



# Nevada Legislature

## ASSEMBLY

TRANSPORTATION COMMITTEE MINUTES  
April 14, 1973

Present: Messrs. Glover, May, Smalley, Dreyer, Jacobsen,  
Bickerstaff, Howard

Absent: None

Speakers: Mr. Herb Tobman (Pro)  
Mr. Pete Eliades (Pro)  
Mr. Leo Henreksen (Con)  
Mr. Robert Ryerson (Con)  
Mr. Ty Hilbrecht (Con)  
Mr. William Norris (Con)

Chairman Glover called the meeting to order and said that due to the nature of the bill and the shortage of time caused by imminent adjournment of the session, testimony will be limited to one hour. The first 30 minutes will be for those in support of the bill and the second 30 minutes for those against S.B. 593. He then asked for speakers.

Mr. Herb Tobman and Pete Eliades representing Western Cab Company, as well as two other small companies spoke in support of the bill. Mr. Tobman said he owned six cabs and Mr. Eliades has four. Due to the allocation method used by the Tax Cab Authority it is next to impossible to obtain a permit to have more taxis. The last allocation hearing was held in 1970. The number of additional cabs granted to the different companies was based on the number which the companies already had in operation. Although the larger companies have more cabs, it still costs the same to operate with only two.

Mr. Tobman said he did not think the Legislature had meant for the bigger companies to grow and the small just to exist when they enacted the present law in 1969. He read a portion of the law pertaining to "just for all".

He said there is a need for additional cabs in the Las Vegas area. He explained that a recent study made by the Public Service Commission had proven that 50 more cabs were needed to provide adequate service. During the month of March, more people arrived at McCarren Airport than in the whole year of 1972.

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If the small cab companies were allotted 15 cabs total, not in addition to those presently owned, this would cover the shortage. If the law is not amended the Taxi Cab Authority will hold another hearing and allocate cab in proportion to those already owned. This, again, would just make the large companies larger. The original allocation of cabs was made by the number of cabs each company owned in 1966, even though he operated 19 when the law went into effect - in 1969.

He concluded his testimony by saying that he did not come to the Legislature to ask that the large companies be made small and the small companies larger, but just to have a fair and just law in order for the small companies to stay in business. Mr. Eliades answered a few questions for the Committee.

Mr. Leo Henreksen, Teamsters' Local #881 and Mr. Robert Ryerson, Nevada Taxicab Association were the first to speak in opposition to the bill. Mr. Henreksen said he had always been in favor of control in regard to the number of taxis allowed to operate. He gave a background on the system of allocation used by the Taxi Cab Authority.

He said there is not the previous need for cabs because of the tremendous invasion by other types of public transportation. As it now stands the driver make only an adequate living. If the number of cabs operating increases, then the driver will be making below the minimum wage.

He said he would like to go on record as saying that he could not foresee any labor problem if the bill was or was not passed.

Mr. Henreksen explained that the shortage of cabs has been caused by mismanagement. One driver will make a customer wait until he has a full load before leaving the airport, and this was a prime example of mismanagement. He said this bill would effect about five of the nine companies now operating in this area, but he is not concerned about the companies. He wants the drivers and their income protected. He added that about 40% is the figure of potential income involved in traffic to and from the airport and everyone has the right to work off the airport.

Mr. Ryerson said Mr. Henreksen had covered most everything, but he would like to bring up one point that he felt Mr. Tobman left out, it is that there were six small companies and not three. This would increase the number of cabs to be added to 65. and would decrease the drivers' income by 25%.

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The next person to testify was Mr. Ty Hilbrecht, Nevada Professional Drivers' Association, and he also represented the Whittlesea Blue Cab Company, Inc. He said this bill would effect about 800 to 1,000 drivers and would cause a serious cut in their income. He cited a case where the Supreme Court had ruled that there must be allocation in order to effectively control this type of business. The Taxi Cab Authority was created to meet this need. The original allocation hearings lasted 44 days and everyone was given a chance to present their case at the hearing. Even though the small companies did not present a case, they were allotted a percentage that was more than the 10% increase given to the large companies. The Taxi Cab Authority has finally achieved control over this business and he would not like to see this lost.

