

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON TRANSPORTATION**

**Seventy-Ninth Session  
April 6, 2017**

The Committee on Transportation was called to order by Chairman Richard Carrillo at 3:20 p.m. on Thursday, April 6, 2017, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/79th2017](http://www.leg.state.nv.us/App/NELIS/REL/79th2017).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Richard Carrillo, Chairman  
Assemblywoman Ellen B. Spiegel, Vice Chair  
Assemblywoman Shannon Bilbray-Axelrod  
Assemblyman John Ellison  
Assemblyman Ozzie Fumo  
Assemblyman Richard McArthur  
Assemblywoman Daniele Monroe-Moreno  
Assemblyman Michael C. Sprinkle  
Assemblyman Justin Watkins  
Assemblyman Jim Wheeler  
Assemblywoman Melissa Woodbury

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Assemblyman Edgar Flores, Assembly District No. 28  
Assemblyman Chris Edwards, Assembly District No. 19

**STAFF MEMBERS PRESENT:**

Jann Stinnesbeck, Committee Policy Analyst  
Darcy Johnson, Committee Counsel  
Joan Waldock, Committee Secretary  
Trinity Thom, Committee Assistant



**OTHERS PRESENT:**

Alfredo Alonso, representing Livery Operators Association of Las Vegas  
Kimberly Maxson-Rushton, representing Livery Operators Association of Las Vegas  
John Marushok, Vice President of Transportation Operations, Frias Transportation Management  
Danny Wade, Chief Executive Officer, Frias Transportation Management  
Gary Milliken, representing Yellow Checker Star Transportation  
Robert Winner, Counsel, Desert Cab and On Demand Sedan, Inc.  
Mark E. Trafton, Vice President and General Counsel, Whittlesea Bell  
Michael Hillerby, representing Lyft, Inc.  
Josh Griffin, representing Uber  
Terri L. Albertson, C.P.M., Director, Department of Motor Vehicles  
Brian O'Callaghan, Government Liaison, Office of Intergovernmental Services, Las Vegas Metropolitan Police Department  
Eric Spratley, Lieutenant, Intergovernmental Services, Washoe County Sheriff's Office  
Stacey Shinn, Policy Director, Progressive Leadership Alliance of Nevada  
Arlene Alvarez, Las Vegas Community Organizer, Mi Familia Vota  
Janine Hansen, State President, Nevada Families for Freedom  
Cadence Matijevich, Deputy Secretary for Operations, Office of the Secretary of State  
Dan Musgrove, representing CSAA Insurance Group  
Jeanette K. Belz, representing Property Casualty Insurers Association of America  
Scott W. Anderson, Chief Deputy, Office of the Secretary of State

**Chairman Carrillo:**

[Roll was called. Committee protocols and rules were explained.] We will take the bills out of order. We will begin with Assembly Bill 487. It is a Committee bill, and I will present it.

[Assemblywoman Spiegel assumed the Chair.]

**Vice Chair Spiegel:**

We will now open the hearing on Assembly Bill 487.

**Assembly Bill 487: Revises provisions relating to vehicles. (BDR 58-783)**

**Chairman Richard Carrillo, Assembly District No. 18:**

I am here today to present Assembly Bill 487. This legislation authorizes the Taxicab Authority to enter into a memorandum of understanding (MOU) with the Nevada Transportation Authority (NTA) that allows the Taxicab Authority (TA) to assist in enforcing laws relating to transportation network companies (TNCs) in Clark County. The measure also authorizes an independent contractor who leases a taxicab to use the taxicab for transportation services under an agreement with a transportation network company.

Beyond that, the bill makes various simplifying revisions relating to taxicabs and transportation network companies. I will now turn the presentation over to Mr. Alonso and Ms. Kimberly Maxson-Rushton, who will walk the Committee through the bill.

**Alfredo Alonso, representing Livery Operators Association of Las Vegas:**

Before you is Assembly Bill 487, which is basically two parts—modernization and enforcement. Those are two things that were lacking from last session's dramatic changes in the transportation world. Ms. Maxton-Rushton will be able to explain to you that the world of taxis and the transportation that you knew has drastically changed. We need to be able to make changes within the industry. At this point, it is not so much about modernization as it is about survival. You will hear from people that an uneven playing field exists. This bill does not even things, but it gets a little closer to fairness, allowing us to compete better.

The portion you will hear today with respect to the TA and its ability to potentially write tickets and enforce law to some degree is also incredibly important. You will hear testimony about TNC drivers doing cash runs—that is, with apps off, TNCs will line up and accept all cash for rides. That is a problem for the TNCs and is a significant problem for us. We believe that if the TA can issue tickets through an agreement with the NTA, ultimately we can get at least halfway there on some of these issues.

I would like to turn the presentation over to Ms. Maxton-Rushton.

**Kimberly Maxson-Rushton, representing Livery Operators Association of Las Vegas:**

I will walk you through the sections ([Exhibit C](#)). Section 1 is a similar requirement whereby, as you will recall from last session, taxicabs in southern Nevada have the ability to lease vehicles to drivers in order to provide taxi service. Section 1 specifically provides the ability for those leased taxicabs to perform TNC-type services.

Section 2 authorizes a taxicab to hold up to six passengers. Section 3 provides the TA with concurrent enforcement authority over the TNCs. Specifically, the bill allows the issuance of citations, but it does not modify the adjudication of these matters. They will remain with the NTA, but it does give concurrent authority to the TA to write citations. Sections 4 and 5 pertain to the technology fee collected by the TA. These two statutes were enacted in 2013 in an effort to create a real-time data system. That was a tool the TA hoped to use, but it never came about; therefore, we respectfully request that the money that is collected pursuant to the technology fee be authorized to be used by the TA for the purpose of safety, with an emphasis on technology and safety.

Section 6 can best be described as a cleanup bill relative to the color schemes of taxis. It maintains the obligation that certificated carriers who operate taxis in a jurisdiction have distinct markings on their vehicles so they can differentiate from one another. The rest of the language contained within that statute is antiquated and is no longer effective.

Section 7 authorizes a taxi to operate up to 120 months from the date it was originally manufactured. This is based on the fact that, as a result of the decline in taxi trips over

the last two years, the mileage of vehicles has decreased. They are, therefore, seeking to expand the operational lifetime. That, coupled with the technology of vehicles these days, still ensures the safety of the vehicle. It does not in any way prevent the TA from pulling a vehicle out of operation in the event they believe it is unsafe, nor does it change the obligation of the TA to do an annual inspection of each taxicab.

Under section 8, we remove the requirement that taxi rates be listed on the outside of vehicles. It maintains the obligation that rates be posted in a conspicuous place inside the vehicle. On the outside of the vehicle, all that is necessary is that the carrier note whether or not they accept credit and debit cards and, if they do, what the fee for the use of those cards is.

Section 9 requires the TA to inspect every taxicab annually, while preserving the TA's ability to remove a taxicab from service should the TA believe the vehicle is unsafe to operate. Section 10 clarifies that the lease provisions applicable to taxis in Clark County allow them to perform TNC services. It prohibits the driver from operating more than one lease of a taxicab in a 24-hour period. The significance of that is to ensure that drivers do not exceed their hours of service within a 24-hour period.

Section 11 removes the 30-day resident requirement for a taxi driver and allows a driver in a state neighboring the county in which they hold a permit to obtain a taxi permit. Section 12 maintains a driver's hours of service and allows the carrier the flexibility to use either a manual or an electronic system to record the driver's hours of service. Section 13 pertains to longhauling. I note this for your attention because it is reflective of the fact that the industry, along with Administrator Grogan and Chairman Olsen of the Taxicab Authority Board, have worked diligently to try to address this problem. From the moment that both of those gentlemen were appointed to the TA Board and to the administration, they have made this a priority and reached out to the industry. While the language contained in the bill may need some tinkering, I respectfully submit that I believe it is a good start at addressing the issue of longhauling in Clark County.

Sections 14 and 16 amend various provisions of *Nevada Revised Statutes* (NRS) Chapter 706A to allow drivers who lease taxis to perform TNC services. You will note that sections 17 through 23 have been completely stricken. Those previously pertained to the passenger excise tax. That issue has been raised in another bill. For the ease of processing this bill, we have recommended it be deleted.

