

UNSOLICITED
EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: May 21, 2015

Agency Submitting: Business and Industry, Taxicab Authority

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Personnel (Expense)		\$178,838	\$173,882	\$173,882
Travel (Expense)		\$1,500	\$1,500	\$1,500
Operating (Expense)		\$8,993	\$7,106	\$7,106
Equipment (Expense)		\$56,814		
Information Technology (Expense)		\$10,552	\$1,271	\$1,271
Total	0	\$256,697	\$183,759	\$183,759

Explanation

(Use Additional Sheets of Attachments, if required)

Assembly Bill (AB) 175, SECTION 52 imposes an excise tax on the transport of a passenger at the rate of 3 percent of the total fare charged for the transportation of a passenger made by a certificate holder. The total fare is defined to include, without limitation, all fees, surcharges, and technology fees, convenience charges for the use of a credit or debit card and any other amount that is part of the fare. The Taxicab Authority is required to charge and collect from each certificate holder the excise tax imposed by this Section and deposit with the State Treasurer.

Name Dana Howry

Title Management Analyst III

May 15, 2015

Assembly Bill (AB) 175, SECTION 52 imposes an excise tax on the transport of a passenger at the rate of 3 percent of the total fare charged for the transportation of a passenger made by a certificate holder. The total fare is defined to include, without limitation, all fees, surcharges, and technology fees, convenience charges for the use of a credit or debit card and any other amount that is part of the fare. The Taxicab Authority is required to charge and collect from each certificate holder the excise tax imposed by this Section and deposit with the State Treasurer.

The TA interprets this to mean that the following fees and amounts are subject to the 3 percent excise tax:

- Total displayed on meter at conclusion of transport of passenger including:
 - Initial activation of meter charge (drop charge)
 - Total fare calculated on the meter, to include per mile and wait time charges
 - Trip charge as authorized by NRS 706.8826.3(b)
 - Technology fees as authorized by NRS 706.88184.3(a) and NRS 706.8826.3(c)
 - Fuel surcharge when authorized and implemented through Taxicab Authority Board order
 - Any other fees, charges, or surcharges authorized by the Taxicab Authority Board
- Additional amounts not displayed on meter at any time
 - Credit or debit card fees, authorized by NRS 706.88355.2
 - Cancellation fees and any other charges paid to certificate holders through collection from the passenger by e-hail applications of companies contracted with a certificate holder

Based upon this interpretation there are sixteen certificated taxicab companies under the TA's jurisdiction subject to the excise tax. The TA further assumes that the amount of excise tax owed will be calculated and paid monthly by each of the certificated taxicab companies. Additional administrative fiscal staff will be required to process the incoming payments, maintain revenue logs, account receivable aging sheets and individual payment records for each company, prepare and deposit funds and transmit deposit information to the State Treasurer. Additionally, administrative staff will maintain data and prepare reports of collection data, identifying any delinquent payments and will prepare related correspondence. The TA recommends the addition of one Administrative Assistant.

To review internal report data and perform audits to verify accurate record keeping and full compliance with payment of the imposed excise tax, that TA recommends the addition of two Compliance Audit Investigators. The TA contemplates a modest amount of travel to conduct onsite compliance audits. The TA would require two agency vehicles for use by the Compliance Audit Investigators.

Legislative Counsel Bureau review of the regulations costs depend upon how extensive the draft regulations are and how many revisions and subsequent reviews are needed. The estimated cost would be \$1,000 based on \$500 for two reviews.

In addition, if the excise tax will be collected directly from the passenger, the meters would need to be changed in all approximately 3100 taxicabs (\$7,600 for overtime and \$1,650 for meter seals). This may not be possible as meters are not set up to determine a percentage. In addition, credit and debit card fees, and e-hail company fees are not on the meter. The 3 percent excise tax will not be able to be collected through the meter under these circumstances.

State of Nevada - Budget Division
Line Item Detail & Summary
2015-2017 Biennium (FY16-17)

Section A1: Line Item Detail by GL**Budget Account: 4130 B&I - TAXICAB AUTHORITY**

