copy of the lease must be submitted to the transportation services authority not later than the date on which the lease becomes effective; and

(b) A copy of the lease and a copy of the approval of the lease must be:

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

(2) Maintained by the carrier for a minimum of 3 years.

5. A carrier may not lease vehicles for more than 45 days in any calendar year.

6. The approval of a lease pursuant to this section does not relieve the carrier of the obligation to comply with all other laws that otherwise apply.

Sec. 13. 1. In addition to the applicable requirements set forth in 49 C.F.R. §§ 392.2, 392.3, 392.4, 392.5 and 392.9 and 49 C.F.R. Parts 40, 382, 390, 391, 393 and 397, a certificate holder shall not allow an employee to drive a traditional limousine or livery limousine unless the employee:

(a) Has a valid Nevada driver's license and is at least 21 years of age; and

(b) Provides to the certificate holder, on or before the date on which the employee becomes employed by the certificate holder as the driver of a traditional limousine or livery limousine:

(1) A certificate from a licensed physician which is dated not more than 90 days before the date on which the employee becomes so employed by the certificate holder and which demonstrates that the employee is physically qualified to operate a commercial motor vehicle in accordance with 49 C.F.R. § 391.43; and

(2) A copy of the driving record of the employee which is obtained from the department and which demonstrates that the employee has not, within the 3 years immediately preceding the date on which the employee becomes so employed by the certificate holder:

(I) Been convicted of driving under the influence of an intoxicating liquor or a controlled substance;

(II) Been convicted of reckless driving;

(III) Been convicted of failing to stop and remain at the scene of an accident; or

(IV) Failed to keep a written promise to appear in court for any offense.

2. Each employee shall update annually the documents required pursuant to paragraph (b) of subsection 1.

3. A certificate holder shall retain a copy of each document submitted by an employee pursuant to this section for at least 3 years after his employment has terminated.

Sec. 14. A certificated carrier shall maintain a current list of supervisory or responsible persons employed by the carrier. The carrier shall provide a copy of the list of supervisory or responsible persons to the transportation services authority and shall update that copy as necessary. The persons on the list must be authorized to act on behalf of the carrier in dealing with the transportation services authority.

Sec. 15. A person shall begin operations under its operating authority within 30 days after the operating authority is issued.

Sec. 16. A broker:

1. Shall not operate in this state without first obtaining a broker certificate from the transportation services authority.

2. Shall comply with the applicable provisions of this chapter and chapter 706 of NRS, and shall instruct its employees and agents involved with the transportation of persons or property by motor vehicle with respect thereto.

Sec. 17. 1. An application for:

(a) The issuance of a certificate to operate as a broker; or

(b) The sale and transfer of an interest in:

(1) Such a certificate;

(2) Fifteen percent or more of the stock of a corporation that holds such a certificate;

(3) A partnership that holds such a certificate; or

(4) A corporate entity that holds such a certificate which would result in a change in the corporate control of that entity,

FLUSH *must, in addition to complying with the provisions of NAC 706.010 to 706.4019, inclusive, and sections 2 to 32, inclusive, of this regulation, that are applicable to pleadings, contain the data set forth in subsection 2.*

2. An application described in subsection 1 must contain the following data, either in the application or as exhibits attached thereto:

(a) The type of service proposed, a general description of the service, a reference to the authority pursuant to which the service is to be provided and the statutory provision pursuant to which the certificate is requested.

(b) A statement describing how the services will be sold, including, without limitation, the sale of services through package deals.

(c) A statement describing each office, its location and the methods of contact that will be used to provide the service.

(d) If the applicant is a corporation or a limited-liability company, a copy of its articles of incorporation or articles of agreement, certified by the secretary of state, and all effective amendments thereto. If the corporation or limited-liability company was incorporated or established in another state, the application must include a copy of the certificate issued by the secretary of state authorizing the corporation or limited-liability company to transact its business in the State of Nevada, or its equivalent.

(e) If the applicant is a partnership, a copy of the partnership agreement and any amendments thereto.

(f) For all types of legal entities, a list of all owners, including associated stock certificates, membership certificates or associated documents, along with the percentage of ownership interest of each partner, member or owner. If the applicant is a publicly traded corporation,

the requirements of this paragraph may be satisfied by attaching to the application a copy of the Form 10-K or its equivalent filed with the Securities and Exchange Commission showing the controlling ownership, officers and directors of the corporation.

(g) If the applicant is operating under a fictitious name, a copy of the certificate filed pursuant to chapter 602 of NRS, if applicable.

(h) Additional information as is necessary for a full understanding of the application.

3. If any item required pursuant to this section or by statute is omitted or otherwise deficient after acceptance of the application or filing, the transportation services authority will notify the applicant of the omission or deficiency, in writing, at the address of the applicant listed on the application or filing. If the applicant does not cure the omission or deficiency within 15 working days after the issuance of that notification, the deputy commissioner shall, at the next regular meeting of the transportation services authority, move that the application or filing be dismissed.

Sec. 18. 1. *A broker shall maintain a record of each transaction with a certificated carrier. The record must include:*

- (a) The name of the carrier;*
- (b) The number of the certificate of public convenience and necessity of the carrier;*
- (c) A description of the transportation service provided;*
- (d) The amount paid by the broker for the service;*
- (e) The amount charged by the broker for the service; and*
- (f) Any agreement or contract between the broker and the carrier.*

2. The record must be maintained for a minimum of 3 years.

3. An authorized employee of the transportation services authority may examine, during regular business hours, the books, accounts, records, minutes and documents of any person who is regulated by the transportation services authority and who does business in this state, whether or not the books, accounts, records, minutes or documents are located in this state.

Sec. 19. *1. A broker shall maintain a centralized accounting system and retain all records required by the transportation services authority at a location designated by the broker.*

2. All such records must be maintained by the broker for at least 3 years and are subject to inspection or audit by the transportation services authority or its designated agent at any time during regular business hours.

Sec. 20. *1. A broker shall notify the transportation services authority of any:*

(a) Change of address;

(b) Change in the officers of the corporation, if the broker is organized as a corporation;

or

(c) Intended sale, transfer, lease or discontinuance of operations authorized pursuant to its certificate.

2. A broker that is organized as a corporation must have the approval of the transportation services authority before the purchase or sale of corporate control.

Sec. 21. *1. A broker shall not:*

(a) Submit a bid to provide transportation services in any form or manner that is not in conformance with the certificate of the motor carrier that will provide the transportation services.

(b) Use any artifice, subterfuge or billing or accounting practice in lieu of an authorized commission.

(c) In selling a transportation service, deviate from the approved tariff rate of the certificated carrier by more than 25 percent.

2. A broker shall pay the approved tariff rate for any service purchased from a motor carrier.

Sec. 22. *A broker shall not sell, advertise or offer for sale any intrastate transportation service within the State of Nevada for or with any motor carrier that is not certificated by the transportation services authority.*

Sec. 23. *A broker or its representative shall not interfere with, refuse, deny or hinder the transportation services authority or its representative from inspecting, investigating or examining any record or document of the broker.*

Sec. 24. *A broker shall:*

1. Include in all its advertising the number of its broker certificate issued by the transportation services authority; and

2. Identify itself as a broker.

Sec. 25. *Before providing any service subject to regulation by the transportation services authority, a carrier of household goods must notify the customer in writing of the scope of the standard liability coverage provided and the availability of additional coverage.*

Sec. 26. *A driver of a limousine:*

1. Shall not divert or attempt to divert a prospective customer from any commercial establishment.

2. Except as authorized by his employer or the transportation services authority, shall not allow any person other than himself within his limousine unless that person is a passenger who is actually being transported and is paying a fare, or the guest of such a passenger.

Sec. 27. *1. A driver of a limousine shall not work a shift longer than 12 consecutive hours unless the driver is involved in a charter or a trip that commenced within a reasonable period before the end of the driver's shift.*

2. Notwithstanding any provision of this section to the contrary, a driver of a limousine shall not under any circumstances work longer than 16 hours within a period of 24 consecutive hours.

3. A driver of a limousine who has completed a shift of 8 hours or more:

(a) Shall not resume driving; and

(b) Must not be knowingly allowed or required by his employer to resume driving,

unless the driver has been off duty for at least 8 consecutive hours.

4. Except as otherwise provided in subsection 1, a certificate holder shall not knowingly require or allow any driver of a limousine employed by the certificate holder to work longer than 12 consecutive hours.

5. A certificate holder shall provide an appropriate and accurate method for tracking the hours that his drivers work. The method must be approved by the transportation services authority before use by the certificate holder.

Sec. 28. *1. A two-way radio in the taxicab of a certificate holder must be turned on and audible at all times.*

2. A certificate holder shall provide reasonable service to persons who make telephone requests for service if that service is within the limits of the certificate of the holder.

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Sec. 29. 1. *A certificate holder shall not place a taxicab into passenger service at any time unless the taximeter has been inspected and sealed by the transportation services authority.*

2. If a certificate holder removes a seal affixed by the transportation services authority, the certificate holder shall return the broken seal to the transportation services authority.

3. Any taxicab found by the transportation services authority to have:

(a) A defective or inaccurate taximeter;

(b) A taximeter that shows signs of having been tampered with; or

(c) A taximeter with the seal removed,

FLUSH *must be placed out of service and may not be put back into service until inspected and approved by the transportation services authority.*

Sec. 30. *During his shift, a driver of a taxicab:*

1. Shall not engage in verbal arguments or acts of physical violence.

2. Shall refrain from backing into position in any taxicab stand.

3. Shall refrain from loading passengers at any establishment where a taxicab stand has been established unless he has been through the rotation of the stand. This provision does not apply when there are no taxicabs on the stand.

4. Shall not allow more than two passengers in the front seat of his taxicab and shall not allow more than five passengers in his taxicab at any one time.

5. Shall not knowingly operate a taxicab equipped with a faulty or inaccurate taximeter or a taximeter that shows signs of having been tampered with.

6. Shall not operate a taxicab in which the taximeter is not sufficiently illuminated or the face of the taximeter is obscured to the extent that the entire fare recording device cannot be easily seen by the passenger.

7. Shall not operate a taxicab in which the taximeter does not have a properly attached seal as affixed by the transportation services authority.

8. Shall not operate a taxicab that does not have properly affixed a valid "TX" plate as issued by the transportation services authority.

9. Shall not operate a taxicab if the driver is suffering from any illness or physical or mental disorder that may impair his ability to operate a taxicab safely.

10. Shall not operate a taxicab while taking drugs that may impair his ability to operate a taxicab safely.

11. Shall keep a complete and accurate trip sheet as prescribed in NAC 706.3747.

12. Shall not display or distribute any advertising within or on his taxicab that has not been authorized by his employer.

Sec. 31. 1. *A driver of a taxicab shall not work a shift longer than 12 consecutive hours except when under a charter or a trip that commenced within a reasonable period before the end of the driver's shift.*

2. Notwithstanding any provision of this section to the contrary, a driver of a taxicab shall not under any circumstances work longer than 16 hours within a period of 24 consecutive hours.

3. A driver of a taxicab who has completed a shift of 8 hours or more:

(a) Shall not resume driving; and

(b) Must not be knowingly allowed or required by his employer to resume driving,

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unless the driver has been off duty for at least 8 consecutive hours.

4. Except as otherwise provided in subsection 1, a certificate holder shall not knowingly require or allow any driver of a taxicab to work longer than 12 consecutive hours.

5. A certificate holder shall provide an appropriate, accurate and operable time clock. The time clock must be approved by the transportation services authority before its use, and the certificate holder shall require its drivers to time stamp their trip sheets at the beginning and end of each of their shifts.

Sec. 32. A driver of a taxicab shall not willfully, knowingly or intentionally use his taxicab or his employment to facilitate the commission of a crime, or allow the use of his taxicab by another person as a means of facilitating the commission of a crime.

Sec. 33. 1. A plate for a tow car will be issued for each tow car in service.

2. The plate for a tow car must be placed next to the State of Nevada license plate on the tow car.

3. The plate for a tow car must be returned to the transportation services authority if the vehicle has been sold or is out of service for more than 60 days.

Sec. 34. As used in sections 34 to 124, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 35 to 60, inclusive, of this regulation have the meanings ascribed to them in those sections.

Sec. 35. "Accounting period" means the calendar year, fiscal year or other period for which an account is kept.

Sec. 36. "Actually issued," as applied to securities issued or assumed by a company, means securities:

1. Sold to bona fide purchasers for a valuable consideration;

2. *Issued as dividends on stock; or*

3. *Issued in accordance with contractual requirements directly to trustees of sinking funds.*

Sec. 37. *“Amortization” means the gradual extinguishment of an amount in an account by distributing the amount over:*

1. *A fixed period;*

2. *The life of the asset or liability to which it applies; or*

3. *The period during which a benefit is anticipated to be realized.*

Sec. 38. *“Associated companies” means companies or persons that directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an accounting company.*

Sec. 39. *“Book cost” means the amount at which property is recorded in accounts without any deduction of related provisions for accrued depreciation, amortization or other purposes.*

Sec. 40. 1. *“Company” means a sole proprietorship, firm, limited-liability company, copartnership, corporation, association, or joint-stock association that is operating or providing limousine services subject to the jurisdiction of the transportation services authority.*

2. *The term includes any trustee, receiver, assignee or personal representative operating a limousine service under the jurisdiction of the transportation services authority.*

Sec. 41. *“Contingent liability” means an item which may, under certain conditions, become an obligation of the company but which is neither a direct nor an assumed liability as of the date of the balance sheet.*

Sec. 42. *“Control,” “controlled by” and “under common control with” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether that power is:*

1. Exercised alone, in conjunction with or through one or more intermediary companies, or pursuant to an agreement; or

2. Established through:

(a) A majority or minority ownership or voting of securities;

(b) Common directors, officers or stockholders;

(c) Voting trusts;

(d) Holding trusts;

(e) Associated companies;

(f) A contract; or

(g) Any other direct or indirect means.

Sec. 43. *“Cost” means the amount of money actually paid for property or services, or the value of any consideration other than cash determined on a cash basis.*

Sec. 44. *“Cost of disposition” means the cost of demolishing, dismantling, tearing down or otherwise removing the property of a company, including, without limitation, the cost of transportation and incidental handling.*

Sec. 45. *“Current asset” means:*

1. Cash;

2. An asset that is readily convertible into cash or is held for current use in operations;

3. A current claim against another person, the payment of which is reasonably assured;

and

4. An amount accruing to a company that is subject to current settlement, except an item for which an account other than an account designated as a current asset is provided.

Sec. 46. "Date of disposal or retirement," as applied to property, means the date on which the property is disposed of or retired.

Sec. 47. 1. "Depreciation," as applied to operating property, means the loss in service value not restored by current maintenance that is incurred in connection with the consumption or prospective retirement of property in the course of service from causes which are known to be in current operation and against which the company is not protected by insurance.

2. As used in this section, "causes" includes, without limitation, wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and the requirements of public authorities.

Sec. 48. "Discount" means the excess of the par or face value of securities issued or assumed by a company, or the stated value of no-par stocks, plus interest or dividends accrued as of the date of the sale over the cash value of the consideration received from the sale of the securities or stocks.

Sec. 49. "Functional division" means the division of overall activities engaged in by an operating company into identifiable and separable supporting activities, such as dispatching activities, shop and garage activities, limousine operating activities, general and administrative activities and other activities.

Sec. 50. "Nominally issued," as applied to securities issued or assumed by a company, means securities which have been signed, certified or otherwise executed and which have been placed with the proper officer for sale and delivery, pledged or otherwise placed in some

special fund of the company, but which have not been sold, or issued directly to trustees of sinking funds in accordance with contractual requirements.

Sec. 51. *“Nominally outstanding,” as applied to securities issued or assumed by a company, means securities which, after being actually issued, have been reacquired by or for the company under circumstances that require the securities to be considered as held alive and not retired. The term does not include securities held by trustees.*

Sec. 52. *“Original cost,” as applied to the property of a company, means the cost of the property at the time of acquisition.*

Sec. 53. *“Outside labor” means labor services performed for a company by a person who is not an employee, partner or owner of the company.*

Sec. 54. *“Premium,” as applied to the securities issued or assumed by a company, means the excess of the cash value of the consideration received from the sale of the securities over the sum of the par or face value of the securities, or the stated value of no-par stocks, and interest or dividends accrued as of the date of sale.*

Sec. 55. *“Property disposed” or “property retired,” as to the property of a company, means property which has been removed, sold, abandoned, destroyed or which for any cause has been withdrawn from service.*

Sec. 56. *“Salvage value” means:*

1. The amount received for property disposed or property retired, less the cost of disposition; or

2. An arbitrary value that is set up for accounting purposes on resalable, usable or depreciable property.

Sec. 57. *“Service life” means the period between the date on which property is placed in service and the date on which the property is retired from service.*

Sec. 58. *“Service value” means the difference between the book cost and the salvage value of property owned by a company.*

Sec. 59. *“Straight-line method” means the plan for depreciation accounting under which the service value of property is charged to depreciation expenses and credited to depreciation reserves through equal periodic charges as nearly as may be during its service life.*

Sec. 60. *“Uniform system of accounts for limousine operations” means the uniform system of accounts for limousine operations established pursuant to sections 34 to 124, inclusive, of this regulation.*

Sec. 61. *1. A company subject to the jurisdiction of the transportation services authority shall keep its books of account and all other books, records and memoranda that support the entries in its books of account in accordance with the uniform system of accounts for limousine operations established pursuant to sections 34 to 124, inclusive, of this regulation. A company must be able to furnish readily full information as to any item included in an account. Each entry must be supported by such detailed information as will allow ready identification, analysis and verification of all relevant facts.*

2. The books and records must include accounting records usually kept pursuant to generally accepted accounting principles and all other records that may be useful in developing the history of or facts regarding a transaction, including, without limitation, trip sheets, minute books, stock books, reports, correspondence and memoranda.

3. Trip sheets, invoices, canceled checks, ledgers, inventory records, minute books, reports, correspondence, memoranda and any other documents that are not currently in use

must be maintained for at least 3 years in an orderly and systematic manner which will allow immediate review of or reference to any particular dated trip sheet or record.

4. In addition to the accounts prescribed by the uniform system of accounts for limousine operations, a company may keep clearing accounts, temporary or experimental accounts and subdivisions of accounts, if the integrity of the accounts prescribed by the uniform system of accounts for limousine operations is not impaired.

5. The transportation services authority may at any time request additional detailed information from a company to be obtained from the books and records required to be maintained by the company pursuant to the uniform system of accounts for limousine operations, if the transportation services authority determines that the additional information is necessary for regulatory purposes.

6. The arrangement or sequence of the accounts prescribed in the uniform system of accounts for limousine operations is not controlling for the arrangement or sequence that may be prescribed by the transportation services authority in the forms for reporting the information.