Sections 24 through 26 relate to the technology previously described in sections 4 and 5 of the bill, pertaining to vouchers used or issued by the Aging and Disability Services Division to subsidize transportation to individuals with disabilities or the elderly. Lastly, the bill proposes to repeal NRS 484D.493 as it applies to digital displays. Repealing the statute provides certificate holders such as taxis with more opportunities to generate revenue from advertising which is now, more than ever, necessary for the taxi industry and its ability to remain competitive and to retain drivers.

That concludes my overview of A.B. 487. I am happy to answer any questions, but I will note there are members of the Livery Operators Association present in Las Vegas who can answer any technical questions you may have.

**Vice Chair Spiegel:**

Do I have any questions from Committee members?

**Assemblyman Sprinkle:**

Section 5, subsection 4 removes the requirements on fees or how those fees are to be spent. What is the rationale behind that?

**Kimberly Maxson-Rushton:**

In 2013, the technology fee was enacted by this legislative body to create a real-time data system that could be used as a tool for the Taxicab Authority and by the NTA. That tool has never been developed. While the fees have been collected, what we are requesting is that the monies be used now by the Taxicab Authority for safety-related and regulatory purposes, but with an eye toward technology. In that way, it stays somewhat consistent with the original intent, but because of the fact that the real-time data system has never been effectuated, we ask that the TA be allowed to retain those monies and use them for safety and regulatory purposes, with an emphasis on technology.

**Assemblyman Sprinkle:**

That is interesting. I would have to go back two sessions and try to remember why we implemented those fees to begin with and why that system was never developed.

**Kimberly Maxson-Rushton:**

The intent was to be able to monitor commercial vehicles in real time and to have a direct feed to either the NTA or the TA. It was a long, convoluted process—developing the technology that could be used and thereafter going through the process of state purchasing. To my knowledge, neither agency went forward with developing the model.

**Assemblyman Sprinkle:**

In section 10, subsection 1, paragraph (b), it sounds as if those people who lease taxicabs will now be allowed to be TNC drivers when not working for the taxicab company. Is that right?

**Kimberly Maxson-Rushton:**

This allows that an independent contractor who is operating a leased vehicle from a certificated holder will be allowed to perform TNC services.

**Assemblyman Sprinkle:**

Are they performing those services for the taxicab company?

**Kimberly Maxson-Rushton:**

No, sir. They are simply using taxicabs as the vehicles. The services are consistent with all other TNC drivers.

**Assemblyman Sprinkle:**

That seems incredibly confusing for the consumer.

**Kimberly Maxson-Rushton:**

This is a practice that is not uncommon in other jurisdictions. It allows one to connect to the app and to provide those services akin to the way any other independent contractor driver does while operating one's own vehicle. In this instance, the driver would be using a taxi.

**Assemblyman Sprinkle:**

I think part of this bill talks about regulations in different jurisdictions. How are those regulators going to know if a driver is working as a taxicab driver or independently as a TNC driver?

**Kimberly Maxson-Rushton:**

When the vehicle is leased, it is leased to that driver to utilize in the capacity of either a taxi or a TNC. The driver may connect to the app and connect to passengers. The vehicle that would be displayed on the app would be the taxicab. It allows drivers the flexibility to use that vehicle as a mechanism to provide commercial transportation either as a taxi, using the meter, or as a TNC, using the app.

**Assemblyman Sprinkle:**

This gets back to some of the concerns I had last session in regard to insurance. Which insurance policy is going to apply if this driver is in a leased taxicab, but working as a TNC? I would assume that the driver would be required to have the coverage of a TNC.

**Kimberly Maxson-Rushton:**

The coverage that adheres to the taxi is the insurance coverage that would still be in place at the time the driver is using the vehicle as a TNC. It is higher coverage. Pursuant to the contract terms of the independent contractor-leased taxicab, it does not in any way change the insurance requirements that a taxicab operator must maintain for utilization of those vehicles. Those obligations remain even when the vehicle is being used as a TNC. The coverage is a comprehensive, 24-hour coverage that goes with the vehicle. It is a higher coverage, using a permanent driver from the TA, in a vehicle that has been pre-inspected and is inspected on a regular basis as a taxicab.

**Alfredo Alonso:**

I would like to add to that. This would help us keep our drivers. They may drive in both capacities anyway. This allows us the flexibility to keep drivers employed, which helps us.

**Assemblyman Watkins:**

Section 3, subsection 7, paragraph (a) talks about the TA's enforcement authority over TNC drivers. It seems that enforcement jurisdiction is broader than what is contained in the NTA's provisions of NRS Chapter 706A. That paragraph says, ". . . and the traffic laws of this State." That does not seem that the NTA currently has jurisdiction over TNC drivers to enforce the rules of the road. Is this intended to allow for the TA to ticket TNC drivers for violations of the rules of the road?

**Kimberly Maxson-Rushton:**

No, sir, it is not. It is exactly the same jurisdiction as the NTA holds as the regulator over NRS Chapter 706A. Both the Taxicab Authority and the NTA have Peace Officers' Standards and Training Commission (POST)-certified peace officers. If a violation occurs in their presence, they can cite for it. They generally do not; it is specific to the jurisdiction of Chapter 706A. All this is intended to do is to give concurrent jurisdiction akin to what the NTA has.

**Assemblyman Watkins:**

It would seem to me, then, that limiting the enforcement to the provisions of NRS Chapter 706A seems to encapsulate all of what you are saying, with the modifier that ". . . and the traffic laws of this State" seems to go beyond what the NTA has the ability to do now. If you are saying they do have the ability to do so, we will look into it.

**Assemblywoman Bilbray-Axelrod:**

In the text repealing NRS 484D.493, having to do with dynamic display—current language says that the dynamic display cannot change while the motor vehicle is: "(1) Moving; (2) In a turnout; or (3) In any other location where changing the image or content displayed on the dynamic display may cause undue distraction to operators of other vehicles . . . ." Is that being repealed?

**Kimberly Maxson-Rushton:**

Yes.

**Assemblywoman Bilbray-Axelrod:**

Do we not have those concerns anymore?

**Kimberly Maxson-Rushton:**

As to the digital displays or taxi tops that are stationary when the vehicle is in motion but allowed to have moving pictures when the vehicle is not—there has been no evidence or demonstration of the fact that this presents a safety hazard. However, it is significant for the taxis and their abilities to bring in national marketers and generate advertising revenue.

**Assemblywoman Bilbray-Axelrod:**

Does this deal specifically with advertising on the tops of taxis?

**Kimberly Maxson-Rushton:**

Yes.

**Assemblywoman Bilbray-Axelrod:**

This does not allow rolling advertising on the back or on the sides of taxis?

**Kimberly Maxson-Rushton:**

As it is used in the taxicab industry, it is specifically the taxi tops.

**Assemblyman Wheeler:**

I would like you to clear something up for me. Maybe I am reading the bill incorrectly. Is section 3, subsection 7 giving the Taxicab Authority enforcement jurisdiction and concurrent authority over all TNCs? Is that what this bill does?

**Kimberly Maxson-Rushton:**

No, sir. What it is intended to do is just give them the ability to cite for violations of NRS Chapter 706A.

**Assemblyman Wheeler:**

So it gives them authority for enforcement over all TNC drivers, but not regulations under all TNC drivers?

**Kimberly Maxson-Rushton:**

Yes. That is correct.

**Vice Chair Spiegel:**

Are there any other questions from Committee members? [There were none.] I will ask those in support of A.B. 487 to come forward. We have a number of people who are in support, so I would ask everyone to limit testimony to two minutes. If you have duplicative testimony, saying "Ditto," will suffice.

**John Marushok, Vice President of Transportation Operations, Frias Transportation Management:**

I represent Frias Transportation's seven entities—five cab companies, one limousine company, and one shuttle bus service. Frias supports everything that Ms. Maxson-Rushton presented today.

**Danny Wade, Chief Executive Officer, Frias Transportation Management:**

Ditto.

**Vice Chair Spiegel:**

Is there anyone else in support in Las Vegas?



**Gary Milliken, representing Yellow Checker Star Transportation:**  
Ditto.

**Robert Winner, Counsel, Desert Cab and On Demand Sedan, Inc.:**

We support this bill, especially the aspect of allowing a leased cab driver to be able to go on platform when appropriate. It is necessary and also a safety factor for the traveling public.

