

SENATE BILL NO. 324—SENATOR WASHINGTON

MARCH 5, 1999

Referred to Committee on Transportation

SUMMARY—Provides for regulation of taxicabs by local governments under certain circumstances. (BDR 58-1177)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to taxicabs; providing for the regulation of taxicabs by local governments under certain circumstances; requiring the department of motor vehicles and public safety to adopt regulations concerning financial responsibility for liability of such taxicabs; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 706 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 17, inclusive, of this act.

3 **Sec. 2.** *As used in sections 2 to 17, inclusive, of this act, unless the*
4 *context otherwise requires, the words and terms defined in sections 3 to*
5 *6, inclusive, of this act, have the meanings ascribed to them in those*
6 *sections.*

7 **Sec. 3.** *“Department” means the department of motor vehicles and*
8 *public safety.*

9 **Sec. 4.** *“Governing body” means the governing body of a county*
10 *whose population is 100,000 or more but less than 400,000, or of an*
11 *incorporated city located within such a county.*

12 **Sec. 5. 1.** *“Taxicab” means a motor vehicle:*

13 *(a) Which is designed or constructed to accommodate and transport*
14 *not more than six passengers, including the driver;*

15 *(b) Which operates for hire 50 percent or more of the time during the*
16 *calendar year; and*

17 *(c) Which is:*

1 (1) Fitted with a taximeter or other device to indicate and determine
2 the passenger fare charged;

3 (2) Used in the transportation of passengers or light express, or
4 both, for which a charge or fee is received; or

5 (3) Operated in any service which is held out to the public as being
6 available for the transportation of passengers from place to place in the
7 State of Nevada.

8 2. "Taxicab" does not include a motor vehicle of:

9 (a) A common motor carrier;

10 (b) A contract motor carrier which operates along fixed routes; or

11 (c) An employer who operates the vehicle for the transportation of his
12 employees, whether or not the employees pay for the transportation.

13 **Sec. 6.** "Taxicab motor carrier" means a person who owns and
14 operates a taxicab or who operates a taxicab pursuant to a lease
15 agreement.

16 **Sec. 7.** 1. Sections 2 to 17, inclusive, of this act apply to:

17 (a) Any county whose population is 100,000 or more but less than
18 400,000; or

19 (b) Any incorporated city located within such a county,
20 if the governing body of the county or city has enacted an ordinance
21 pursuant to section 8 of this act approving the exclusion of the county or
22 city from the jurisdiction of the transportation services authority with
23 regard to the regulation of taxicab motor carriers.

24 2. Within any such county or city, the provisions of this chapter that
25 confer regulatory authority over taxicab motor carriers upon the
26 transportation services authority do not apply.

27 **Sec. 8.** 1. A governing body of a county whose population is
28 100,000 or more but less than 400,000 or of an incorporated city located
29 within such a county may, by ordinance, exclude from the jurisdiction of
30 the transportation services authority taxicab motor carriers that are
31 based and primarily operate within the county or city.

32 2. If a governing body enacts an ordinance approving the exclusion
33 of the county or city from the jurisdiction of the transportation services
34 authority, the governing body may enact such other ordinances as it may
35 deem necessary to regulate the conduct of the business of taxicab motor
36 carriers that are based and primarily operate within the jurisdiction of
37 the governing body. If enacted, such ordinances must be consistent with
38 the legislative policies set forth in NRS 706.151.

39 3. Upon enacting an ordinance approving the exclusion of a county
40 or city from the jurisdiction of the transportation services authority, the
41 governing body shall notify the transportation services authority and the
42 department of the ordinance.

1 **4.** *Not later than 30 days after being notified that the governing body*
2 *of a county or city has enacted an ordinance approving the exclusion of*
3 *the county or city from the jurisdiction of the transportation services*
4 *authority, the transportation services authority shall forward to the*
5 *department all liability insurance policies, certificates of insurance,*
6 *bonds of a surety company and other surety which have been filed with*
7 *the transportation services authority for those taxicab motor carriers that*
8 *are based and operate primarily within the jurisdiction of the governing*
9 *body which enacted the ordinance.*

10 **Sec. 9.** *The department may, by regulation, adopt standards for*
11 *safety for drivers and vehicles of taxicab motor carriers that are excluded*
12 *from the jurisdiction of the transportation services authority pursuant to*
13 *section 8 of this act.*