Sec. 62. *1. Each entry in an account prescribed by the uniform system of accounts for limousine operations must be made by the “double-entry” method of bookkeeping, and each such account must be maintained on an accrual basis. If bills covering transactions have not been received or rendered, the amounts must be estimated and accruals based on the estimates or orders must be recorded. Appropriate adjustments must be made when phone bills, utility bills or other bills are received.*

2. A company shall keep its books on a monthly basis so that for each month all applicable transactions are entered in the books of the company.

3. A company shall close its books for regulatory purposes at the end of each calendar year unless the company has received permission from the transportation services authority to report based on a fiscal year.

Sec. 63. To maintain uniformity of accounting, a company shall submit questions of doubtful interpretation to the transportation services authority for consideration and decision.

Sec. 64. Lists of items are included in the texts of the accounts or in the uniform system of accounts for limousine operations to indicate more clearly the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive.

Sec. 65. A company shall use the functional divisions of accounts set forth in the uniform system of accounts for limousine operations if the functional divisions are applicable to the operations of the company.

Sec. 66. 1. A company shall take physical inventories on the last day of each calendar or fiscal year, or in lieu thereof, during the last week of the calendar year or fiscal year, of all materials and supplies that affect the operational, repair or maintenance activities of the company, including, without limitation, fuel, oil, tires, batteries, radio tubes, shop parts and small tools. An adjustment to the proper expense account must be made for the difference between the inventories taken at the end of the calendar or fiscal year and the inventories recorded for the beginning of the calendar or fiscal year. If any bills have not been received or recorded for items considered in the year-end inventory, proper accrual entries must be made at a realistic estimated cost value. The adjustments must reflect proper expenses for the end of the current year.

2. Inventories of all materials and supplies must be segregated in accordance with the functional divisions established pursuant to the uniform system of accounts for limousine operations so that expenses may be allocated properly.

Sec. 67. *A company shall include in its accounts the original cost of all property that:*

- 1. Is owned by the company and devoted to the limousine operations of the company;*
- 2. Has an estimated service life of more than 1 year; and*
- 3. Had an original cost of more than \$100.*

Sec. 68. *1. To ensure that all records for preparing financial reports which must be forwarded to the transportation services authority are maintained on a comparable basis, the requirements regarding depreciation for reporting and regulatory purposes are set forth in this section.*

2. The straight-line method is the only allowable method of computing annual depreciation charges to operations.

3. The following chart sets forth the service lives and salvage values of various depreciable assets. The requirements for depreciable assets as shown in the chart do not preclude a company from using longer or shorter service lives, higher or lower salvage values, or another method of calculating depreciation for any purposes other than recording amounts and reporting under the uniform system of accounts for limousine operations.

| <i>Category</i> | <i>Service Life</i> | <i>Salvage Value</i> |
|---------------------------------------|---------------------|----------------------|
| <i>Operating Depreciable Assets</i> | | |
| <i>Limousines</i> | <i>60 months</i> | <i>none</i> |
| <i>Dispatching Depreciable Assets</i> | | |
| <i>Radios</i> | | |
| <i>new</i> | <i>60 months</i> | <i>none</i> |
| <i>used</i> | <i>36 months</i> | <i>none</i> |

| | | |
|--|--|-------------|
| <i>Telephonic equipment</i> | | |
| <i>new</i> | <i>60 months</i> | <i>none</i> |
| <i>used</i> | <i>36 months</i> | <i>none</i> |
| <i>Transmitters</i> | | |
| <i>new</i> | <i>60 months</i> | <i>none</i> |
| <i>used</i> | <i>36 months</i> | <i>none</i> |
| <i>Radio and telephonic test equipment</i> | | |
| <i>new</i> | <i>60 months</i> | <i>none</i> |
| <i>used</i> | <i>36 months</i> | <i>none</i> |
| <i>Shop and Garage Depreciable Assets</i> | | |
| <i>Automotive equipment</i> | | |
| <i>new</i> | <i>48 months</i> | <i>none</i> |
| <i>used</i> | <i>36 months</i> | <i>none</i> |
| <i>Shop equipment</i> | | |
| <i>new</i> | <i>84 months</i> | <i>none</i> |
| <i>used</i> | <i>36 months</i> | <i>none</i> |
| <i>Body shop equipment</i> | | |
| <i>new</i> | <i>84 months</i> | <i>none</i> |
| <i>used</i> | <i>36 months</i> | <i>none</i> |
| <i>General and Administrative Depreciable Assets</i> | | |
| <i>Office equipment</i> | | |
| <i>new</i> | <i>84 months</i> | <i>none</i> |
| <i>used</i> | <i>36 months</i> | <i>none</i> |
| <i>Furniture and fixtures</i> | | |
| <i>new</i> | <i>120 months</i> | <i>none</i> |
| <i>used</i> | <i>60 months</i> | <i>none</i> |
| <i>Office and buildings</i> | | |
| <i>original</i> | <i>360 months</i> | <i>none</i> |
| <i>additions</i> | <i>360 months</i> | <i>none</i> |
| <i>air-conditioning</i> | <i>84 months</i> | <i>none</i> |
| <i>Leasehold improvements</i> | <i>Length of lease</i> | <i>none</i> |
| | <i>(unless life of asset warrants shorter amortization period)</i> | |

Sec. 69. 1. *The account for the gain or loss on the disposal of automotive equipment must include all gains or losses on the disposition of limousines of the company devoted to its limousine operations.*

2. *The account must be maintained with sufficient detail and description, supported by appropriate records, of each item included to allow ready identification, analysis and verification of all facts relative to each asset disposed of.*

Sec. 70. *1. Salaries, wages and other compensation, including, without limitation, reasonable salaries paid to officers and proprietors and payroll costs applicable to such compensation, must be maintained based on functional division and charged as applicable to the payroll and payroll cost accounts set up under the functional divisions in the uniform system of accounts for limousine operations established pursuant to the uniform system of accounts for limousine operations.*

2. If an employee, including an officer or proprietor, who normally performs services in one functional division performs services during a working period in one of more other functional divisions, his compensation and payroll costs for that period must be allocated on a time basis and charged to the applicable and appropriate division accounts. The provisions of subsections 2, 3 and 4 of section 113 of this regulation describe the method applicable to payroll and payroll costs of shop and garage employees for maintenance and repairs only.

3. Salaries, wages or other compensation, including reasonable salaries paid to officers and proprietors and payroll costs charged to operating revenue deductions, must be supported by a quarterly "Payroll and Payroll Cost Distribution Summary" detailing all particulars, including payments made pursuant to the Federal Insurance Contributions Act and the Federal Unemployment Tax Act, unemployment compensation paid pursuant to chapter 612 of NRS and costs for workers' compensation insurance charged to each functional account.

Sec. 71. *Any item, the amount or collectibility of which is not reasonably assured, must not be included in the group of accounts designated as current assets unless an adequate provision for possible loss has been made.*

Sec. 72. *The account for cash on hand must include all undeposited money, in cash or checks, as of the close of business at the end of a year. Proper credit must be made to the*

accounts for which this money was received, including, without limitation, limousine fares, trade accounts receivable, advertising revenue, and payments on loans or accounts other than trade.

Sec. 73. The account for cash in banks must include all money on deposit in a banking institution to the credit of the company. Special cash deposits for payment of interest, dividends, payroll taxes or other special purposes must be included in this account in separate subdivisions that specify the purpose for which each special deposit is made.

Sec. 74. 1. The account for petty cash must include all money used to facilitate disbursements for small expenditures to avoid the drawing of many small checks, and all money used for check-cashing accommodations. Responsibility for this account must be assigned to a designated officer or employee or to one or more other designated persons. Proper entries must be kept for complete identification and verification.

2. The account must not include any advances or loans to stockholders, directors, officers, partners, employees or agents. Such advances or loans must be included in the accounts described in section 76 of this regulation.

Sec. 75. 1. The account for trade accounts receivable must include all amounts that are due the company arising from or attributable to the limousine operations of the company and for which payment has not been received.

2. Records must be maintained showing the balance due from each person or company, and the sum of these individual balances must agree with the total of the account.

Sec. 76. 1. The account for employees' accounts receivable must include all amounts that are due the company from its employees, other than officers, and for which payment has not been received.

2. The account for officers' accounts receivable must include all amounts that are due the company from its officers, proprietors or partners, and for which payment has not been received.

Sec. 77. *1. The account for notes receivable must include the book cost, not includable elsewhere, of all collectible obligations in the form of notes, drafts and similar evidences of money due the company.*

2. Complete information must be maintained in the account for each note, including, without limitation, the maker of the note, payor, payee, date of issuance, date of maturity, interest rate and penalties. This information must clearly indicate the amounts due from each person or company.

3. The face amount of notes receivable discounted, sold or transferred without releasing the company as endorser must be credited to a separate subdivision of the account, and appropriate disclosure must be made in financial statements of any contingent liability arising from such transactions.

Sec. 78. *The account for other accounts receivable must include all amounts which are due the company and which are not attributable to the limousine operations of the company and for which payment has not been received. The account must clearly indicate how much is due from each company or person.*

Sec. 79. *Provision for any actual or probable losses under the accounts described in sections 75 to 78, inclusive, of this regulation must be credited to the account for bad debts with a corresponding charge to the account for bad debt expenses described in subsection 5 of section 116 of this regulation, or the account for miscellaneous other expenses described in subsection 4 of section 123 of this regulation.*

Sec. 80. 1. *The account for inventory supplies must include the inventories of:*

(a) All gasoline and other fuel in storage tanks at the end of the accounting period, computing value at the lower of cost or market; and

(b) All oil, tires, batteries, radio parts, shop parts and small tools on hand at the end of the accounting period, computing value at the lower of cost or market.

2. Appropriately titled subaccounts must be maintained for materials and supplies relating to each of the functional divisions maintained by the company, including, without limitation, operating, dispatching, shop and garage, and general.

3. The differences between the opening inventories at the beginning of an accounting period and the year-end inventories must be recorded as adjustments to the following accounts for operating expenses described in subsection 6 of section 111 of this regulation:

(a) Account for fuel.

(b) Account for oil.

(c) Account for tires.

(d) Account for repairs and maintenance.

Sec. 81. 1. *The account for prepaid expenses must include all amounts representing prepayments, including, without limitation, insurance, rents, taxes and other items, and must be maintained and supported in such a manner as to disclose the amount of each class of prepayments. Subaccounts may be maintained for this purpose.*

2. If a prepayment is made, the account must be charged with the full amount of the prepayment and subsequently credited with each portion that will ratably distribute the prepayment to expense over the benefited period. A portion ratably credited to prepaid expense must be charged to the appropriate functional accounts for operating expenses.

Sec. 82. The account for refundable deposits must include all refundable deposits with federal, state, county or municipal authorities, and with fiscal agents or others for the fulfillment of obligations.

Sec. 83. The account for miscellaneous current assets must include the book cost of all other current assets not provided for elsewhere, appropriately described and supported as to show the nature of each asset included in the account.

Sec. 84. 1. The account for fixed assets must include the original cost of property owned by the company which is devoted to the limousine operations of the company and which has an estimated service life of more than 1 year and a cost of \$5,000 or more.

2. The cost of additions to and improvements of property leased from others, which must also be included in the account for fixed assets, must be recorded in subaccounts separate and distinct from similar costs relating to owned property. Such additions or improvements must be included in the account for leasehold improvements described in section 87 of this regulation.

3. When the consideration given for property is other than cash, the value of the consideration must be determined on a cash basis. In the entry recording such a transaction, the actual consideration must be properly described to make it easily identifiable. The company must be prepared to furnish the transportation services authority with details regarding the method used by the company to determine the cash value.

4. When property is purchased under a plan involving deferred payments, no charge may be made to the asset accounts for interest, insurance or other expenditures occasioned solely by that form of payment.

5. Upon a disposition or abandonment of any of these assets, the applicable asset account must be credited in the amount at which the asset was recorded and the amount must be debited as appropriate to the account for gain or loss on disposal of automotive equipment described in subsection 13 of section 111 of this regulation, or the account for gain on the sale of assets except automotive equipment described in subsection 4 of section 122 of this regulation.

Sec. 85. *1. The land account for limousine operations must include the cost of all land devoted to the limousine operations of the company, including, without limitation:*

(a) The original price of the land; and

(b) All costs incidental to the purchase when acquired, if paid by the purchaser, including, without limitation, commissions paid to agents, escrow fees, title fees, liens satisfied to clear title and prorated tax expense.

2. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments must be charged to the land account for limousine operations or other appropriate land account and the unpaid balance must be carried in an appropriate liability account. Interest on unpaid balances must be charged to the interest account. If any part of the cost of public improvements is included in the general tax levy, that amount must be charged to the appropriate tax account and not to the land account for limousine operations or other appropriate land account.

Sec. 86. *The buildings account must include the cost of all buildings devoted to the limousine operations of the company. For the purposes of this section, the cost of buildings includes the cost of fixtures attached to and forming a permanent part of the building and fixtures that cannot be removed without cutting into the wall, ceilings or floors, or without in*

some way impairing the buildings, including, without limitation, plumbing pipes and fixtures, heating and air-conditioning apparatus, electric wiring and fixtures, and elevators, cranes and hoists and the machinery for operating elevators, cranes and hoists.

Sec. 87. *The account for leasehold improvements must include the cost of all additions to and improvements of property leased from others. All entries must be made with sufficient detail to allow ready identification.*

Sec. 88. 1. *The account for shop and garage equipment must include the cost of all hoists, electric motors, lathes, drill presses, air compressor equipment, tire changing equipment, wheel alignment equipment, welding sets, work benches and expensive special purpose tools that cost over \$5,000.*

2. The account must not include hand or other portable tools that:

- (a) Are likely to be lost or stolen;*
- (b) Have a value of \$5,000 or less; or*
- (c) Have a short life or period of use.*

FLUSH *Such items must be appropriately charged to the account for repairs and maintenance described in subsection 6 of section 111 of this regulation or the account for miscellaneous shop and garage expenses described in subsection 11 of section 113 of this regulation.*

Sec. 89. *The account for furniture and office equipment must include the cost of all:*

- 1. Office furniture;*
- 2. Business machines; and*
- 3. Equipment not permanently attached to the building,*

FLUSH *that are used in the operation of a limousine company.*

Sec. 90. *Except as otherwise provided in this section, the limousine account must include the cost of all limousines devoted to the operations of a limousine company, including the cost of painting and the first set of accessory equipment necessary to fit the limousine for service. Costs for radio and telephonic equipment must be included in the account for radio and telephonic equipment described in section 92 of this regulation and must not be included in the limousine account as part of the cost of limousines.*

Sec. 91. *The account for other automotive equipment must include the cost of all motor vehicles, other than limousines, that are used in connection with the operations of a limousine company.*

Sec. 92. *Except as otherwise provided in this section, the account for radio and telephonic equipment must include the cost of all radio and telephonic equipment owned by the company that is devoted to the limousine operations of the company, including the cost of original installation and any necessary accessories. The cost of any repairs and the replacement of any parts must be recorded as an expense in the account for repairs and maintenance of dispatch equipment described in subsection 9 of section 112 of this regulation and must not be included in the account for radio and telephonic equipment.*

Sec. 93. *The account for other fixed assets must include the cost of all tangible property and equipment devoted to the limousine operations of the company for which a separate account has not been otherwise provided in the uniform system of accounts for limousine operations. All entries in the account for other fixed assets must be made with sufficient detail and description recorded to allow immediate identification, analysis and verification of all relevant facts.*

Sec. 94. 1. *For the purpose of general ledgers, the account for total depreciation and amortization allowance must be treated as a single composite provision for depreciation and amortization. For the purpose of analysis, a company shall maintain subaccounts in which the account for total depreciation and amortization is segregated according to the same account classification used in the accounts for fixed assets.*

2. The account for total depreciation and amortization must be credited with the amounts charged to the functional accounts for depreciation and amortization expense.

3. On the date of disposal or retirement of a depreciable or amortizable fixed asset, the account must be charged in the amount of the total accumulated provision relating to the asset up to the date of retirement or disposal, and the accounts described in subsection 13 of section 111 of this regulation, subsection 4 of section 122 of this regulation and subsection 2 of section 123 of this regulation must be credited or charged, as appropriate. These entries must be recorded with sufficient detail and description to allow ready identification, analysis and verification of all relevant facts.

Sec. 95. 1. *The account for organizational expense must include the original cost of organizing the company.*

2. The account for deferred charges must include all debits for which a separate account has not been otherwise provided, including, without limitation:

(a) Unamortized debt discount and expense;

(b) Unusual or extraordinary expenses that are in the process of amortization; and

(c) Any other item for which the proper final disposition is uncertain.

FLUSH *The records supporting the entries to the account must contain sufficient detail and description to allow ready identification, analysis and verification of all relevant facts.*

Sec. 96. 1. *The investment account must include:*

(a) The book cost of investments made for a period or periods of more than 1 year in duration in securities, notes, mortgages and other items, of both associated companies and companies that are not associated companies; and

(b) The offsetting entry to the recording of amortization of discount or premium on interest-bearing investments when such investments were purchased for less or more than face value.

2. Information to be included for each note or security includes the type of note or security, maker, payee, payor, date of issuance, certificate number, date of maturity, interest or dividend rate, face value and any other identifying information. Securities owned and pledged must be included in the investment account, and a complete record of securities pledged must be maintained. The records of the company must bear sufficient detail and description, including the use of subaccounts where necessary, to allow ready identification, analysis and verification of all relevant facts for each class of investment, including, without limitation, investments in associated companies and in companies that are not associated companies, note mortgages, bonds, stocks or securities pledged.

3. If a company is acquired at a cost in excess of its book value, the excess must be charged to the goodwill account.

4. A company may use an account for payroll clearing. If such an account is used, it must be cleared monthly.

Sec. 97. 1. *Except as otherwise provided in this section, the account for current and accrued liabilities must include, without limitation, obligations that have matured or become due within 1 year after the date thereof.*

2. Bonds or receivers' certificates and other similar items must not be entered in the account for current and accrued liabilities. Such items must be classified as long-term liabilities until the date of maturity.

Sec. 98. *1. The account for short-term notes payable must include:*

(a) Amounts owing on notes, drafts, acceptances or other similar evidences of indebtedness that are payable on demand or within 1 year after the date of issuance or acceptance, including interest; and

(b) Under appropriate subaccounts, notes, drafts, acceptances or other similar evidences of indebtedness that are payable to associated companies on demand or within 1 year after the date of issuance or acceptance, including interest.

FLUSH *Information to be contained in the account for short-term notes payable must include the face value of the note, date made, date due, interest rate, payee and any other identifying information.*

2. For reporting purposes, the current portion of the account for long-term notes payable represents the portion of a long-term note and the interest on it that is due within 1 year after the reporting date.

Sec. 99. *1. The account for accounts payable must include all amounts for goods and services received by the company which are payable within 1 year after the date thereof and which have not been paid.*

2. The account for open accident liabilities must include a provision for the amounts set aside by self-insured companies for the actual or estimated liabilities from accidents not totally covered by insurance policies.