**Mark E. Trafton, Vice President and General Counsel, Whittlesea Bell:**

We are also strongly in support of this bill. We need these changes to be able to compete in this marketplace.

**Vice Chair Spiegel:**

Is there anyone else in Las Vegas wishing to testify? [There was no one.] Is there anyone in Carson City wishing to testify in support? [There was no one.] Do we have anyone wishing to testify as neutral in Las Vegas or in Carson City? [There was no one.] Is there anyone opposed?

**Michael Hillerby, representing Lyft, Inc.:**

We are here in opposition to one specific piece of the bill. I want to back up a little bit and say that during last session and a number of times since, we have said publicly and to representatives of the cab industry that we would fully support their efforts to modernize and to lessen appropriate regulations as needed. These are things they need to do to become more competitive and to continue to make their industry successful. There are a number of things in the bill that we support and are glad to see.

The specific part we are opposed to regards concurrent enforcement. Since 2012, the NTA and the TA have had a memorandum of understanding (MOU) that allows their enforcement agents to write citations for both. It also makes it clear that the adjudication of those citations goes back to the body that licenses the entity. In particular, the concurrent language on enforcement, and that it would be of both the company and the drivers—particularly the company piece—gives us some concern. The regulation of the company is by the NTA. They have proven to be a very thorough and fair regulator. They put us through the wringer in establishing the regulations. They have been very clear about their expectations. We think that is the appropriate place for the company to be regulated because the fine for the company is up to \$100,000 and can also include removal of the certificate to operate in Nevada. We think it is appropriate to be back with the regulator that houses our chapter. The current MOU covers what the bill envisions, and it operates that way.

I want to address something that was mentioned in prior testimony. There was mention of "TNC cash rides." I want to clarify—if they are cash rides, they are not TNC rides. They are illegal. We do not support those; that is cause for a driver to be removed from the platform. We have heard about some instances when drivers have been cited. When we find out about that, the drivers can be removed from the platform. They can also be fined. If we can do

things to streamline that, making it easier for enforcement agents to stop the occurrence of illegal behavior that hurts our legitimate drivers, potentially hurts our passengers, and hurts the company—we would support that.

Our opposition is specific to that part of the bill dealing with concurrent enforcement. We think the joint MOU that is currently on the books will work.

**Josh Griffin, representing Uber:**

Sometimes it is better to go before Mr. Hillerby because he usually covers everything pretty well. For the most part, I want to say "ditto," but I would like to echo a couple of key points. I think it is protocol in the Committee that if you oppose a portion of the bill, you testify as opposed to the bill. We do not oppose the portions of the bill the taxi industry, Mr. Alonso, and Ms. Maxson-Rushton spoke of as being in the best interests of their industry. Changing a regulatory process in the way the section Mr. Hillerby highlighted is something we oppose. We look at it from the standpoint that the current system is working. If there are specific problems that need to be addressed, we will listen.

**Vice Chair Spiegel:**

I see no questions from Committee members. Is there anyone else in opposition who would like to speak on the record? [There was no one.] Mr. Alonso, would you like to make closing comments?

**Alfredo Alonso:**

The reason the other side does not want further enforcement is because there is no enforcement currently. We have video that shows long lines of cars off app, which does not do them any good either. But, there is no one to do the enforcement. Enforcement is a very important piece to this bill. If there is additional manpower that can cite these individuals—who are nothing more than gypsy cab drivers—then you could start seeing some order in the industry. I believe strongly that this helps both the TNCs and the taxi drivers. Enforcement is a big part of this bill, along with modernization.

**Vice Chair Spiegel:**

This will now close the hearing on Assembly Bill 487.

[Assemblyman Carrillo reassumed the Chair.]

**Chairman Carrillo:**

We will now open our work session on Assembly Bill 364.

**Assembly Bill 364: Directs the Department of Transportation, in cooperation with Clark County, the City of Las Vegas and the City of Henderson, to conduct an interim study concerning roadway traffic and safety. (BDR S-1115)**

**Jann Stinnesbeck, Committee Policy Analyst:**

Assembly Bill 364 directs the Department of Transportation, in cooperation with Clark County, the City of Las Vegas, and the City of Henderson, to conduct an interim study concerning roadway traffic and safety. The bill was heard in this Committee on April 4, 2017. As previously stated, it directs Nevada's Department of Transportation, in cooperation with Clark County, the City of Las Vegas, and the City of Henderson, to conduct an interim study concerning traffic and safety on the roads, highways, and freeways in the urban eastern part of Clark County ([Exhibit D](#)). We currently have two amendments to this bill. One by Assemblyman Ohrenschall would include the Regional Transportation Commission of Southern Nevada as one of the entities cooperating in the study. The one from Assemblyman Wheeler would require a copy of the report be submitted to Nevada's Office of the Governor.

**Chairman Carrillo:**

Is there any discussion? [There was none.]

ASSEMBLYWOMAN SPIEGEL MADE A MOTION TO AMEND AND  
DO PASS ASSEMBLY BILL 364.

ASSEMBLYMAN WHEELER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

The floor statement will be made by Assemblyman Ohrenschall.

We will close the work session and open the hearing on Assembly Bill 322.

**Assembly Bill 322: Revises provisions governing driver authorization cards.  
(BDR 43-955)**

**Assemblyman Edgar Flores, Assembly District No 28:**

The district I represent is northeast Las Vegas. I am here to present Assembly Bill 322. To my constituents—this is for you. I would like to offer a roadmap of how I would like the conversation to move forward. First, I would like to identify the issue, specifically explaining why I think this language is necessary. After that, I would like to walk you through the bill and explain how I think the language addresses the issues. Lastly, I would like to preempt some of your questions and explain why this is strong policy and why it is necessary. We have representatives from the Department of Motor Vehicles (DMV) who will testify as neutral; however, they are essential to the conversation as they can explain how the driver's authorization card (DAC) works and how it renews.

I will explain what the driver's authorization card is. Currently in Nevada, we have individuals who either hold a driver's license or a driver's authorization card. The driver's authorization card gives holders the right to drive. It also tells you that these drivers are minimally competent to operate a vehicle. It is really a safety issue. In 2013, Senate Bill 303

of the 77th Session, spearheaded by Senator Denis, mimicked the language the state of Utah used to create the driver's authorization program here in Nevada. That program required an annual renewal based on the date of issuance. That is different than renewal for driver's licenses, which are renewed every four or eight years. There is no parity in the application of the law when it comes to driver's authorization cards. There is no logical basis for forcing an individual who has a DAC to renew it annually, while individuals with licenses renew every four or eight years. One of the questions you may have is, Why did we implement that language? It was simply because we mimicked the Utah statute. We copied it; that is the rationale behind it.

I would now like to walk you through the language, explaining where the changes are. I am referring to page 4 of the bill. Section 1, subsection 6, adds "(a) Expires as provided in regulations adopted by the Department pursuant to [*Nevada Revised Statutes*] (NRS) 483.380." *Nevada Revised Statutes* 483.380 is in section 2 of the bill. It explains the rules as to when we renew driver's licenses, which is every four or eight years. All this bill does is have the driver's authorization card mimic the renewal process of the driver's license. One of the most significant changes this will create is moving from what we have right now—currently, the law says the DAC is renewed based on the date of issuance—so that renewal is based on birth date. The reason this is significant is that when the program was initiated, we had thousands of people who signed up for the driver's authorization card within a few months. That means every year the DMV sees thousands of people renewing their cards in those months. This creates chaos inside the DMV and demands more staff to see to all the needs.

A question you might have is, How much is that? Right now, renewal is close to \$24 for a DAC. The money, about \$500,000, goes into the State Highway Fund, which equates to less than 0.1 percent of that fund.

I can now take any questions the Committee might have. With your permission, we could have DMV come up, not as a copresenter, but to help answer any questions you may have regarding how DMV operates.

**Chairman Carrillo:**

It would be helpful to have DMV available for questions.

**Assemblyman Ellison:**

Is the authorization card a driver's license or is it an identification card?

**Terri L. Albertson, C.P.M., Director, Department of Motor Vehicles:**

It is a driver's license; it is not an identification card. It is proof that the holder has demonstrated the knowledge and skills to drive on our roadways just as you and I do.

**Assemblyman McArthur:**

If this is like a regular driver's license, why do these drivers not get driver's licenses?