He said that Mr. Tobman and Mr. Ryerson were both wrong. The increase in cabs would be more like 70. This increase would greatly effect the income of the drivers.

He said the small companies did not have their cabs taken away unfairly. The companies were operating the vehicles illegally and were just cut back to the legal number they were allowed to operate.

If there is an increase in the number of cabs allowed to operate, it will cut the income of the drivers by 25%. There is no legal justification for any more cabs at this time. Not only would the income of the drivers be cut, but a "gift" of \$800,000 would be granted the the small companies due to the excess cabs which the big companies would no longer be able to operate. This is not a democratic management. The control of public services should not be controlled by the Legislature.

Mr. William Norris made his presentation in opposition to S.B. 593. (See Attachment I) He also submitted two exhibits to support his arguement. They were reviewed by the Committee members.

Mr. Glover then stated the hearings would end and entertained a motion to adjourn. Mr. Bickerstaff made the motion and Mr. Dreyer seconded. Chairman Glover adjourned the meeting.

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After the meeting, Mr. Robert A. Smith submitted two letters (See Attachment II) for review by the Committee. He also made a statement which he wanted to enter into the minutes. (See Attachment III)

Respectfully submitted,

LA DONNA MOORE  
Assembly Attache/lm  
Attachments

ASSEMBLY

AGENDA FOR COMMITTEE ON TRANSPORTATION

Date April 14, 1973 Time 1:00 p.m. Room 336

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

S.B. 593

Requires taxicab authority to allocate minimum number of taxicabs to certificate holders.

S.B. 612

Exempts certain motorcyclists from safety equipment requirements.

S.B. 527

Authorizes use of towing vehicle which is not a "tow car" by tow car operator.

*more than 15 and under 15*

ADDIT TO PREVIOUS AGENDA  
ASSEMBLY

AGENDA FOR COMMITTEE ON TRANSPORTATION

Date April 14, 1973 Time 1:00 p.m. Room 336

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

S.B. 574

Authorizes public service commission of Nevada to issue permits to conduct business of storing household goods and effects.

S.B. 579

Prohibits abandonment of vehicles and provides for removal of abandoned vehicles.

ADDITION TO PREVIOUS AGENDA .....FOR APRIL 14, 1973.

PRESENTATION OF WILLIAM W. MORRIS  
IN OPPOSITION TO SB-593

The taxicab industry plays a vital role in the economy of Clark County and is a proper subject of legislative control and regulation. The power to regulate includes the power to allocate the number of taxicabs which may operate in a given area and is properly exercised when that need in the public interest exists.<sup>1</sup> Because any allocation affects the property rights of the companies involved and their revenue-producing capacity, it must be reasonable, not arbitrary, and must rest upon some ground of difference having a fair and substantial relation to the object of the legislation so that all who are similarly circumstanced are treated alike. If the legislative enactment does not accord equal treatment to all who are similarly situated with respect to its objective, then it runs afoul of the constitutional guarantees of due process and equal protection.<sup>2</sup>

1 *Checker, Inc. v. Public Ser. Comm'n*, 84 Nev. 623, 446 P2d 981 (1968).

2 *F. S. Royster Guano Co. v. Virginia*, 253 U. S. 412 (1920).

The present allocation of taxicabs in Clark County is the product of hard-won experience in the industry by the Taxicab Authority and its predecessor, the Public Service Commission, based on literally hundreds of hearings, both administrative and judicial, with due consideration given to the needs and requirements of residents and tourists of the area and the interests, welfare, convenience, necessity, and well-being of the public at large in the area. <sup>3</sup>

Any reasoned allocation process must involve a weighing of the competing interests among those who provide the service as well as the interests of those to whom the service is provided. As a result, 280 taxicabs in Clark County are allocated among 10 certificate holders as follows:

<u>NAME OF COMPANY</u>	<u>NUMBER OF CABS</u>
Ace	29
Checker	76
Henderson	2
Nellis	2
Star	4
Union	19
Vegas Western	2
Western	6
Whittlesea	64
Yellow	76

3 The allocation of taxicabs is governed by NRS 706.8824. It provides:

1. Whenever circumstances require a change in the allocations existing on July 1, 1969, or afterward established, the taxicab authority shall allocate the number of taxicabs among the certificate holders in any county to which NRS 706.881 to 706.885, inclusive, apply.