3. For reporting purposes, the portion of any contract payable which becomes due within 1 year after the date thereof and which has not been paid must be included in the account for contracts payable.

Sec. 100. *1. The account for accrued salaries and wages must include the gross amount of salaries or wages earned but not paid at the end of the month.*

2. The account for accrued vacation pay must include the amount of accrued vacation pay owed at the end of the month.

Sec. 101. *1. The account for payroll taxes withheld and accrued must include all amounts withheld from the wages or salaries of employees that are payable to a governmental agency and all accrued liabilities of the company which are owed to a governmental agency, the liability for which is determined on the basis of a percentage of the payroll. The account must be maintained in such a manner as to allow ready identification of the liability of the company to each governmental agency.*

2. The account for accrued payroll benefits must:

(a) Include all amounts withheld from employee wages or salaries that are payable at the end of each month, other than such amounts payable to a governmental agency;

(b) Include all liabilities incurred by the company which are payable and which arise as a result of having employees, other than such liabilities payable to a governmental agency; and

(c) Be maintained in such a manner as to allow ready identification of liabilities as between the employees and the company and the class of liability accrued, including, without limitation, welfare, pension contributions and other contributions.

Sec. 102. *1. The account for accrued taxes and licenses must be credited with the amount of taxes accrued during the accounting period, other than payroll taxes and federal*

income taxes that must be credited appropriately to the account for payroll taxes withheld and accrued described in section 101 of this regulation or the account for accrued federal income taxes described in section 106 of this regulation. Corresponding debits must be appropriately made to the account for licenses and taxes described in subsection 10 of section 111 of this regulation or the account for general taxes described in section 115 of this regulation. Credits included in the account for accrued taxes and licenses may be based on estimates, and, as the facts become known, the amount of the periodic credits must be adjusted as necessary to include the applicable taxes as nearly as can be determined in each year.

2. If accruals for taxes are found to be insufficient or excessive, corrections must be made through current tax accruals. Accruals for taxes must be based upon the net amounts payable after credit for any discounts and must not include any amounts for interest on the deficiencies or refunds. Interest received on refunds must be credited to the account for interest earned described in subsection 1 of section 122 of this regulation, and interest paid on deficiencies must be charged to the account for interest expense described in subsection 1 of section 123 of this regulation. Penalties must be charged to the account for miscellaneous other expenses described in subsection 4 of section 123 of this regulation.

3. Records supporting the entries to this account must be kept to show, for each class of taxes included, the amount accrued, the basis for the accrual, the accounts charged and the amount of tax paid.

Sec. 103. *The account for accrued interest must include the amount of interest accrued but not due on all liabilities of the company, other than interest added to the principal of the debt on which incurred. The account for accrued interest must include, without limitation,*

interest incurred on contracts payable. Supporting records must be maintained to show the amount of interest accrued on each obligation.

Sec. 104. *The account for other current liabilities must include the balances in all open accounts representing current liabilities that are not specifically provided for in the accounts described in sections 98 to 103, inclusive, of this regulation. Items that must be included in the account for other current liabilities, include, without limitation, unpaid matured interest and interest on unpaid, matured long-term debts. Records supporting the entries to this account must be made with sufficient description and detail to allow ready identification, analysis and verification of all relevant facts.*

Sec. 105. *1. The account for deferred credits must include advance billings and receipts and other deferred credit items not provided for elsewhere in the uniform system of accounts for limousine operations, including, without limitation, amounts that cannot be entirely cleared or disposed of until additional information has been received. Records supporting the entries to the account must be made with sufficient detail and description to allow ready identification, analysis and verification of all relevant facts.*

2. The account for dividends payable must include the amount of all dividends that have been declared but not paid. Dividends must be credited to this account when they become a liability.

3. The current portion of the account for mortgage payable must include the portion of any mortgage payments, including interest, that becomes due and is unpaid within 1 year after the reporting date.

Sec. 106. *1. The account for accrued federal income taxes must include the amount of federal income taxes accrued during the accounting period. Concurrent charges for tax*

accruals must be made to the account for federal income taxes on earnings described in subsection 2 of section 124 of this regulation. As the exact amount of taxes becomes known, the current tax accruals must be adjusted accordingly. Payments of income taxes must be charged to the account for accrued federal income taxes so that it may reflect as accurately as possible the actual taxes payable.

2. Accruals for federal income taxes must not include any amounts for interest or penalties on tax deficiencies, payments or refunds. Interest received on refunds must be credited to the account for interest earned described in subsection 1 of section 122 of this regulation, and interest paid on deficiencies must be charged to the account for interest expense described in subsection 1 of section 123 of this regulation. Penalties must be charged to the account for miscellaneous other expenses described in subsection 4 of section 123 of this regulation.

3. Each entry credited to the account must be supported by work papers or records showing in detail how the income tax liability was determined and the necessary accruals.

4. As used in this section, “actual taxes payable” means the amount of tax calculated for the purposes of federal income tax. The term includes those expenses or deductions not allowable as operating revenue deductions for regulatory purposes but allowed or allowable as deductions for the purposes of federal income tax taken by the company, as elected by the company or as required by law, in computing the income tax of the company, including, without limitation, by accelerated depreciation, additional first-year depreciation, interest expense, donations, nonrecurring or extraordinary charges, investment credit and other similar items.

Sec. 107. 1. The account for total long-term notes payable must include:

(a) The face value of each note which, by the terms of its creation, matures more than 1 year after the date of issue or assumption; and

(b) The face value of notes payable to associated companies that are not subject to current settlement.

2. The account for total long-term contracts payable must include the face value of each installment contract that, by the terms of its creation, matures more than 1 year after the date of issue or assumption.

3. The account for total mortgages payable must include the face value of each bond and mortgage that, by the terms of its creation, matures more than 1 year after the date of issue.

4. The account for partner loans must include loans or advances made to the company by its partners.

5. The stockholder's loan account must include loans or advances made to the company from its officers, stockholders or directors.

6. The account for other long-term liabilities must include the balance of all long-term liabilities of more than 1 year that are not otherwise specifically provided for in the accounts described in subsections 1 to 5, inclusive. Records supporting the entries to the account must be maintained with sufficient description and detail to allow ready identification, analysis and verification of all relevant facts.

Sec. 108. *If a company is an incorporated company, the company shall keep the following accounts as a record of its net worth:*

1. An account for common stock.

2. An account for preferred stock, which must include for each class of capital stock actually issued the par value of the stock or, if the stock is issued without par value, the stated

value of the stock if it has a stated value, or the cash value of the consideration received for the stock if it does not have a stated value, including the par or stated value of such capital stock in the account for reacquired, treasury, capital stock described in subsection 6. If the actual cash value of the consideration received is not the same as the par or stated value of any stock having a par or stated value, the difference must be credited or debited, as appropriate, to the premium or discount account for the particular class and series of stock. If capital stock is retired, the appropriate accounts must be charged with the amount at which the stock is carried. A separate ledger account with a descriptive title must be maintained for each class and series of stock. The supporting records must show the shares nominally issued, actually issued, and nominally outstanding.

3. The account for other paid-in capital, which must include the balance of all other credits for paid-in capital not otherwise included in the capital stock accounts. The account must be kept as to show the source of the credits included for each class and series of stock issued. The items in the account must indicate:

(a) Premiums received on original issues of capital stock. Premiums received on capital stock must not be set off against expenses. A premium received on an issue of a certain class or series of stock must not be set off against the expenses from another issue of the same class or series.

(b) Donations received from stockholders consisting of capital stock or reduction of debt of the company and the cash value of other assets received as a donation.

(c) Reduction in the par or stated value of capital stock.

(d) Gain on resale or cancellation of reacquired capital stock.

(e) Miscellaneous paid-in capital.

4. The account for installments received on capital stock, which must include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan for subscribers who are not bound by legally enforceable subscription contracts. As subscriptions are paid in full and certificates issued, the account must be charged and the appropriate capital stock account must be credited with the par or stated value of such stock. Any discount or premium on an original issue must be included in the appropriate discount or premium account.

5. The account for discount on capital stock, which must include in a separate subaccount for each class and series of capital stock all discounts on the original issuance and sale of capital stock, including additional capital stock of a particular class or series and first issues. When capital stock which has been actually issued is retired, the amount in the account that is applicable to the shares retired must be written off to the account for other paid-in capital described in subsection 3, except that the amount must be charged to the account for sundry adjustments to surplus described in subsection 8 to the extent that it exceeds the balance in the account for other paid-in capital.

6. The account for reacquired, treasury, capital stock, which must include in a separate subdivision for each class and series of capital stock the cost of capital stock, other than stock that is held by trustees in sinking or other funds, actually issued and reacquired by the company that is not retired or canceled. Except as otherwise provided in this subsection, if reacquired capital stock is retired or canceled, the difference between its cost, including commission and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount applicable to the shares retired, must be debited or credited, as appropriate, to the account for other paid-in capital described in subsection 3. To

the extent that such a debit exceeds the balance of gains on resale or cancellation of reacquired stock included in the account for other paid-in capital, the debit must be charged to the account for sundry adjustments to surplus described in subsection 8.

7. The account for retained earnings, which must include:

(a) The balance of retained earnings at the beginning of the calendar year; and

(b) The net income for the current year after federal taxes on earnings, as well as any dividends paid, as shown on the income statement of the company.

8. The account for sundry adjustments to surplus, which must include any adjustments required because of a discount on capital stock or clearing through the account for other paid-in capital described in subsection 3. The account must be charged whenever expenses and premiums, less discounts, exceed any gains resulting from the resale or cancellation of reacquired stock included in the account for other paid-in capital.

Sec. 109. *1. Notwithstanding any provision of the uniform system of accounts for limousine operations to the contrary, a company that is organized in any form other than an incorporated company, including, without limitation, a partnership, sole proprietorship, joint venture or association, is not required to record an item in both the capital and drawing accounts if the partnership agreement excludes the inclusion of the item in both accounts, but such an item must be recorded in either the capital or the drawing account, or both, for regulatory purposes and purposes of the uniform system of accounts for limousine operations. The required information relating to that particular item must be recorded in the same account in which the item has been recorded.*

2. Once an election has been made pursuant to subsection 1 as to whether an item will be recorded in the capital or drawing account, the company must be consistent in the inclusion of

the item in the same account in future years unless a new partnership agreement has been made or the old partnership agreement is amended making such consistency incompatible with the new or amended provisions of the partnership agreement.

3. The drawing account of a person within a company that is organized in any form other than an incorporated company, including, without limitation, a partnership, sole proprietorship, joint venture or association, need not be close to his capital account on an annual basis. For the purposes of financial statements and the uniform system of accounts for limousine operations, the capital balance of the person must be the net amount of the combination of the balances of his drawing account and his capital account.

4. Amounts payable to the proprietor, partners or other persons maintaining an ownership interest in the company as fair and reasonable compensation for services performed must be charged to the appropriate administrative, operating or other functional expense accounts.

5. A capital account must be used by a company that is organized in any form other than an incorporated company, including, without limitation, a partnership, sole proprietorship, joint venture or association. The capital account must include the capital contributions made or earnings retained in the business by the persons who own the company. Subaccounts must be maintained for each person having an ownership interest in the company, and any entries recorded must be so detailed and described as to allow ready identification including source, analysis and verification of all relevant facts. The capital account may be credited or debited as appropriate for additional capital contributions and for the results of annual operations, gain or loss. The basis upon which the distribution of gain or loss affects the various ownership interests may be noted, and supporting records must be maintained detailing all facts and factors affected by such distributions.

6. The withdrawal account must include all withdrawals of capital and personal expenses paid by the company on behalf of persons having an ownership interest in the company. Subaccounts must be maintained for each person having an ownership interest in the company, and any entries recorded must be so detailed and described as to allow ready identification, including source, analysis and verification of all relevant facts.

Sec. 110. *1. The account for limousine fares must include all revenues derived from the transportation of passengers, their luggage and packages.*

2. The account for sundry operating revenues must:

(a) Include revenues derived from limousine operations that are not included in the account for limousine fares.

(b) Include all other revenue not provided for elsewhere in the uniform system of accounts for limousine operations, if the costs or expenses associated with the earning of the revenue are not or cannot be separately classified or accounted for.

(c) Be maintained with sufficient detail and description to allow ready identification, analysis and verification of all relevant facts.

Sec. 111. *1. The account for drivers' supervision salaries must include the salaries paid to persons employed in supervising drivers of limousines. If only a portion of an employee's time is spent supervising, the appropriate percentage of his salary must be charged to the account for drivers' supervision salaries.*

2. The account for drivers' wages and commissions must include all wages and commissions, other than vacation pay, that are paid to drivers.

3. The account for vacation pay must include all vacation pay paid to supervisors and drivers.

4. The account for payroll taxes must include all payroll taxes of supervisors and drivers, including, without limitation, payments made pursuant to the Federal Insurance Contributions Act and the Federal Unemployment Tax Act, unemployment compensation paid pursuant to chapter 612 of NRS and costs of workers' compensation insurance.

5. The account for payroll benefits must include the costs incurred by the company for welfare and pension benefits of its supervisors and drivers.

6. The account for limousine expenses must contain the following subaccounts:

(a) An account for fuel, which must include the cost of fuel used by limousines only.

Accurate supporting records of the costs of the fuel and gallons used must be maintained and summarized on a monthly basis.

(b) An account for oil, which must include the cost of oil used by limousines only.

Accurate supporting records of the costs of the oil and quarts used must be maintained on a monthly basis.

(c) An account for tires, which must include the cost of replacement tires.

(d) An account for repairs and maintenance, which must include the cost of outside labor, materials and any other expenses incurred in the repair and maintenance of limousines and integral equipment, other than tires, radios and telephonic equipment, attached to limousines, including, without limitation, batteries and accessories. The account must be charged for all limousine repairs and replacement parts purchased by a company for use in making repairs to limousines and integral equipment attached to limousines, but must not include items included in the account for tires described in paragraph (c), and the account for repairs and maintenance of dispatch equipment described in subsection 9 of section 112 of this regulation.

(e) For insurance recoveries:

(1) Except as otherwise provided in this paragraph, an account for credits for insurance recoveries, which must be credited with all insurance recoveries from losses or damages sustained by limousines regardless of whether the recovery is from insurance companies or other persons. The account must be maintained with sufficient detail and description to allow ready identification, analysis and verification of all facts relevant to each entry.

(2) If a company obtains any services contemplated in an account for credits for insurance recoveries through a contract that provides for the payment of a fixed amount, the company must use an account for contract services in lieu of the account for credits for insurance recoveries. The account for credits for insurance recoveries must be maintained in such a manner as to allow ready identification, analysis and verification of all facts relevant to each class of expense as stated in the various accounts described in this subsection, and appropriately titled subaccounts may be used for this purpose.

7. Depreciation expenses must be accounted for in the limousine account and include the amount of depreciation applicable to limousines.

8. The account for injuries and damages must include:

(a) All costs, other than insurance premiums, incurred by the company, or by agents of the insurance company if payable by the company under the terms of its insurance coverage, for the investigation of accidents or claims or the adjustment of claims arising from the operation of limousines; and

(b) All costs incurred by the company in its defense of any legal action arising from the operation of limousines and all costs of settlement if payable by the company under the terms of its insurance coverage.

9. The account for insurance for limousines must include expenses for insurance premiums and write-offs of premiums for the reporting period applicable specifically to the operation of limousines, including, without limitation, coverage for driver's liability, property damage and bodily injury of passengers. Prepaid insurance premiums must be charged to the account for prepaid expenses described in section 81 of this regulation.

10. The account for licenses and taxes must include all fees for licenses and taxes, including, without limitation, registration fees, fees for license plates for motor carriers, franchise taxes, toll taxes, county airport fees and any other tax expenses, that are applicable specifically to the operation of limousines. Appropriate subaccounts must be maintained for each class of license or tax expense.

11. The account for miscellaneous expenses pertaining to limousines must include any costs incurred by the company which are applicable to the actual operation of limousines and which are not otherwise provided for in any other account relating to that operation. The account must be maintained in such a manner as to allow ready identification, analysis and verification of all facts relative to each class of items, and appropriately titled subaccounts may be used for this purpose.

12. The account for transferred internal costs must include the internal costs transferred from the various other functional divisions to operating expense. Costs transferred to the account for transferred internal costs must be actual costs, or on a percentage basis if the percentage is arrived at through periodic special studies. The use of arbitrary percentages or amounts transferred to the account is prohibited.

13. The account for gain or loss on disposal of automotive equipment must:

(a) Include the gain or loss on the disposition of limousines of the company.

(b) Be charged with the book cost of the limousine plus any expense of disposition.

(c) Be credited with the related accumulated provision for depreciation recorded to the date of disposition and with the proceeds received on disposition.

(d) Be maintained with such detail and descriptions as to allow ready identification of each limousine disposed of and verification of all facts relative to each transaction.

Sec. 112. *1. The account for dispatchers' wages must include all wages incurred resulting from providing dispatching service.*

2. The account for dispatchers' vacation pay must include all vacation pay paid to dispatchers.

3. The account for dispatchers' payroll taxes must include all payroll taxes of dispatchers, including, without limitation, payments made pursuant to the Federal Insurance Contributions Act and the Federal Unemployment Tax Act, unemployment compensation paid pursuant to chapter 612 of NRS and costs of workers' compensation insurance.

4. The account for dispatchers' payroll benefits must include the costs incurred by the company for welfare and pension benefits of its dispatchers.

5. The account for advertising and promotion must include the cost of labor and materials used and expenses incurred in advertising designed to promote or retain requests for limousines by telephone.

6. A company that chooses not to do its own dispatching but contracts with other persons to provide dispatching shall charge the account for dispatching contract services with all costs incurred as a result.

7. The account for depreciation of dispatch equipment must include the amount of depreciation applicable to all dispatching and radio equipment used by the company in the operation of its dispatching service.

8. The account for equipment rental must include all costs incurred by the company in the rental or leasing of dispatching and radio equipment useful to the company in the operation of its dispatching services. The account must be maintained in such a manner as to allow ready identification, analysis and verification of all relevant facts for each item rented or leased, the costs of which have been included.

9. The account for repairs and maintenance of dispatch equipment must include the costs of outside labor, materials, replacement parts and any other expenses incurred and necessary for the repair and maintenance of dispatching equipment, including, without limitation, radios and telephonic equipment installed in limousines. All costs included in the account must be segregated by class through the use of appropriately titled subaccounts.

10. The account for miscellaneous dispatch expenses must include all costs incurred directly relating to the operation of a dispatching service. The account must be maintained in such a manner as to allow ready identification, analysis and verification of all facts relevant to each class of item included, and appropriately titled subaccounts may be used for this purpose.

11. The telephone account must include telephone expenses applicable or attributable to the rendering of dispatching services by the company to its customers in its limousine operations.

