



STAXICAB AUTHORITYTE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
TAXICAB AUTHORITYXICAB AUTHORITY

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BEFORE THE STATE OF NEVADA TAXICAB AUTHORITY
BOARD MEETING AND PUBLIC HEARING MINUTES

August 24, 2015

The Board Meeting and Public Hearing of the State of Nevada Taxicab Authority was held on Monday, August 24, 2015. The meeting was held in the Taxicab Authority Boardroom at 2080 E. Flamingo Road, Suite 114, Las Vegas, Nevada 89119. The meeting began at approximately 9:49 A.M.

Present were: Chairman Ileana Drobkin, Member Dean Collins, Member Bruce Aguilera and Member James Campos. Others present: Jennifer DeRose, Acting Administrator, Gary Mathews, Deputy Attorney General, Legal Counsel for the Taxicab Authority; Ruben Aquino, Chief Investigator; Christine Guerri-Nyhus, Deputy Attorney General, Legal Counsel for the Board and Recording Secretary, Barbara A. Webb. Absent: Member Dennis Nolan.

1. Call to Order.

Meeting was called to order at approximately 9:49 A.M.

2. Pledge of Allegiance to the Flag.

Pledge of Allegiance to the Flag was led by Member Aguilera.

3. Compliance with Open Meeting Law.

Acting Administrator Jennifer DeRose said we were in Compliance with the Open Meeting Law.

4. Public Comment.

There was no public comment.

5. Approval of the July 23, 2015 and the July 27, 2015 Board Meeting Minutes.

Motion:	To approve the July 23, 2015 and July 27, 2015 Board Meeting Minutes
By:	Member Collins
Seconded:	Member Campos
Vote:	Passed unanimously

We are going to be a little bit convoluted, so everyone stick with me. We are going to take items 6, 7 and 8 together. Before I read it into the record, Acting Administrator DeRose, I'd like you to address

Item 7, then catch up on 6 and 8 and then we're gonna have Mr. Marushok with Frias do 6 and 8 and then we are going to open the discussion to intervenors. Okay?

Acting Administrator DeRose agreed.

Chair Drobkin: So, Items #6, #7 and #8 – the Chair read each item into the record, after which she turned it over to Acting Administrator DeRose.

Acting Administrator DeRose stated that the Agency staff decided to present a 5% technology fee and asked Management Analyst II Annette Watson to make her presentation regarding Agenda Item #7.

7. Discussion and Possible Decision regarding the collection of and setting the amount of the Technology Fee, pursuant to NRS 706.8826.

Annette Watson, Management Analyst II, made her presentation on behalf of staff regarding the Technology fee that the agency is requesting. She explained that during the 2013 Legislative Session, Senate Bill 430 (SB430) was adopted into the Taxicab Authority Statutes requiring the Taxicab Authority to implement a computerized real-time data system with specific criteria per NRS 706.8825. This criteria includes the capturing of data that can be used by the companies as well as the Taxicab Authority who will be able to establish preventive measures to detect, investigate and deter long hauling through the Taxicab Authority receiving reliable real-time and historic information concerning service demands, market data, vehicle usage, wait times and customer complaints and comments for use to make decision concerning the allocation of medallions.

Until all Taxicab Authority records are integrated and automated in a new computer system, the real-time system cannot be implemented. The 2015 Legislative Session has granted the Taxicab Authority the authority to modernize our technology infrastructure while the 2013 Legislative Session gave us the avenue to fund this integration. NRS 706.8826.3(c) is where the avenue for funding can be found.

The Chair Drobkin asked if the 5-cents is where we need to be.

Annette Watson: I believe so. She commented that the Taxicab Authority is looking at a million dollars for the implementation of the new system, and if our trips did not decrease, we are looking at 1.375 million.

Chair Drobkin asked if there were fewer rides, is there enough of a cushion, if there was a 10% drop, 20% drop, that we could still meet that...

Annette Watson said 20%, yes because 20% of a million we will still be at 80% (inaudible).

Kelly Kuzik stated that they did the numbers on the worst case scenario and ever 30% was lost, there would still be 20 million trips, therefore, it still at a million dollars, if it is a little shy, over the years it could be made up. It could still be done with a 30% drop in trips that's the worst case with all the ride share aps, if they took 30% of the market.

Acting Administrator DeRose stated that Kelly Kuzik provided the information in regard to the trip charges what I believe (inaudible).

Chair Drobkin: Okay.



6. Discussion and Possible Decision regarding the Annual Review of Rates, Charges (including any Fuel surcharge) and Fares.

John Marushok of Frias stated that in July's board session there were a few items that the Board and the industry could not come to an agreement or suggestions about due to the ongoing discussion regarding the new excise tax being put in place. It was their request to have the rate be at 1/12 of a mile; how the excise tax would be collected; and door signs for any of the new rates and the excise rate and how it would be displayed on each cab.

He spoke first regarding the 1/12 of a mile – they were suggesting last month a 20% fuel surcharge, what they are suggesting this month is that a reallocation of 8 cents of that and add the 8 cents to the metered mile which means the fuel surcharge will go from 20 cents down to 12 cents and the metered mile will go to \$2.76. He gave the Board a graph that showed how these numbers will work. The chart shows that the \$2.76 divided in is 23 cents per 1/12 a mile and if the 12 cents fuel surcharge is added on it goes to \$2.88 which divisible into the 1/12 of a mile. Therefore, whether the fuel surcharge is in place or not, the meter will remain at 1/12 a mile measurement. Any questions?

Chair Drobkin: Any thought on how to propose the technology fee will affect the drop.

John Marushok: At this point we don't believe the technology fee will be calculated in the meter it would be on the application itself or...it wouldn't affect at all because the drop would be the \$3.50 it wouldn't be on the mile, just on the drop. If you look at my handout, one sheet has \$3.45 which is the current drop fee and the original sheet just says \$3.50 and it agrees with staff's recommendation this morning.