14 **Sec. 10.** *A person who leases a taxicab to an independent contractor*
15 *is jointly and severally liable with the independent contractor for any*
16 *violation of the provisions of sections 2 to 17, inclusive, of this act or the*
17 *regulations adopted pursuant thereto, and shall ensure that the*
18 *independent contractor complies with such provisions and regulations.*

19 **Sec. 11.** *The department shall adopt regulations requiring all*
20 *taxicab motor carriers that are excluded from the jurisdiction of the*
21 *transportation services authority pursuant to section 8 of this act to*
22 *maintain a contract of insurance against liability for injury to persons*
23 *and damage to property for each taxicab or other vehicle operated in the*
24 *course of business by the taxicab motor carrier. The amounts of coverage*
25 *required by the regulations:*

26 **1.** *Must not exceed a total of:*

27 **(a)** *For bodily injury to or the death of one person in any one*
28 *accident, \$250,000;*

29 **(b)** *Subject to the limitations of paragraph (a), for bodily injury to or*
30 *the death of two or more persons in any one accident, \$500,000; and*

31 **(c)** *For injury to or destruction of property in any one accident,*
32 *\$50,000; or*

33 **2.** *Must not exceed a combined single-limit for bodily injury to or the*
34 *death of one or more persons and for injury to or destruction of property*
35 *in any one accident, of \$500,000.*

36 **Sec. 12. 1.** *Except as otherwise provided in subsection 2, a taxicab*
37 *motor carrier that is subject to the provisions of section 11 of this act may*
38 *operate under a program of self-insurance in compliance with the*
39 *provisions of section 13 or 14 of this act in lieu of the insurance against*
40 *liability required by the regulations adopted pursuant to section 11 of this*
41 *act.*

1 2. Such a taxicab motor carrier shall not operate under a program of
2 self-insurance if any judgment recovered against it has not been paid in
3 full.

4 **Sec. 13. 1.** In lieu of the insurance against liability required by the
5 regulations adopted pursuant to section 11 of this act, a taxicab motor
6 carrier that is subject to the provisions of section 11 of this act may file
7 with the department:

8 (a) A bond of a surety company authorized to transact business in this
9 state; or

10 (b) A bond with at least two individual sureties each owning real
11 property within this state, and together having equities equal in value to
12 at least twice the amount of the bond, if the real property is scheduled in
13 the bond and the bond is approved by a judge of a court of record.

14 2. Any bond filed pursuant to subsection 1 must be conditioned for
15 payments in the amounts and under the same circumstances as would be
16 required in a contract of insurance against liability complying with the
17 regulations adopted pursuant to section 11 of this act. The bond may not
18 be canceled unless 10 days before cancellation written notice is given to
19 the department.

20 3. Upon the filing of notice by the department in the office of the
21 county clerk of the county in which the real property is located, the bond
22 constitutes a lien in favor of this state upon the real property scheduled in
23 the bond. The lien exists in favor of any holder of a judgment against the
24 person who has filed the bond.

25 4. If a judgment rendered against the principal on a bond filed
26 pursuant to subsection 1 is not satisfied within 60 days after it has
27 become final, the judgment creditor may, for his own use and benefit and
28 at his own expense, bring an action in the name of the State of Nevada
29 against the company or persons executing the bond, including an action
30 or proceeding to foreclose any lien that may exist upon the real property
31 of a person who has executed the bond.

32 **Sec. 14. 1.** In lieu of the insurance against liability required by the
33 regulations adopted pursuant to section 11 of this act, a taxicab motor
34 carrier that is subject to the provisions of section 11 of this act may
35 deposit with the department:

36 (a) Any security in the amount of \$500,000; or

37 (b) An amount equal to 110 percent of the average annual costs of
38 claims incurred by the carrier for accidents involving motor vehicles
39 during the immediately preceding 3 years,
40 whichever is less, but in no event may the deposit be less than \$250,000.
41 The security deposited may be in any form authorized by section 15 of
42 this act. The department shall not accept a deposit unless it is

1 *accompanied by evidence that there are no unsatisfied judgments of any*
2 *kind against the depositor in the county in which the depositor resides.*

3 *2. A taxicab motor carrier depositing money with the department*
4 *pursuant to subsection 1 shall authorize payments from the deposit in the*
5 *amounts and under the same circumstances as would be required in a*
6 *contract of insurance against liability that is in compliance with the*
7 *regulations adopted pursuant to section 11 of this act.*