12. The account for transferred internal costs must include the internal costs transferred from the various other functional divisions to dispatch expenses. Costs transferred to the account must be either actual or on a percentage basis if that percentage is arrived at through

periodic special studies. The use of arbitrary percentages or amounts transferred to the account is prohibited.

Sec. 113. *The following accounts must be used by each company maintaining a shop or facilities for the repair and maintenance of company limousines:*

1. The account for supervisors' salaries for shop and garage, which must include the salaries incurred in the supervision and direction of shop and garage activities.

2. The account for wages for shop and garage, which must include the salaries and wages of shop and garage employees for the repair of company limousines and facilities, except for the salaries and wages of shop and garage supervisors that must be included in the account for supervisors' salaries for shop and garage.

3. The account for vacation pay for shop and garage, which must include all vacation pay paid to all shop and garage personnel, including supervisors and other persons who are not supervisors.

4. The account for payroll taxes for shop and garage, which must include all payroll taxes of all shop and garage personnel, including supervisors and other persons who are not supervisors. The account must include, without limitation, payments made pursuant to the Federal Insurance Contributions Act and the Federal Unemployment Tax Act, unemployment compensation paid pursuant to chapter 612 of NRS and costs of workers' compensation insurance.

5. The account for payroll benefits for shop and garage, which must include all costs incurred by the company for welfare and pension benefits for all shop and garage employees.

6. The account for contract services for shop and garage, which must include all costs incurred as a result of utilizing outside labor.

7. The account for depreciation for shop and garage equipment, which must include:

(a) The depreciation applicable to all shop and garage equipment included in the account for shop and garage equipment described in section 88 of this regulation; and

(b) The depreciation applicable to the account for other automotive equipment described in section 91 of this regulation for cars that are used exclusively in connection with shop work.

8. The account for equipment rental for shop and garage, which must include all costs incurred by the company in the rental or leasing of shop and garage equipment used by and useful to the company. The account must be maintained in such a manner as to allow ready identification, analysis and verification of all facts relevant to each item rented or leased, the costs of which have been included.

9. The insurance account for shop and garage, which must include the cost of insurance specifically for the coverage of shop and garage facilities.

10. The account for repairs and maintenance of shop and garage equipment, which must include:

(a) All costs incurred in the maintenance and repair of shop and garage equipment and tools, other than internal labor costs included in the accounts described in subsections 1 and 2;

(b) All costs incurred in the maintenance and repair of automotive equipment, other than limousines, for equipment used exclusively in connection with shop work; and

(c) The cost of all hand or other portable tools that:

(1) Are likely to be lost or stolen;

(2) Have a value of \$5,000 or less; or

(3) Have a short life or period of use.

11. The account for miscellaneous shop and garage expenses, which must include shop and garage costs not otherwise provided for in any other account, including, without limitation, charges for uniforms and costs for laundry, cleaning rags and solvent for washing parts. The account must be maintained in such a manner as to allow ready identification, analysis and verification of all facts relevant to each class of items included, and appropriately titled subaccounts may be used for this purpose.

12. The telephone account for shop and garage, which must include telephone expenses applicable or attributable to maintaining shop and garage facilities.

13. The account for transferred internal costs for shop and garage, which must include the internal costs transferred from the various other functional divisions to shop and garage expenses. Costs transferred to the account must be either actual or on a percentage basis if the percentage is arrived at through periodic special studies. The use of arbitrary percentages or amounts transferred to the account is prohibited.

Sec. 114. *1. The account for management salaries must include all compensation, salaries, bonuses and other consideration paid or payable to officers, managers, partners or proprietors. The account must not include compensation properly included in an account of any other functional division.*

2. The account for office salaries must include all salaries and payroll costs of office personnel that are incurred but are not properly chargeable to any other operating functional division.

3. The account for general and administrative vacation pay must include all vacation pay paid to persons whose salaries are charged to an account described in subsection 1 or 2.

4. The account for general and administrative payroll taxes must include all payroll taxes of persons whose salaries or vacation pay are charged to an account described in subsection 1, 2 or 3, including, without limitation, payments made pursuant to the Federal Insurance Contributions Act and the Federal Unemployment Tax Act, unemployment compensation paid pursuant to chapter 612 of NRS and costs of workers' compensation insurance.

5. The account for general and administrative payroll benefits must include all costs incurred by the company for welfare and pension benefits of employees whose salaries are charged to this functional division.

Sec. 115. *1. The account for general taxes must include the costs of all taxes, permits or licenses incurred on or for property owned by the company and devoted to the limousine operations of the company.*

2. The account must not include:

(a) Payroll taxes, federal income taxes and other taxes and charges included in the account for licenses and taxes described in subsection 10 of section 111 of this regulation; or

(b) Taxes incurred on leased property under the terms of the lease. Such taxes must be included in the appropriate subaccount under the account for rent described in subsection 1 of section 117 of this regulation.

3. The account for general taxes must be maintained with sufficient detail and description to allow ready identification, analysis and verification of all relative facts, and appropriately titled subaccounts may be used for this purpose.

Sec. 116. *1. The account for amortization of leasehold improvements must include the amount of amortization applicable to all assets included in the account for leasehold improvements described in section 87 of this regulation.*

2. The account for furniture and office equipment depreciation must include all depreciation expenses applicable to the account for furniture and office equipment described in section 89 of this regulation.

3. The account for buildings and office depreciation must include all depreciation applicable to the buildings account described in section 86 of this regulation not previously charged to any other functional division.

4. The general account for insurance must include all costs incurred for insurance, other than those costs included in the account for insurance for limousines described in subsection 9 of section 111 of this regulation or in the insurance account for shop and garage described in subsection 9 of section 113 of this regulation.

5. The account for bad debt expenses must be charged with amounts sufficient to provide for losses from uncollected operating revenues recorded in the account for trade accounts receivable described in section 75 of this regulation.

Sec. 117. 1. The account for rent must include:

(a) All costs incurred by the company in the rental or leasing of buildings, offices and other property devoted to the limousine operations of the company.

(b) Taxes on leased property where the lessee is liable for the taxes under the terms of the lease. Such taxes must not be included in the account for general taxes described in section 115 of this regulation.

2. The account for equipment rental must include all costs incurred by the company in the rental or leasing of equipment that are not otherwise specifically provided for in other functional divisions.

3. The account for repairs and maintenance must include all costs incurred for outside labor, materials or replacement parts used in the maintenance and repair of buildings, offices and office furniture and equipment, including, without limitation, the costs of maintenance contracts on office equipment. Subaccounts must be maintained for each class of maintenance and repair costs incurred, and entries in the subaccounts must be made in sufficient detail and description to allow ready identification, analysis and verification of all relevant facts.

Sec. 118. *1. The advertising account must include the cost of labor, materials used and expenses incurred in any advertising not included in the account for advertising and promotion described in subsection 5 of section 112 of this regulation.*

2. The account for outside services:

(a) Must include the fees and other costs of professional consultants and others incurred by the company for general services in its limousine operations that are not applicable to a particular operating function or to any other account provided in this section.

(b) Must include the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not an employee of the company.

(c) Must not include the costs of such services as may be employed by the company in connection with formal cases before the regulatory authority. Such costs must be included in the account for regulatory expenses described in section 119 of this regulation.

(d) Must include subaccounts for each class of costs, including, without limitation, accounting and legal costs, containing sufficient detail and description to allow ready identification, analysis and verification of entries made in each subaccount.

3. The account for contract services must include all costs of contract services not provided for elsewhere.

Sec. 119. *The account for regulatory expenses must include:*

1. All expenses, except for the pay of regular employees engaged in such work, properly included in company operating expenses incurred by the company in connection with formal cases before the transportation services authority or other regulatory bodies, or in cases in which any regulatory body is a party.

2. The amortized portion of such expenses as have been approved or directed by the transportation services authority as being applicable for more than 1 year, originally charged to the account for deferred charges described in subsection 2 of section 95 of this regulation.

Sec. 120. *The account for transferred internal costs must include internal costs transferred from the other functional divisions to general and administrative expenses. Costs transferred to the account must be either actual or on a percentage basis if the percentage is arrived at through periodic special studies. The use of arbitrary percentages or amounts transferred to the account is prohibited.*

Sec. 121. *1. The account for office expenses must include all costs for office supplies and miscellaneous office expenses incurred in connection with the limousine operations of the company, including, without limitation:*

(a) Bank service charges.

(b) Cash shortages.

(c) The costs of books, periodicals, bulletins and subscriptions to newspapers, newsletters and tax services.

(d) Membership fees and dues in trade, technical and professional associations.

(e) The costs of office supplies and expenses, postage, printing and stationery.

(f) The costs of individual items of office equipment used by general departments that have a short useful life or a value of not more than \$5,000.

2. Appropriately titled subaccounts must be maintained for each class of expense included in the account with sufficient detail and description to allow ready identification.

3. The telephone account must include all telephone expenses not charged to any other functional division.

4. The account for travel expenses must include:

(a) All costs incurred for fuel and oil, operating maintenance, replacement parts and repairs that are applicable to vehicles other than limousines, cars connected with shop work or cars for supervisors; and

(b) Other travel expenses necessary to the operation of a limousine company.

5. The utilities account:

(a) Must include items such as power, electricity, gas, water, garbage disposal and sewage rental.

(b) Must not include telephone rental or tolls.

6. The account for miscellaneous general and administrative expenses must include any cost of outside labor, materials or other costs incurred by the company in connection with its general management if the cost is not provided for elsewhere in the uniform system of accounts for limousine operations. The account must be maintained with sufficient detail and description to allow ready identification, analysis and verification of all relevant facts.

Sec. 122. *1. The account for interest earned must include all money earned from savings accounts, interest-bearing loans and notes receivable.*

2. The account for discounts earned:

(a) Must include all discounts earned as a result of timely, early or advance payments of bills.

(b) Must not include discounts obtained by quantity purchases or from a reduction of the manufacturer's list price. Such discounts are considered trade discounts that must be used as a reduction of original costs.

3. The account for rental income must include remuneration received for leasing or renting out space primarily owned or leased by the operating limousine company.

4. The account for gain on the sale of assets, other than automotive equipment, must include all earnings from the sale of equipment, other than automobiles, or improvements at a price above book value.

5. The account for gain on investments must reflect the earnings from the sale of an investment carried on the books of the company as an asset.

6. The account for miscellaneous other income must include any income not otherwise provided for in the uniform system of accounts for limousine operations.

Sec. 123. *1. The account for interest expense must include all expenses for interest paid or accrued on short-term or long-term loans or notes payable.*

2. The account for loss on sale of assets, other than automotive equipment, must reflect any losses incurred from the sale of any equipment, other than automobiles, or improvements at a price below book value.

3. The account for loss on investments must reflect any income from the sale or other disposition of an investment carried on the books of the limousine company as an asset.

4. The account for miscellaneous other expenses must include any expenses not otherwise provided for in the uniform system of accounts for limousine operations.

Sec. 124. *1. The account for net income before federal taxes must be an income statement account that reflects the difference between the sum of all income accounts and the sum of all expenses, before arriving at a figure for federal income taxes.*

2. The account for federal income taxes on earnings must include the amount of federal income tax expense incurred by the company during the accounting period. Concurrent credits for tax accruals must be made to the account for accrued federal income taxes described in section 106 of this regulation. As the exact amount of taxes becomes known, the current tax expense must be adjusted accordingly so that this account includes, in each year, the applicable taxes.

3. The account for net income after federal taxes must be an income account that reflects the net earnings after giving effect to federal taxes.

4. The dividends account must include the amount of dividends paid or declared by the company during the calendar year. The account for dividends payable described in subsection 2 of section 105 of this regulation must be set up as a liability whenever such dividends are declared.

Sec. 125. NAC 706.010 is hereby amended to read as follows:

706.010 As used in NAC 706.010 to 706.4019, inclusive, *and sections 2 to 32 and 34 to 124, inclusive, of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 706.012 to 706.129, inclusive, *and sections 2 to 8, inclusive, of this regulation*, have the meanings ascribed to them in those sections.

Sec. 126. NAC 706.015 is hereby amended to read as follows:

706.015 “Airport transfer service” means the transportation of passengers and their baggage in the same vehicle, except by taxicab, for a per capita charge ~~[, on a walk-up basis,]~~ between airports or between an airport and points and places in this state. The term does not include charter services ~~[,]~~ *by bus, charter services by limousine*, scenic tours or special services.

Sec. 127. NAC 706.018 is hereby amended to read as follows:

706.018 “Application” means a request for *operating authority or for* relief filed with the transportation services authority as specified in NAC 706.3956.

Sec. 128. NAC 706.022 is hereby amended to read as follows:

706.022 “Bus” means any motor vehicle *originally manufactured* with a capacity of 16 or more persons, including the driver, designed, constructed and used for the transportation of passengers, their baggage and light express.

Sec. 129. NAC 706.032 is hereby amended to read as follows:

706.032 “Charter order” means a written order prepared by a ~~[bus company]~~ *motor carrier* authorized to provide charter service ~~[,]~~ *by bus or charter service by limousine* setting out a request from a customer for the services of the ~~[company.]~~ *carrier*.

Sec. 130. NAC 706.034 is hereby amended to read as follows:

706.034 1. “Charter ~~[service.]~~ *service by bus*” means the *prearranged* transportation of persons who have acquired the exclusive use of a bus for a particular itinerary under an hourly rate *for a minimum of 1 hour* for the duration of the charter order.

2. Except as otherwise provided in paragraph (d) of subsection 3, ~~[charter service]~~ *the term* includes services sold to a ~~[purchaser or]~~ broker at an hourly rate only, for resale by the ~~[purchaser or]~~ broker in combination with other services or facilities not related to transportation at per capita rates or at hourly rates, as necessary.

3. ~~[Charter service]~~ *The term* does not include:

(a) Scenic tours;

(b) Special services;

(c) Airport transfer services;

(d) Service which will be resold by the ~~[purchaser or]~~ broker for scenic tours or airport transfer services; or

(e) The carriage of property or cargo not belonging to the group of passengers being transported.

Sec. 131. NAC 706.036 is hereby amended to read as follows:

706.036 *1.* “Charter service by limousine” means the exclusive use of a traditional limousine or livery limousine for the *prearranged* transportation of passengers and their baggage under a ~~[single contract]~~ *charter order* at an hourly rate for a minimum of 1 hour.

2. The term does not include:

(a) Scenic tours;

(b) Special services;

(c) Airport transfer services;

(d) Service which will be resold by the broker for scenic tours or airport transfer services;

or

(e) The carriage of property or cargo not belonging to a group of passengers being transported.

Sec. 132. NAC 706.042 is hereby amended to read as follows:

706.042 “Complaint” means a *written* request for relief filed with the transportation services authority . ~~[as specified in NAC 706.3974, 706.398 or 706.4013.]~~

Sec. 133. NAC 706.048 is hereby amended to read as follows:

706.048 “Department” means the department of motor vehicles . ~~and public safety.~~

Sec. 134. NAC 706.067 is hereby amended to read as follows:

706.067 **1.** “Household goods” includes:

~~1.~~ **(a)** Property transported as an incident of a move by a householder from one dwelling to another and property transported:

~~(a)~~ **(1)** From the dwelling of a householder in connection with a gift, sale or the administration of an estate;

~~(b)~~ **(2)** Between the dwelling of a householder and a repair or storage facility;

~~(c)~~ **(3)** From the dwelling of a householder to an auction house or other place of sale;

and

~~(d)~~ **(4)** From a factory or store to the dwelling of a householder ~~where:~~

~~(1)~~ **if:**

(I) The householder has purchased the goods with the intent to use them in his dwelling; ~~and~~

~~(2)~~ **(II)** The property is transported at the request of the householder ~~;~~

~~2.~~; **and**

(III) *The transportation charges are paid to the carrier by the householder.*

(b) Furniture, fixtures, equipment and the property of stores, offices, museums, institutions, hospitals or other establishments, when it is a part of the stock, equipment or supply of the stores, offices, museums, institutions, hospitals or other establishments.

~~3.~~ **(c)** Commodities mentioned in ~~subsections 1 and 2,~~ **paragraphs (a) and (b),** when transported pursuant to the removal of the establishment, or a portion thereof, from one location

to another, and used furniture, fixtures and equipment of stores, offices, museums, institutions, hospitals or other establishments transported:

~~[(a)]~~ (1) From a location in one branch of an establishment to a location in another branch of that establishment; and

~~[(b)]~~ (2) From a location in an establishment and a repair or storage facility.

~~[4.— Household goods do]~~

2. *The term does* not include the stock-in-trade of any establishment, except when transported as an incident to the removal of the establishment, or a portion thereof, from one location to another.

Sec. 135. NAC 706.070 is hereby amended to read as follows:

706.070 “Interchange of equipment” means the physical exchange of equipment between ~~[motor]~~ common *motor* carriers or the receipt by one carrier of equipment from another carrier, in furtherance of a through movement of traffic, at a point or points which the carriers are authorized to serve.

Sec. 136. NAC 706.080 is hereby amended to read as follows:

706.080 “Livery limousine” means a motor vehicle *engaged in the general transportation of persons for compensation* that:

1. Was a light truck, as that term is defined in 49 C.F.R. § 523.5, at the time of its manufacture; *or*

2. ~~[Has]~~ *Was originally manufactured as having* a capacity of 9 or more persons but less than 16 persons, including the driver. ~~[-; and~~

~~—3.— Is engaged in the general transportation of persons for compensation and not operated on a regular schedule or over regular routes.]~~

Sec. 137. NAC 706.112 is hereby amended to read as follows:

706.112 “Scenic tour” means the transportation at a per capita or an hourly rate of passengers to various points of interest for the purpose of sight-seeing or visiting those points of interest where a narrated tour is presented to the passengers. The term does not include charter services ~~[] by bus, charter services by limousine,~~ special services or airport transfer services.

Sec. 138. NAC 706.119 is hereby amended to read as follows:

706.119 “Special services” means the transportation of persons who have acquired the ~~[exclusive]~~ use of a vehicle for a ~~[specific itinerary]~~ *special event* between definite points of origin and destination, at a per capita rate. ~~[Special services do]~~ *The term does* not include charter services ~~[] by bus, charter services by limousine,~~ scenic tours or airport transfer services.

Sec. 139. NAC 706.1315 is hereby amended to read as follows:

706.1315 Except as otherwise provided by law:

1. In computing any period prescribed or allowed by any regulation of the transportation services authority, the day of the act, event or default from or after which the designated period begins to run is not included. The last day of the period so computed is included, but if it is a Saturday, Sunday or legal holiday, the period runs until the end of the next day which is not a Saturday, Sunday or legal holiday.

2. Whenever an act is required or allowed pursuant to any regulation of the transportation services authority, or any notice given thereunder, to be done within a specified period, the ~~[period will be extended by the]~~ transportation services authority *may extend the period* for good cause upon a motion made before the specified period expires.