The item is the collection of the excise tax. There have been several workshops done by the Department of Taxation and some by the Taxicab Authority staff. The industry and staff decided that the best and easiest calculation of the excise tax would be for the meter to calculate all rates and fees as they are today on the meter and the meter would be able to calculate 3% of all fees, not counting gratuity, at the end of the trip. That information gets sent over to all the credit card processing company including a new line stating excise tax. The language is 3% transportation recovery charge as suggested by the Department of Taxation. That would show on the VeriFone equipment, end of trip, if it's cash payment that's what the guest would see, their regular rate, regular meter rates, 2% charge. The only thing not calculated in the meter is the credit card processing fee of \$3.00 which takes place in the processing equipment itself. VeriFone has the ability to process an additional 3%, 9 cents, and add that to the excise fee coming from the meter to create one line of excise fee at the end. Any specific questions to that?

Member Aguilera: The way the rates are calculated now it is on the first quarter mile?

John Marushok: Correct.

Member Aguilera: Are we changing it the 1/12th mile?

John Marushok: That was requested last month but we were waiting for the Department of Taxation to make their decision on the excise tax.

Chair Drobkin: Asked Mr. Marushok why the change on the mile.

John Marushok: Back in January when there was a rate increase, our intent was to have the 1/12 of a mile. When the fuel surcharge came off in December 2014 or January 2015, the rate was no longer divisible by the 1/12 of a mile as previously it was, therefore, it was easier for staff to take it down to 1/4



mile. They don't believe they got the benefit of the rate increase because of the longer periods of time the doesn't click from $\frac{1}{4}$ to $\frac{1}{2}$ to $\frac{3}{4}$ to a mile versus every $\frac{1}{12}$ so some of those pennies, specific for drivers and companies, that they share in all the benefits of the rate increase, we didn't believe we had the benefit of that increase because of less clicks. A few pennies equals a lot of dollars for driver and company to share from revenue and commission to them. Previously, it was $\frac{1}{12}$ of a mile when fuel surcharge was in place, it was the rate increase that nullified that.

Member Aguilera: Asked if he knew whether other taxis in other jurisdictions calculate it on $\frac{1}{4}$ or $\frac{1}{12}$.

John Marushok: He doesn't know.

Chair Drobkin: Asked Kelly Kuzik if he could answer that, how other jurisdictions calculate it.

Annette Watson stated that Kelly has the information and it was handed out to the Board.

DAG Christine Guerri-Nyhus: Look at the chart.

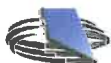
Chair Drobkin commented that she needs all the information prior to the meeting because she cannot do it at the meeting.

John Marushok: The 3rd item was about the door language regarding the excise tax and how it will be displayed on the vehicle. He said he has some suggestions that the Board was given. One is with the fuel surcharge and the other is without, one states \$3.45 and one states \$3.50 based on the this hearing. The Department of Taxation has proposed regulation that was just put out, everyone should have a copy. One item mandates that on all passenger receipts the terminology of 3% transportation recovery charge be used. The reason it is not on the example for the taxicab display is that it makes no mention of the language being required which is why their recommendation is what was proposed at the Taxicab Authority's workshop which is 3% excise tax and that will be added to the rates and fees. Staff and industry discussed other needed verbiage, Frias feels the language is straight forward as Taxi Commission stating it is not necessary on the door.

DAG Christine Guerri-Nyhus: The Taxation Department, late last week, finally issued their regulation and changed some of the language (inaudible). They are saying that on the invoices it receives the 3% transportation recovery charge. They don't mention what should be on the doors and that it's in the pervue of the Taxicab Authority to approve or not approve what is on the doors. The only issue is if there is some reason the Tax Commission, this isn't really an issue between the companies and the Tax Department and the Taxicab Authority as to what we're allowed to set. There's other rights that you all have (inaudible). So if the Taxicab Authority was to approve your language which is different from the Taxation Department's proposed regulation (inaudible) understanding that the Tax Department is telling you what you have to change, but there is no liability on the part of the board, but the cost incurred with reordering stickers for the doors. See what everyone else wants to do and then it can be talked about.

John Marushok: Thanked the DAG for the clarification. We would plan to have that bottom line on their stickers be removed without having to remove everything else and/or just put over any language change that might come which is why they went back to the original language so if it does change by order they could just tape over the language. It was a 10-12 day process to them to change the language, get the order and apply and being they have 900 vehicles, it was expensive and not have it right the first time, they are just changing their door signs so if there are any changes they can change it easily.

His last request is that he would like the Board to approve a 10-day waiver of having to display rates and fees on the vehicles. We will know by Order today what we have to do. They still have to order the door



signage which will not be able to be done before the 28th when staff starts changing the meters. Their vendor said 10-12 business days – so they are requesting a waiver of 10 days to not have to display. On the 28th at midnight, because we were ordered that we can't start charging the tax prior to midnight on the 28th.

Chair Drobkin: For everyone out there, is 10 days enough time.

Cheryl Knapp, Whittlesea Blue/Henderson Taxi: The problem is the wrapped taxis because the wraps make it difficult to change the rates. Historically, when there was a rate change with the wraps, they cut part of the sticker out and putting new stickers on and they would fall off. They don't like the way it looks, it is not clean. Therefore, they were going to ask for more than 10 business days, maybe 20 or 15 days.

Chair Drobkin: Asked John Marushok, if he's agreeable with that. She asked if his presentation's been completed.

John Marushok: Yes. It has. He just wants to mention that the last part of his handout regarding fuel surcharge.

Chair Drobkin: Thanked him for all his work in putting everything together. She is allowing interventions at this time.