8 *3. Any security deposited must be used to satisfy any judgment*
9 *obtained against the depositor that is final and has not been paid within*
10 *30 days after the date of the judgment, unless otherwise ordered by the*
11 *court issuing the judgment. A depositor, within 24 hours after receiving*
12 *notice that the security has been used to satisfy a judgment obtained*
13 *against him, shall deposit with the department an amount that is*
14 *necessary to maintain with the department the amount required by*
15 *subsection 1. The failure to maintain the full amount required by*
16 *subsection 1 is a ground for the cancellation of the depositor's certificate*
17 *of self-insurance.*

18 *4. Any money collected by the department pursuant to subsection 1*
19 *must be deposited with the state treasurer for credit to a separate account*
20 *in the state general fund and used for payments authorized pursuant to*
21 *subsection 2 or to refund money paid by a taxicab motor carrier that is*
22 *no longer participating in a program of self-insurance.*

23 **Sec. 15.** *For the purposes of section 14 of this act, the department*
24 *may accept from a taxicab motor carrier any one of the following forms*
25 *of security, or any combination thereof:*

26 *1. A time certificate of deposit with any bank licensed or chartered by*
27 *this state or the Federal Government, made payable to the carrier and the*
28 *department.*

29 *2. Bonds and securities issued or guaranteed by the Federal*
30 *Government and made payable to the carrier and the department.*

31 *3. A deposit in an amount required by section 14 of this act made*
32 *with the state treasurer, with the department appointed as trustee of the*
33 *deposit.*

34 *4. A surety bond submitted on behalf of the carrier by any surety*
35 *company authorized to transact business in this state.*

36 *5. Any other form of security, including the net worth of the carrier,*
37 *that is acceptable to the department.*

38 **Sec. 16.** *1. Any security deposited pursuant to section 13 or 14 of*
39 *this act must be maintained for as long as the depositor holds a*
40 *certificate of self-insurance or until all claims against the depositor*
41 *which remain outstanding have reached final judgment and are paid,*
42 *whichever is later.*

1 **2. At the time of relinquishing his certificate of self-insurance, a**
2 **taxicab motor carrier shall submit to the department a properly executed**
3 **affidavit indicating all claims against the operator which are**
4 **outstanding. The affidavit must contain the name of each claimant and**
5 **the amount of each claim.**

6 **Sec. 17. Sections 2 to 17, inclusive, of this act are not to be**
7 **construed as a motor vehicle registration law and any license fees that**
8 **may be imposed by a governing body pursuant thereto are in addition to**
9 **the fees for motor vehicle registration required under the laws of this**
10 **state.**

11 **Sec. 18.** NRS 706.151 is hereby amended to read as follows:

12 706.151 1. It is hereby declared to be the purpose and policy of the
13 legislature in enacting this chapter:

14 (a) Except to the extent otherwise provided in **sections 2 to 17,**
15 **inclusive, of this act, and** NRS 706.881 to 706.885, inclusive, to confer
16 upon the authority the power and to make it the duty of the authority to
17 regulate fully regulated carriers, operators of tow cars and brokers of
18 regulated services to the extent provided in this chapter and to confer upon
19 the department the power to license all motor carriers and to make it the
20 duty of the department to enforce the provisions of this chapter and the
21 regulations adopted by the authority pursuant to it, to relieve the undue
22 burdens on the highways arising by reason of the use of the highways by
23 vehicles in a gainful occupation thereon.

24 (b) To provide for reasonable compensation for the use of the highways
25 in gainful occupations, and enable the State of Nevada, by using license
26 fees, to provide for the proper construction, maintenance and repair thereof,
27 and thereby protect the safety and welfare of the traveling and shipping
28 public in their use of the highways.

29 (c) To provide for fair and impartial regulation, to promote safe,
30 adequate, economical and efficient service and to foster sound economic
31 conditions in motor transportation.

32 (d) To encourage the establishment and maintenance of reasonable
33 charges for:

34 (1) Intrastate transportation by fully regulated carriers; and

35 (2) Towing services performed without the prior consent of the owner
36 of the vehicle or the person authorized by the owner to operate the
37 vehicle,
38 without unjust discriminations against or undue preferences or advantages
39 being given to any motor carrier or applicant for a certificate of public
40 convenience and necessity.

41 (e) To discourage any practices which would tend to increase or create
42 competition that may be detrimental to the traveling and shipping public or
43 the motor carrier business within this state.