Sec. 140. NAC 706.132 is hereby amended to read as follows:

706.132 *1.* A fee or remittance by money order, bank draft or check to the transportation services authority must be made payable to the “Transportation Services Authority.” A remittance in currency or coin is acceptable but is sent wholly at the risk of the remitter, and the transportation services authority assumes no responsibility for the loss of such a remittance. An application fee or other charge required by law must be paid to the transportation services authority at the time of filing with the transportation services authority.

2. An administrative fine imposed pursuant to NRS 706.476 for the impoundment of a vehicle must be paid by cash, cashier’s check or money order.

Sec. 141. NAC 706.1325 is hereby amended to read as follows:

706.1325 1. Except as otherwise provided by law, all documents filed with the transportation services authority become matters of public record as of the day and time of their filing. The deputy commissioner, within reasonable limits of time and general expediency, shall allow members of the public to examine these public records.

2. Except as otherwise provided in subsection 3, an applicant shall not include any of the following items in an application filed with the transportation services authority:

(a) Copies of tax returns;

(b) Copies of bank statements, brokerage statements and retirement statements;

(c) Loan documents;

(d) Credit reports;

(e) Reports concerning criminal background;

(f) Records from the department; and

(g) Any other document determined to be confidential pursuant to NAC 706.3944 to 706.3954, inclusive.

3. The transportation services authority may request that an applicant submit the information described in paragraphs (a) to (f), inclusive, of subsection 2 if the transportation services authority determines that the information is necessary in its consideration of the application. The applicant may, pursuant to NRS 706.1725, request that such information be treated as confidential.

4. Upon request, copies of public records will be made and a reasonable fee will be charged for the cost of reproduction. Copies of transcripts must first be requested from the court reporter or transcriber who made the transcript.

Sec. 142. NAC 706.1375 is hereby amended to read as follows:

706.1375 *Except as otherwise required in sections 9 and 10 of this regulation:*

1. An application for:

(a) The initial issuance, expansion or modification of a certificate of public convenience and necessity made pursuant to NRS 706.386 to 706.411, inclusive;

(b) A permit to act as a contract carrier made pursuant to NRS 706.421 to 706.436, inclusive;

or

(c) The sale and transfer of an interest in:

(1) A certificate;

(2) Fifteen percent or more of the stock of a corporation that holds a certificate; ~~or~~

(3) A partnership that holds a certificate ~~or~~; *or*

(4) A corporate entity that holds a certificate which would result in a change in the corporate control of the carrier,

FLUSH must, in addition to complying with the provisions of NAC 706.010 to 706.4019, inclusive, *and sections 2 to 32, inclusive, of this regulation*, that are applicable to pleadings, contain the data set forth in subsection 2.

2. An application described in subsection 1 must contain the following data, either in the application or as exhibits attached thereto:

(a) The type of service, if any, presently being performed by the applicant, a general description of the service and a reference to the authority pursuant to which the service is being performed.

(b) The type of service proposed, a general description of the service and a reference to the authority pursuant to which the service is to be performed.

(c) The specific authority requested and the statutory provision pursuant to which the certificate is requested.

(d) If the applicant proposes to be a carrier of *household* goods, a description of the ~~[specific commodities]~~ *types of household goods* proposed to be transported. ~~[, and if general commodities with exceptions are proposed to be transported, a statement specifying those exceptions.]~~

(e) The geographical area proposed to be served pursuant to the certificate, including, without limitation, the terminal and other points to be served, the number and location of points where equipment will be located, and a concise, narrative description of the proposed route.

(f) A map or sketch of the route and points to be served, drawn to a suitable scale which is indicated on the map or sketch. The map or sketch must show present and proposed operations by distinctive coloring or marking.

(g) ~~[A]~~ *If the applicant proposes to be a contract carrier, a* copy of each proposed contract.

(h) A statement of the rates or fares proposed to be charged and the rules governing service in the form of a tariff prepared pursuant to NAC 706.138 to 706.139, inclusive.

(i) The type and ~~approximate~~ number of units of equipment to be used in the proposed service and a statement as to which units of equipment are owned by the applicant ~~that includes, without limitation, photographs of the equipment to be used and a copy of the registration and title of each vehicle currently owned by the applicant which will be used under its operating authority. If the applicant proposes to operate a taxicab service, the application must include the proposed color scheme of the vehicles that will be used to provide the taxicab service.~~

(j) A statement indicating the frequency of the proposed service. If ~~“on-call”~~ *on-call* service is proposed, the application must set forth the conditions under which the service would be performed.

(k) A statement of the qualifications and experience of the personnel who will manage and operate the proposed service and the proposed operating procedures related to service, safety, maintenance, training of drivers, billing, relations with customers and the keeping of records.

(l) A statement describing the facilities which will be used to provide the proposed service, such as terminals, shops, warehouses or offices.

(m) Facts showing that the proposed operation is or will be ~~required for public convenience and necessity.~~ *beneficial to the traveling public.*

(n) If the applicant is a corporation ~~or limited-liability company~~, a copy of its articles of incorporation ~~or articles of agreement~~, certified by the secretary of state, and all effective amendments ~~thereto~~. If the ~~articles of incorporation have been filed previously with the transportation services authority, the applicant need only make a specific reference to that filing.~~

corporation or limited-liability company was incorporated or established in another state, the application must include a copy of the certificate issued by the secretary of state authorizing the corporation or limited-liability company to transact its business in the State of Nevada, or its equivalent.

(o) If the applicant is a partnership, a copy of the partnership agreement and any amendments made thereto.

(p) If the applicant is not a natural person, a list of all owners, including associated stock certificates, membership certificates or associated documents, along with the percentage of ownership of each partner, member or owner. If the applicant is a publicly traded corporation, the application may include a copy of Form 10-K, or its equivalent, filed by the corporation with the Securities and Exchange Commission that shows the controlling ownership, officers and directors in lieu of the list of all owners, including associated stock certificates, membership certificates or associated documents.

(q) Evidence that the applicant is financially able to operate the proposed business, including, without limitation:

- (1) A statement of income for the 12-month period immediately preceding the application.*
- (2) A pro forma statement of income for the first 12-month period of the proposed operation using the proposed rates. The transportation services authority may require, as a condition to the granting of the application, that the applicant is prohibited from placing into service more vehicles than the vehicles projected in the pro forma statement for any period that the transportation services authority deems necessary to ensure that the granting of the application will not unreasonably and adversely affect other carriers operating in the territory.*

(3) A balance sheet which was prepared not more than 6 months before the date of the application which:

(I) For a sole proprietorship or partnership, must reflect the personal and business operations of the sole proprietor or each general partner.

(II) For a corporation, *limited-liability company* or partnership, must reflect the entire business operations.

(4) A list of the names and addresses of all transportation entities owned by or under the control of the applicant.

FLUSH All financial statements must be prepared pursuant to generally accepted accounting principles, except that the personal financial statement of a sole proprietor or general partner may be prepared on the basis of estimated values.

~~(p)~~ (r) If the applicant is operating under a fictitious name, a copy of the certificate filed pursuant to chapter 602 of NRS ~~[. If the applicant has previously filed a copy of the certificate with the transportation services authority, the applicant need only make reference to that filing. —(q)]~~, *if applicable*.

(s) Evidence that the applicant can secure the insurance required by NAC 706.191.

~~(+)~~ (t) If the applicant is proposing to transport *and store* household goods and effects, proof that the applicant has the ability to store such goods and effects in a warehouse operated in accordance with the requirements of chapter 712 of NRS. As used in this paragraph, “warehouse” includes, without limitation, any structure used for the reception and storage of household goods and effects.

~~(s)~~ (u) Additional information as is necessary for a full understanding of the application.

3. If any item required pursuant to this section or by statute is omitted or otherwise deficient after acceptance of the application or filing, the transportation services authority will notify the applicant of the omission or deficiency, in writing, at the address of the applicant listed on the application or filing. If the applicant does not cure the omission or deficiency within 15 working days after the issuance of that notification, the deputy commissioner shall, at the next regular meeting of the transportation services authority, move that the application or filing be dismissed.

Sec. 143. NAC 706.1384 is hereby amended to read as follows:

706.1384 1. In addition to the requirements established for pleadings, an application to change the tariff of any motor carrier, issuing agency or agent, including, without limitation, new rates for services authorized under a certificate, and new rules and regulations under a carrier's tariff, must include as exhibits attached thereto:

(a) A statement in the form of a tariff showing in full the rates or fares or the regulations proposed to be put into effect.

(b) A statement in the form of a tariff showing the rates or fares or the regulations which will be superseded by the proposed tariff.

(c) A complete and accurate statement of the circumstances and conditions relied on as justification for the proposed change, including, without limitation, the following information:

(1) The change in the total amount of intrastate revenue in the State of Nevada that the proposed rates would have produced if the rates had been in effect during the preceding year.

(2) The applicant's reasons that the proposed rates would be reasonable.

(d) An operating statement for the full 12-month period immediately preceding the date of application, insofar as is practicable.

(e) A balance sheet for the entire operations of the carrier as of the date of the statement required pursuant to paragraph (d).

(f) In any application for any item that has not been included previously in the applicant's tariff, cost data, including, without limitation, a 12-month pro forma income statement, that is sufficient to demonstrate that the proposed rate would be fully compensatory and would not involve an excessive charge.

(g) Such *other* information as the transportation services authority or the applicant considers to be necessary or appropriate for a complete understanding of the application.

2. *In addition to the requirements established for pleadings, an application for the approval of any revision or modification to a contract submitted by a contract motor carrier to the transportation services authority must include as exhibits attached thereto:*

(a) A copy of the proposed contract as revised or modified;

(b) A complete and accurate statement of the circumstances and conditions relied on as justification for the proposed change, including, without limitation:

(1) The change in the total amount of intrastate revenue in the State of Nevada that would have been produced if the contract with the proposed revisions or modifications had been in effect during the preceding year; and

(2) The reasons of the applicant for the revision or modification which demonstrate that the proposed contract as revised or modified would be reasonable;

(c) An operating statement for the entire 12-month period immediately preceding the date of the application, insofar as is practicable;

(d) A balance sheet for the entire operation of the carrier as of the date of the operating statement required by paragraph (c);

(e) For any item not included previously in the approved contract of the applicant, cost data, including, without limitation, a 12-month pro forma income statement which is sufficient to demonstrate that the proposed contract as revised or modified would be fully compensatory and would not involve an excessive charge; and

(f) Such other information as the transportation services authority or the applicant considers to be necessary or appropriate for a complete understanding of the application.

3. Suggested language for the public notice to be published in accordance with NAC 706.1355 may be submitted by the applicant.

~~4.~~ 4. The provisions of ~~[this section]~~ *subsection 1* apply to all applications for rate changes made by common and contract motor carriers under the jurisdiction of the transportation services authority. ~~[The provisions do not apply to applications or tariff filings made by the National Motor Freight Classification or the ATA Hazardous Materials Tariff.]~~

Sec. 144. NAC 706.1387 is hereby amended to read as follows:

706.1387 ~~4.~~ Each loose-leaf or bound tariff and any supplement to a bound tariff which exceeds 10 pages, except supplements to rate increases, must have:

~~1.~~ 1. A table of contents, listing in alphabetical order all regulations and rate sections that are included in the filing. The table must state the item number, a brief description of the item and the page number where the item can be found.

~~2.~~ 2. If there is more than one carrier to a tariff filing, an alphabetical index of the participating carriers, listing each item number to which each listed carrier is a party.

~~3.~~ 3. A list of the certificates of public convenience and necessity in ~~the~~ *this* state that are held by each motor carrier participating in the tariff filing. This list must contain a description of the routes or territory that the motor carrier is authorized to serve under each

certificate and a list of the commodities that the motor carrier is authorized to transport under each certificate.

~~[2.—The provisions of this section do not apply to the National Motor Freight Classification or the ATA Hazardous Materials Tariff.]~~

Sec. 145. NAC 706.139 is hereby amended to read as follows:

706.139 ~~[1.]~~ Nothing in NAC 706.138 to 706.139, inclusive, will be construed to preclude a motor carrier, issuing agency or agent from filing a tariff pursuant to NRS 706.321, requesting the approval of the transportation services authority on 10 days' notice of that carrier's participation in a tariff bureau's rates which have previously been filed with and approved by the transportation services authority.

~~[2.—The provisions of this section do not apply to the National Motor Freight Classification or the ATA Hazardous Materials Tariff.]~~

Sec. 146. NAC 706.143 is hereby amended to read as follows:

706.143 A private *motor* carrier *of property* who is engaged in the transportation by motor vehicle of property sold, or to be sold, or used in furtherance of a private commercial enterprise, and who does not haul any property for hire, applying for the approval of the transportation services authority for licensing must provide the transportation services authority with an affidavit of private carriage before a license will be approved.

Sec. 147. NAC 706.145 is hereby amended to read as follows:

706.145 In determining whether a person is a private motor carrier ~~[1.]~~ *of property*, the transportation services authority will consider the following:

1. The ownership or bailment of the property transported.
2. A preexisting order of the customer or shipper.

3. The extent of the intermediate use of a warehouse.
4. The difference between the price charged the carrier and the carrier's charge to the customer, and whether it appears that this difference is roughly equivalent to a charge for transportation.
5. ~~The extent of the carrier's transportation for other persons.~~
- ~~6.]~~ The nature of any advertising used.
- ~~7.]~~ 6. The extent of the carrier's investment in facilities and equipment for transportation.
- ~~8.]~~ 7. The control exerted by the shipper over the transportation.
- ~~9.]~~ 8. The burden assumed by the shipper for the costs of the transportation.
- ~~10.]~~ 9. The status of the transportation as incidental to a business or as a secondary business.
- ~~11.]~~ 10. The nature and extent to which the carrier uses the highways of ~~the] this~~ state.

Sec. 148. NAC 706.147 is hereby amended to read as follows:

706.147 1. The transportation services authority will consider a provider of free shuttle service to passengers who may or may not have baggage to be a common motor carrier unless all of the following conditions are met:

- (a) The provider's business is not the transportation of property or passengers and any transportation furnished is incidental to its business.
- (b) The provider indicates in any advertisement including information on free transportation that the transportation will only be furnished to its customers. Such information must be incidental to an advertisement of the business.
- (c) The provider ~~effectively limits the provision of] ensures that~~ transportation *is provided only* to its customers.

(d) Except as otherwise provided in this paragraph, transportation is furnished only if the provider's place of business is the point of origin or the point of destination of ~~{the}~~ *each* customer's trip. If the provider is a health insurer licensed to transact insurance in this state, the provider may provide transportation, other than emergency transportation, to an insured between a medical facility where medical services covered by the health insurer have been or will be rendered and another medical facility or the residence of the insured.

~~(e) {Except as otherwise provided in this paragraph, each trip is between a place of business owned by the provider and one other point. If the provider is a health insurer licensed to transact insurance in this state, the provider may provide transportation, other than emergency transportation, to an insured between a medical facility where medical services covered by the health insurer have been or will be rendered and another medical facility or the residence of the insured.}~~

~~{f}~~ (f) The driver is prohibited from soliciting gratuities, either directly or indirectly, or from placing a container for gratuities in the vehicle used to provide the free shuttle service. The driver may accept unsolicited gratuities.

~~{g}~~ (f) The driver is not compensated based upon the number of persons transported in a given period.

~~{h}~~ (g) The vehicle used to provide the free shuttle service is owned by and registered to:

- (1) The provider, at the place of business of the provider;
- (2) A subsidiary of the provider, at the place of business of the subsidiary;
- (3) An affiliate that controls the provider, at the place of business of the affiliate; or
- (4) A certificate holder, at the place of business of the certificate holder.

~~[(h)]~~ (h) The driver is employed by the person to whom the vehicle used to provide the free shuttle service is registered, as set forth in paragraph ~~[(h)]~~ (g), or an affiliate of that person.

2. The transportation services authority will not consider the placement of the name of the business on the side of the vehicle used to provide the free shuttle service as an advertisement for transportation.

3. As used in this section:

(a) “Affiliate” has the meaning ascribed to it in NRS 692C.030.

(b) “Subsidiary” has the meaning ascribed to it in NRS 692C.100.

Sec. 149. NAC 706.170 is hereby amended to read as follows:

706.170 1. Common or contract motor carriers operating in intrastate commerce, when traversing the highways of this state, shall have the name of the ~~[person]~~ *carrier* operating the vehicle firmly attached to each side of the unit having motive power in letters not less than 2 inches high in sharply contrasting colors which are legible from a distance of at least 50 feet.

2. Private carriers operating in intrastate commerce, when traversing the highways of this state, shall have the name of the ~~[person]~~ *carrier* operating the vehicle firmly attached to each side of the unit having motive power in the manner, size and style prescribed in subsection 1, except single unit motor vehicles with an unladen weight of 10,000 pounds or less.

3. Except as otherwise provided in subsections 4 and 5, every common or contract motor carrier operating under the jurisdiction of the transportation services authority shall, after March 1, 1999, have the symbols ~~["CPCN"]~~ *“CPCN”* and the number of his certificate, or the symbols “MV” and the number of his permit if he is operating under a permit for a contract motor carrier, painted or affixed upon each side of the unit having motive power, in the manner, size and style prescribed in subsection 1.

4. If the name of the ~~operator of a traditional limousine or livery~~ carrier operating a limousine is *firmly affixed and* exhibited on *each side of* the vehicle by means of a symbol ~~[]~~ or printed sign, or *in* any other manner that is ~~readily visible,~~ *approved by the transportation services authority, and is visible from a distance of at least 50 feet,* the name is not required to be displayed as prescribed in subsection 1. The number of ~~his~~ *the* certificate *of the carrier* and *the* symbols ~~["CPCN"]~~ *"CPCN"* must be not less than 2 inches high and must be placed on either the rear bumper or at the rear of the vehicle.

5. A lessee operating a unit having motive power pursuant to a short-term or long-term lease shall have his name and number painted or affixed on the vehicle.

6. Any removable sign or placard must be made of a durable material such as wood, plastic or metal. Each device must bear a serial number in the carrier's own series, and the carrier ~~must~~ *shall* keep a proper record of each number.

Sec. 150. NAC 706.191 is hereby amended to read as follows:

706.191 1. All common and contract carriers shall maintain a contract of insurance against liability for injury to persons and damage to property in the following minimum amounts:

(a) Carriers authorized to transport persons only or persons and property:

| | Limit for bodily injuries to or death of one person | Limit for bodily injuries to or death of all persons injured or killed in any one accident | Limit for loss or damage in any one accident to property of others, excluding cargo |
|-----------------------------------|---|--|---|
| Horse-drawn vehicles and taxicabs | \$250,000 | \$500,000 | \$50,000 |

| | | | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| 7 passengers or less, <i>including the driver</i> , other than a taxicab | 1,000,000 1,500,000 | 1,000,000 1,500,000 | 1,000,000 1,500,000 |
| 8 to 15 passengers, inclusive, <i>including the driver</i> | 1,500,000 | 1,500,000 | 1,500,000 |
| 16 passengers or more, <i>including the driver</i> | 5,000,000 | 5,000,000 | 5,000,000 |
| Freight only | 500,000 750,000 | 500,000 750,000 | 500,000 750,000 |

Any of these amounts may be a single combined limit.

