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TO: Todd Park, Administrator, Taxicab Authority
Lorna Webb, Legal Counsel, Taxicab Authority
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FROM: Kimberly Maxson-Rushton, Esq.

DATE: July 11, 2025

RE: Proposed Rate Case Formula

Pursuant to Nevada law, the Taxicab Authority ("TA") is required to review the rates charged by taxis operating in Clark County, Nevada. *See*, Nevada Revised Statute ("NRS") 706.8824. Historically, the annual rate review has included consideration by the TA Board of an Application specifically requesting a change to the meter rate. *See*, Nevada Administrative Code ("NAC") 706.909. However, in 2024, the Livery Operator's Association ("LOA") recommended that a formula be developed to assist the TA Board in determining whether a rate, fee or charge should be changed; the objective being to ensure transparency and consistency in the manner in which rate adjustments are considered.

In furtherance of this proposal, the LOA retained Jeremy Aguero from Applied Analysis to develop a standard for the Board's annual review of rates. In doing so, Mr. Aguero reviewed the applicable legal standards, the history of rate changes approved by the TA Board over the past decade as well as the annual reports of the LOA's taxi members. Accordingly, Mr. Aguero and the LOA propose the following:

On June 30 of each year, rates, charges or fares, then in effect, shall be adjusted by the Intracity Transportation Consumer Price Index as calculated by the US Bureau of Labor Statistics. *See*, <https://beta.bls.gov/dataViewer/view/timeseries/CUUR0000SETG03>). The rate shall be determined by measuring the percent change in the index for the immediately preceding calendar year. Adjustments shall not exceed five percent (5%) for any given year and shall not be below zero percent (0%) in any given year.

Thereafter, on the fifth anniversary of the first adjustment in rates, charges or fees and every fifth year thereafter, the Authority shall true up rates, charges or fares then in effect to reflect changes in the operating environment to include consideration of actual operating costs borne by taxicab companies during the immediately preceding calendar year. This evaluation shall be based on composite financial statements for all, or a representative group of taxicab companies and any other information deemed relevant by the Authority. Based on these data the Authority may adjust rates, charges, or fares then in effect to reflect the change in operating costs since the initial adjustment made or as appropriate.

Consistent with the Board's annual obligation to review taxi rates, charges or fees, the proposed formula is intended to aid the TA and the industry in determining whether rate changes are necessary. Additionally, the proposed formula includes a five year look back period whereby the Board can ensure that the standards are still applicable based on a comprehensive review of the industry's financial solvency.

In conclusion, on behalf of the LOA we appreciate the TA's consideration of this proposal. As previously noted, the LOA and Mr. Aguero are planning to formally present this to the TA Board at the August TA Meeting. Should you have any questions prior to the August meeting or require additional information and/or documentation, please do not hesitate to contact me directly.