2. In determining the allocation of taxicabs as set forth in subsection 1, the taxicab authority shall consider:

(a) The needs and requirements of residents of the area served by the certificate holders;

(b) The needs and requirements of the tourists of the area served by the certificate holders;

(c) The interests, welfare, convenience, necessity and well-being of the public at large in the area served by the certificate holders; and

(d) Any other factors which the administrator considers necessary and proper for determining the allocation.



It is now proposed that the statute allocating taxicabs in Clark County be amended to aid small taxicab companies. <sup>4</sup> The author of the senate version reportedly said: "The big companies can have 200 cabs if they want them, all the little guy wants is a chance to stay in business." <sup>5</sup> It is ill-conceived, poorly written, and objectionable on grounds that though apparently effectively presented in the Senate, it is (1) vague, and (2) invidiously discriminatory.

4 It is proposed that subsection 2 be amended to read as follows:

After July 1, 1973, the Taxicab Authority created pursuant to the provisions of NRS 706-8811 to 706.885, inclusive, shall, for each certificate holder, having a total allocation of fewer than 15 taxicabs, whether in one or more certificates, increase the allocation to 15 or more unless such certificate holders consent to a lesser number.

It is proposed that subsection 3 be amended to read as follows:

After July 1, 1973, the taxicab authority shall not allocate fewer than 15 taxicabs to any person holding one or more certificates without the consent of such certificate holder.

5 Las Vegas Review-Journal, April 12, 1973:

CARSON CITY (UPI) -- Described as a measure to allow small taxicab companies to stay in business, a bill won 18-1 approval in the Senate Wednesday and went to the Assembly.

Sen. Helen Herr, D-Las Vegas said each holder of a certificate from the Clark County Taxicab Authority can have at least 15 taxicabs if he wants them.

"The big companies can have 200 cabs if they want them, all the little guy wants is a chance to stay in business," she said.

### 1. Vagueness.

Five certificate holders have a total allocation of fewer than 15 taxicabs. The bill will increase their allocation to no fewer than 15 or more unless they consent to a lesser number. (Emphasis supplied.) There is no limitation on the number of taxicabs which may be allocated to this newly created class of certificate holders so that each might conceivably be allocated 1,000 taxicabs unless he consented to a lesser number. The taxicab authority is apparently to be divested of all discretion in the allocation process and will be required to allocate as many taxicabs as are requested by each preferred member. The legislative standards for allocation are abolished so as to render invalid and utterly meaningless whatever is left of the legislative power which was once delegated. And the taxicab authority is denied the power to implement the lofty purposes which formed the basis for its creation. Furthermore, there is no language in the bill to support the introducer's statement that "(t)he big companies can have 200 cabs if they want them . . ." unless it was conceived that the big company would voluntarily reduce its size so as to qualify as a small company and thereby become even bigger at its own request and without limitation. The bill raises more questions than it answers and is therefore bad law.

### 2. Discrimination.

SB593 creates two classes of taxicab companies: (1) those having a total allocation of fewer than 15 taxicabs, and (2) those having a total allocation of more than 15 taxicabs. Members of the first class (5) are allocated no fewer than 15 taxicabs without limitation on the maximum; they are to have as many as they want. Members of the second class (5) are denied the preferential treatment accorded the

first class. The total allocation of taxicabs is the sole difference between the classes and that distinction is not reasonably, or even remotely, related to the public need or the ability of the certificate holder to meet a public need.

The taxicab authority has found that a combined allocation of 280 taxicabs meets the current need in the public interest. Its determination is presumptively correct. All taxicab companies are similarly situated with respect to the purpose of the statute sought to be amended. That purpose is the public convenience and necessity. No other purpose is proper. Since SB593 furthers no legitimate public purpose it may not confer benefits or impose burdens in unlike manner on the created classes.