(b) ~~Carriers~~ *Except as otherwise provided in subsection 3, carriers* authorized to transport the following commodities:

| | Limit for bodily injuries to or death of one person | Limit for bodily injuries to or death of all persons injured or killed in any one accident, subject to a maximum of \$300,000 for bodily injuries to or death of each person | Limit for loss or damage in any one accident to property of others, excluding cargo |
|--|---|--|---|
| Hazardous substances as defined in 49 C.F.R. § 171.6, <i>171.8</i> , as that section existed on January 1, 1987, <i>April 1, 2000</i> , liquefied compressed | | | |

| | | | |
|--|-----------|-------------|-------------|
| gas or compressed gas in cargo tanks, portable tanks or hoppers with capacities of more than 3,500 liquid gallons | \$300,000 | \$2,500,000 | \$5,000,000 |
| Oil as listed in 49 C.F.R. § 171.101 172.101 and hazardous materials and substances as defined in 49 C.F.R. § 171.8 and listed in 49 C.F.R. § 172.101 , as those sections existed on January 1, 1987 April 1, 2000 | 300,000 | 2,500,000 | 1,000,000 |
| Class A or Class B explosives, poisonous gas or radioactive materials as defined in 49 C.F.R. § 172.101 as that section existed on January 1, 1987 | 300,000 | 2,500,000 | 5,000,000 |

2. Each common or contract motor carrier shall maintain insurance in the following minimum amounts to compensate shippers or consignees for loss of or damage to property belonging to shippers or consignees and coming into the possession of a common or contract motor carrier in connection with his services:

(a) For loss of or damage to property carried on any one motor vehicle, \$15,000.

(b) For loss of or damage to property occurring at any one time and place, or an aggregate of such losses or damages to property, \$30,000.

3. If the minimum amount of insurance required to be maintained pursuant to Title 49 of the Code of Federal Regulations is increased above the amount listed in this section, the

common or contract carrier shall maintain insurance in an amount that is equal to or greater than the federally required minimum amount.

Sec. 151. NAC 706.203 is hereby amended to read as follows:

706.203 1. An authorized carrier operating motor vehicles within this state shall maintain a centralized accounting system and the records required by the transportation services authority in a designated headquarters.

2. All records required to be maintained by the transportation services authority must be maintained by the authorized carrier for at least 3 years and are subject to inspection or audit by the transportation services authority or its designated agent at any time during ~~the~~ *regular* business hours . ~~of the day.~~

Sec. 152. NAC 706.206 is hereby amended to read as follows:

706.206 1. All common and contract carriers operating within this state under the jurisdiction of the transportation services authority shall notify the transportation services authority of any changes in address ~~;~~ *or location of points where equipment will be located*, officers of the corporation, or an intended sale, transfer, lease or discontinuance of operations under the authority granted them in their certificate or permit.

2. Any carrier, before the purchase or sale of the corporate control, must have the ~~prior~~ approval of the transportation services authority.

Sec. 153. NAC 706.208 is hereby amended to read as follows:

706.208 1. Except as otherwise provided in ~~subsection~~ *subsections 2 and 3*, and ~~NAC 706.375,~~ *sections 11 and 12 of this regulation*, an authorized carrier may lease equipment for his own use, with or without a driver, on the basis of a long-term lease. *For such a lease:*

(a) An authorized carrier may lease equipment on a one-for-one basis to supplement its fleet up to the entire amount of similar equipment owned and currently operated by the carrier under its operating authority. For the purposes of this paragraph, equipment used by an authorized carrier and equipment used by the authorized carrier to provide intrastate transportation must be used to determine what constitutes similar equipment.

(b) Including the vehicles leased by an authorized carrier pursuant to this section, the total number of vehicles operated by the carrier must not exceed, under any circumstances, the total number of vehicles that the carrier is authorized to operate under its certificate or permit.

2. ~~[(An)]~~ *Except as otherwise provided in subsections 3 and 7, an authorized carrier may lease for his own use, with or without a driver, on the basis of a short-term lease:*

~~(a) [A dump truck for use in a construction project, on an hourly or daily basis, for not more than 48 hours.~~

~~—(b)]~~ *A bus from an authorized carrier, on an hourly basis, for not more than 48 hours.*

~~[(e)]~~ *(b) Any other equipment [which is not specified in paragraphs (a) and (b),] from an authorized carrier.*

3. *The transportation services authority may approve the lease of equipment that does not comply with subsection 1 or 2 if:*

(a) The authorized carrier files a petition for a waiver of the requirement with which the lease does not comply; and

(b) The transportation services authority finds that approval of the lease would be in the public interest.

FLUSH *The transportation services authority will issue a public notice of the receipt of a petition for a waiver received pursuant to this subsection.*

4. An authorized carrier who operates a bus pursuant to ~~[paragraph (b) of subsection 2:]~~ *a short-term lease entered into in accordance with this section:*

(a) May use his own insurance or that of the lessor to meet the insurance requirements of NAC 706.191.

(b) Must have a copy of the lease on file at his office ~~[within 48 hours after the]~~ *upon* commencement of the lease.

~~[4. Except for carriers operating pursuant to paragraph (b) of subsection 2, leased]~~

5. *Leased* equipment may only be used in an operation authorized by the lessee's certificate or permit and must be identified as operated by the lessee. ~~[A]~~ *Except as otherwise provided in this subsection, a* copy of the lease must be carried with the equipment during the period of the lease.

~~[5.]~~ *A copy of the short-term lease for a bus entered into pursuant to this section need not be carried in the bus during the period of the short-term lease.*

6. Work may not be performed pursuant to an expired lease.

~~[6.]~~ 7. An authorized carrier may lease restored theme or antique vehicles without complying with the requirements of subsection 2 if the transportation services authority approves the lease before its commencement. The transportation services authority will approve the lease if:

(a) The leased vehicle is used only for special occasions; and

(b) Arrangements to lease the vehicle are made at least 7 days before the commencement of the lease.

~~[7.]~~ 8. Every lease of equipment by an authorized carrier must be in writing, dated and signed by the parties thereto or an authorized agent or employee of the parties.

~~[8.]~~ 9. The leased equipment must be under the control and direction of the authorized carrier.

~~[9.]~~ 10. The leased equipment must be operated within the scope of the *operating authority of the* authorized ~~[carrier's authority]~~ *carrier* and in conformance with the *tariff of the* authorized ~~[carrier's tariff]~~
~~—10.]~~ *carrier*.

11. The driver of a leased vehicle must be under the complete control and direction of the authorized carrier. The authorized carrier must be free to enforce rules regarding working and driving.

~~[11.]~~ 12. The authorized carrier may not avoid liability for any damages arising out of the negligent operation of the equipment through the terms of the lease.

~~[12.]~~ 13. The terms of any lease of equipment pursuant to this section must include, without limitation, a provision that the equipment must be insured in accordance with the provisions of NAC 706.191. A lessee may use his insurance or the lessor's insurance to satisfy the requirements of NAC 706.191.

~~[13.]~~ *A copy of the insurance used by a lessee to satisfy the requirements of NAC 706.191 must be made available for review by the transportation services authority.*

14. The compensation to be paid for any leased equipment must be fixed at the inception of the lease and may ~~[-]~~

~~—(a) Include]~~ *include* a specific sum or formula for calculating the compensation for the duration of the lease. ~~[-; or]~~

~~—(b) Be based on a division or percentage of the applicable rate for the transportation of a commodity in the equipment during the period of the lease.~~

~~—14.] 15.~~ A vehicle leased pursuant to this section must be identified in accordance with NAC 706.170 as operated by the lessee.

16. For the purposes of this section, equipment leased by an authorized carrier pursuant to a bona fide capital lease, as that term is defined by generally accepted accounting principles, shall be deemed to be equipment that is owned by the authorized carrier. The provisions of this section do not apply to such a lease.

Sec. 154. NAC 706.209 is hereby amended to read as follows:

706.209 1. ~~[An]~~ *When mechanical or body damage causes equipment to be out of service for at least 3 days, an* authorized carrier of property or passengers may lease *replacement* equipment on a one-for-one basis to supplement its fleet up to the entire amount of similar equipment owned and currently operated by the carrier under its certificate or permit. Equipment that is owned by the carrier and used in the services of intrastate transportation in this state must be used to determine what constitutes similar equipment.

2. An authorized carrier shall not lease any kind of *replacement* equipment to provide transportation if the carrier does not currently own similar equipment.

3. The transportation services authority may approve the lease of *replacement* equipment

~~[in a manner that does not comply with the requirements of subsections 1 and 2 if:~~

~~—(a) The authorized carrier files a petition for waiver of those requirements; and~~

~~—(b) The lease is found to be in the public interest.~~

FLUSH ~~The transportation services authority will issue a public notice of the receipt of such a petition.~~

~~—4.— For the purposes of this section, equipment leased pursuant to a bona fide capital lease, as defined by generally accepted accounting principles, shall be deemed equipment owned by the authorized carrier. The provisions of this section do not apply to such leases.~~

~~—5. As used in this section, “similar equipment” means equipment designed and used to transport:~~

~~—(a) Cargo of the same specific class of commodities; or~~

~~—(b) Passengers in the same type of motor vehicle.] if, at the time of the lease, the authorized carrier provides, in writing, to the transportation services authority:~~

(a) Identification, by make, model, license plate and vehicle identification number, of the equipment placed out of service;

(b) Identification of the mechanical or body damage causing the equipment to be placed out of service;

(c) The estimated time during which the equipment will be out of service; and

(d) A copy of the lease for the replacement equipment.

4. Notwithstanding any provision of section 11 or 12 of this regulation to the contrary, leases approved pursuant to this section will not be considered leases for the purposes of sections 11 and 12 of this regulation.

Sec. 155. NAC 706.218 is hereby amended to read as follows:

706.218 1. Every common or contract motor carrier shall keep an accurate record of the revenues from his operations in this state, operating and other expenses and other required information and include such information in its annual report covering the yearly period fixed by the transportation services authority, unless otherwise provided by law. The transportation services authority will prescribe the character of the information to be embodied in the annual report and furnish a blank form for the report.

2. Every common or contract motor carrier shall keep and render to the transportation services authority, in the manner, form and detail prescribed by the transportation services authority, uniform and detailed accounts of all business transacted.

3. The accounts of every common or contract motor carrier must be closed annually on the basis of either a calendar or fiscal year, and the annual report must be filed not later than ~~April~~ **May** 15 for reports based on a calendar year or not later than ~~+105~~ **135** days after the end of the fiscal year for reports based on a fiscal year.

4. The transportation services authority will ~~call for~~ **request** information omitted from reports or not provided for therein, ~~when~~ **if** in its judgment additional information is necessary.

Sec. 156. NAC 706.228 is hereby amended to read as follows:

706.228 1. A certificate holder or his employee shall not solicit passengers.

2. A certificate holder or his employee may:

(a) Answer questions posed by a potential passenger if the conversation is initiated by the potential passenger;

(b) Advertise on the side of a vehicle or on permanently located signs;

(c) Provide brochures in permanently mounted racks or stands;

(d) Establish booths in airports, hotels or other locations;

(e) Advertise in the media or through direct mailing;

(f) Conduct any other marketing activity which has been determined not to be solicitation by the transportation services authority; or

(g) When engaged in the business of transferring persons from an airport, greet potential passengers using one of the following phrases:

(1) "May I help you?"

- (2) “Good morning.”
- (3) “Good afternoon.”
- (4) “Good evening.”

3. *With the prior approval of the transportation services authority with regard to dates and locations, a driver may hold up a sign that contains the company name, the “CPCN” number, the approved rates and the words “For Hire.” Such a sign must be not more than 18 by 24 inches in size.*

4. A certificate holder or his employee shall not ~~[stop,]~~ stand or park a traditional limousine or livery limousine within 50 feet of a designated taxicab stand unless ~~[the]~~ :

(a) *The* taxicab stand is located at an airport owned by a governmental entity ~~[~~
~~—4.]~~; or

(b) *The chairman or his designee has authorized the certificate holder to stop or park the traditional limousine or livery limousine within 50 feet of the designated taxicab stand.*

5. *While on duty, a certificate holder or his employee shall not stand within 50 feet of a designated taxicab stand to solicit transportation services unless:*

(a) *The taxicab stand is located at an airport owned by a governmental entity; or*

(b) *The chairman or his designee has authorized the certificate holder to stop or park within 50 feet of the designated taxicab stand.*

6. As used in this section, “solicit” includes, without limitation, inducing or attempting to induce persons by communication or other action to be transported. The term includes, without limitation:

(a) Except as otherwise provided in subsection 2, initiating conversation with potential passengers;

- (b) Shouting information;
- (c) Waving signs;
- (d) Waving arms or hands;
- (e) Flashing lights;
- (f) Ringing bells;
- (g) Blowing horns;
- (h) Blocking access to other motor carriers; or
- (i) Except as otherwise provided in ~~subsection 2,~~ *subsections 2 and 3*, any other activity

designed to attract passengers,

FLUSH unless the passenger has arranged for the transportation by reservation or the driver is seeking a specific passenger who has requested that the driver's vehicle be dispatched to the location.

Sec. 157. NAC 706.230 is hereby amended to read as follows:

706.230 All carriers shall file a designation of ~~an~~ *a resident* agent residing within this state.

Sec. 158. NAC 706.232 is hereby amended to read as follows:

706.232 A contract motor carrier shall not:

1. Operate between fixed terminals, provide service over a regular route or operate over the same route or to the same points so frequently as to constitute a regularly scheduled route or service, unless approved by the transportation services authority;
2. Operate in such a manner that would interfere with the operation of a common motor carrier;
3. Conduct any operation as a common motor carrier; or

4. ~~[Except as otherwise provided in NAC 706.274, provide]~~ *Provide* transportation pursuant to more than ~~[five contracts or for more than five shippers. Neither the total number of contracts nor the total number of shippers may exceed five.]~~ *three contracts.*

Sec. 159. NAC 706.239 is hereby amended to read as follows:

706.239 1. Special services may be provided only by a common motor carrier authorized to provide such service, in connection with a special event , ~~[, occasion or other purpose]~~ for which the carrier or a person on his behalf intends to provide transportation on the basis of individual fares. The rate for special services may include charges for items in addition to transportation, such as fees for admission, but the portion attributable to transportation must be specifically designated as such in the filed tariff.

2. A common motor carrier authorized to provide special services shall file with the transportation services authority a tariff showing the per capita fares, minimum number of persons required for special services and the particular geographical points of origin and destination.

3. A common motor carrier offering special services shall not render the service ~~[until a report]~~ *unless a request for approval* has been ~~[prepared by the carrier,]~~ *filed with the transportation services authority at least 10 working days before the services are to be offered* stating:

(a) The point *or points* of origin;

(b) The destination ~~;~~

~~—(c) The route or routes to be traversed;~~

~~—(d) The approximate mileage to be traveled;~~

~~—(e) The name of the person, group or organization to be served on the trip; and~~

~~—(f)~~ or destinations;

(c) *The special event for which the service is to be provided; and*

(d) The dates when the service is proposed to be rendered.

FLUSH *The chairman or his designee shall approve or disapprove the request for approval within 10 working days after receiving the request. If the chairman or his designee does not approve or disapprove the request for approval within 10 working days after receiving it, the request shall be deemed to be approved.* One copy of the ~~report~~ request for approval must be carried in the vehicle making the trip, and one copy must be retained in the carrier's files for *at least* 3 years.

~~[The carrier's forms for reporting must be sequentially numbered.]~~

4. A carrier may not operate over the same route or to the same points so frequently as to constitute a regular or scheduled service, unless otherwise specified by the transportation services authority.

5. A common motor carrier authorized to provide special services shall not charter equipment to provide those services. He shall ensure that the use of his vehicles complies with the provisions of this chapter.

Sec. 160. NAC 706.247 is hereby amended to read as follows:

706.247 1. The department and the transportation services authority hereby adopt by reference the regulations contained in 49 C.F.R. Parts **40**, 382, 383, **385**, 387, 390 to 393, inclusive, 395, 396 and 397, and appendices B and G of 49 C.F.R. Ch. III, Subch. B, as those regulations existed on ~~[November 1, 1998.]~~ **January 2, 2002**, with the following exceptions:

(a) References to the Department of Transportation, the Federal Highway Administration and the Office of Motor Carrier Safety are amended to refer to the department and the transportation services authority.

(b) References to the Federal Highway Administrator and to the Director are amended to refer to the director of the department and the chairman.

(c) Section 391.11(b)(1) applies only to drivers of commercial motor vehicles who:

(1) Operate in interstate transportation;

(2) Transport passengers intrastate; or

(3) Transport hazardous material of a type or quantity that requires the vehicle to be marked or placarded in accordance with 49 C.F.R. §§ 172.300 and 172.500.

(d) References to special agents in appendix B of 49 C.F.R. Ch. III, Subch. B are amended to include personnel of the department and the transportation services authority.

(e) The definition of “motor carrier” in 49 C.F.R. ~~§§~~ §§ 390.5 *and 397.65* is amended to read:

“Motor carrier” includes, without limitation, interstate and intrastate common, contract and private carriers of property and passengers, including, without limitation, their agents, officers and representatives.

(f) The definition of “commercial motor vehicle” in 49 C.F.R. ~~§§~~ §§ 382.107, 383.5, 385.3 *and* 390.5 is amended to read:

“Commercial motor vehicle” means any self-propelled or towed vehicle used on public highways in:

1. Interstate commerce to transport passengers or property if the vehicle:

(a) Is designed to transport more than 15 passengers, including, without limitation, the driver;

(b) Is used in the transportation of hazardous materials in a quantity requiring placarding under regulations issued by the Secretary pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. §§ 5101 et seq.; or

(c) Has a gross vehicle weight rating, gross combination weight rating or gross vehicle weight of 10,001 or more pounds, whichever is greater.

2. Intrastate commerce to transport passengers or property if the vehicle:

(a) Is one described in paragraph (a) or (b) of subsection 1;

(b) Has a gross vehicle weight rating, gross combination weight rating or gross vehicle weight of ~~26,001~~ **10,001** or more pounds, whichever is greater; or

(c) Is owned or operated by a motor carrier subject to the jurisdiction of the transportation services authority, except that any vehicle so owned or operated is subject only to the provisions of 49 C.F.R. §§ ~~391.51,~~ 392.2, 392.4, 392.5 ~~[-, 392.9 and 396.3(b)(2)]~~ **and 392.9** and 49 C.F.R. Parts **40**, 382, **383**, **385**, 390, **391**, 393 **395**, **396** and 397 if the vehicle is not one described in paragraph (a) or (b).