**Terri Albertson:**

The driver's authorization card is for individuals who do not have the required identity documents, or they have foreign documents. In that case, they could not meet the requirements for a standard driver's license or a REAL ID. The DAC proves that they have demonstrated their ability to drive legally, but the card is marked that it is not valid for identification purposes; it is simply for the purpose of identifying them as drivers.

**Assemblyman Wheeler:**

Is this the same as a driver's privilege card that we put out four years ago?

**Terri Albertson:**

This is the driver's authorization card from 2013. It is called a driver's privilege card in Utah; we call it a driver's authorization card in Nevada.

**Assemblyman Sprinkle:**

One of the motivating factors for passing this in 2013 was making sure drivers have the ability to obtain insurance. If we extend the renewal period so they do not have to renew their cards every year, it is of benefit to every other driver on the road that we know those individuals are insured in case of an accident. Is that correct?

**Terri Albertson:**

I would like to make a point of clarification as there is a bit of misunderstanding on this topic. You do not need to have a driver's license in order to register a vehicle. As a practical explanation of this—if I came in and obtained a driver's authorization card, provided my documents, paid my fees, and passed my tests, I do not have to show proof of insurance at that time. I have to provide proof of insurance when I register my vehicle.

**Assemblyman Sprinkle:**

My question was for the Assemblyman; I was not asking for a technical answer to my question. Generally speaking, the holder of a driver's authorization card would carry insurance.

**Assemblyman Flores:**

One of the rationales driving this bill was exactly that. If we have individuals who can legally drive we are all safer for it, knowing they passed the exam. It also puts them on notice that they can drive legally and, therefore, have insurance. Through her technical answer, Ms. Albertson made it very clear that you do not have to get insurance just because you have an authorization card in the same way that just because you have a driver's license does not mean you have to get insurance. We cannot make that correlation, but we can say that they now know they can get insurance. I make that argument.

**Assemblywoman Bilbray-Axelrod:**

Are there states that have driver authorization card renewal more in line with the longer time period of driver's license renewal?

**Assemblyman Flores:**

There are, but I cannot tell you which ones they are. I will send that information to you as soon as I have it.

**Assemblyman Watkins:**

Does DMV have data or practical knowledge about where we would be in our ability to collect fines from drivers without insurance or driving unregistered vehicles if we had not issued driver's authorization cards? With the driver's authorization card, we have the ability to contact violators or collect a fine since we know we can identify drivers with their contact information.

**Assemblyman Flores:**

Prior to 2013, because there was no driver's license option, we did not know that people were minimally competent to operate vehicles. Whether they had a form of identification on them, we would not know. Where we are today is—we know they can drive. There is no difference between those with driver's authorization cards and those with driver's licenses. They now have an identification picture on the card. The DAC is not supposed to be used as a form of identification but, at a minimum, you know there is identifying information. We weigh having that versus having nothing.

**Assemblyman Watkins:**

From more of an enforcement standpoint, DMV may assess fines against me and they know where to find me. I receive notification in the mail that my car will be impounded if I do not pay the fine. Prior to authorization cards, I would think we had no place to send such letters, and were, therefore, very unlikely to get a response.

**Assemblyman Flores:**

The only reason I am being hesitant and cautious with my answer is that the authorization card is not supposed to be used as a form of identification. I would not want to put something false on the record. With the DAC, the DMV now has a record of the individual, with data that would not otherwise be available.

**Assemblyman Fumo:**

If this bill passes, every Nevada driver will be in a four- or eight-year program to renew a driver's license or DAC. Will this reduce my wait time at the DMV when I go to renew my license?

**Terri Albertson:**

It should help reduce wait time. As Assemblyman Flores said, when we rolled out the project, on average about 3,000 people came in during January, February, and March. By allowing them to move to the four- or eight-year renewal, it should reduce wait times. It is my belief that if you do business with us in January, February, or March, this will assist your wait time.

**Assemblyman Fumo:**

Assemblyman Flores, this bill has my full support.

**Chairman Carrillo:**

Are there questions from any other members of the Committee? [There were none.] My question is for DMV. Currently, can these cards be renewed online or at the kiosks?

**Terri Albertson:**

They cannot. These individuals are required to personally come into our offices to renew on an annual basis.

**Chairman Carrillo:**

I was able to get on your website that shows the current wait times in Las Vegas. It reports that the lines are at capacity at the Sahara and Decatur offices, a 144-minute wait at the Henderson office, 134 minutes at the Flamingo office, and 124 minutes at the Reno office. The wait at the Carson City DMV is only 22 minutes, so everyone is going to head there. This was updated at 4:07 p.m. and it is currently 4:17. What time do you close your doors?

**Terri Albertson:**

We close at 5 p.m.

**Chairman Carrillo:**

Will everyone inside the door be served? Do you now have employees that are working overtime?

**Terri Albertson:**

Our staff schedules are staggered because we anticipate there will be customers in the office after 5 p.m. Our Division of Field Services does a really good job as far as making certain we have the resources available to service our customers.

**Chairman Carrillo:**

How has annual renewal of driver authorization cards impacted business?

**Terri Albertson:**

We currently have about 37,000 active driver's authorization cardholders throughout the state. The number remains fairly steady, although some licenses are revoked or suspended, or they are surrendered because the holder moves to another state. With these individuals having to come in on an annual basis in order to renew, since there is no alternative means, it makes an impact—for staff and for customers.

**Assemblyman Ellison:**

I thought the intent for the authorization card was to make it safer on the road and to make sure drivers have insurance. I thought you had a way to require that people with driving under the influence (DUI) convictions have insurance. That must not be the case. It appears there is no way to find out if anybody even has insurance, is that correct?

**Terri Albertson:**

These DAC individuals are treated no differently than you or I. If I have a driver's authorization card or a REAL ID or a standard driver's license and I get a DUI—the same penalties and insurance requirements are applied to me regardless of the type of credential I have. The thing that is difficult to understand is that I can obtain a driver's authorization card or a standard driver's license without providing proof of insurance. I have to provide proof of insurance when I register a vehicle. The assumption could be that I obtained a driver's license because I intend to drive, but before I can legally register a vehicle in Nevada, I must show proof of insurance.

**Assemblyman Flores:**

Not everybody with a driver's authorization card or a driver's license owns a vehicle. If we would force an individual to have insurance just because they hold a card, then we would be forcing him or her to have insurance on no vehicle.

**Assemblyman Ellison:**

There was an incident yesterday on Interstate 80. My constituent phoned me with a complaint. I called the Nevada Highway Patrol. The driver at fault had no driver's license or insurance, but did have an identification card. The Highway Patrol let the driver go. That is a problem to me. If I had been the driver, I would have been given a big ticket or my car would have been impounded. The issue is trying to make the roads safer, and I do not know if we are doing that.

**Assemblyman Flores:**

I appreciate having that discussion, but it is a conversation to have with law enforcement as to how they handle those situations. That is a question outside the scope of the language in this bill. I would love to have that conversation off the record.

**Assemblyman Ellison:**

There have been two such accidents in the last 15 days that I have gotten calls on. I would love to meet with you to address that.

**Chairman Carrillo:**

Are there any other questions? [There were none.] I would like to move to testimony in support of A.B. 322.

**Brian O'Callaghan, Government Liaison, Office of Intergovernmental Services,  
Las Vegas Metropolitan Police Department:**

We look at this bill as a win/win situation. The driver's authorization card is basically a driver's license. It shows competency to drive on the roadway. That is safer for everyone, and there is also the insurance portion of it.



**Eric Spratley, Lieutenant, Intergovernmental Services, Washoe County Sheriff's Office:**

In 2013, we worked on S.B. 303 of the 77th Session and supported it wholeheartedly. After its passage, we made presentations to the community to express our support. We support this bill in making the length of time for credential renewals equal.

**Stacey Shinn, Policy Director, Progressive Leadership Alliance of Nevada:**

We are here in support. As someone who spent the majority of the 2013 Session working to get the language of driver's authorization cards correct, I want to say that we actually asked for this four years ago. I am very pleased to see that we are now getting this right.

**Chairman Carrillo:**

Is there anyone else in northern Nevada in support? [There was no one.] Is there anyone in southern Nevada?

