



DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA TRANSPORTATION AUTHORITY

**NOTICE OF WORKSHOP TO
SOLICIT COMMENTS ON PROPOSED REGULATIONS**

The Nevada Transportation Authority (“Authority”) is proposing the adoption of regulations pertaining to Nevada Administrative Code chapter 706. A workshop has been set for **Friday, July 8, 2022 at 9:30 a.m.** The public may attend this workshop at:

The Department of Business and Industry
3300 West Sahara Avenue, Fourth Floor, Room 400
Las Vegas, NV 89102

Nevada Transportation Authority
1755 E. Plumb Lane, Suite 229
Reno, NV 89502

The purpose of this workshop is to determine the impact of the proposed regulations on small businesses as set out in the attached SBIS. The workshop is also to solicit comments from interested persons on the following topics that may be addressed in the proposed regulations based upon AB 301:

1. The types of life circumstances which are outside a vehicle owner’s control and establish the vehicle owner is unable to pay the normal rate for towing and storage of the vehicle;
2. The evidence that must be accepted as proof that the vehicle owner has a life circumstance which is outside of that person’s control; and,
3. The amount of the “hardship” discount which must be given to a vehicle owner who has a life circumstance outside of that person’s control and provides the required evidence of the life circumstance.

The proposal has been designated as Docket Number 21-09007 by the Authority. A copy of all materials relating to the proposal may be obtained at the workshop. A copy is also available for review at the offices of the Authority listed below or on the Authority’s website by clicking on the “Attachments” link for the scheduled workshop,

http://nta.nv.gov/About/Meetings/2022/2022_Mtg/

or by contacting **Patricia M. Erickson, Administrative Attorney, Nevada Transportation Authority, 3300 West Sahara Ave., Suite #200, Las Vegas, Nevada 89102, (702) 486-8722, pericksonl@nta.nv.gov.**

Any written submissions regarding the impact on small businesses and/or the AB 301 topics listed above must be received by the Authority no later than 5:00 p.m. on **June 27, 2022**.

This Notice of Workshop to Solicit Comments on Proposed Regulations and the attached Small Business Impact Statement have been sent to all persons on the Authority's mailing list for administrative regulations, to all tow carriers licensed by the Authority, and has been posted at the following locations:

Clark County Court House, 200 Lewis Avenue, Las Vegas, NV 89101
Washoe County Court House, 75 Court Street, Reno, NV 89501
Nevada State Library & Archives, 100 North Stewart Street, Carson City, NV 89701
Nevada Transportation Authority, 3300 W. Sahara Suite #200, Las Vegas, NV 89102
Nevada Transportation Authority, 1755 East Plumb Lane, Suite #229, Reno, NV 89502
Nevada Transportation Authority website: www.nta.nv.gov

NOTICE: The Authority is pleased to make reasonable accommodations and will assist and accommodate people who are disabled that wish to attend its meetings and hearings. If special arrangements are necessary, please contact the Authority in Las Vegas at (702) 486-3303 or in Reno at (775) 687-9790 as far in advance of the workshop as possible.

Dated: June 17, 2022



DEPARTMENT OF BUSINESS AND INDUSTRY
NEVADA TRANSPORTATION AUTHORITY

Small Business Impact Statement (NRS 233B.0608 and 233B.0609)

1. Manner in which comment was solicited from affected small businesses, a summary of the response and an explanation of the manner in which interested persons may obtain a copy of the summary:

Answer: On September 30, 2021, the NTA conducted a public hearing/workshop regarding the development of a hardship discount as set out in AB 301. A copy of AB 301 was provided to the hearing participants. Thirty (30) persons attended the hearing/workshop and ten (10) individuals provided their thoughts on the potential hardship discount. A lengthy discussion ensued regarding permissible tows within residential complexes for expired registration, lack of license plates, unregistered vehicles, out of state vehicles, etc.

On April 23, 2022, the NTA was informed that a new towing association had been formed (NSTA) and members of the Authority were invited to attend the first meeting on May 6, 2022. On May 5, 2022, an outline was prepared for the meeting which explained the steps that would need to be taken to determine whether the hardship discount would be required. The executive director of NSTA had this outline printed and available for the 35 members who attended the May 6, 2022 meeting. At the meeting, the outline was explained and questions were answered. A request was made to the meeting attendees to send answers to the questions posed in the outline to help the NTA write the regulation with the least economic impact. The NTA did not receive any responses.

On May 18, 2022, the NTA contacted the executive director of NSTA regarding the fact that no responses had been received to help write the least financially impactful regulation. On that date, the NTA outline was sent out to all of the members of NSTA.

On June 2, 2022, the NTA received information from the NSTA explaining the difficulty of determining the economic impact on all non-consent tow operators based on the different sizes of operations and different costs associated with individual operations. It was suggested that a 10% discount would be punitive to less profitable tow operators and also painful for all other operators.

A second approach to determining the amount of the hardship discount was suggested. Treat the hardship discount in the same manner as a stolen vehicle which has a specified rate reduction; the storage fees for a proven hardship would be reduced by 50% if the towed vehicle was retrieved by the registered owner within five (5) days of the tow.

