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**MINUTES OF THE MAY 16, 2016
WORKSHOP ON PROPOSED REGULATIONS – LEASING TAXICABS**

1. Call to Order

Attorney Janette Speer called the meeting to order at 9:02 a.m.

2. Discussion of Proposed Regulations to the Nevada Administrative Codes to Implement Senate Bill 376 of the 78th (2015) Nevada Legislative Session. The proposed regulations create procedures for certificate holders to lease taxicabs to drivers.

Attorney Janette Speer solicits any comments, questions, or concerns regarding impact to small businesses and none were received.

Section 1 LCB has defined independent contractor and driver under Section 13. Concerns are raised about independent contractors being considered employees and possibly requiring the independent contractor to obtain an LLC status to ensure the separation between employee and independent contractor. Attorney Speer addressed this concern by stating that these regulations are the minimums. Companies can go beyond them to require more in their leases.

Section 2.2 Concern was raised as to why the company needs to notify the Taxicab Authority in the event a lease terminates before the expiration date. Decision is to look further into this matter.

Section 3.2 Robert Winner, Desert Cab, would like to expand the definition for registered owner such to include companies that have "control of" the vehicle but do not own it.

Under the new proposed regulations new placards will not be required.

Section 5.1(f)(IV) Requires an independent contractor to remit all applicable fees and taxes to the certificate holder. Question was posed does every ride have to run through the meter? Administrator Grogan answered yes, the independent contractors have to follow all the rules, processes, protocols, and procedures as any driver of a cab.

Section 5.1 (c) Robert Winner does not agree that the consideration should have to be approved by the Taxicab Authority. Also Mr. Winner raised concerns about the language that the use of a taxicab must conform to the authority granted by the certificate holder. Several companies are looking into independent contractors using the taxicab and working off a TNC app. Decision is for the Taxicab Authority to further research this matter.

Section 5.1 (e) Robert Winner suggests the term medallion be used instead of taxicab to cover in the event a taxicab breaks down.

Section 5.4 (I, II) Companies ask that these subsections are removed.

Section 5.4 (III) Discussion as to why the taxicab needs to be returned to the certificate holder once per 24 hour period. Clarification was provided by Attorney Speer that the vehicle must be inspected by the certificate holder or its agent but does not need to return to the yard. The vehicle can be inspected in the field.

(IV) For clarification this section refers to the independent contractor not being allowed to sublease.

Section 5.5(I) Cheryl Knapp asks that certificate number be removed and it reads unit number only. Decision is name and unit number of the certificate holder will be required.

Section 5.5 (II)(g) Cheryl Knapp voices concerns that this section provides the Taxicab Authority open ended authority to ask for any modifications to a taxicab. Attorney Speer defines this section as relating specifically to the contract. Decision is to look further into this section.

Section 6 Robert Winner asks for a security deposit based on their estimate of the fees that will be incurred during the lease. Decision is that this can be added specifically to the contract. Attorney Speer reiterates that this is a bare minimum. Contracts can require more if desired.

Concern was raised regarding why a separate account is needed for deposits. Attorney Speer explains this is to keep deposits separate from the expense accounts of the company. It is decided that companies remain responsible for deciding structure of maintaining security deposit account.

Section 6.4 Question regarding what is the requirement in the event of in house repairs. Attorney Speer answered that accounting must be given to the driver as to the total costs of the repairs. An internal document is acceptable.

Section 7.2 Question was raised regarding whether the Taxicab Authority will accept an electronic version of the lease agreement to satisfy this requirement. This will be looked into and discussed further.

Section 7.3 Discussion surrounding acceptable means to get the taxicab back in service. A valid copy of the lease agreement is all that is required. There will be further discussion at the Taxicab Authority regarding whether or not to accept electronic versions of the lease agreement in the future.

Section 8.1(e) Discussion about this subsection being too broad and unnecessary.

Section 9 Discussion about whether the trip sheet needs to be the original or is an electronic version acceptable. Decision is an electronic version satisfies the requirement.

Discussion about separating trips from leased cabs and regular cabs for purposes of statistics. Decision is to keep the statistics all together at this time.

Section 10.4 Lease medallions will be affixed to the back of currently held medallions. In this way one medallion can serve either as a lease medallion or a regular medallion depending on the side that is facing out. Decision is that under this design lease medallions will not have to be returned to the Authority after not being leased for 90 consecutive days. Due to the lease medallion being affixed to the regular medallion in the event a medallion is lost the \$100 fee for replacement applies.



Section 11 holds the independent contractor subject to NRS 706.881 to 706.885. Robert Winner states that they will not discipline a driver who commits a long haul because they are not employees. Their only recourse will be to not lease to that driver again.

Questions were raised regarding who would be responsible for the training of independent contractors who are not currently drivers. The TA will continue to provide the same classes for the drivers and independent contractors that it currently holds. Any further training will be the responsibility of the independent contractor and/or leasing company.

Question was raised over whether the requirement of verifying a driver's license daily will apply to an independent contractor and if so will this process need to be auditable. Administrator Grogan stated yes to both.

Section 12 No comment.

Section 13 No comment.

Section 14 Existing sections that are adding independent contractor to the regulation.

Section 16.3 Question as to why this section applies to a leased taxicab. Attorney Speer stated these are existing regulations that now allow for independent contractors.

Section 17 No comment.

Section 19 Concern over requirements listed in this section. Administrator Grogan states that this section is an existing regulation and is changed only to allow for independent contractors.

Section 20.2 Concern was raised over the meaning of this section. Attorney Speer addresses that this is existing language with the addition that certificate holders will be allowed to lease pursuant to sections 2 to 12.

Section 21 No comment.

Section 22 Question about whether there will be a separate permit for leasing. Attorney Speer answered that one permit will allow an individual to be both an employee driver and an independent contractor. Question about if a driver's permit is revoked can they still be an independent contractor. Attorney Speer answers no. The driver would have to reapply for a permit. Discussion about whether an individual can be an independent contractor without being a driver for one of the taxicab companies. Decision is that a person may solely be an independent contractor. Referrals must still be obtained from the company with whom they enter into a lease agreement.

Section 23 No comment.

Section 24 No comment.

Section 25 No comment.

Section 26 No comment.



Section 27 Cheryl Knapp voices concerns that requiring dress codes of independent contractors muddies the waters between employee and independent contractor status. Attorney Speer clarifies that this section is not required as indicated by the term, "if applicable." It is requested that language is changed to, "if required by the certificate holder."

Section 28.3 Discussion about whether drivers will be in violation of this section if they bypass the taxicab stand to pick up a fare who has requested the driver from the new app. Decision is that the app will apply to both drivers and independent contractors and so will require further discussion at a later workshop.

Section 29 No comment.

Section 30.3 Discussion about whether this regulation can turn an independent contractor into a permanent employee. Attorney Speer clarified that this section is an existing regulation that is not applicable to independent contractors.

Section 31 No comment.

Section 32 No comment.

Section 33 Discussion about whether drivers need an additional permit to drive as an independent contractor for a company other than with whom they are a permanent driver. Decision is that there will be only one permit from the Taxicab Authority. There is also discussion about developing a way to track the number of hours an individual is driving whether as a driver or independent contract to maintain the regulation of no more than 12 hours per 24 hour period and no more than 70 hours per week. This matter will be further evaluated.

Section 34 No comment.

Section 35 No comment.

Attorney Speer again solicits any comments, questions, or concerns regarding impact to small businesses and none were received.

3. Public Comment

No comment.

4. Adjournment

Meeting is adjourned at 11:32 a.m.



Ronald Grogan
Taxicab Authority Administrator



Date