2. To enforce these regulations, enforcement officers of the department and the transportation services authority may, during regular business hours, enter the property of a carrier to inspect its records, facilities and vehicles, including, without limitation, space for cargo and warehouses.

3. The volume containing 49 C.F.R. Parts 325 to 399, inclusive, is available from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, Pennsylvania ~~15250-7954~~, at the price of ~~\$39.~~ **\$60.**

Sec. 161. NAC 706.248 is hereby amended to read as follows:

706.248 1. The transportation services authority hereby adopts by reference the regulations contained in 49 C.F.R. Parts 27, 37 and 38, as those regulations existed on ~~September 1, 1996.~~ *January 2, 2002.*

2. A common or contract motor carrier of passengers shall comply with the regulations set forth in 49 C.F.R. Parts 27, 37 and 38 if any provision of the regulations applies to the operation of the motor carrier in this state.

3. The volume containing 49 C.F.R. Parts 27, 37 and 38 is available from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, Pennsylvania ~~15~~ 15250-7954, at the price of ~~[\$32.]~~ *\$55.*

Sec. 162. NAC 706.250 is hereby amended to read as follows:

706.250 1. An authorized carrier may, with the prior approval of the transportation services authority, enter into an agreement with a person who is not his employee to manage his business. The agreement may be for a period of not more than 1 year, but may be renewed.

2. An agreement to manage a carrier's business must:

(a) Be filed with the transportation services authority;

(b) Specify the compensation paid to the manager; ~~and~~

(c) Specify the term of the agreement ~~and~~ ;

(d) Specify the scope of the authority that the person will have to manage the business of the carrier; and

(e) Specify any other information required by the transportation services authority.

3. The compensation paid to the manager may include a limited bonus in the form of cash, stock , or both, to be paid upon the occurrence of a specified condition.

4. Any agreement which:

FLUSH (a) Includes a bonus to the manager of more than 10 percent of the carrier's stock; or
(b) Grants to the manager total control of the overall operations of the carrier,
will be considered an attempted transfer of a certificate, permit or license and will not be
approved.

5. A background investigation of the manager selected by the carrier may be conducted by
the transportation services authority as part of its process in determining whether to grant
approval.

Sec. 163. NAC 706.274 is hereby amended to read as follows:

706.274 ~~1.1~~ A carrier who obtains a contract permit ~~on or after January 1, 1988:~~

~~(a)~~:

1. May have a contract containing not more than three shippers or not more than three
contracts, but neither the total number of contracts nor the total number of shippers may exceed
three; and

~~(b)~~ 2. Must present sufficient evidence to the transportation services authority that either
the number of contracts held by the contract carrier does not exceed the number of vehicles
owned by the contract carrier and that at least one vehicle is dedicated to each individual shipper,
or, when the number of vehicles owned by the carrier is less than the number of shippers in a
single contract, the contract carrier must explain in the contract how the exclusive use will be
provided to the shipper for a continuing period.

~~2. The provisions of paragraph (a) of subsection 1 also apply to a carrier who obtained a
contract permit before January 1, 1988, if:~~

~~(a) The carrier was not authorized to provide transportation pursuant to four or five contracts
or with four or five shippers; or~~

~~—(b) The carrier has subsequently ceased operations pursuant to four or five contracts or with four or five shippers.]~~

Sec. 164. NAC 706.278 is hereby amended to read as follows:

706.278 1. The transportation services authority hereby adopts by reference the regulations contained in 49 C.F.R. Part 27, Subparts A and C, as those regulations existed on ~~[October 1, 1989.]~~ *January 2, 2002.*

2. A common motor carrier that receives money from the Urban Mass Transportation Administration shall comply with the regulations set forth in 49 C.F.R. Part 27, Subparts A and C, if any provision of the regulations applies to the operation of the motor carrier in Nevada.

3. The volume containing *49 C.F.R. Part 27*, Subparts A and C is available from the Superintendent of Documents, U.S. Government Printing Office, ~~[Washington, D.C. 20402, (202) 783-3238,]~~ *P.O. Box 371954, Pittsburgh, Pennsylvania 15250-7954*, at the price of ~~[\$31.]~~ *\$55.*

Sec. 165. NAC 706.311 is hereby amended to read as follows:

706.311 1. Except as otherwise provided in NRS 706.351, an authorized carrier shall not:

(a) Charge, demand, collect or receive a greater, lesser or different compensation for the transportation of persons or property or for any service in connection therewith than the rates, fares or charges applicable to the transportation as specified in its tariffs filed and in effect at the time.

(b) Refund or remit in any manner or by any device any portion of the rates, fares or charges so specified except upon orders of the courts or transportation services authority, ~~[nor]~~ *or* extend to the shipper or person any privilege or facility in the transportation of passengers or property except as specified in the tariffs.

(c) Submit a bid to provide services in any form or manner which is not in conformance with the certificate he holds.

(d) Use any artifice or subterfuge, or billing or accounting practice in lieu of an authorized commission. The fare or rate charged to the passenger or shipper may not be greater than or different from the fare or rate specified in the tariffs in effect at the time because of the authorized commission.

2. An authorized carrier may pay a commission or referral fee to ~~an~~ *a designated* agent who arranges for the provision of transportation services by the carrier. ~~A~~ *Except as otherwise provided in subsection 6, a* commission or referral fee authorized pursuant to this subsection must not exceed 10 percent of the rate, fare or charge specified in the carrier's tariffs for the type of service that the *designated* agent has arranged for the carrier to provide.

3. ~~An~~ *A designated* agent arranging or providing transportation on the vehicles of any certificated motor carrier shall not charge, demand, collect or receive a greater, lesser or different compensation for the transportation of persons or property or any service in connection therewith than the rates, fares or charges specified in the motor carrier's tariffs.

4. All tickets issued by a carrier or its *designated* agent must identify the charge to the passenger for the service or transportation purchased. That charge may not be different from the tariff on file with the transportation services authority.

5. *A carrier that uses or intends to use the services of a designated agent within this state shall:*

(a) Keep a complete list of its designated agents; and

(b) Submit a copy of the list to the transportation services authority. If any change is made to the list, the carrier shall file a copy of the updated list with the transportation services authority.

6. An authorized carrier that provides scenic tours may pay a commission or referral fee to a designated agent who arranges for the provision of scenic tours by the carrier. The commission or referral fee must not exceed 25 percent of the rate, fare or charge specified in the tariffs of the carrier for the scenic tour that the designated agent has arranged for the carrier to provide.

Sec. 166. NAC 706.312 is hereby amended to read as follows:

706.312 1. A common motor carrier of household goods must, if requested by the shipper after a visual inspection of the goods, give to the shipper a written estimate of the charges. The original must be delivered to the shipper and a copy maintained by the carrier in his record of the shipment.

2. The estimate must be based upon the carrier's tariff filed with the transportation services authority. The final charge for transporting the goods may not exceed the estimate ~~[by more than 10 percent.]~~ *unless the customer requests services that are not included in the written estimate and agrees to pay for the additional services so requested.* If the final charge is less than the estimate, the carrier shall only collect the actual charge for the service.

Sec. 167. NAC 706.323 is hereby amended to read as follows:

706.323 Common or contract carriers who are on call ~~[must]~~ *shall* not establish a definite schedule that would indicate a regular route service, or establish any schedules between fixed destinations, except carriers of household goods ~~[, operators of dump trucks]~~ or as otherwise ordered by the transportation services authority.

Sec. 168. NAC 706.335 is hereby amended to read as follows:

706.335 1. Upon the completion of a shipment of ~~freight,~~ *household goods*, the authorized carrier shall present to the person paying for the shipment the original bill for payment.

2. The bill must show:

- (a) The name and address of the carrier.
- (b) The names of the consignor and consignee.
- (c) The points of origin and destination.
- (d) The date and time the shipment was received by the carrier.
- (e) The date *and time* of arrival of the shipment at its destination.
- (f) The date of the bill.
- (g) The weight of the shipment, if applicable.
- (h) The route over which the ~~freight was~~ *household goods were* transported, the name of the point of transfer and the name of each carrier participating in the transportation.
- (i) The numbers of the vehicles which transported the ~~freight,~~ *household goods*.
- (j) An adequate description of the property transported, including the number of ~~packages and a listing of the commodities~~ *items* carried.
- (k) The rate charged for the service.
- (l) Any other charge incident to the transportation.
- (m) A statement that the carrier's rates are subject to regulation by the transportation services authority.
- (n) Any other information required by the transportation services authority.

Sec. 169. NAC 706.340 is hereby amended to read as follows:

706.340 A common or contract motor carrier authorized to have an ~~on-call~~ *on-call* operation over an irregular route shall not establish any schedule that would indicate service along a regular route or between fixed terminals ~~[-]~~ *unless otherwise authorized to do so by the transportation services authority.*

Sec. 170. NAC 706.345 is hereby amended to read as follows:

706.345 1. A common motor carrier authorized to conduct scenic tours shall file with the transportation services authority a tariff showing ~~both~~ *all applicable* per capita fares and hourly rates for each tour offered.

2. ~~[A common motor carrier authorized to conduct scenic tours who uses traditional limousines or livery limousines is not required to file tariffs showing hourly rates.~~

~~—3.]~~ A common motor carrier authorized to conduct scenic tours shall not render the service until an order has been prepared by the carrier stating:

- (a) The name of the person or group who contracted for the service;
- (b) The date and time when the service is to be rendered;
- (c) The route to be traversed; and
- (d) The points of interest to be visited.

~~4.]~~ 3. A copy of the order must be carried on the ~~bus~~ *motor vehicle* for inspection during the period of the service and maintained in the files of the carrier for *at least* 3 years.

Sec. 171. NAC 706.352 is hereby amended to read as follows:

706.352 1. Multiple charters may not be performed unless the authorized carrier is paid for each individual charter service ~~[-]~~ *by bus or charter service by limousine.*

2. A broker who sells or resells multiple charters shall pay the carrier on the basis of each individual charter service *by bus or charter service by limousine* provided.

Sec. 172. NAC 706.353 is hereby amended to read as follows:

706.353 1. Only a common motor carrier authorized to provide charter service ~~[shall]~~ *by bus or charter service by limousine may* provide such service, but no such service ~~[shall]~~ *may* be provided until a charter order is prepared.

2. Except as otherwise provided in subsection 3, a charter service *by bus or charter service by limousine* may not be operated over the same routes or to the same points so frequently as to constitute a regularly scheduled route or service.

3. A charter service *by bus or charter service by limousine* may be operated over the same routes or to the same points in the form of a shuttle service.

Sec. 173. NAC 706.355 is hereby amended to read as follows:

706.355 An authorized carrier who provides charter service *by bus or charter service by limousine* shall not charge a per capita fare for that service. Passengers must be transported under a single contract for a specified act of transporting, at a specific time and for a specific sum, as shown in the carrier's tariff.

Sec. 174. NAC 706.3615 is hereby amended to read as follows:

706.3615 The ~~[annual fee charged by the]~~ transportation services authority *will charge an annual fee* pursuant to NRS 706.471 ~~[will be \$36]~~ *of \$75* for each taxicab operated.

Sec. 175. NAC 706.3741 is hereby amended to read as follows:

706.3741 1. Upon receipt from a certificate holder of the fee for the commencement of operation of a taxicab required pursuant to NRS 706.471, the transportation services authority will issue to the certificate holder a plate that identifies the taxicab for which the plate is issued. The transportation services authority will ensure that the plate is imprinted with a unique number preceded by the letters "TX."

2. The certificate holder:

(a) Shall ensure that the plate is affixed to the right side of the trunk lid of the taxicab that the plate identifies . ~~[; and]~~

(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).

(c) Shall return to the transportation services authority all plates with the designation “TX” that are not in use.

3. If the plate is lost or stolen, the certificate holder shall:

(a) Notify the transportation services authority of that fact; and

(b) Except as otherwise provided in this section, pay to the transportation services authority an amount equal to the annual fee prescribed in NAC 706.3615 for replacement of the plate. The transportation services authority will prorate the fee for a replacement plate if the plate is issued for less than a full calendar year.

4. If the transportation services authority determines that a taxicab is being operated without the plate required pursuant to this section, the transportation services 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.

Sec. 176. NAC 706.3744 is hereby amended to read as follows:

706.3744 1. A certificate holder shall ensure that each taxicab which he is authorized to operate is equipped with:

(a) A green light which can be activated to indicate that the driver of the taxicab requires *emergency* assistance and which must be located on the roof of the taxicab; and

(b) A switch which can be used by the driver to activate the light described in paragraph (a) and which must not be visible to passengers riding in the taxicab.

2. *The driver of a taxicab may activate the green light only during an emergency in which the driver requires assistance.*

3. If the transportation services authority determines that a certificate holder has failed to equip a taxicab as required pursuant to this section, the transportation services authority:

(a) Will cause the taxicab in regard to which the violation occurred to be withdrawn from service; and

(b) May impose upon the certificate holder an administrative fine pursuant to NRS 706.771.

FLUSH A taxicab withdrawn from service pursuant to this subsection must not be placed back in service until the transportation services authority inspects the taxicab and verifies that the violation has been corrected.

Sec. 177. NAC 706.375 is hereby amended to read as follows:

706.375 1. A common motor carrier authorized to operate a taxicab ~~[or traditional limousine or livery limousine]~~ shall not lease any vehicle which it uses as a taxicab ~~[or traditional limousine or livery limousine]~~ without prior approval by the chairman or ~~[a person designated by the chairman]~~.

~~—2.—~~ ~~The lease will be approved by the chairman or a person designated by the chairman]~~ *his designee.*

2. *A carrier must submit a request for the approval of such a lease to the transportation services authority at least 10 working days before the execution of the lease. The chairman or his designee shall approve or disapprove the lease within 10 working days after receiving the request for the approval of the lease. If the chairman or his designee does not approve or*

disapprove the lease within 10 working days after receiving the request for approval of the lease, the lease shall be deemed to be approved.

3. The chairman or his designee shall approve such a lease if:

- (a) The vehicle is leased for not more than 14 days;
- (b) The vehicle will be used only in an operation authorized by the lessee's certificate;
- (c) ***Including the vehicles to be leased by the carrier under the lease:***

(1) Not more than one-half of the carrier's vehicles are leased vehicles; and

(2) The total number of vehicles to be operated by the carrier does not exceed the number of vehicles the carrier is authorized to operate pursuant to its operating authority;

(d) The driver of the leased vehicle is an employee of the motor carrier and has no ***ownership*** interest ~~as an owner~~ in the vehicle; and

(e) The carrier is able to demonstrate to the satisfaction of the chairman or the person designated by the chairman that the carrier needs to increase the size of its fleet on a temporary basis, including, without limitation, facts which indicate that the carrier expects to experience:

- (1) An increase in customer demand; or
- (2) A decrease in the size of the permanent fleet of the carrier.

FLUSH ~~[The chairman or the person designated by the chairman shall approve or disapprove the lease within 10 working days after receiving a copy of the lease from the motor carrier.~~

~~—3.]~~ **4. If a lease is approved pursuant to this section:**

(a) A copy of the lease must be submitted to the transportation services authority not later than the date on which the lease becomes effective; and

(b) A copy of the lease and a copy of the approval of the lease must be carried:

(1) Carried in the vehicle during the period of the lease ~~[-~~

~~4.] ; and~~

(2) Maintained by the carrier for a minimum of 3 years.

5. The carrier shall not lease vehicles on more than 45 days in any calendar year.

~~5.] 6.~~ The provisions of this section do not apply to a lease agreement entered into pursuant to NRS 706.473.

~~[6.— If the chairman or a person designated by the chairman grants to a common motor carrier approval to lease a traditional limousine or livery limousine pursuant to this section, such approval does not relieve the carrier of the obligation to comply with any other laws that otherwise apply with respect to the operation of a traditional limousine or livery limousine.]~~

Sec. 178. NAC 706.3751 is hereby amended to read as follows:

706.3751 1. In addition to the applicable requirements set forth in 49 C.F.R. §§ 391.51, 392.2, 392.4, 392.5 ~~[, 392.9, 396.3(b)(2)]~~ **and 392.9** and 49 C.F.R. Parts 390, 393 and 397, a certificate holder shall not allow an employee or independent contractor of the certificate holder to drive a taxicab ~~[, traditional limousine or livery limousine]~~ that the certificate holder is authorized to operate unless the employee or independent contractor:

(a) Has held for at least 30 days a valid Nevada driver's license that shows the employee or independent contractor to be at least 21 years of age; and

(b) Provides to the certificate holder, on or before the date on which the employee becomes employed by the certificate holder as the driver of a taxicab ~~[, traditional limousine or livery limousine]~~ or the independent contractor begins to lease a taxicab from the certificate holder pursuant to NRS 706.473:

(1) A certificate from a licensed physician which is dated not more than 90 days before the date on which the employee becomes employed by the certificate holder as the driver of a

taxicab ~~[, traditional limousine or livery limousine]~~ or the independent contractor begins to lease a taxicab from the certificate holder pursuant to NRS 706.473, which demonstrates that the employee or independent contractor is physically qualified to operate a commercial motor vehicle in accordance with 49 C.F.R. § 391.43; and

(2) A copy of the driving record of the employee or independent contractor which is obtained from the department and which demonstrates that the employee or independent contractor has not, within the 3 years immediately preceding the date on which the employee becomes employed by the certificate holder as the driver of a taxicab ~~[, traditional limousine or livery limousine]~~ or the independent contractor begins to lease a taxicab from the certificate holder pursuant to NRS 706.473:

(I) Been convicted of driving under the influence of an intoxicating liquor or a controlled substance;

(II) Been convicted of reckless driving;

(III) Been convicted of failing to stop and remain at the scene of an accident; or

(IV) Failed to keep a written promise to appear in court for any offense.

2. Each employee or independent contractor shall update annually the documents required pursuant to paragraph (b) of subsection 1 and submit the updated documents to the certificate holder.

3. A certificate holder shall retain a copy of each document that the employee or independent contractor submitted to the certificate holder pursuant to this section until 3 years after the employee's employment has terminated or the independent contractor's lease has expired.

Sec. 179. NAC 706.377 is hereby amended to read as follows:

706.377 1. The department and the transportation services authority hereby adopt by reference the regulations contained in 49 C.F.R. Parts 107, 171, 172, 173, 177, 178 and 180, as those regulations existed on ~~[October 1, 1998.]~~ *January 2, 2002.*

2. To enforce these regulations, enforcement officers and inspectors of the department and transportation services authority may, during regular business hours, enter the property of a shipper or carrier to inspect his records, facilities and vehicles, including, without limitation, space for a cargo.

