

**MINUTES OF THE  
SENATE COMMITTEE ON TRANSPORTATION**

**Seventy-Eighth Session  
May 26, 2015**

The Senate Committee on Transportation was called to order by Chair Scott Hammond at 8:30 a.m. on Tuesday, May 26, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Scott Hammond, Chair  
Senator Don Gustavson, Vice Chair  
Senator Patricia Farley  
Senator Mark A. Manendo  
Senator Moises (Mo) Denis

**STAFF MEMBERS PRESENT:**

Megan Comlossy, Policy Analyst  
Darcy Johnson, Counsel  
Tammy Lubich, Committee Secretary

**OTHERS PRESENT:**

Terry Reynolds, Deputy Director, Administration, Department of Business and Industry  
Bruce Breslow, Director, Department of Business and Industry  
Jennifer DeRose, Acting Administrator, Taxicab Authority, Department of Business and Industry

**Chair Hammond:**

I will open the hearing on Assembly Bill (A.B.) 477.

**ASSEMBLY BILL 477:** Revises provisions concerning the duties of the Taxicab Administrator. (BDR 58-1192)

**Terry Reynolds (Deputy Director, Administration, Department of Business and Industry):**

Assembly Bill 477 authorizes the taxicab administrator to hire a staff attorney to handle cases involving driver citations, mechanical issues and other items that are brought before the Taxicab Authority (TA). This TA staff attorney position would be similar to the Nevada Transportation Authority (NTA) staff attorney position. At this time, the TA contracts with an attorney who is available 1 day per week. We also have a deputy attorney general (DAG) who manages the settlement cases for the TA. The DAG manages approximately 60 percent of the cases, and the contract attorney manages about 40 percent of the caseload; consequently, there is a 6- to 8-month backlog in our caseload.

The TA believes a staff attorney will be cost-effective. By decreasing a portion of the DAG's work, the TA cases will be handled in a more timely manner, holding hearings 3 to 4 days per week.

**Chair Hammond:**

What is the cost saving of having an in-house attorney?

**Mr. Reynolds:**

The current assessment for the DAG is between \$500,000 and \$600,000, annually. It is probable that as much as one-third of that cost will be saved. The proposed salary for the staff attorney is approximately \$83,900 annually.

**Chair Hammond:**

Have these dollars already been included in the TA budget?

**Mr. Reynolds:**

Yes, this is in the budget.

**Senator Gustavson:**

Does the NTA already have a staff attorney?

**Mr. Reynolds:**

Yes, the NTA has a staff attorney that acts as the hearing officer. The TA staff attorney position would be similar to the NTA position.

The TA has a dual process with the DAG who conducts the settlement conferences, where the pleas are negotiated, but this does not take care of all of the caseload. The staff attorney will help get cases handled in a more timely manner and decrease the caseload of the DAG.

**Senator Gustavson:**

Generally, the Attorney General (AG) manages lawsuits for the different agencies. Are you saying the AG is backlogged and unable to help the TA? I can see this position as a cost saving, but I need to be convinced that this is the right direction.

**Mr. Reynolds:**

There are approximately 5,000 cases a year. Part of these cases will be pled out during the settlement conferences that the DAG manages. The other cases go to a hearing with the contracted hearing officer, but with the contracted attorney only hearing cases 1 day a week, the TA is not able to resolve as many cases as it would like. This causes a backlog for long periods.

Due to the long period, there are many no-shows. The staff attorney will help hear cases in a timely manner and decrease the number of cases that would have to go to settlement conferences. The staff attorney will be more cost-effective, as seen with the NTA. The NTA hears cases within about a month.

**Bruce Breslow (Director, Department of Business and Industry):**

There is a certain time limit during which an impound or a hearing must be held. With a contract attorney working 1 day a week, it has been very difficult to meet this requirement. The TA has had to use the NTA hearing officer and facilities for impounds with the TA. The staff attorney position will allow the TA to conduct its own impound hearings, and hearings can be held more often.

**Senator Gustavson:**

We have had the discussion before as to who should be hearing these cases. It seems there could be bias if the TA or the NTA hears the cases. If the case goes before the DAG, there might be less bias.