Item No	Description	Actual 2013-2014	Work Program 2014-2015	W10 Year 1 2015-2016	W10 Year 2 2016-2017
E240	EFFICIENT AND RESPONSIVE STATE GOVERNMENT This request funds AB175 inclusive of amendments adopted on May 7, 2015. AB 175 implements the collection of a 3 percent excise tax imposed on the connection, whether by dispatch or other means, made by a common motor carrier of a passenger of the total fare charged for the transportation which must include all fees, surcharges, technology fees, convenience charges for the use of a credit or debit card and any other amount that is part of the fare. The Authority is to charge and collect from each common motor carrier of passengers the excise tax imposed. Further, the State Treasurer shall deposit any money received from the Public Utilities Commission of Nevada, the Nevada Transportation Authority, and the Taxicab Authority: The first \$5,000,000 of the combined amount of such money received in each biennium, for credit to the State Highway Fund; for any additional amount of such money received in each fiscal year, for the credit to the State General Fund.				
REVENUE					
2511	BALANCE FORWARD FROM PREVIOUS YEAR	0	0	0	-256,697
	TOTAL REVENUES FOR DECISION UNIT E240	0	0	0	-256,697
EXPENDITURE					
01	PERSONNEL SERVICES Salaries for three full-time equivalent positions (one Chief of Compliance Audit Investigator; one Compliance Audit Investigator II; one Administrative Assistant II).				
5100	SALARIES	0	0	114,987	118,214
5200	WORKERS COMPENSATION	0	0	3,021	2,546
5300	RETIREMENT	0	0	22,089	22,718
5400	PERSONNEL ASSESSMENT	0	0	702	709
5500	GROUP INSURANCE	0	0	25,908	24,990
5700	PAYROLL ASSESSMENT	0	0	161	165
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	2,553	2,672
5800	UNEMPLOYMENT COMPENSATION	0	0	149	154
5810	OVERTIME PAY Cost associated with implementation of new meter.	0	0	7,600	0
5840	MEDICARE	0	0	1,668	1,714
	TOTAL FOR CATEGORY 01	0	0	178,838	173,882
03	IN-STATE TRAVEL Travel required for audit of various companies located in the rural areas; training of staff; and supervision of staff in Las Vegas.				
6000	TRAVEL Unable to determine actual travel need with current language contained in AB175.	0	0	1,500	1,500
	TOTAL FOR CATEGORY 03	0	0	1,500	1,500
04	OPERATING				
7020	OPERATING SUPPLIES Year 1: Startup \$100 + \$50/Month x 11 Months x 3 FTE Year 2: \$50/Month x 12 Months x 3 FTE	0	0	1,950	1,800
7040	NON-STATE PRINTING SERVICES Meter Seals	0	0	1,650	0
7050	EMPLOYEE BOND INSURANCE	0	0	4	3
7052	VEHICLE COMP & COLLISION INS	0	0	138	130
7054	AG TORT CLAIM ASSESSMENT	0	0	347	347

State of Nevada - Budget Division
Line Item Detail & Summary
2015-2017 Biennium (FY16-17)

Item No	Description	Actual 2013-2014	Work Program 2014-2015	W10 Year 1 2015-2016	W10 Year 2 2016-2017
7059	AG VEHICLE LIABILITY INSURANCE	0	0	361	361
7080	LEGAL AND COURT Anticipate 3 hearings at \$400 each	0	0	1,200	1,200
7081	LEGAL AND COURT-A Legislative Counsel Bureau regulation review expense. Anticipate 2 reviews at \$500	0	0	1,000	1,000
7120	ADVERTISING & PUBLIC RELATIONS Advertising of open meeting for regulation review in two newspapers (north and south).	0	0	250	250
7285	POSTAGE - STATE MAILROOM Notices of workshops and other mailings.	0	0	500	500
7290	PHONE, FAX, COMMUNICATION LINE Long distance telephone charges three positions.	0	0	225	225
7291	CELL PHONE/PAGER CHARGES Two cell phones (\$36.00/mo X 12 months X 2 positions = 864.00)	0	0	864	864
7295	EITS STATE PHONE LINE Enterprise Information Technology Services (EITS) telephone lines for three full-time equivalent positions.	0	0	432	426
8371	COMPUTER HARDWARE <\$5,000 - A Surge protector strips for three full-time equivalent positions.	0	0	72	0
TOTAL FOR CATEGORY 04		0	0	8,993	7,106
05	EQUIPMENT				
7460	EQUIPMENT PURCHASES < \$1,000 Two cellular telephones for use by two full-time equivalent Compliance Audit positions.	0	0	300	0
8241	NEW FURNISHINGS <\$5,000 - A Office furniture needed for three full-time equivalent positions (one Chief Compliance Audit Investigator; one Compliance Audit Investigator II; one Administrative Assistant II).	0	0	6,770	0
8310	PICK-UPS, VANS - NEW Purchase of one vehicles to be used by the Compliance Audit Investigator positions. Four-wheel drive vehicles requested due to travel in areas with inclement weather.	0	0	49,744	0
TOTAL FOR CATEGORY 05		0	0	56,814	0
26	INFORMATION SERVICES				
7533	EITS EMAIL SERVICE Email service for three full-time equivalent positions.	0	0	242	239
7545	EITS VPN SECURE LINK Virtual private Network (VPN) service for two full-time equivalent Compliance Audit Investigator positions.	0	0	328	310
7554	EITS INFRASTRUCTURE ASSESSMENT Enterprise Information Technology Services (EITS) infrastructure assessment for three full-time equivalent positions.	0	0	398	413
7556	EITS SECURITY ASSESSMENT	0	0	310	309
7771	COMPUTER SOFTWARE <\$5,000 - A Microsoft Office Suite Pro software(two laptops; three desktop computers).	0	0	1,650	0
8371	COMPUTER HARDWARE <\$5,000 - A Computer hardware equipment for three full-time equivalent positions.	0	0	7,624	0
TOTAL FOR CATEGORY 26		0	0	10,552	1,271
86	RESERVE				