**Arlene Alvarez, Las Vegas Community Organizer, Mi Familia Vota:**

I fully support this bill. We know of one family in particular that relies on a single breadwinner. He has to take an unpaid day off work every time he has to renew his card. Hopefully, by extending the length of time between renewals, it will be less of a burden on their family and thousands of other families.

**Chairman Carrillo:**

Is there anyone else in support in southern Nevada? [There was no one.] Is there anyone neutral in southern Nevada? [There was no one.] Is there anyone neutral in northern Nevada? [There was no one.] Is there opposition to A.B. 322 in northern Nevada?

**Janine Hansen, State President, Nevada Families for Freedom:**

I think we have not said the real words. The reason we have the driver's authorization card is we have people in this country illegally. In this bill, on page 3, we realize this card can be given to people because they have a passport issued by a foreign government, a birth certificate issued by foreign government, a consular identification card issued by the government of Mexico, or a document issued by another government that the Department determines to be substantially similar. I think it is important to continue to renew this card on an annual basis. If that is difficult for the DMV, they could extend the time to make renewal due on each person's birthday, so that the number of renewals is staggered. I think this is not only a safety issue in terms of driving, but in other ways. In an article in the January 15, 2017, edition of the *Christian Science Monitor*, there was mention that from 2013 to 2014, officials apprehended 143 individuals listed on the U.S. terror watch list trying to cross the Mexican border to enter the United States illegally according to a confidential Texas Department of Public Safety report obtained by the *Houston Chronicle*. Last summer, the U.S. Southern Command of the military warned in an intelligence report that Muslim extremists . . . .

**Chairman Carrillo:**

Mrs. Hansen, we would like to have your testimony pertain to the content of the bill.

**Janine Hansen:**

I am concerned about safety. I think that we are far safer if these are issued annually, rather than giving holders four to eight years between renewals since they are in the country illegally already. I think that is the issue. I think the government ought to know when people are here, where they are, if they are moving, and what they are doing. I think that is a safety issue for all of us, in light of the fact that we have people who do not always have the best intentions. I am sure that most people coming across the border illegally have good intentions, but some do not, including terrorists and people who are involved in drug rings. We oppose this matter. We think the issue at the DMV can be resolved by just staggering the renewal dates on the authorization cards and having renewals due on the holder's birth date.

**Chairman Carrillo:**

Is there anyone in southern Nevada in opposition? [There was no one.] Does the Assemblyman have closing remarks?

**Assemblyman Flores:**

I thank the opposition speaker for agreeing that the authorization card is important. I disagree with her assertion that it should be renewed every year for the reasons I have already stated.

**Chairman Carrillo:**

I will close the hearing on A.B. 322.

[([Exhibit E](#)) was submitted but not discussed, and will become part of the record.]

We will now open the hearing on Assembly Bill 335.

**Assembly Bill 335: Revises provisions governing motor vehicles and off-highway vehicles. (BDR 43-670)**

**Assemblyman Chris Edwards, Assembly District No. 19:**

I thank you for the opportunity to present Assembly Bill 335. This is a relatively short bill, having three purposes. Under section 3, it basically says that if you are going to buy a car from a private seller you have 14 days to register it without having to get a 30- or 60-day permit. The rationale is that if you go out on a Saturday or Sunday and purchase a car, you cannot legally move the car until you have it registered. In order to get it registered, you have to get it to the Department of Motor Vehicles (DMV) for visual inspection, which means you have to find a way to get it from the place of purchase to your house. Then on Monday, Tuesday, or Wednesday, you have to get it from your house to DMV—either by tow truck or some other means. That is the hard part I faced about fifteen years ago when I first moved to Nevada. However, there is a simple solution—to put a clause in the law that says that if you are buying from a private seller you have 14 days to register your vehicle. I did not want to allow too much time because we do not want numerous unregistered

vehicles out there. But I wanted to allow a couple of weeks because if the DMV wait time is 122 minutes, a buyer might want to attempt registration on a different day. One important point that I want to make is that you still have to have insurance on the new vehicle.

Under sections 4 and 5 the bill is talking about mopeds. This reaffirms they need to be driven in the right lane on a road. This is for the safety of everyone involved. Mopeds have a maximum speed of about 30 miles per hour. This bill says they need to be in the travel lane on the right side of the road unless they are going to be making a left hand turn. If they are making a left hand turn, they should move over to the left hand lane about one-quarter of a mile ahead of the turn. I am going to be adding a tweak here, which is that I want to keep them off roads that have a speed limit of more than 35 miles per hour. If they cannot even maintain a speed of 30 miles per hour without being at full throttle, they will not make it up to 35 miles per hour to move with the flow of traffic, which creates a hazard for other motorists.

I will need to tweak section 8 a little bit to define off-highway vehicles (OHVs) with respect to RZR-like OHVs, which have seatbelts and cages. The purpose of this section is to give the driver and the passengers the option of whether or not to wear a helmet. The rationale here is that they are enclosed in a cage and have that protection as well as seatbelts and restraining mechanisms. It is not much different than riding in a convertible or Jeep with its doors and roof off. This gives law enforcement a bit of a break. In one of my towns, they have to pull people over for driving on the roads in these types of vehicles even though occupants are restrained by seat belts.

**Assemblywoman Bilbray-Axelrod:**

I am concerned about the moped provision. For a lot of people, a moped is all they can afford to buy. They use one to get to and from work. I understand your intent, but what if your road to work takes you down Lake Mead Boulevard and there is no alternate route? Lake Mead has a 45-mile-per-hour zone. I think this will disproportionately hurt poorer people who have no other mode of transportation.

**Assemblyman Edwards:**

An alternate route for Lake Mead is Judson Avenue, which runs parallel. They could take that, rather than the main street.

**Assemblywoman Bilbray-Axelrod:**

That was just an example. There are other roads. I am on the west side, so the Lake Mead Boulevard is different.

**Assemblyman Edwards:**

There are alternate roads that run parallel to the main streets. For the safety of the moped riders, it is wise to keep them limited to using the alternate routes. Not only are they hazards to others, they are hazarding their own lives. I am sure you have been stuck behind a motor

scooter going 25 miles per hour in a 45-mile-an-hour zone, and you know that it is not a safe situation. I am trying to increase the safety of everyone concerned so that traffic can flow and nobody gets hurt in the process.

**Assemblyman Watkins:**

I do not see the section in which you mention the RZR-type vehicles. Is that what you said you were going to amend, or is there something I am missing?

**Assemblyman Edwards:**

You did not miss anything. That is the tweak I was talking about—putting those words into the bill.

**Assemblyman Watkins:**

Is your intent to allow those to be on the streets? Are there exceptions?

**Assemblyman Edwards:**

They can already be on the streets, but riders and passengers are required to wear helmets. That does not make a lot of sense.

**Chairman Carrillo:**

I have a question regarding mopeds staying off to the right on the road. Mopeds can still be on Lake Mead Boulevard, but they would have to stay to the far right lane. Is that correct?

**Assemblyman Edwards:**

With the tweak, they would have to find a different route. Throughout the city, we have intermediate roads on which they can travel.

**Chairman Carrillo:**

Currently, you do not have the tweak in this bill?

**Assemblyman Edwards:**

Correct.

**Chairman Carrillo:**

I am trying to understand. Sometimes this is the only mode of transportation available. To have to find an alternate to Town Center Drive you would have to drive on residential streets through gated communities. It would be difficult to find a route.

Regarding the RZR-like OHVs—do you have a conceptual amendment for this or was this modification an afterthought?

**Assemblyman Edwards:**

I was approached by law enforcement today who asked me to make some clarifications.

**Assemblywoman Monroe-Moreno:**

Where in the bill will the caged vehicle be?

**Assemblyman Edwards:**

That will be under section 8.

**Assemblywoman Monroe-Moreno:**

What if an individual lives in an area in which all the roads between where they live and where they work have 40- to 45-miles-per-hour speed limits? What option does that person have?

**Assemblyman Edwards:**

I do not have a great answer for you, but would be willing to work with you for one.

**Chairman Carrillo:**

We have non-motorized bicycles going down Nellis Boulevard or Lake Mead Boulevard in eastern or western Las Vegas or Henderson. I am trying to compare the two. You would essentially be saying that bicycles could travel on those roads with faster speed limits, but mopeds could not. By law, we have to give the bicycles three feet of space for safety, but we would expect mopeds to find an alternative route? Legally, I am concerned about banning the use of mopeds in areas where bicycles are allowed to travel.