Intervenors are Nellis Cab Company, A Cab, LLC, Western Cab Company, Yellow/Checker/Star Cab Companies, Lucky Cab Company, Whittlesea Blue/Henderson Taxi, Ace Cab LLC, A NLV Cab LLC, Union Cab, LLC, Vegas-Western Cab LLC and Virgin Valley Cab, LLC, Deluxe Taxicab Service, Desert Cab Company and ITPE Union.

Comments from intervenors regarding Agenda Item 6, 7 and 8 -

Nellis Cab – Jamie Pino - Agenda Item 6 – Agrees with what is being proposed re excise tax and the 8 cent rate increase. Agenda Item #7 - Agrees with the technology 5 cent increase on the drive. Agenda Item #8 - 15 days will be fine.

DAG Guerri-Nyhus: Jamie what language are you proposing to put on your door? 3% excise tax or 3% transportation recovery charge?

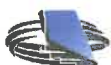
Nellis: Whatever the majority wants, it doesn't matter to me.

DAG Guerri-Nyhus: It is going to be in the order so it has to be discussed.

Nellis: Just call it excise tax. Not too how many people will understand excise tax? He thinks maybe 3% recovery charge?

Member Aguilera: My question has to do with John. When a customer gets their invoice, will you use 3% transportation recovery charge or the excise tax?

John Marushok: From the temporary regulations from Taxation, we would to be saying transportation recovery charge, however, it's not a permanent regulation at this point, it's suggested language and I believe that's still being thought about.



Chair Drobkin: For clarification on the record, the companies aren't deciding what they put on the receipt, Taxation is.

John Marushok: That's correct. As of today, transportation recovery charge will be on the receipt.

DAG Guerri-Nyhus: Remember this, the Taxation Department's proposed regulation. The language has changed numerous times over the last few weeks and it's very frustrating what they are doing. This is what they are putting through. We have no guarantee that this is what is going to end up being passed. Right now, this is the language they are proposing.

Chair Drobkin: Whatever Taxation proposes and is finalized, that's what they have to do, the companies cannot go off on their own.

DAG Guerri-Nyhus: No, it's in the regulation and they have to follow it. They have legal arguments before they get to that point of whatever the language will be. I don't know if everyone agrees but (inaudible). Right now it is the proposed language. It typically says, in the regulation it says invoices and receipts, it doesn't say anything about the door.

Member Aguilera: Right. If they do keep that language and Taxation says it's going to be confusing for the customer if you put 3% excise tax versus recovery, I don't like recovery either.

Chair Drobkin: I think it is going to be confusing for the public.

DAG Guerri-Nyhus: You have a point that the door then can be different from the receipt. I'm concerned (inaudible)

Member Aguilera: I haven't read that the receipt has to match the language on the door.

DAG Guerri-Nyhus: No, that would be up to the Board if you want that.

Esther Rodriguez for A Cab: Item #6 – supports Frias' recommendations – Item #7 – they do not take a position on that. Item #8 – supports Frias' recommendation. I'm not sure what you are asking about the wording. We would support Frias on that.

DAG Guerri-Nyhus: The question on the wording is that John is asking that on the door it says 3% excise tax to be added to all (inaudible). On the receipt it will say 3% transportation recovery charge.

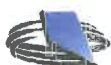
Esther Rodriguez, A Cab – agrees that the door be different than what is on the receipt – it's clearer to the customer what Frias proposed.

John Marushok: The Taxation Department suggested language is not official, they would change their position to everything saying excise tax on the door and on the receipts until a final decision is made by Taxation on the language required on receipts and invoices just to keep everything consistent.

DAG Guerri-Nyhus: (inaudible) Taxation regulations on the receipt, 3% transportation recovery charge, then I don't believe the companies have the authority to write something else on the receipt.

Member Aguilera: If they agree to impose upon them whatever the Taxation states is final regulation, that's what has to be on the receipt and on the door.

DAG Guerri-Nyhus: Okay that would make sense. In the interim, it's going to be on the door.



John Marushok: Correct, if I misstated that we would just say excise tax until a ruling from the Taxation Department was finalized to direct us what the language should be.

Member Collins: Do we have any time line on when that is going to happen?

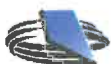
DAG Guerri-Nyhus: No.

Chair Drobkin: She is allowing the LOA to come forward as I believe Ms. Rushton has some valuable things to add.

Kimberly Maxson-Rushton with law firm of Cooper Levinson appearing on behalf of the Livery Operators Association. In direct response to your question, what happens is the effective date is Friday the 28th, however, there has been 2 dates, one workshop relative to the proposed reg. She stated that at the 07/24 regulation workshop, the Deputy Director stated that the tax was a pass-through. and then after came back with the proposed draft which was inconsistent with that. Thereafter, the LOA submitted comments and analysis specific to the fact that the tax was the intent to be a pass-through and there was no jurisdiction or authority to the use of the terminology of the recovery. It was not listed or stated anywhere in the bill nor is there any (inaudible) in the bill either. And for those reasons we submitted a comment specifically articulating our objection to the utilization of the term of the requirement (inaudible) and recovery. The draft you have before you was published or submitted to LCB late last week. In response to that we also sent our comments and objections to LCB and asked them to look at that as part of their review process and we believe, based on the arguments that we presented as the legal authority, that LCB will reject the department's proposed regs. We have further requested a hearing date with respect to the regulations and we've been told it would be sometime in September but no final date. The reason for (inaudible) of the language is because even though the effective date is fast approaching they have not had but one reg workshop and no determination by the Tax Commission as to whether or not they will adopt the regs and that still obligates them to only review the regs as propagated by LCB. Those can change further from what you have today. Based on that and also for your consideration, the Nevada Transportation Authority on Thursday entertained the same discussion with respect to the tariff modification that were proposed by the applicable carriers. What they agreed upon was the tariff language can be identified as excise tax on passenger transportation and with specific tariff language which would be a reiteration of SB 3076 which is the tax statute and with specific language (inaudible). So Nevada Transportation Authority did not require the recovery of (inaudible) language of anywhere in the tariffs (inaudible). So again, we are waiting for the final determination by the Tax Commission on the proposed regulations.