3. The volume containing *49 C.F.R.* Parts 100 to 185, inclusive, ~~[and the volume containing Parts 186 to 199, inclusive, are]~~ *is* available from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, Pennsylvania 15250-7954, at the price of ~~[\$50 and \$14, respectively.]~~ *\$60.*

Sec. 180. NAC 706.381 is hereby amended to read as follows:

706.381 1. A taxicab, traditional limousine, livery limousine or bus of a common or contract motor carrier may be inspected at any time during *regular* business hours by an authorized employee of the transportation services authority. *Before placing a new vehicle into service, the carrier must notify the transportation services authority and make the vehicle available for inspection by an authorized employee of the transportation services authority.*

2. If the authorized employee of the transportation services authority finds that a vehicle is in a condition which violates any provision of subsections 2 to 5, inclusive, of NAC 706.379 and does not pose a threat to the safety of the public or passengers of the vehicle, he shall remove the vehicle from service effective at the end of the operating day and place a sticker on the windshield indicating that the vehicle is so removed from service.

3. If the authorized employee of the transportation services authority finds that a vehicle is in a condition which violates any provision of subsections 2 to 5, inclusive, of NAC 706.379 and

poses an immediate and substantial threat to the safety of the public or passengers of the vehicle, he shall immediately remove the vehicle from service by placing a sticker on the windshield indicating the vehicle is immediately removed from service. If passengers are aboard, the passengers must be safely unloaded and provided safe shelter until the driver of the vehicle obtains a substitute vehicle to transport the passengers to the original destination. A substitute vehicle must be provided immediately by the carrier. The driver must also contact the carrier so that the vehicle may be towed to the carrier's facility or another facility for repair. If passengers are not aboard the vehicle, the driver shall remove the vehicle from the road to a safe location and contact the carrier so that the vehicle may be towed to the carrier's facility or another facility for repair.

4. A vehicle removed from service pursuant to subsections 2 and 3 must remain out of service until the defect is repaired and a notice of repair is filed by the carrier with the transportation services authority on a form provided by a representative of the transportation services authority.

5. An authorized carrier shall maintain current records for each driver and of the inspection, maintenance and repairs of each vehicle. Each driver's record must contain all citations , *all the information required to be maintained pursuant to 49 C.F.R. § 391.51 and 49 C.F.R. Part 382,* and other matters relevant to his performance and his record of training. These records must be maintained and made available for inspection by the transportation services authority pursuant to NAC 706.203.

Sec. 181. NAC 706.389 is hereby amended to read as follows:

706.389 1. Except as otherwise provided in subsection 2, an application for the transfer of operating rights will not be approved if there has been a cessation of operations by the transferor

without ~~[appropriate jurisdiction]~~ *the prior approval* of the transportation services authority even if the application was submitted before the operations ceased.

2. Approval may be obtained if the cessation of operations was caused by circumstances over which the holder of the operating rights had no control or the transfer would be in the public interest.

Sec. 182. NAC 706.3973 is hereby amended to read as follows:

706.3973 1. The staff of the transportation services authority shall attempt to resolve ~~[informally]~~ any oral *or informal written* complaint made by a customer against a motor carrier or broker. ~~[If a customer is not satisfied with the informal resolution of his complaint, the staff shall inform the customer that he has a right to file a written complaint with the staff of the transportation services authority.]~~

2. The staff of the transportation services authority may request that the customer provide a written confirmation of an oral complaint.

3. The staff of the transportation services authority shall, within 20 days after receiving an informal written complaint, send a copy of the complaint to the motor carrier or broker against which the complaint is made. The staff may require the motor carrier or broker to file a response to the informal written complaint with the staff pursuant to NAC 706.3975.

4. The staff of the transportation services authority shall examine an oral or informal written complaint, any response and any other information obtained by the staff that is necessary for the resolution of the complaint.

5. After completing an investigation of the matter set forth in an oral or informal written complaint, the staff of the transportation services authority shall:

(a) Notify the parties to the complaint of the results of the investigation; and

(b) Recommend any action that the parties should take to resolve the complaint.

6. The staff of the transportation services authority shall inform a customer of his right to file a formal complaint if the customer is not satisfied with the resolution of his oral or informal written complaint pursuant to this section.

Sec. 183. NAC 706.3974 is hereby amended to read as follows:

706.3974 1. A *formal* written complaint , *other than a formal written complaint filed by a motor carrier or broker pursuant to NAC 706.398*, must:

(a) Clearly and concisely state the grounds of the complaint and the facts constituting the alleged wrongful acts or omissions; ~~and~~

(b) Be accompanied by copies of all supporting documents, such as invoices, bills of lading, canceled checks and statements of account ~~and~~;

(c) Include the name and address of the complainant and, if he is being represented by an attorney or other authorized representative, the name, address and telephone number of the attorney or authorized representative;

(d) Include the name of the motor carrier or broker against whom the complaint is being made;

(e) Include the date of each act or omission that is the subject of the complaint;

(f) Include the nature of the relief sought; and

(g) Include the signature of the complainant or the attorney or authorized representative of the complainant.

2. The staff of the transportation services authority shall maintain a record of each *formal* written complaint, including, without limitation:

(a) Each pertinent fact relative to the origin, nature and basis of the complaint;

(b) A description of each action that the complainant has taken or attempted to take to resolve the complaint;

(c) The response of the motor carrier or broker to the complaint, with copies of supporting documents, if any; and

(d) Any other information the staff deems to be relevant to the understanding and resolution of the complaint.

3. The staff of the transportation services authority shall:

(a) Within ~~10~~ 15 days after receiving a *formal* written complaint, send a letter of acknowledgment to the complainant.

(b) Within 20 days after receiving a *formal* written complaint, send a copy of it to the motor carrier or broker against which the complaint is made and require the motor carrier or broker to file a response to the complaint with the staff pursuant to NAC 706.3975.

Sec. 184. NAC 706.3975 is hereby amended to read as follows:

706.3975 1. A motor carrier or broker ~~[against which a complaint is made]~~ *which receives a request for a response to a complaint* shall file with the staff of the transportation services authority a written response to the ~~[complaint]~~ *request* within 15 days after receiving the complaint unless, for good cause shown, the staff extends the time for responding.

2. The response must include, without limitation:

(a) A statement that the respondent has successfully resolved the complaint; or

(b) A detailed admission or denial of each material allegation of the complaint and a full statement of the facts and matters of law relied upon as a defense.

3. The response must:

(a) Be signed by the respondent or, if represented, by the attorney or other authorized representative.

(b) Include the full name, address and telephone number of the respondent and, if represented, the name, address and telephone number of the attorney or other authorized representative of the respondent.

4. If the respondent fails to file a response with the staff of the transportation services authority within the prescribed time, the staff shall place the matter before the transportation services authority for a determination of probable cause. An unexcused failure of the respondent to respond to the complaint within the prescribed time shall be deemed an admission by the respondent of all relevant facts stated in the complaint.

Sec. 185. NAC 706.3976 is hereby amended to read as follows:

706.3976 1. When the staff of the transportation services authority receives a response to a *formal* written complaint, it shall examine the complaint, the response and any other information it has obtained which is necessary for the resolution of the complaint.

2. After completing an investigation of the matter set forth in the *formal written* complaint, the staff of the transportation services authority shall notify all parties of the results of the investigation and shall recommend any ~~actions which~~ *action that* the parties should take to resolve the complaint.

Sec. 186. NAC 706.3977 is hereby amended to read as follows:

706.3977 1. If the staff of the transportation services authority cannot resolve a *formal written* complaint, either because it determines that the complaint cannot be resolved or the complainant is not satisfied with the recommendation of the staff, the staff shall inform all parties that the complaint has been transmitted to the transportation services authority for review.

2. In addition to transmitting the *formal written* complaint, the results of its investigation and its recommendation to the transportation services authority, the staff of the transportation services authority shall transmit:

- (a) The reasons for the complaint;
- (b) The position taken by the respondent; and
- (c) Any interim action taken by the staff.

FLUSH The staff shall send this additional information to the complainant and respondent.

Sec. 187. NAC 706.3978 is hereby amended to read as follows:

706.3978 If the transportation services authority determines that no probable cause exists for a *formal written* complaint received by the staff of the transportation services authority or if the complaint has been settled and the transportation services authority has received notice of the settlement, the transportation services authority will dismiss the complaint. A copy of the entry in the minutes of the transportation services authority showing the dismissal of the complaint by the transportation services authority and a short statement of the reasons for the dismissal will be served upon the complainant and respondent.

Sec. 188. NAC 706.3979 is hereby amended to read as follows:

706.3979 If the transportation services authority determines that probable cause exists for a *formal written* complaint received by the staff of the transportation services authority, it will:

- 1. Set a date for a public hearing on the complaint.
- 2. Order appropriate interim relief. If the complaint relates to bills or deposits, the transportation services authority, without hearing or formal order and in the absence of unusual circumstances, will, upon such terms and conditions as it deems appropriate, forbid

discontinuance of service or the issuance of any notice of discontinuance during the investigation of the complaint.

Sec. 189. NAC 706.398 is hereby amended to read as follows:

706.398 1. The transportation services authority will directly investigate any *formal written* complaint ~~[other than one]~~ filed by a ~~[customer pursuant to NAC 706.3974.~~
~~—2.— A complaint to be investigated directly by the transportation services authority]~~ *motor carrier or broker.*

2. *Such a complaint* must be in writing and contain:

(a) The name and address of the complainant and, if represented, the name, address and telephone number of his attorney or other authorized representative.

(b) The name of the motor carrier or broker against which the complaint is made.

(c) A complete statement of the grounds for the complaint, including whenever possible, reference to each statute or regulation which is alleged to have been violated.

(d) The date of each act or omission complained of.

(e) The nature of the relief sought.

FLUSH The *formal written* complaint must be signed by the complainant or, if represented, by his attorney or other authorized representative.

3. Two or more grounds of complaint concerning the same subject may be included in one *formal written* complaint, but the grounds must be separately stated and numbered. Two or more ~~[complainants]~~ *motor carriers or brokers* may join in one *formal written* complaint if their respective causes of action are against the same respondent and deal with substantially the same alleged violation.

4. The complainant shall serve a copy of the *formal written* complaint on the respondent. Proof of service must be made by affidavit signed by the complainant or, if represented, by his attorney or other authorized representative.

Sec. 190. NAC 706.3991 is hereby amended to read as follows:

706.3991 1. At the discretion of the presiding officer, a party to a proceeding shall submit a copy of prepared testimony and accompanying exhibits to be presented at a hearing to the transportation services authority and to each party of record. ~~If the presiding officer directs any party to submit prepared testimony and accompanying exhibits, the presiding officer shall direct every party of record desiring to present direct testimony at the hearing to submit prepared testimony and accompanying exhibits to the transportation services authority and to each party of record to the proceeding before the date of the hearing.]~~

2. An application filed for an adjustment in rates must be accompanied by the prepared testimony of the applicant at the time of filing. If the presiding officer so orders, additional copies of the prepared testimony of the applicant must be provided.

3. After delivery of the prepared testimony to the transportation services authority, amendments to the prepared testimony may be made upon approval of the transportation services authority or presiding officer.

4. Unless otherwise directed by the presiding officer, prepared testimony must be supported by a signed affirmation by the witness and submitted to the transportation services authority as an exhibit. If circumstances so require, prepared testimony may be read into the record by the witness upon direct examination. The admissibility of prepared testimony will be determined pursuant to NAC 706.010 to 706.4019, inclusive, *and sections 2 to 32, inclusive, of this regulation*, which govern oral testimony.

Sec. 191. NAC 706.3992 is hereby amended to read as follows:

706.3992 1. An exhibit must be limited in size to 8 1/2 by 11 inches when folded, unless otherwise allowed by the presiding officer. ~~[All portions of a proposed exhibit must be stapled. The presiding officer shall not accept an exhibit which consists of unstapled pages.]~~ A copy of each documentary exhibit must be furnished to each party of record, and 10 copies must be furnished to the transportation services authority. A copy must be submitted to the court reporter or transcriber. If relevant evidence is included in a written or printed statement, book or document of any kind ~~[.]~~ containing other matter not relevant and not intended to be put in evidence, the statement, book or document containing that other matter may not be received or admitted in whole. Counsel or other parties offering the evidence or exhibit shall present, in convenient and proper form for filing, a copy of the relevant portions, or at the discretion of the presiding officer, read these portions into the record. Any documentary evidence offered, whether in the form of an exhibit or introduced by reference, is subject to appropriate and timely objection.

2. If documents are numerous, such as freight bills or bills of lading, and a party desires to offer into evidence more than a limited number of these documents as typical of the others, an orderly abstract of relevant data contained in these documents may be prepared and offered as an exhibit. Other parties of record may examine both the abstract and the source document.

3. In a proceeding involving detailed accounting exhibits, the presiding officer shall require each party to file with him and to serve on each party of record a copy of these exhibits within a specified time before the hearing to enable the parties of record to study the exhibits and to prepare cross-examination with reference to them. An amendment to an exhibit may be made

after the exhibit has been filed with the presiding officer if it does not prejudice the rights of any party or if it corrects a clerical or mathematical error.

Sec. 192. NAC 706.3994 is hereby amended to read as follows:

706.3994 1. At the hearing, the presiding officer may order the presentation of further evidence on any issue. ~~Upon agreement of the parties, the~~ *The* presiding officer ~~shall~~ *may* authorize the filing of specific documentary evidence as a part of the record within a fixed time after submission of the evidence. The presiding officer shall reserve exhibit numbers for exhibits which are filed late.

2. After the hearing and before the entry of a final decision and order, the transportation services authority or presiding officer may issue an order requesting the submission of additional exhibits. Such an order must:

- (a) Specifically delineate the subject matter to be addressed.
- (b) Specify the date by which the exhibits must be submitted.
- (c) Require service of the exhibits upon all parties of record.

FLUSH A party of record may respond to or comment upon such exhibits.

Sec. 193. NAC 706.4007 is hereby amended to read as follows:

706.4007 1. Any interested person may petition the transportation services authority for a declaratory order or an advisory opinion as to the applicability of any statutory provision or any regulation or decision of the transportation services authority. *The transportation services authority will retain discretion as to if and how such a petition will be addressed.*

2. Hearings will be held by the transportation services authority, if needed, to obtain information necessary or useful in formulating a declaratory order or advisory opinion.

Sec. 194. NAC 706.4014 is hereby amended to read as follows:

706.4014 1. The staff of the transportation services authority may enter into an agreement with a respondent for the settlement of an administrative proceeding. The agreement must be signed by the staff and the respondent, and state that the respondent consents to the imposition of a fine in a specific amount.

2. Upon entering into such an agreement:

(a) The staff of the transportation services authority shall submit the agreement to the transportation services authority; and

(b) The respondent shall deposit with the transportation services authority a cashier's check or money order, payable to the transportation services authority, for the amount of the agreed fine. ~~[The transportation services authority will maintain the amount in an interest bearing trust account until it enters a final order in the administrative proceeding.]~~

3. The agreement is not effective unless approved by the transportation services authority. If the transportation services authority approves ~~[of]~~ the agreement, it will enter an appropriate final order. If the transportation services authority does not approve ~~[of]~~ the agreement, the administrative proceeding must be set for a hearing.

4. Upon termination of the administrative proceeding, the transportation services authority will return to the respondent the amount deposited pursuant to subsection 2 which exceeds the amount of any fine imposed. ~~[, together with the accrued interest on that unused amount.]~~

Sec. 195. NAC 706.402 is hereby amended to read as follows:

706.402 As used in NAC 706.402 to 706.448, inclusive, *and section 33 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 706.4022 to 706.4028, inclusive, have the meanings ascribed to them in those sections.

Sec. 196. NAC 706.4026 is hereby amended to read as follows:

706.4026 “Tow at the request of a law enforcement agency” means the towing of a vehicle that is:

1. Impounded after an arrest;
2. Impounded after a traffic accident;
3. Impounded because the vehicle has been abandoned; or
4. A nonconsensual tow requested by a law enforcement agency . ~~[to clear a roadway.]~~

Sec. 197. NAC 706.416 is hereby amended to read as follows:

706.416 ~~[1.]~~ The operator of a tow car shall specifically itemize on the bill for nonconsensual towing services any fee charged ~~[by the department of motor vehicles and public safety]~~ for processing a lien on a towed vehicle.

~~[2.— In addition to the charges included in the tariff approved by the transportation services authority, an operator of a tow car may charge for any administrative costs associated with the sale of a vehicle or the processing of any lien on a towed vehicle.]~~

Sec. 198. NAC 706.432 is hereby amended to read as follows:

706.432 1. The operator of a tow car shall notify the law enforcement agency having jurisdiction over the site from which the vehicle was towed of the make, model and license number of each vehicle towed under Category C within 1 hour after the vehicle is towed.

2. The operator of a tow car shall notify by certified mail, within 15 days after placing a vehicle which was the subject of a nonconsensual tow in storage, the registered and legal owner of that vehicle, if known. The notice must include:

- (a) The location of the storage;
- (b) A statement of whether the storage is inside a locked building, in a secured, fenced area or in an unsecured, open area;

- (c) The charge for storage; and
- (d) The date and time the vehicle was placed in storage.

3. If the identity of the registered and legal owner is not known, the operator of a tow car shall make a reasonable attempt, as evidenced by documentation, to obtain the necessary information from the state agency charged with the registration of the particular vehicle within 15 days after the vehicle is placed in storage and attempt to notify the owner of the vehicle within 10 days after identification of the owner is obtained.

4. The operator of a tow car that tows a vehicle, upon which a law enforcement agency places a “Hold” designation so that the law enforcement agency may conduct further investigations, shall:

(a) Send a certified letter to the owner of the vehicle that contains the information set forth in subsection 2; and

(b) Release the vehicle as instructed by the law enforcement agency that placed the “Hold” designation on the vehicle,

within 24 hours after receiving notice from the law enforcement agency to change the “Hold” designation to a “Released” designation.

FLUSH

Sec. 199. NAC 706.440 is hereby amended to read as follows:

706.440 1. The operator of a tow car shall not use or hold any cargo or personal property as a bailment for the rates and charges incurred in towing a vehicle, except that cargo may be held as security for payment of charges associated with cleaning the area where the cargo has spilled or for loading, transporting, securing or storing the cargo.

2. The operator of the tow car shall ensure that all property which comes into his possession because of the operation of a tow car is adequately protected. Any personal property in a towed vehicle must be released to the owner of the vehicle or his agent upon request.

3. Accessories and equipment for the vehicle shall be deemed part of the vehicle rather than personal property for the purposes of this section.

4. Cargo and personal property left unclaimed [~~when~~] *48 hours before the* final disposition is *to be* made of the associated vehicle may be sold or otherwise disposed of by the operator of a tow car.

Sec. 200. NAC 706.110 is hereby repealed.

TEXT OF REPEALED SECTION

706.110 “Residence district” defined. “Residence district” means the territory contiguous to and including a highway not comprising a business district if the property on the highway for a distance of 300 feet or more is improved with residences or residences and buildings used for business.