**Assemblyman Edwards:**

It was explained to me today that we already have rules that motorized vehicles are supposed to be able to keep up with traffic. We know that mopeds cannot keep up in a 45-mile-per-hour zone, so they really should not be driving there now.

**Darcy Johnson, Committee Counsel:**

Section 4 of the bill is the provision in existing law that protects bicycles and electric bicycles. Because section 7 requires mopeds to operate in essentially the same space, they were added in section 4 for their own protection. This protects them as much as a law can do from drivers of automobiles and other motor vehicles. You are correct that they would now be subject to the same law that requires that motorists give them three feet of space as we do with bicycles. The only interaction I can think of in terms of the speed issue is that if your moped goes faster than 30 miles per hour on a flat surface, it is not a moped; it is a motorcycle, and must be registered as such. You need to wear a helmet when riding it. If your moped is going 30 miles per hour, there are a lot of streets where you would be in violation of the impeding traffic statute. There is a traffic law that says if you are moving so slowly that you are impeding traffic, you have an obligation to move over to the right.

**Chairman Carrillo:**

Are there any other questions from Committee members? [There were none.] Is there support for A.B. 335 in northern Nevada or southern Nevada? [There was none.] Is there opposition?

**Brian O'Callaghan, Government Liaison, Office of Intergovernmental Services,  
Las Vegas Metropolitan Police Department:**

I have spoken with Assemblyman Edwards about this bill. I probably led him down the wrong path. Even though he is going to amend the bill, we need to make sure that the insurance issue is cleared up. Pushing mopeds over to the far right lane runs the risk of violating federal law which requires a bicycle lane. A motorized vehicle cannot be in the bicycle lane. The other concern we have about mopeds being on the far right is that bicycles have big wheels, which are easier to control. Mopeds have small wheels. When you push them far to the right, you are putting them close to curbs, making stability a problem. If they move over too far and there is no curb, there may be an edge that would cause them to crash. There is a law for slow-moving vehicles that cannot go over 35 miles per hour. Many of these vehicles are driven in ranching areas—tractors and vehicles like that. If you cannot drive over 35 miles per hour, you are not supposed to be out on the roadway. I offered to have Assemblyman Edwards look at that. Maybe that could be added to the bill.

**Eric Spratley, Lieutenant, Intergovernmental Services, Washoe County  
Sheriff's Office:**

I signed in on this bill, but did not mark whether or not I was in support, in opposition, or neutral. I signed in because of section 5, subsection 5 that would exempt the person purchasing a vehicle from the requirement to have insurance for 14 days. I wanted to hear the testimony. I am glad there is a planned amendment for that, but I come up in opposition because there is not an amendment presented. I would be in support if the amendment were added.

**Brian O'Callaghan:**

I did not get to section 8 regarding removing the requirement for helmets in the use of RZR-type OHVs. We have had several crashes involving OHVs. I own some off-road vehicles, but they are what we call "four-wheelers." They are not supposed to be on the paved road. They have a sticker to remind us of that, or it says something like, Handles differently on a paved road. My idea was why would we remove helmets from those? Why not stick with the RZRs, which are almost the size of a Volkswagen anyway. There are Jeeps that people remove the tops from that have roll bars. I do not think we would have a concern about the drivers and passengers of those OHVs not wearing helmets. My concern was in removing the requirement for helmets on paved roads for those four-wheeler-style vehicles. They do not have seatbelts or other forms of restraint.

**Chairman Carrillo:**

I did not realize that RZRs did not have harnesses to keep you inside the vehicle.

**Brian O'Callaghan:**

Most of the RZRs do have harness systems and seat belts. The four-wheeler-style you can ride like a motorcycle.

**Chairman Carrillo:**

I am sure we could talk to Assemblyman Edwards about putting in a tweak about that. Are there other questions from Committee members for Mr. O'Callaghan? [There were none.]

You told us there are federal rules in place regarding bicycle lanes. On Nellis Boulevard, which has three lanes across, there is a speed limit of 45 miles per hour. If mopeds were required to stay in the right lane unless making a left turn onto a major street, there is time to move from the far right lane to the left lane. They would be in the right lane. That would not be in violation, would it?

**Brian O'Callaghan:**

No, it would not. If they are staying in the right-hand lane, they would be fine. We were concerned about pushing them too far over, into the bicycle lane. They could stay to the right, stay out of the middle lane, and stay out of the left lane except to make a left-hand turn.

**Chairman Carrillo:**

I am sure we can work on tweaks with the bill sponsor. Is there opposition in southern Nevada? [There was none.] Is there neutral testimony in southern or northern Nevada? [There was none.] We will take closing comments.

**Assemblyman Edwards:**

I will be more than happy to work with folks to amend the tweaks into the bill and bring it back completed for you.

**Chairman Carrillo:**

We will close the hearing on A.B. 335. We will open the hearing on Assembly Bill 445.

**Assembly Bill 445: Revises provisions governing transportation network companies. (BDR 57-1027)**

**Assemblyman Justin Watkins, Assembly District No 35:**

Every Committee member should have an amendment ([Exhibit F](#)) that reflects extensive conversations I have had with the insurance industry, the transportation network company (TNC) industry, and with the Division of Insurance to make sure that we address the real problems that do exist or that have the potential to exist and to eliminate any of the distracting parts of the original form of the bill. To simplify the purpose of A.B. 445, the bill attempts to accomplish three things. The main one is to protect Nevadans in three different situations.

The first situation is what you see in section 1 of the bill. This provision precludes an insurance company from denying a liability claim brought against a TNC driver for the time of personal use of that vehicle. In most insurance policies, there is a commercial use exclusion. The purpose of that is that if you are driving your personal vehicle for commercial purposes, the personal insurance policy will not cover any accident that occurs during that period—that claim should be against the commercial enterprise. I think

everybody I was able to work with would agree with me that the exclusion should not apply in the situation of a TNC driver who is in an accident during the personal use of the vehicle. As a practitioner, I have seen that exemption used as a basis to deny coverage, which results in an unnecessary lawsuit with unnecessary briefing to get in front of a court to make a determination of coverage that should have been clear. We spoke with eight or nine of the top insurance companies that do business in the state and they are all in agreement with me on this. Section 1 of this bill attempts to reflect that.

All of section 1, subsection 1 has been stricken. The language is somewhat odd as it talks about whether the driver is logged into or out of the network. That is talking about whether the driver is in the app or not. There are three levels of coverage for TNC drivers. There is coverage when the app is on but there is no passenger. There is a different level of coverage when the app is on and there is a passenger. The personal policy covers the period in which the app is off. This says there is no basis for denial of coverage during the personal use period solely on the basis that the person is a TNC driver during other hours. I believe I have addressed all the insurance companies' concerns in wordsmithing. The language you see in the amendment is mine, it is not Legislative Counsel Bureau-approved.

You see on Nevada Electronic Legislative Information System (NELIS) that there was opposition ([Exhibit G](#)). The party involved will have an opportunity to speak, but I think the new language captures the concern of the opposition. I think we are all in agreement as far as the concept is concerned. In summary, section 1 protects anybody who might potentially be harmed in a car accident involving a TNC driver from not having liability insurance to coverage for their losses.

Section 2 of the bill attempts to protect drivers of those TNCs. Because of the structure of the network, drivers for the TNC are not employees of the TNC. Because they are not employees, they have no basis for workers' compensation claims. While drivers are covered by the TNC's insurance policy for their liability, they are not covered if they are hurt in an accident and it was their fault. If drivers do not have health insurance, they may have no basis on which to pay for their own medical bills.

What section 2, subsection 1, paragraph (e) seeks to address is \$10,000 of medical payments coverage on the TNC's insurance policy. When the app is on, whether or not there is a passenger in the car, there is \$10,000 in medical payments coverage. That provides coverage for any occupants of the vehicle, regardless of who is at fault for an accident. It is slightly more expansive than that. Even if there were no accident with another vehicle, as long as the injury is a result of operation, there is coverage. While a driver of a TNC is not eligible for workers' compensation benefits, which would typically provide for payment of medical expenses and lost wages, through crafty bill drafting we can get them some compensation to help pay for their medical bills. Medical providers, especially hospitals, are used to billing medical payment claims directly to auto insurance companies.