Member Aguilera: So the other issue is, do they address the fact should it be passed through to the consumer or the customer?

Kimberly Maxson-Rushton: No, our argument, the LOA has articulated that comment to the Nevada Transportation Authority as well as to LCB and the department that it is a pass through which is based on the fact that the parties that were present during the legislative session did agree that that was the legislative intent and also believe that the language of the bill itself (inaudible) would be an excise tax on the total fare charged to the passenger. (Inaudible) demonstrate that it is an excise tax to be passed through. Legal counsel for the department has argued, this is the basis for the reg, that the definition of taxpayer including TNC, taxicabs and other motor carriers, it's a basis for them calling it a recovery. We've argued in response to that, the legislative intent was simply to identify which business entity is responsible for collecting and remitting the tax (inaudible). It was not to be a tax on revenue, but per the bill, tax on the total fare charged to the passenger which is inconsistent with the intent of the legislature.



She also commented that what the intent was, the companies were responsible for collecting and remitting the tax to the state and not be recovered from the passenger, but that, per the language of the proposed regulations, it is a tax on the total fare charged to the passenger for transportation services. Therefore, LOA has communicated with the LCB the legal objections and would like the LCB to review the proposed regulations for modification or have the department modify them. They believe that based on the arguments from LOA, that they will reject the department's proposed regs. They also requested a hearing date with respect to the regulations and were told it would be some time in September, but no final date. The LOA would like the Taxicab Authority Board to authorize modifications to the meters in order to reflect the 3% excise tax on the total fare.

There was much discussion regarding how the excise tax will be collected and that it is effective on Friday, August 28th, 2015. The companies asked for additional time to have the placards made and put on their doors.

Chair Drobkin: Is there anything else or anything for the record?

Kimberly Maxson-Rushton: No, madam Chair Drobkin. Only with respect to the fact that I understand that the LCB (inaudible) has asked us to (inaudible) expecting an opinion letter or something from LCB in the next few days. Hopefully that will clarify the pass-through and the requirement about the recovery language.

Marilyn Moran, Western Cab: Requested a little more clarification.

Yellow/Checker/Star – Bill Shranko, COO, and Marc Gordon, Attorney for YCS. Bill Shranko addressed Acting Administrator DeRose about the Taxicab Authority doing something about the sound system because no one in the back can hear what is being said. The people testifying are facing the board, these are critical things. When a comment was made by the Chair Drobkin that that was a great question, we had no idea what the question was. A sound system was supposed to be available about a year ago.

Chair Drobkin: Between budget and everything else, we are doing the best we can. If anyone is having a problem hearing, please say something.

Bill Shranko: With regard to how much time they have to make the changes, he wants at least 30 days, some will get it quicker than others. He feels they need at least 30 days.

Marc Gordon, General Counsel, YCS: Item #6 – supports Frias; Item #7 – supports. Item #8 – supports Frias recommendation and also is in total agreement with Ms. Rushton. Not sure how Taxation came up with the recovery charge or recruitment. Nowhere in the statute is this an excise tax which is a pass through tax and the only function the company has is collect that tax and remit it to the Taxation Department. Position would be to put on the excise tax language and see what happens. We need 30 days.

Desiree Dante, Lucky Cab – Item 6 – supports Frias; Item 7 – supports tech fee; Item 8 – supports Frias. With regard to how much time is needed to make the change, as a smaller company, 15 days is fine.

Cheryl Knapp, Whittlesea Blue/Henderson Taxi – Just for the record, there seems to be a little hesitation is going from the 1/4 mile to the 1/12 mile, the person is going to see the meter constantly clicking. She said that understanding history of this, they have not had a meter that rated at 1/4 mile since 1979 that was the last time. The most common per the Taxicab Authority Rate History, is 1/9 of a mile, 1/11 of a mile, 1/12 of a mile even 1/15 of a mile. It is a rate that customers are used to seeing, they are used to



seeing it clicking, but at a smaller increment, but they are used to it, so it's not something new. It has been a standard for 30+ years and she thought that was important to put on the record since we are making that decision.

Regarding Item 6 – supports Frias; Item 7 – supports staff re tech fee and putting it on the drop; Item 8 – supports Frias re language on the door. They would be required to do per Taxation's decision.

Deluxe – Steve Finlay – supports Frias with 6 and 8 and supports item 7.

George Balaban – Desert – supports Frias with 6 and 8; staff's recommendation 7 with putting it on the drop. The longer they have the better.

ITPE Union – Ruthie Jones – Item 6 – does not support any of that as gas prices are going down;

Chair Drobkin: For the record, if it goes below..... it will come off.

Ruthie Jones – drivers are upset because restrictions are off, can't sit where they used to; they are not happy. She received calls from people who used to get service are not able to get service anymore.

Chair Drobkin: Please explain why they cannot get service with restrictions removed.

Ruthie Jones: Everyone is migrating to the lucrative areas, per the drivers. You cannot get on the stands. Every cab from any area that was restricted, can't get service anymore.

Chair Drobkin: For the record, because Mr. Velotta is here, she said that during MAGIC and everyone that (inaudible) they didn't have any taxis because they were all out servicing and picking up, so she wants on the record that she is very proud of what this Board did and helping the drivers and that was the point. With no restrictions they could service the public better, so she's a little confused as to how you can come in and say we can't pick up people on stands because there's no business when I'm getting calls from the venues saying there are 300 people in line and no cabs. She gets the calls and wants that on the record and she knows what is going on and they did that for the drivers.