The fact that the 5 smaller companies may consent to an allocation of fewer than 15 taxicabs amply demonstrates that that number is arbitrary and wholly unrelated to any legitimate public need. There is no evidence to show that an increased allocation is in the public interest; nor is there any evidence to justify the distinction between Union with its 19 taxicabs and Western with its 6 taxicabs when the proportional difference between Union and Checker is the greater.

#### CONCLUSION

The taxicab industry in Clark County has had its problems. Two sessions ago the legislative saw fit to delegate the power to solve these problems to the taxicab authority. The results have not attained the level of perfection but no governmental exercise ever does. The law is at best an experiment and I earnestly urge that you leave the

delicate experiment of allocation to those who are most intimately connected with it and its effect on the public convenience and necessity.

Respectfully submitted,

A handwritten signature in cursive script that reads "William W. Morris".

WILLIAM W. MORRIS  
Attorney for Ace-Union Cab Companies

WWM/dl

April 12, 1973

The Honorable Mike O'Callaghan  
Governor  
State of Nevada

The Taxicab Authority of Clark County, State of Nevada appointed by you is functioning with competence consistent with the authority set forth in NRS 706.881 to 706.885. Taxicab allocation is a specific responsibility of the Taxicab Authority following public hearings held by the Authority, at which proceedings public convenience and necessity is determined.

S. B. 593 undermines the responsibility of the Taxicab Authority, eliminates the prime purpose for which the Authority was established and is inconsistent with the intent of NRS 706.881 to 706.885.

Respectfully,

WITNESSED BY  
R. A. Smith

R. A. Smith  
General Manager  
Vegas Western Cab, Inc.

RAS:aid

April 12, 1973

The Honorable Mike O'Callaghan  
Governor  
State of Nevada

Through positive legislation the Taxicab Authority of Clark County, State of Nevada was created. After a long and arduous period of adjustment, it has finally reached a point of being a competent and responsible authoritative body. S. B. 593 threatens to undermine everything that it has taken the cab industry so long to achieve. Because of irresponsible actions on the part of some isolated cab companies, the cab industry as a whole is facing a setback which would bring with it the chaos, havoc and disunity of a few years ago. This simply must not be allowed to happen.

A few years ago special interest legislation was passed and the result was turmoil and great chaos within the industry. The Taxicab Authority was born as a result of this great dissatisfaction and unrest within the industry. It has now matured and is functioning with exceptional authority and integrity. To undermine the Taxicab Authority by passing S. B. 593, would be a disaster and would reduce the entire industry to a floundering, disorganized entity lacking direction and responsibility. This would also open the door for continued introduction of special interest legislation.

We appeal to you to use your good judgement and good office to prevent the destruction of the taxicab industry.

Respectfully,

*Original signed by*  
*Eugene Maday*  
Eugene Maday  
President and Owner  
Checker Cab, Inc.

EM: aid

ATTACHMENT III

Statement submitted by Mr. Robert A. Smith.

"In Section 2, as presently written, the Vegas Western Cab Company is not included. It is a two cab company. The reason for this is that there is a common owner. Therefore, the bill is discriminatory against Vegas Western."

/lm

ADDITION  
TRANSPORTATION COMMITTEE MINUTES  
Meeting held on April 14, 1973

Mr. Bickerstaff has requested the following addition to the minutes of the meeting held on April 14, 1973, concerning S.B. 593.

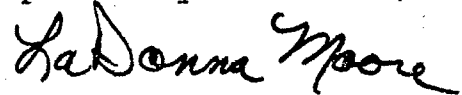
Mr. Bickerstaff asked for an example of the percentage increases granted to each company.

Mr. Ty Hilbrecht, Nevada Professional Drivers' Association and Whittlesea Blue Cab Company, Inc., said that the company he was representing received an increase of 100% which was the same as the increase given to one of the smaller companies.

Mr. Bickerstaff asked for a specific figure.

Mr. Hilbrecht answered that his company went from 32 vehicles to 64 and the small company went from one vehicle to two.

Respectfully submitted,



LA DONNA MOORE  
Assembly Attache

/lm