**Mr. Reynolds:**

This is always a consideration when looking at this type of system. However, the AG's Office works in concert with the TA and the NTA. The AG's Office

handles the settlement portions, the no-shows and helps to prepare the cases that go before the hearing officer. This is a dual process that works between the hearing officer and the AG's Office, and we are comfortable this is an impartial process. The problem has been the volume of cases and trying to get through the backlog of cases in a timely manner. There are very few cases that are appealed or people have issues with on the TA side. This is a fair and impartial method.

**Mr. Breslow:**

This position will save money and time. Instead of having a contract attorney once a week, there will be a staff attorney hearing cases several times a week without having to go to another agency.

It will not address the issues raised by Senator Gustavson. The process will not get better or worse; there will simply be more hearings more often, and we will not have to use the NTA staff or the AG as often.

**Senator Manendo:**

The TA has a contract attorney that is used once a week. If the contract attorney only works once a week, do you need to have a full-time position? Is this position simply for convenience? Like Senator Gustavson, I wonder if this position is really necessary?

**Mr. Reynolds:**

There are three areas being considered. First is trying to reduce the 6- to 8-month backlog of cases.

**Senator Manendo:**

How great is the backlog, and why is the contract attorney only working once a week?

**Mr. Reynolds:**

This is the budget we have, and the way it has been for several years. With 10,000 licensed drivers and 3,500 drivers out per day, there is a lot of activity. The TA has not been able to manage the caseload.

The new staff attorney position will update the TA regulations, which have not been updated for years. There are also new activities with the transportation

network bills that will be passed this Legislative Session. This will add regulations which need to be updated.

The new staff attorney position will save money. The TA is relying heavily on the DAG. This will shift some of that burden back to the TA staff attorney and save money for the Department.

**Senator Manendo:**

How much backlog is there?

**Mr. Reynolds:**

The backlog goes back to September and October of last year.

**Jennifer DeRose (Acting Administrator, Taxicab Authority):**

The TA is booking court dates from October 21, 2014.

**Senator Manendo:**

I do not know what that means. How many cases are there?

**Ms. DeRose:**

We hold administrative hearings 1 day a week at four scheduled times. The hearings are scheduled at 7:30 a.m., 9:30 a.m., 1 p.m., and 3 p.m. Typically there are 20 to 25 cases for each of those time periods. If a case is settled with the DAG, this number may be reduced. There are approximately 100 cases, 25 each session.

**Senator Manendo:**

Can you just give me a number of cases, please?

**Ms. DeRose:**

I do not know the number of cases pending. We try to hear 100 cases per day.

**Senator Manendo:**

Therefore, you have 100 cases a day.

**Ms. DeRose:**

Yes, that is what we try to schedule.

**Senator Manendo:**

Why was this position not requested in the past, or was it?

**Mr. Breslow:**

Ms. DeRose, Mr. Reynolds and I were not with the TA in the past. We are making process improvements now, trying to save money and speed up things.

**Senator Denis:**

Was this position submitted as part of your budget request for this Session?

**Mr. Breslow:**

Yes, it was included in the budget and approved when the full Committees closed the budget.

There were 3,100 cases in 2012, 4,655 cases in 2013, and in fiscal year (FY) 2014, 4,238 cases have been received. The same number of cases has been listed as resolved regardless of whether a hearing officer pleaded it out, there was a settlement or a decision rendered. The projected caseloads are 5,100 for FY 2016-2017.

With the hearing officer, a contract always costs more. A staff person who can conduct 300 hearings a week instead of 100 cases a week will help keep the TA from getting further behind. The TA believes this will make the procedure more efficient and take the burden off the NTA.

**Senator Denis:**

Could not the TA reduce the backlog in half by just adding 1 more day of hearings? This does not address the other issue of the regulations. Who revises the regulations, now?

**Mr. Reynolds:**

The DAG assists the TA with the regulations. However, with the amount of casework that the DAG does and the amount of time spent on other issues for the TA, the DAG has not been able to update the regulations. The TA would like to have a staff position that would be dedicated to these issues.

**Senator Denis:**

Are you behind in updating your regulations now?

**Mr. Reynolds:**

Yes.