Ruthie Jones: I can appreciate that. She gets the calls as well and that's why she is saying that – the restrictions and additional medallions are out there, but the drivers are saying they are having issues. She appreciates their intent, but what is being done to the drivers is who have been impacted by that and they are really upset. With restrictions lifted they cannot get on the stands.

Chair Drobkin: They can now go any place and pick up where they never were able to before. She sees her point.

Ruthie Jones: Also, the other areas that were promised to be good, I can't say yes or no, people were getting cabs quicker before restrictions were raised.

DAG Guerri-Nyhus: This is not on the agenda, just the rates and the fees. I am going to ask the Chair not to continue.

Chair Drobkin: Wants it put on the record.

Ruthie Jones: Item 7 – tech fee – no decision; Item 8 – not messing with any of that.

Marilyn Moran, Western Cab – microphones are needed, she couldn't hear anything either.



Item 6 – supports Frias. Item 7 - supports tech fee. Item 8 – supports Frias. Can do it in 15 days, but if they had longer it would be better.

DAG Guerri-Nyhus: 1/12 of a mile – 24 cents and 2nd was (inaudible) 23 cents.

John Marushok: For clarification – the top one is listed without fuel - 23 cents per 1/12 of a mile; with fuel – 24 cents. They reduced the fuel surcharge from 20 cents down to 12 cents and added the 8 cents onto the rate to make the rate 2.76. So 2.76 divided by 12 is the 24 cents and the 2.88 when fuel is in place, divided by 12.....

DAG Guerri-Nyhus: You have a typo – (inaudible) down to 24 cents, there's 2 different... there's 24 cents on the top and 23 cents for each additional 1/12 of a mile – between them, they figured it out that it was correct. There are number of things (inaudible) - 1 – industry is talking about the reallocation of the fuel surcharge. Last month the 20-cent fuel surcharge was approved – the problem they are having is the divisibility factor, most of the industry met at the AG's office regarding the divisibility and how to make it work so that the fuel surcharge can go on and off; when the fuel comes down the fuel surcharge comes off, the problem was keeping it divisible by 12 so that the meter doesn't have to be changed physically. With new technology, Bobby said it can be done from the office – take the fuel surcharge on and off. The idea was to take that 20 cents and to reallocate – put 8 cents into the base, and make the fuel surcharge 12 cents; there is no change when the fuel surcharge is on, if it is off, 12 cents comes off, 8 cents remains which is divisible by 12. If fuel surcharge goes back on so does the 12 cents so there is no calibration needed. That's the first thing they are asking you is to reallocate that – 8 cents into the base and lower the fuel surcharge to 12 cents.

Member Aguilera: the 8 cents added to the drop.....

DAG Guerri-Nyhus:to the mile. The next issue was the technology fee – the Taxicab Authority could have done this 2 years ago and could have been collecting this for the last 2 years but has not been on the agenda but now they've done that and they are asking for 5 cents on the drop. The 3rd thing is the excise tax/transportation recovery – you hear there are disagreements between the Tax Department and the industry as to whether they could (inaudible) problem what to put on the cab. My suggestion would be to allow them to put 3% State Excise Tax on their cabs and once it has been finalized it would be at their own expense to change that language if it needs to be changed. Any questions?

John Marushok: If I can respond to Mr. Shranko's comments on 30 days, I would suggest that 15 days for this change would be fine if the Department of Taxation ends up requiring us to change it again that we probably would need another 15 days to get these stickers made and put on the doors. Doesn't feel they need 30 days for this particular change but 15 is a good suggestion we agreed upon and will probably need another 15 days depending on the decision of the Department of Taxation.

DAG Guerri-Nyhus: Is this 15 calendar days?

John Marushok: I think the discussion was business days and we just went through that.

John Marushok: Again, I wouldn't say we need 30 calendars to get this done. I think we need 15 business days, but that depends on the Department of Taxation's decision.

Member Campos: Have we estimated the cost per vehicle for this change.

John Marushok: Our total cost is just slightly over \$9,000 to change our door stickers out and we have 900 cars that we will be changing out, about \$100 a car, it's not a cheap change. They are looking at



doing their stickers in a way they can be just covered up when things change like fuel surcharge saying "00" versus what the charge is so the stickers don't have to be redone when the fuel surcharge changes.

Member Aguilera asked the DAG if there's any legal requirements or is the (inaudible) allowed to do what it is subject to?

DAG Guerri-Nyhus: The regulations require that the doors state what the fare is. In the past the Board was given them some leeway because there was the issue of getting the seals and changing the meters. Prior changes that were done to seal the meter and the doors would take a lot of time. Here we've got the issue because the taxes become due the 28th but you can't change the meters before the 28th because you can't collect it. In other prior Boards, there has been a grace period for companies to get the stuff put on the doors.

Chair Drobkin: The grace period that they are asking for is just so that our investigators don't go out and fight them.

DAG Guerri-Nyhus: Also because the customers will see one fare on the door, but the charge is different on their receipt. Maybe a handout would help them to let them know the difference in the fare. Those are things you do in the interim or you can just give them a grace period.

Chair Drobkin: Let's take this item by item.

Item # 6 – Chair Drobkin has no problem with reallocation as requested. She feels the drivers' deserve this increase as it will help their income.

Member Aguilera agreed with the reallocation especially with the new competition that's out there and agrees with the Chair's comments.

Member Campos stated his concern is the competition could be a deterrent. If the industry is fine with this, then he is ok with it.

Chair Drobkin: For the record, she understands the TNC. Their rates have been comparable, so it's not like there's a huge disparity in charges.

Member Collins: As the discussion from the last meeting, he likes to refer back to the experts, the operators, if they are in support of it, it makes sense, which he agrees, then support it. He agrees with the industry, the operators, he supports it.

