

SENATE COMMITTEE ON TRANSPORTATION

MINUTES OF MEETING

MONDAY, APRIL 5, 1971

HELEN HERR, CHAIRMAN

The meeting was called to order at 12:30 P.M. by Senator Herr, Chairman.

PRESENT:

Senator Herr
Senator Monroe
Senator Drakulich
Senator Manning
Senator Dodge
Senator Harris
Senator Pozzi

WITNESSES:

Mr. R. J. Collet, Chairman
Clark County Taxi Authority

Mr. Ken O'Connell, Exec. Vice President
Las Vegas Chamber of Commerce

Mr. George Baxter
Senior Inspector
Taxi Authority

Mr. Pete Hitchcock
Administrator
Taxi Authority

Mr. Patrick Carver, General Manager
Yellow Cab Company
Las Vegas

Mr. Gene Maday, President
Checker Cab Company

Mr. Herb Tobman, Owner
Western Cab Company

The meeting was called to order at 12:30 Pm. by Senator Herr, Chairman.

The bill under consideration was A.B. 151.

The first witness, Mr. Collet, gave an explanation of the method of funding the authority which included a demonstration of the taxi meter and how trip charges will be shown to the user. As soon as the user enters the cab, the flag is dropped and as the flag is dropped the trip is entered on a trip indicator. The figure presently used is 50 cents. It is proposed that the initial charge be raised to 55 cents. Through the five cents charge, plus a medallion fee, the Authority can adequately be funded.

The Taxi Authority is in agreement with A.B. 151 up to this point. However, there are some suggested amendments. If amendments would delay the bill, the Authority would rather defer them to some later time, as they feel it imperative that the bill be passed during this session. The problems of the taxi industry in Clark County simply must have supervision.

Reference was made to an article in Saturday's paper which indicated the taxi problem at McCarren Airport. There is a difference of opinion as to whether or not certain people receive preferential treatment at the Airport. It is a situation which must be rectified.

Mr. Collet then proceeded to outline the amendments which the Authority thought would be wise. The first pertained to Section I. They would like to have a provision made so that the Authority would have a little more latitude to enforce regulations of the Authority as they now exist.

At this point, Senator Herr suggested that it might be better to discuss the proposal after the Committee meeting and then let the Committee take them up. Senator Harris noted that the bill had already been amended twice. Mr. Collet stated that the other amendments would be only word changes. Senator Herr called on Mr. Ken O'Connell from the Las Vegas Chamber of Commerce for a statement.

Mr. O'Connell stated that he was speaking for A.B. 151, as amended. He thought it one of the best bills to come out of last session. The Chamber's files were full of complaints concerning the taxi industry before this Authority was created and now has no complaints listed. He would like to see the passage of this legislation during this session.

Senator Herr requested a spokesman for the owners.

Mr. Patrick Carver, general manager of the Yellow Cab Company stated that he was 100 percent behind the bill and the Authority. This is one of the finest things ever to happen to Clark County. He would like to see it sustained and approves of the method of funding. He believes this five cent charge is not a tax, merely a trip charge. All of the cab companies in Clark County are for the bill with the exception of one, and he feels this man thinks it will not be beneficial to his own business. He greatly urged passage of the bill.

The next witness, Mr. Gene Maly, President of Checker Cab, stated he had no objection to the Authority as such. However, the bill, he believed, did give too much power to the Authority. It could be dangerous because of outside influence. He believes that too much money was being given the Authority and that it was much

more than actually necessary. Mr. Maly stated that he thought in passing on the five cent charge to the customer, the cab companies would be faced with customer resistance of approximately two to three percent and the companies will suffer a drop in revenue. There should be a limit of money given the Authority.

Senator Pozzi inquired how the Authority could get too much money. That there would be a refund for the cabs. Mr. Maly stated that the Authority could operate on \$150,000 a year and should not have more. Senator Dodge pointed out that at line 47, there is a \$50,000 limit. Senator Pozzi wondered how much money the Authority would be earning and the witness estimated it at \$190,000.

The spokesman for the Authority answered that they did anticipate an overage of money. But, that there would certainly be periods of recession, etc. where not as much money will be made and therefore, a surplus needs to be established. That up to \$95 per medallion could be refunded and it would be on a pro rata basis.