2. All of the provisions of this chapter must be administered and enforced with a view to carrying out the declaration of policy contained in this section.

Sec. 19. NRS 268.097 is hereby amended to read as follows:

268.097 1. Except as otherwise provided in subsections 2 and 3, *and sections 2 to 17, inclusive, of this act*, notwithstanding the provisions of any local, special or general law, after July 1, 1963, the governing body of any incorporated city in this state, whether incorporated by general or special act, or otherwise, may not supervise or regulate any taxicab motor carrier as defined in NRS 706.126 which is under the supervision and regulation of the transportation services authority pursuant to law.

2. The governing body of any incorporated city in this state, whether incorporated by general or special act, or otherwise, may fix, impose and collect a license tax on and from a taxicab motor carrier for revenue purposes only.

3. The governing body of any incorporated city in any county in which the provisions of NRS 706.8811 to 706.885, inclusive, *and of sections 2 to 17, inclusive, of this act*, do not apply, whether incorporated by general or special act, or otherwise, may regulate by ordinance the qualifications required of employees or lessees of a taxicab motor carrier in a manner consistent with the regulations adopted by the transportation services authority.

Sec. 20. NRS 373.117 is hereby amended to read as follows:

373.117 1. A regional transportation commission may establish or operate a public transit system consisting of regular routes and fixed schedules to serve the public.

2. A regional transportation commission may lease vehicles to or from or enter into other contracts with a private operator for the provision of such a system.

3. In a county whose population is less than 400,000, such a system may also provide service which includes:

(a) Minor deviations from regular routes and fixed schedules on a recurring basis to serve the public transportation needs of passengers. The deviations must not exceed one-half mile from the regular routes.

(b) The transporting of persons upon request without regard to regular routes or fixed schedules . ~~[, if the service is]~~ *The service must be* provided by a common motor carrier . ~~[which has]~~ *If the common motor carrier is subject to the jurisdiction of the transportation services authority, the common motor carrier must have* a certificate of public convenience and necessity issued by the transportation services authority pursuant to NRS 706.386 to 706.411, inclusive, and the service *by the common motor carrier* is subject to the rules and regulations adopted by the transportation services authority for a fully regulated carrier.

1 4. Notwithstanding the provisions of chapter 332 of NRS or NRS
2 625.530, a regional transportation commission may utilize a turnkey
3 procurement process to select a person to design, build, operate and
4 maintain, or any combination thereof, a fixed guideway system, including,
5 without limitation, any minimum operable segment thereof. The
6 commission shall determine whether to utilize turnkey procurement for a
7 fixed guideway project before the completion of the preliminary
8 engineering phase of the project. In making that determination, the
9 commission shall evaluate whether turnkey procurement is the most cost
10 effective method of constructing the project on schedule and in satisfaction
11 of its transportation objectives.

12 5. Notwithstanding the provisions of chapter 332 of NRS, a regional
13 transportation commission may utilize a competitive negotiation
14 procurement process to procure rolling stock for a fixed guideway project.
15 The award of a contract under such a process must be made to the person
16 whose proposal is determined to be the most advantageous to the
17 commission, based on price and other factors specified in the procurement
18 documents.

19 6. If a commission develops a fixed guideway project, the department
20 of transportation is hereby designated to serve as the oversight agency to
21 ensure compliance with the federal safety regulations for rail fixed
22 guideway systems set forth in 49 C.F.R. Part 659.

23 7. As used in this section:

24 (a) "Fully regulated carrier" means a common carrier or contract carrier
25 of passengers or household goods who is required to obtain from the
26 transportation services authority a certificate of public convenience and
27 necessity or a contract carrier's permit and whose rates, routes and services
28 are subject to regulation by the transportation services authority.

29 (b) "Minimum operable segment" means the shortest portion of a fixed
30 guideway system that is technically capable of providing viable public
31 transportation between two end points.

32 (c) "Public transit system" means a system employing motor buses, rails
33 or any other means of conveyance, by whatever type of power, operated for
34 public use in the conveyance of persons.

35 (d) "Turnkey procurement" means a competitive procurement process
36 by which a person is selected by a regional transportation commission,
37 based on evaluation criteria established by the commission, to design,
38 build, operate and maintain, or any combination thereof, a fixed guideway
39 system, or a portion thereof, in accordance with performance criteria and
40 technical specifications established by the commission.

41 **Sec. 21.** This act becomes effective on July 1, 1999.