Chair Drobkin asked for a motion for Agenda Item 6.

Motion:	Approve the reallocation of the .08 cents in the base rate and the remaining 12 cents in the Fuel surcharge and the charges for the 1/12 mile versus what it is currently, 1/4 mile.
By:	Member Aguilera
Seconded:	Member Collins
Vote:	Passed unanimously



Chair Drobkin asked for a Motion for Agenda Item 7.

Motion: Supports that five-cent technology fee be added to the meter drop
By: Member Collins
Seconded: Member Campos
Vote: Passed unanimously

8. Discussion and Possible Decision regarding the request of Frias Transportation Companies regarding the 3% excise tax on all cab fares imposed by the 2015 Legislative Committee with regard to an adjustment of the rates.

John Marushok of Frias made his presentation explaining how their system, the DT5, will calculate the 3% excise tax on their meters. He gave the Board a handout that shows two pictures of the passenger's receipt, whether the passenger pays with their credit card or pays cash indicating the tax, tip, start and end time and the total. He went on to explain the print out at the end of the driver's day show the meter and shift totals and, with regard to the DT5 Trip Detail Screen, it will show the same information as the passenger's receipt. His handout also had suggestions for the taxicab door placard.

Chair Drobkin asked for a Motion for Agenda Item 8. The following is discussion regarding Agenda Item 8 before a motion was made.

DAG Guerri-Nyhus: Advised the Board that they need to talk about in the motion discussion is needed whether if you agree with the 3% excise tax on the door and then the grace period, what period they may have to get the new stickers on the door.

Member Collins questioned the determination or approval of the language.

DAG Guerri-Nyhus: Maybe a better motion would be to allow the companies to determine what – hoping the agreement is industry wide, because the doors all have to be the same. It's really a fight between industry and Taxation as to what it says on the door and what the Taxation Department tells them what to say on the door. Our role is to make sure that the doors are uniform and that the taxpayers understand what charges are. If you want to say they can pay the 3% State Excise Tax at the end (inaudible), you could approve temporarily until there's a permanent regulation in place and then they will need to comply at their own expense whatever the language if there's a requirement in that (inaudible) and also how many days you will give them to put that on the door.

Chair Drobkin: First of all, no one knows what that is. If you say a state tax (inaudible) people will understand. If you say, doesn't matter what they call it recovery (inaudible) no one understands what that is. She feels that most people will feel if they have to pay it, they will. Regarding different verbiage on the door is confusing – how many people are going to look at what's on the door and what's on the receipt when getting out of the taxi. As far as she is concerned, none of it makes sense and none of it will make sense for the public, I don't think the receipt and the door should be different, just in case somebody actually pays attention to that especially if they feel they have been cheated.

Member Collins asked if that should be put in the motion.

Chair Drobkin stated whenever Taxation comes up with the door verbiage should match the receipt.

DAG Guerri-Nyhus: Right. The issue is will the industry – she doesn't know what the industry is doing – the proposed regulation says the receipt would have to say "transportation recovery charge". Are they



going to put that on the receipt – “3% transportation recovery charge” but on the door “3% Excise Tax”? She asked John Marushok what his intent was.

John Marushok: The intent at this point, to clarify a proposed Order to say “3% State Excise Tax” on receipt for now.

DAG Guerri-Nyhus: You don't have the authority to (inaudible) with a regulation from the Taxation Department.

Chair Drobkin: All we can do is for the Board.

DAG Guerri-Nyhus: They don't have the authority to say that you can put that on the receipt in contrast with what Taxation is saying in a proposed regulation.

John Marushok stated that he'd like to say he understands the legalities of the proposed regulation, but he doesn't.

Kimberly Maxson-Rushton: These draft regs are just that, they're drafts, they are not in affect. The only regs in affect this time are the emergency regs that don't speak this at all.

DAG Guerri-Nyhus: So what is the industry going to put on the receipt?

Kimberly Maxson-Rushton: 3% Excise Tax.

Chair Drobkin: Unless Taxation tells you that you can't. That's kind of what we're talking about. The whole point is that you guys have to do what Taxation says on the receipt. That is not in our jurisdiction and that's what our DAG is talking about. It's what's on the door that we can't.....

Member Campos: Our decision is whether we can change that statement, if it comes to that point. (inaudible) Excise Tax for example and it has to read Transportation Recovery Charge.

John Marushok: Agreed. If Department of Taxation rules that, yes the industry would have to do that.

Chair Drobkin asked the industry if they are going to go out after this meeting and order the stickers and do all that prior to Taxation rendering a final.

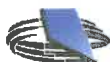
Cheryl Knapp: We have 15 days to make the change.

John Marushok: We have to.

Member Aguilera asked what the taxicab industry is doing up North.

Kimberly Maxson-Rushton explained that the language that was agreed upon by the Nevada Transportation Authority was specifically stated excise tax on passenger transportation and that's all that's stated. Whether they are required that the tariff be changed to include this specific statutory language, there was no requirement relative to a receipt or an invoice.

Member Aguilera stated that they are required to give a receipt with that language on it by what Taxation requires.



Kimberly Maxson-Rushton stated that Taxation regulation states that, but right now the only thing the Board has adopted is the emergency regs which are very generic and it's items 1, 2 and 3 on your proposed and thereafter the specific language pertaining to SB376. The NTA agreed on the language specifically from Section 36 and 37 of SB376 which enumerated what the tax is, the fact that it is applicable and the fact that it is applicable pursuant to provisions of both the Legislation as well as NRS 706 which is the corresponding authority over the taxicabs in Northern Nevada.