State of Nevada - Budget Division
Line Item Detail & Summary
2015-2017 Biennium (FY16-17)

Item No	Description	Actual	Work Program	W10	W10
		2013-2014	2014-2015	Year 1 2015-2016	Year 2 2016-2017
9178	RESERVE - BAL FWD TO SUBSEQUENT FY	0	0	-256,697	-440,456
	TOTAL FOR CATEGORY 86	0	0	-256,697	-440,456
	TOTAL EXPENDITURES FOR DECISION UNIT E240	0	0	0	-256,697
	TOTAL REVENUES FOR BUDGET ACCOUNT 4130	0	0	0	-256,697
	TOTAL EXPENDITURES FOR BUDGET ACCOUNT 4130	0	0	0	-256,697

State of Nevada
BAV Position List

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Budget Period: 2015-2017 Biennium (FY16-17)

Budget Account: 4130 B&I - TAXICAB AUTHORITY

Version: W10 AB 175 TRANSPORTATION NETWORK COMPANIES

DU	PCN	Group	Class	Class Description	Type	Grade	Step	Adj	Act FTE	WP FTE	Yr1 FTE	Yr2 FTE	Start Dt	End Dt
E240	000201	LV	02211	ADMIN ASSISTANT 3	New	27	1	0	0.00	0.00	1.00	1.00	201507	201706
E240	000202	LV	11365	COMPLIANCE/AUDIT INVEST 2	New	33	1	0	0.00	0.00	1.00	1.00	201507	201706
E240	000203	LV	11363	COMPLIANCE/AUDIT INVEST 3	New	35	1	0	0.00	0.00	1.00	1.00	201507	201706

**State of Nevada
Equipment Schedule**

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Budget Period: 2015-2017 Biennium (FY16-17)

Budget Account: 4130 B&I - TAXICAB AUTHORITY

Version: W10 AB 175 TRANSPORTATION NETWORK COMPANIES

Schedule: EQUIPMENT

DU	Catg	GL	Equipment Type	Priority	Yr 1 Count	Yr 1 Rate	Yr 1 Total	Yr 2 Count	Yr 2 Rate	Yr 2 Total
E240	05	8241	OFFICE FURNITURE-SECRETARIAL *** ENTIRE UNIT ***	35	3	1,990.00	5,970	0	1,990.00	0
E240	26	7771	SOFTWARE-MICROSOFT OFFICE SUITE PRO	40	5	330.00	1,650	0	330.00	0
E240	26	8371	HARDWARE-LAPTOP PC WITH OPERATING SYSTEM	45	2	1,575.00	3,150	0	1,575.00	0
E240	04	8371	HARDWARE-SURGE PROTECTOR STRIPS	50	3	24.00	72	0	24.00	0
E240	26	8371	HARDWARE-DESKTOP PC W/ MONITOR & OS, HIGH COST	55	3	1,258.00	3,774	0	1,258.00	0
E240	05	8241	OFFICE FURNITURE-SECRETARIAL 4 DRAWER FILE CABINET	65	2	400.00	800	0	400.00	0
E240	05	8310	VEHICLE-FLEET-LV-5.2 SPORT UTILITY VEHICLE:4X4;4 DOOR;4-6 PASS	70	2	24,872.00	49,744	0	25,618.00	0
E240	26	8371	HARDWARE-LAPTOP DOCKING STATION	85	2	350.00	700	0	350.00	0
E240	05	7460	SAMSUNG VIBRANT (WSCA)	90	2	149.99	300	0	0.00	0