**Senator Denis:**

Is there new legislation from this Session that will require the processing of regulations?

**Mr. Reynolds:**

Yes.

**Senator Denis:**

You stated this position would save money. However, if you have a full-time position, there will also be the cost of retirement and benefits. Will this still cost less than adding a few more days to a contract?

**Mr. Reynolds:**

The budget amount for the FY 2015-2016 is \$91,344. It will be a little less due to salary savings because we will not have the position filled July 1, 2015. For the FY 2016-2017, the cost is \$120,421. The savings will be realized by the decrease in amount of time spent by the DAG for the agency, and cases will be dealt with more efficiently.

The TA looked at the numbers and if another day was added for the contract attorney, the cost would probably be the same amount as a full-time staff attorney. The TA would not be able to have anyone for the other times. The cost would be approximately \$90,000-plus to add time for a contract attorney versus hiring a full-time position.

**Mr. Breslow:**

This has been discussed with the joint money committees. The TA has been assessed with a large assessment for AG services during the next 2 years. It is an increase of \$200,000. The TA has worked to decrease this cost and work more efficiently. The best way the TA has found to save money, move the cases more efficiently and reduce the backlog is to hire a full-time staff attorney.

**Senator Denis:**

What do you expect the backlog to be after you have a full-time person?

**Mr. Reynolds:**

The TA would like to get down to where the cases are handled within 30 to 45 days instead of 6 to 7 months. With a full-time staff attorney, this is possible by hearing cases 3 days a week. The staff attorney will then have time to work on the regulations.

**Senator Denis:**

Is there a benefit to the drivers if the hearings are held sooner?

**Mr. Reynolds:**

Yes, it will reduce the failures to appear and the car impound cases. Drivers need to get these cases resolved to get the car and driver back on the road. This will also get the bad drivers off the road for safety reasons. Getting the cases resolved in a timely manner makes a lot of sense.

**Senator Gustavson:**

I understand the need the TA has right now. What are the problems that are causing all these cases? Is there an underlying cause that is creating so many cases? Is it gypsy drivers, regular drivers?

**Mr. Breslow:**

I would like Acting Administrator Jennifer DeRose to answer this question.

**Ms. DeRose:**

The last Legislative Session, the TA was granted more enforcement officers. As there are more taxi drivers, traffic and more enforcement officers, there are more enforcement citations written. The increase in volume results in more cases.

I would like to clarify that the TA has a contract hearing officer. The DAG represents the TA in our administrative hearings. When the numbers of cases started increasing and the backlog increased up to 10 months, the TA instituted settlement conferences, which the DAG took over. Every Thursday, prior to court, the DAG conducts settlement conferences attempting to alleviate the backlog. The DAG will still represent the TA in each hearing, and the contract attorney will hear the cases.



**Mr. Breslow:**

The TA needs to reverse the negative image, as reported by the media, of tourists coming to Las Vegas and being ripped off.

As part of our budget, the Legislature approved four officers to work another long-haul unit out of the airport. The TA is anticipating more citations due to the spot enforcement of taxicab long-hauling. This will be two shifts per day of four officers.

The TA wants to get the cases closed and get the good drivers back on the road so they can serve the public.

**Senator Gustavson:**

Enforcement is great and we need to get the bad drivers off the road. I do not know what your penalties are, but maybe they need to be stiffer. If the fines are stiffer for those who deserve them, this could cut back on the citations issued and thus reduce the caseload.

**Mr. Breslow:**

The penalties are on a sliding scale that consider the number of offenses. There is a matrix, which stops the drivers from walking across the street and being hired again. Some of the people who go into this business may not pay attention to all of the rules of the road. It should be noted that a lot of the cases are accident-related.

Senate Committee on Transportation  
May 26, 2015  
Page 10

**Chair Hammond:**

I will close the hearing on A.B. 477. There being no further business or public comment, the meeting is adjourned at 8:54 a.m.

RESPECTFULLY SUBMITTED:

---

Tammy Lubich,  
Committee Secretary

APPROVED BY:

---

Senator Scott Hammond, Chair

DATE: \_\_\_\_\_

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	2		Attendance Roster