John Marushok: I would add the only other consideration is, what hasn't been talked about, is simply that they are required to have a certain size sticker on their doors, so the language is very important to fitting on a receipt as well as what is on the door. Its gets cumbersome to read 3% transportation recovery charge which won't fit on their receipts so it will have to be abbreviated. The VeriFone receipt is about an inch and a half wide.

DAG Guerri-Nyhus: And that's why you have to have the information on the door and it has to be in block letters (inaudible) and a specific size.

Member Campos: I think the average consumer would be more familiar with the excise tax term rather than the transportation recovery charge even if they don't know what that is, they would still be more familiar with that.

Kimberly Maxson-Rushton stated for clarification of the record, the excise tax is enumerated by statute and multiple other tax (inaudible) if enumerated excise tax, it's commonly used in Nevada's tax scheme, so specifically there's excise tax for medical marijuana establishments, on liquor, on state taxes as well as tires. In those instances it is specially enumerated as the excise tax.

Chair Drobkin stated that she doesn't have a problem with the excise tax over recovery because recovery means absolutely nothing unless you know what's being covered.

Kimberly Maxson-Rushton stated her concern is that a recovery of infers that it's a pass through and that's the legal ultimate in discussion (inaudible)

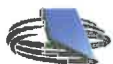
Chair Drobkin said that she can guarantee that the riding public will have no idea what any of this means, so I think this is out of proportion as how this has to be worded because no one is going to understand excise tax, I can guarantee you no one is going to care about. It makes more sense because it's in the statute (inaudible) what I feel sorry about the industry is that you have to work on one thing to comply and you might have to spend additional money to comply with another.....that I do truly feel sorry about in that it is absolutely ridiculous and why people don't like government.

Member Aguilera asked John Marushok about their sticker, you are proposing it says 3% State Excise Tax and will be added to all rates and charges. Looking at it, the words will be added to all rates...I don't think we need that as it says 3% Excise Tax. Could they just put "transportation"? 3%....

DAG Guerri-Nyhus: 3% on all rates and fees?

Member Aguilera feels that would be included in there.

Kimberly Maxson-Rushton stated that it specifically says in SB376 and it defines the excise tax and states that the tax on the total fare charge for transportation of passengers. It also gives leeway for the department and other agencies to impose fees and assessment. It specifically states in addition to any other fee and assessment. So recognizing that it is a clear decision at this point for your consideration it's 3% Excise Tax and thereafter if there is any incident fees or assessments that may be imposed at a



different time, you can refer back to that. Also, again there will be clarification (inaudible) and the recovery (inaudible) will come out. (inaudible).

Chair Drobkin asked for a motion for Agenda Item 8. There was much discussion regarding the motion as follows before a motion was put on the record.

DAG Guerri-Nyhus: You need to approve the 3% you are not going to ask them to approve the 3% State Excise Tax and if you want to say "on" all rates and fees or do you want to say.....

Chair Drobkin: All rates and fees.

Member Aguilera: That's fine with me.

DAG Guerri-Nyhus: 3% State Excise Tax on all rates and fees. It would be shorter to fit on the door. And then the motion would be that you are going to approve that at this point and time, but that the industry will need to comply with any regulation that is enacted by the Tax Commission at their own expense and then they will have 15 business days –

Chair Drobkin: I'd actually like to do 20 business days and I think that would help to give everybody enough time and if there is problem if Taxation rules on the 18th day and you guys have to come back and put it on the agenda to make sure that we are working with you and this is not something you guys did yourself. We can argue that point.

DAG Guerri-Nyhus: They'll have 20 days from the August 28th.

Member Aguilera: Are you going to add or mention the fact that whatever the Taxation Department requires to put on the invoice or receipt is the same language that is on the door?

DAG Guerri-Nyhus: I don't know if you want to do that until you know what they are going to require what to put on the receipt. I would wait and then if you want to address that after the final regulation, something really worthy or something obscure on the receipt, you may want something to put on the door. They may figure out that this has got to go on the door (inaudible). I'd wait for that.

Motion:	All Taxicab doors will be required to show the 3% excise tax fee which is added to all rates and fees, effective August 28, 2015 and were given 20 business days from that date to update their cab doors and any changes resulting from future Tax Commission regulations will be at the certificate holders' expense.
By:	Chair Drobkin
Seconded:	Member Campos
Vote:	Passed unanimously

9. Discussion regarding the presentation and demonstration regarding VeriFone Media's e-hail application per the request of Kimberly Maxson-Rushton, Esq.

Kimberly Maxson-Rushton introduced the representatives from VeriFone, Kevin Malcolm, Senior Director of Business Development - Global Taxicab Affairs and Athan Rebeios, US Western, Business and Sales Manager. They made their presentation on how their e-hail application works which is like Uber's e-hail application.



There is an informational pamphlet at the Taxicab Authority that is available for any interested party.

10. Staff Report

- A. Chief Investigator Report - Chief Aquino gave the Enforcement Division Report to the Board. He reiterated that between July 16th and August 15th, 2015 the following took place –

Front Office - had 202 new driver applicants, 554 driver renewals and served a total of 2,446 clients for the month.

Enforcement Activity – from the latter part of July to early August the compliance enforcement division continued their operations and investigative/patrol duties which were coordinated and executed by seven specific investigators on swing shift. Numerous citations were issued for long hauling along with other regulatory offenses.

RTC reports to the Taxicab Authority each month regarding their observations of cabs and other vehicles picking up or dropping off passengers at designated bus stops which is a violation of statute as well as a safety issue which the enforcement staff patrols and monitors these recurring violations.

Regarding statistical information for July – there were 1569 dispatched events; 384 citations written; 489 total violations on citations; 465 accidents involving cabs; 1542 Vehicle Damage Reports written; 918 vehicle inspections conducted; 407 violations resolved through administrative court; 27 administrative trials conducted; 112 cases resolved in pre-trial conferences; 108 violations pleaded before court day; and 108 long haul citations issued to drivers.