Section 2, subsection 10 defines medical payments coverage which is consistent with what is in insurance policies. Section 5, with stricken subsection 4, seeks to protect the consumer by



saying that if a TNC driver has picked up a passenger and accepted the fare, the trip must be completed with the exceptions of the reasons noted in section 3. I previously had been unaware that a TNC driver does not know the destination before picking up the rider. There were a few instances in which there were complaints that TNC drivers, having picked up passengers and discovering that their destinations were very far away, cancelled the ride. This would preclude a practice that TNCs and consumers do not want. This subsection codifies it to ensure that the Nevada Transportation Authority (NTA) has the ability to fine the driver for such a practice. The remaining parts of the amendment strike out any other language. I am open to questions.

**Chairman Carrillo:**

Are there any questions from members?

**Assemblyman Ellison:**

This helps us understand where they are and where they are going. What if a person uses a car for five days a week as a personal car, but drives two days a week for Uber. Will the insurance coverage be a blanket policy?

**Assemblyman Watkins:**

I am not sure I understand your question.

**Assemblyman Ellison:**

In making sure that TNC drivers are covered, will this be a group policy?

**Assemblyman Watkins:**

I will attempt to provide you with some background that may alleviate your concerns. When applications are submitted to Uber or Lyft, prospective drivers must provide copies of their personal insurance policies that cover their vehicles to ensure that they are covered for state minimum limits, currently \$15,000/\$30,000. That will cover the vehicles for the drivers' personal use. When accepted as TNC drivers and they turn their app on to solicit fares, the TNC's policy and insurance will cover that period of time, even if there are no riders in the vehicles. Once the TNC accepts a rider, there is then a third level of coverage. This brings me to a point I failed to mention. In section 2 of the bill, we are lowering the liability for that third phase—from \$1.5 million to \$1 million. The underlying idea is that the difference in the number of instances in which a \$1.5 million policy would be at issue, as opposed to a \$1 million policy, is a fraction of a percent. It is so infrequent that it is not worth discussing. By lowering that bodily injury limit, we make it fiscally neutral to the TNCs to add the medical payments coverage, which is a real coverage that could be utilized every single day by their drivers or riders. I think it is a wonderful trade for drivers and for the public at large.

**Assemblyman Ellison:**

When we were discussing TNCs last session, we were told drivers were required to have business licenses. From what I understand, that is not happening. Here is a business that is

getting business coverage to operate as a business, even if part-time, without having a city, county, or state license. The agreement was made before the TNC law was passed.

**Assemblyman Watkins:**

You will see that parts of A.B. 445 attempted to address that issue, but I took them out of this bill because I understand there are other bills that are attempting to address that. My understanding of the licensure requirement is a state business license for a driver. There is a \$200 fee that must be paid annually for every business, sole proprietor, and anyone who engages in any business conduct. That means the handyman who comes to your house to change a doorknob is supposed to have a business license. Anyone operating in a commercial capacity, whether a corporation has been formed or not, is supposed to have a state business license. I think it is a bigger issue that is much broader than just TNC drivers. There are a lot of people who are not paying the \$200 annual fee to the Secretary of State. The Secretary of State does not have the means to enforce compliance. I think it would be unfair to target TNC drivers when we know there are thousands upon thousands of different types of people who are not getting the licenses they should.

According to the Secretary of State, the first step has been education. For instance, each adult dancer at a club is an independent contractor. Each is supposed to have a business license. Every independent contractor is supposed to have a business license through the Secretary of State, even though most do not. That is a much broader conversation that took over the intent of this bill. It is an issue better placed in other bills that will be addressed by this body.

**Assemblyman Ellison:**

It seems to be an issue of fairness. If taxis have to have business licenses, so should TNCs.

**Assemblyman Watkins:**

I agree.

**Assemblyman Sprinkle:**

You just answered most of the questions I had. I remember the different levels of insurance from our discussions of two years ago. The TNC drivers will now have two different levels of insurance when they are on the app, also their personal insurance, and they could have yet another form of insurance if they are using their vehicle for another commercial purpose. It sounds as if we are asking drivers to have at least four different forms of insurance to be able to drive their cars. Did I understand that correctly?

**Assemblyman Watkins:**

I probably made that impression, but that is not correct. The driver only has to hold one insurance policy for personal use, which had to be in place before becoming a TNC driver. This bill continues that on to ensure that insurers do not decline coverage for an accident while the driver is using a car for personal use. All the other levels of an insurance policy that I discussed—the app on/no occupant and the app on/occupant, along with the medical payments coverage that would now apply to both of those situations—will be held by the

TNC. They will carry that insurance on all of their drivers. There is nothing the drivers must do to obtain the policy; it is provided by the TNC. That is why I worked with Uber and Lyft—to ensure lowering their liability limits in order to raise medical payments benefits was fiscally neutral for them.

**Assemblyman Sprinkle:**

That helps. I have a question about the business licensing. You said you struck it out in the amendment because it was being dealt with in other bills. I would caution you on that, as you do not know what is going to happen with those other bills. You went on to explain further your other rationales, which make sense to me to a degree. Probably everyone in the examples you gave should have business licenses. However, I personally do not see anything wrong with identifying one subgroup in our economy to bring into compliance. You chose to strike that out, but I see it differently.

**Assemblyman Watkins:**

It is not just the TNCs in the transportation industry where there is this problem. We just heard that there are taxicab drivers who can work on an independent contractor basis. They would need business licenses to do that. I think we have a big issue with the State getting involved in business licenses, which was not always the case. The \$200 fee came from out of nowhere. There is no enforcement arm to ensure compliance. Many people do not even know they are required to have licenses. It is a matter of education. I do not think it is a number of bad actors trying to avoid complying. It is a much broader conversation.

**Chairman Carrillo:**

Are there any questions from Committee members? [There were none.] How did you come up with the \$10,000?

**Assemblyman Watkins:**

We found that to be a number that was fiscally neutral. I did not want to lower the TNC's liability limits too much; lowering the limits from \$1.5 million to \$1 million offers a negligible change to any claimants. I asked the companies how much medical payments coverage they could afford if I made that change. Their answer was \$10,000. I think that is a good number.

**Chairman Carrillo:**

Would that be enough coverage for passenger and driver? You are not dealing with the driver and family members who would be covered under personal insurance.

**Assemblyman Watkins:**

Medical payments coverage does not exclude any other coverages. An occupant in the car of a TNC has a \$10,000 medical payments coverage to start with in the case of an accident. If the other driver was at fault, the occupant can make a claim against that driver's liability insurance. If the TNC was at fault, the occupant can make a claim against the \$1 million liability insurance of the TNC. The \$10,000 medical payments coverage does not preclude or prohibit any of those other claims. The occupant who is not the driver is well-protected.

My concern, and the reason I wanted the medical payments coverage, was to protect the driver. Currently, if a driver is at fault in an accident and he does not have health insurance, he is stuck. He has no mechanism to pay for his medical bills. This, at least, is a start. Anecdotally, 95 percent or more of the insurance policies I see have less than \$5,000 in medical payments coverage, usually none.

**Chairman Carrillo:**

My other question involves the Division of Insurance. Will they require refiling of policies?

**Assemblyman Watkins:**

That is an excellent question that is unresolved. I failed to mention that we will amend the effective date to July 1 to ensure that, if there is a refiling requirement, all the insurance companies have time to do that.

**Chairman Carrillo:**

Seeing no further questions from Committee members, is there testimony in support for A.B. 445 in southern or northern Nevada? [There was none.] Is there neutral testimony in southern or northern Nevada?

**Cadence Matijevich, Deputy Secretary for Operations, Office of the Secretary of State:**

I am testifying as neutral because we were opposed to the bill as originally drafted due to the provisions of section 3. We acknowledge that the amendment proposes to remove that section from the bill. But we did want to go on the record as neutral, given that section was in the original proposal, as drafted.

**Dan Musgrove, representing CSAA Insurance Group:**

We appreciate the fact that the bill sponsor reached out to us early and often. We believe that his amendment captured all of our concerns in section 1 ([Exhibit H](#)). He mentioned an effective date of July 1. I want to make sure that is July 1, 2018. There is an issue of potential refiling that the Division of Insurance raised in the last few hours. We would need the ability to do that. Otherwise, we are happily neutral.