Senator Harris questioned the difference in rates between the 40 cents trip charge in Reno and the 55 cents in Las Vegas. Senator Pozzi stated there was no taxi problem except in Clark County. Senator Dodge questioned the medallion fee, and wondered if that would rebate to the people any excess that might build up. Mr. Maly still questioned what happened to the excess money -- what if the five cents tax exceeds \$50,000. Senator Dodge wanted to know if it possibly could exceed this. The spokesman for the Authority stated that it didn't show in the bill, but there could be built up an excess, and they had discussed dropping the charges when an excess existed. Therefore, the user would also benefit.

Senator Drakulich asked why the surplus couldn't be given to each company pro rata. Mr. Maly of Checker Cab observed that it wasn't always practical to change rates. This poses problems.

Senator Dodge questioned the amount of money involved and wanted to know how many people it took to run the Authority. It was answered that ten full-time people were employed.

The Checker Cab spokesman observed again that there will be customer resistance and will mean less revenues to the company. He feels the companies have to recover in some way and the most practical would be to set a figure as to how much it will cost to run the Authority. The Authority spokesman remarked that the budget had been turned in. Senator Manning questioned Checker Cab as to whether they really believed it would result in the loss of business and the reply was affirmative. Senator Herr recalled the placing of a quarter in a tin at the Airport and that everyone simply complained but did not stop using the service.

Senator Dodge asked how long one could drop the fare from 55 cents to 50 cents at one time. The Authority said it would take almost two years to build up a surplus anyway. The charge would then be taken off during a slow period of time when, for instance, there weren't too many tourists in town. A discussion ensued as to how much money the Authority would take in in two years and it was estimated at \$430, 00 0 in two years. Senator Dodge suggested that as late as it was in the session, if there was concern over the slush fund, then they should come back in two years and talk about current figures. Mr. Maly suggested that perhaps you could forget about the \$100 charge and the \$95 rebate. Senator Drakulich observed

that any excess would go back to the user and all you could do was to let it ride -- \$5.00 isn't going to break anyone. The Checker representative was confused over the issue of whether the excess went to the State or to the Authority. Senator Monroe questioned the wisdom of turning the Authority loose without any limit, but thought it should be tried out for the next two years. He stated that the Checker Company questions concerning too much money were well taken.

The next witness was Mr. Herb Tobman, Owner of the Western Cab Company, speaking on behalf of himself and two other small company owners. The three of them, he stated, were not equal in size to the next largest company. However, they were all in favor of the bill even though they would get the least benefit and be more abused by it. He felt that anything would be better than the Public Service Commission. Without the bill, or the Authority, he would not be in business today, as the Authority provided everyone a place to take his problems when he was abused. He invited the Senators to think back on the industry five or six years ago (before he was in business) when you had to wait for at least three months for a hearing. Now everyone has some where to be heard right away. He hoped the Committee would favorably consider the bill.

Then appeared Mr. George Baxter, Senior Inspector of the Authority, charged with enforcement of rules and regulations. He had held this post since July, 1969, and has inspected over 3,000 cabs. Stated that the Authority inspected every meter for accuracy. There are six other Inspectors, that the budget is a bone budget and noted the volume of their work in that they have made 1,500 investigations of complaints, held about 150 hearings for drivers and

worked with police and sheriff's departments for over 50 arrests for narcotics and prostitution violations. He believes that the drivers are happy with the Authority. And, referring back to the question of fare differences, noted that the fare was set by the Public Service Commission, and that the cost of operation in Clark County exceeds any other.

Senator Herr inquired if there were any other questions or speakers. A representative of the Teamsters Union, representing 700 drivers, stated that the Authority was needed and they wished to have it sustained.

At 1:15 P.M., the meeting was adjourned and the Committee was to take the bill under further consideration.

At this time, there occurred between the Senators and representatives of the Authority an off the record discussion of the amendment to the bill.

Final disposition of A.B. 151 was Amend and Do Pass.

SENATE COMMITTEE ON TRANSPORTATION

MONDAY, APRIL 5, 1971

1:30 P.M.

Bills Considered:

Assembly Amendment No. 3394 to
S.B. 328 , concerning junkyards.

CONCUR

A. B. 480, concerning drinking of
liquor in moving vehicles.

DO PASS

C. R. 25, authorizing a survey of
abandoned vehicles.

DO PASS