With regard to long haul citations, most passengers, when asked, do not want to prosecute the driver and don't want to be bothered with the investigation process which the enforcement staff is addressing by educating the drivers and passengers.

Pending Matters – Administrator Interviews were held on July 27th, 2015 and the 3-name list was sent to the Director of B & I for further interviews and the Director's decision.

Legislative/IFC Update – Nevada Transportation Authority will no longer be the appellate body for the Taxicab Authority decisions. Any appeals after January 1, 2016 will go directly to the court system, not the NTA.

Leasing of cabs to drivers – this has been allowed in the past in Northern Nevada and now can be done in Clark County. Under the proposal, cab companies can lease a cab for a 24-hour period to a driver or team of drivers. The company would receive a flat fee from the driver and the driver or team will be allowed to collect all the fare revenue during that 24-hour period.

Alternative technology for taximeters – another legislative change that will require the companies to demonstrate any alternative technology for calculating rates before being authorized.

Reform initiatives – court procedures have been updated and adopted which include but not limited to fines and payment plans. The Taxicab Authority and the DAG are currently reviewing driver revocation and denial processes, including but not limited to driver appeals, copy fees and filing deadlines.



Agency Assessment – Progress Report –

New recruitments – 3 Compliance/Enforcement Investigators were welcomed to our staff – one transferred from Nevada Department of Corrections, one from Department of Motor Vehicles, Compliance Enforcement Division and one relocated from Wisconsin who has over 15 years of law enforcement experience as a Wisconsin State Trooper spending the majority of that time assigned to the commercial vehicle enforcement division. They will or have all attended and completed the Taxicab Authority's 2-week "Specifics Academy" training which trains new recruits in the NRS and NAC motor carrier laws; vehicle inspections; Taxicab Authority driver orientation; defensive tactics certification, OC spray and baton certification; report writing; courtroom procedures; public safety dispatch orientation; firearms certification and patrol procedures. One is currently attending a 40-hour patrol bicycle course to get certified along with two other investigators who, upon graduation, will become part of the Taxicab Authority's Bicycle Patrol Unit and another will attend the "Specifics Academy" and then go on to the 10-week field training program.

Compliance/Enforcement Supervisory Investigator – this position was in the recruiting stage until July 6th, 2015. The agency anticipates recruiting 2 supervisors from that posting.

There are 4 newly approved Compliance/Enforcement Investigator positions that the agency will be recruiting for from an open and competitive list. These would make up the Airport Long Hauling Unit. On August 15th, 2015, the Physical Fitness Testing was done.

Bike Patrol Officers – on August 3rd through 7th the Clark County School District Police Department held a bike patrol certification class. Three of the Taxicab Authority's newest investigators attended and completed the 40-hour rigorous training. They will conduct compliance enforcement duties at large conventions, special events and busy holiday weekends on the Strip. Conducting this type of enforcement gives the investigators the advantage of getting to service calls more quickly and efficiently especially when the Strip corridor is congested. This gives them a more frequent, positive interaction with the general public.

Industry issues – Acting Administrator Jennifer DeRose held an informal workshop inviting the industry to discuss the 3% excise tax. The discussion was to determine the best method of collecting the tax. The industry and the Taxicab Authority staff worked together to come up with ideas and possible resolutions. This workshop was also attended by DAG Christine Guerri-Nyhus and DAG Gary Mathews.

Media communications – News 13 interviewed Chief Aquino on July 17, 2015 regarding the numerous cab robberies in recent weeks as well as other violent incidences involving taxicab. Chief explained to the reporter that one of the agency's main concerns is driver safety and welfare and, in detail, the mandatory driver safety program taught by the agency. He also explained that the dash cameras are for the protection of the cabdriver.

Future events – the Taxicab Authority continues to participate in community events and activities to enhance the agency's image to the public and what the agency is here to do. The Taxicab Authority's special events team continues to meet with LVMPD and promoters for any upcoming conventions, i.e. 2015 Life is Beautiful concert scheduled for September. The Taxicab Authority team coordinates with the industry regarding transportation, pick up/drop off points and the finalization of route maps to the event which is held downtown. They are also meeting with LVMPD regarding the upcoming Mayweather fight at the MGM in September.



Other items of interest – July 21st was the first time that the TAXICAB AUTHORITY hosted the Nevada Commission on Peace Officers' Standard and Training (P.O.S.T.) monthly meeting. This was attended by numerous Southern Nevada Law Enforcement agencies. At the same time, those in attendance were given a tour of our facility and to educate those in attendance as to who we are. This is a monthly meeting hosted by different agencies.

B. Stats for July, 2015 – Kelly Kuzik stated that the statistics are on the Taxicab Authority's website. Asked if there were any questions and there were none.

C. Future agenda items – none at this time.

11. Report of Legal Counsel –

DAG Guerri-Nyhus had nothing to report.

DAG Gary Mathews had nothing to report.

12. Public Comment

Ruthie Jones, ITPE Union, just wants to recognize Whittlesea/Henderson customer that was not able to get a cab, but they used what they had been utilizing a long time. She called Whittlesea/Henderson and in 5 minutes they had picked up the passenger. She wanted to be sure they were recognized for that.

No further Public Comment.

13. Adjournment

Motion:	To adjourn
By:	Member Aguilera
Seconded:	Member Collins
Vote:	Passed unanimously

Meeting was adjourned at 12:12:40 P.M.

Respectfully submitted by:

Barbara A. Webb
Barbara A. Webb, Recording Secretary

10-19-2015
Date

Approved by:

Ileana Drobkin
Ileana Drobkin, Chairman

10-22-2015
Date

Jennifer DeRose
Jennifer DeRose, Acting Administrator

10/26/15
Date