**Jeanette K. Belz, representing Property Casualty Insurers Association of America:**

Assemblyman Watkins mentioned a letter opposed to A.B. 445. We had a letter in opposition to this bill posted on NELIS ([Exhibit G](#)). Due to his great efforts into the late hours last night, we were able to move to neutral. I would echo Mr. Musgrove's comments about the effective date being clarified as July 1, 2018.

**Josh Griffin, representing Uber:**

We are passionately neutral. The original bill caused us great concern, but we worked with Assemblyman Watkins as sponsor of the bill. Listening to his testimony, I think he understands our entire insurance scheme as well as anybody does. He described accurately how it works. The changes that were made to the bill improved it mightily. For those of you who remember the conversations in 2015, I think we spent hours just on the insurance provisions and how TNCs' drivers and passengers are insured by the TNC and by

their own personal insurance. There are some things about this amendment that are incongruent with the deals made with insurance companies on a national level, but the amendment is a tremendous improvement.

**Michael Hillerby, representing Lyft, Inc.:**

We are appreciatively neutral. We appreciate Assemblyman Watkins' time. We met with him on a number of occasions. He brought a lot of questions to us and gave us an opportunity to provide information. The topics changed, and we went through a lot. He worked hard on the bill, and we appreciate that. I will echo Mr. Griffin's comments about the insurance. We are officially neutral on the bill, but appreciative of the opportunity to work on it. Assemblyman Watkins put much effort and time into looking at the industry and the laws that govern us.

I would like to take a moment to try to answer Assemblyman Ellison's question on business licenses. Our drivers are like any other person engaged in business in Nevada. They are covered by the provisions of *Nevada Revised Statutes* (NRS) Chapter 76 that require a business license. There is an important piece that I want to add. There is an exemption for home-based businesses in NRS Chapter 76 for anyone who makes less than two-thirds of the state median income. If you have a home-based business—there are specific rules about that—the exemption would apply. There are, in fact, occasions when people do not have to get business licenses. Our companies and this industry are unique. We are the only industry in Nevada that has a requirement in law in which we tell our independent contractors that they must get any applicable state or local business licenses. No other industry has that requirement in statute. If you are interested in becoming a Lyft driver and look at our website, it will walk you through the requirements. One of them shows a picture of a state business license with a link to the Secretary of State's Silver Flume website. You will also see a picture of one of the local business licenses that a driver, depending on jurisdiction, may be required to get. We provide a link to that website. It is part of the enrollment process. We fulfill the obligation found in NRS Chapter 706A. We take that very seriously.

**Assemblyman Fumo:**

Do you require that applicants show proof of driver's license and insurance before they receive the app?

**Michael Hillerby:**

Yes. There are a number of things required by NRS Chapter 706A and in the *Nevada Administrative Code* that include the regulations from the NTA. Drivers have to show proof of insurance, current registration, and current driver's licenses in order to be active on the app.

**Assemblyman Fumo:**

Do you require them to show proof of a current business license also?

**Michael Hillerby:**

We do not. We alert them of the requirement and make it easy for them to get those through the website.

**Assemblyman Fumo:**

As it is a requirement in Nevada for your drivers to have business licenses to be a TNC, could you adjust your app to have that so that they could show you proof of having a business license? That way we will know that the State of Nevada is receiving its business license fee.

**Michael Hillerby:**

That was a discussion that occurred toward the end of last session. We think we are already going above and beyond what any other industry does. Assemblyman Ellison mentioned cab drivers as independent contractors. There was a law passed last session and there was a bill at the beginning of this hearing that would make changes to that process. Neither in that law nor in the bill, nor in the regulations adopted in December by the Legislative Commission governing how those independent contractor cabs could be leased, is there any requirement that cab companies tell drivers they are required to have business licenses. We TNCs are treated separately and acknowledge our obligation to inform drivers of the requirement.

**Assemblyman Fumo:**

If you really wanted to go above and beyond, you could put that requirement on the app so they could have that as well.

I have a question for the Secretary of State's representative. Is there any enforcement arm you have? How do you find out if a TNC driver has a business license?

**Cadence Matijevich:**

We have compliance mechanisms in our office. They are not significantly robust. We had a little success this morning in the money committees on that front. We are anticipating getting back to full staff in that area. We have the opportunity when we receive a complaint notifying our office that someone believes an individual is conducting business without a state business license. We can investigate that complaint and take action to bring that person into compliance. We do not know what we do not know. That may have been part of the intent of the language that was included in section 3. Our office is not opposed to having a compliance function. The mechanics of the way it was addressed in section 3 would have required nearly constant monitoring by our office of lists from NTA. We spoke with the bill sponsor and are grateful to him for hearing our concerns and working with us.

**Assemblyman Fumo:**

Is every subcontractor in Nevada required to have a business license, or is it only those who receive an Internal Revenue Service Form 1099?

**Cadence Matijevich:**

I do not have the answer, but our Chief Deputy may be able to answer that question.

**Scott W. Anderson, Chief Deputy, Office of the Secretary of State:**

If you are a contractor doing business in this state, you should have a state business license. If you are in the employ of a contractor, receiving a W-2 from that employer, you would not need a business license. If you are receiving a Form 1099 or any type of remuneration from a contractor as a subcontractor, you are doing business in the state of Nevada and should have a state business license.

**Chairman Carrillo:**

Mr. Hillerby mentioned the exemption if your income is less than two-thirds of the median income. How do you make the determination when someone has exceeded that limit?

**Scott W. Anderson:**

We struggle with that somewhat because this is done by self-reporting. The home-based business exemption is basically a check box by which a person reports he or she conducts all business through a home base.

**Chairman Carrillo:**

That might be an issue for 2019.

**Scott W. Anderson:**

It could be.

**Chairman Carrillo:**

Is there opposition in Carson City or Las Vegas? [There was none.] Does the bill sponsor have any closing comments?

**Assemblyman Watkins:**

I am proud that we had so many people testify as neutral. It is a testament to how hard everybody was willing to work to get this right because they recognized there was a real issue that needed to be addressed. That is why I ran for office—to do things as we did in this bill. We probably had a dozen different meetings with a dozen different people to try to get this right, and I think we did. I want to thank everybody for their openness and willingness to meet with me and teach me about both the insurance industry and the transportation industry to make sure that I understood enough to know what to put in this bill and what to take out.

**Chairman Carrillo:**

We will close the hearing on Assembly Bill 445. We will now move to public comment.

**Eric Spratley, Lieutenant, Intergovernmental Services, Washoe County Sheriff's Office:**

I did not plan testifying on Assembly Bill 487, but I heard an area that concerns me in section 26. I did not want to surprise the Committee by having law enforcement come up in opposition to that bill when we had not expressed opposition previously. Section 26 removes the display management system, allowing them to rotate. We worked with Senator Cegavske

on Senate Bill 262 of the 77th Session to make sure that provision was in there. There is a serious public safety concern if there are moving dynamic signs on the tops of cabs or trucks. We met with those presenting the bill, and will work with them in the next hours in order to get this right for the Committee.

**Chairman Carrillo:**

We will now close public comment. This meeting is adjourned [at 5:29 p.m.].

RESPECTFULLY SUBMITTED:

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Joan Waldock  
Committee Secretary

APPROVED BY:

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Assemblyman Richard Carrillo, Chairman

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



## EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a proposed amendment to Assembly Bill 487 presented by Kimberly Maxson-Rushton, representing Livery Operators Association of Las Vegas.

[Exhibit D](#) is the Work Session Document for Assembly Bill 364, dated April 6, 2017, presented by Jann Stinnesbeck, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit E](#) is a letter dated April 4, 2017, in support of Assembly Bill 322 to Chairman Carrillo and the Assembly Committee on Transportation, authored by private citizen Jennifer Fleischmann Willoughby.

[Exhibit F](#) is a proposed amendment to Assembly Bill 445 presented by Assemblyman Justin Watkins, Assembly District No. 35.

[Exhibit G](#) is a memorandum dated April 6, 2017, in opposition to Assembly Bill 445 to Chairman Carrillo, Vice Chair Spiegel, and members of the Assembly Committee on Transportation, from Mark Sektnan, Vice President, Property Casualty Insurers Association of America.

[Exhibit H](#) is a proposed amendment to Assembly Bill 445, presented by Dan Musgrove, representing CSAA Insurance Group.