Finally, definitions of what a hardship is and what documents would be required to prove eligibility for the discount were suggested. Two of the four proposed definitions required the vehicle owner provide documents from the Internal Revenue Service which would, in all likelihood, not be available to the vehicle owner within five days. This would negate the second approach to determining the amount of the discount as suggested by the NSTA.

The summary of the actions and responses can be obtained by contacting Patricia Erickson at email address perickson@nta.nv.gov ; phone number 702-486-8722.

2. The manner in which the analysis was conducted:

Answer: An NTA financial analyst reviewed the records kept by the NTA regarding the identity of the tow operators who have authority to engage in non-consent towing. The NTA has authorized ninety (90) tow operators to complete non-consent towing.

Next, the financial analyst determined the number of vehicles each tow operator has in its fleet. The NTA data establishes that the ninety (90) tow carriers are operating 622 tow trucks. Finally, the financial analyst reviewed the tariff information that has been provided to the NTA from each regulated tow operators.

3. The estimated economic effect of the proposed regulation on the small businesses which the NTA regulates:

A. The adverse effects:

Answer: The new hardship discount regulation will have an adverse impact on non-consent tow carriers because it will reduce revenues as follows:

When the owner of the towed vehicle meets the hardship requirements and pays the tow bill, the tow carrier must provide the applicable discount to the entire tow bill.

The NTA is contemplating a hardship discount of 10%, 20%, and 30%. The three different discounts will be determined by the number of times the vehicle was towed by the same tow operator during the year. Each tow operator will be required to apply a 30% discount for the first tow of a vehicle, 20% discount for the second tow of the same vehicle and 10% discount for the third tow of the same vehicle within the same year.

Extrapolating these discount percentages on an average tow bill**, a tow operator may lose between:

\$29 - \$143 per tow bill and \$1 - \$4 per loaded mile for sedans, trucks, and SUVs; or,
\$59 - \$296 per tow bill and \$1 - \$5 per loaded mile for RVs, tractors, and trailers.

The exact financial effect cannot be quantified because the NTA has no financial records/database from individual tow carriers. Therefore, a “per tow bill” and “per loaded mile” were extrapolated using current tariff rates from all of the 90 non-consent tow operators.

** Assumptions made:

- Average tow bill is \$286 for sedans, trucks, SUVs and \$592 for RVs, tractors, trailers and \$8 and \$9 per loaded mile, respectively, statewide.
- Average tow bill consisted of only the hookup rate and two days of storage. Other tariff rates applicable but were not included are: (1) set out, (2) lot visit, and (3) tape.

B. The beneficial effects:

Answer: None.

C. The direct effects:

Answer: Less income for each non-consent tow completed when the vehicle owner fulfills the definition of having a life situation/hardship outside the person’s control which makes the person incapable of paying the normal rate for the removal and storage of that vehicle.

Increased cost to update tow operator’s invoices to specifically advise vehicle owners about the hardship discount.

Additionally, there will be increased cost to update signage inside the tow operator’s domicile to specifically advise vehicle owners about the hardship discount.

D. The indirect effects:

Answer: If the owner of a towed vehicle does not appear at the tow operator's office to obtain release of the vehicle, no hardship discount will be applied to the towing/storage fees and the tow operator may complete the lien sale process for the entire amount owed for the towing/storage.

4. Description of the method that the NTA considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the NTA actually used these methods such as:

- A. Simplifying proposed regulation
- B. Different standards of compliance for small business
- C. Modifying fee so that a small business is authorized to pay a lesser fee
- D.

Answer: The NTA considered all of the above methods to reduce the financial impact of the regulation on small businesses. However, the vast majority of tow operators, regulated by the NTA, are "small businesses" and the language of AB 301 does not allow for any reduction – it has to apply to all tow operators regardless of whether the entity has more than or less than 150 employees.

5. The estimated cost to the NTA for enforcement of the proposed regulation:

Answer: De minimus.

6. If the proposed regulation provides for a new fee or increases an existing fee, the total annual amount the NTA expects to collect and the manner in which the money will be spent:

Answer: The proposed regulation requires regulated tow operators to provide a specific discount on the cost associated with the tow and storage of a vehicle. Therefore, the NTA will not be collecting or spending any money.

7. Does the proposed regulation include provisions which duplicate or are more stringent than federal, state or local standards regulating the small activity:

Answer: No.

8. The reasons for the NTA conclusions regarding the impact of the regulation on small businesses:

Answer: The language of AB 301 requires a discount be given by a tow operator if the vehicle owner establishes eligibility for the discount based on defined circumstances outside the control of the vehicle owner and presentation of the required proof of the life circumstance. There isn't any flexibility in the language of AB 301. As a discount is required, there will be an economic impact on all tow operators who tow vehicles owned by person who has a defined hardship.

I certify that to the best of my knowledge and belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement was prepared properly and is accurate.

Dated this 14 day of June, 2022.



Dawn Gibbons, Chair
Nevada Transportation Authority