



DEPARTMENT OF BUSINESS AND INDUSTRY  
**NEVADA TRANSPORTATION AUTHORITY**

**MINUTES OF WORKSHOP TO  
SOLICIT COMMENTS ON PROPOSED REGULATIONS**  
Friday, July 8, 2022 at 9:30 a.m.

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.

*Chairman Dawn Gibbons called the workshop at 9:30 a.m.*

*Roll call:*

*Present: Chairman Dawn Gibbons, Commissioner George Assad, Commissioner R. David Groover, Administrative Attorney Patricia Erickson, Applications Manager Liz Babcock, Deputy Attorney General Radhika Kunnel, Chief of Enforcement Todd Park*

*Public comment: None*

*Proposed Regulations, please see attached.*

*Administrative Attorney Patricia Erickson detailed the information for the proposed regulations and opened the workshop for comments. She clarified when the hardship tariff applies. She stated when towing for registration violation you need another violation to tow the vehicle then the hardship tariff applies. Therefore, you need two violations at the time of the tow, before the hardship tariff applies. She clarified that the discount rates in Option 1 only applies to if the*

*same tow company tows the vehicle each time. She explained how the person is to be notified about the hardship tariff on the invoice. She explained that we had a longer list of documents needed to prove a hardship exists, but it needed to be narrowed. She clarified what the language of the statute is and that we cannot change this language. The 2 % discount suggested at the prior workshop was not approved. She provided her correct email address for the tow operators to contact her.*

*Lucas Foletta, Esq. asked for clarification regarding the proposed regulations. He discussed clarification needed to the language of the statute. He raised concerns on the life circumstance that causes a person to not have the ability to pay for the tow, sometimes the person can still pay for the tow even though they have a hardship. He agreed with some of the documents that were suggested to prove the inability to pay such as unemployment documents. The language we suggested for a six month rule is unreasonable. He stated that this rule makes the tow operator responsible for circumstances of six months of a person's life, he suggested three months would be more appropriate. He stated that the inability of payment needs to occur at the time the vehicle is towed and stored. Three months is overly broad to experience a hardship. The documentation we suggested to prove homelessness is vague. Regarding the options given for the discount, he agrees that Option 1 should deescalate. Another workshop is needed on completed proposed regulations.*

*Lynda Bradley from Ashley's Towing speaks about the regulation, and her concerns about the hardship tariff. She raised concerns that no other people are giving hardship for the categories we defined. She agreed that death, unemployment, and disability is a hardship. She raised concerns of the hardship taking them out of business.*

*Chairman Dawn Gibbons explained that we tried to do the lower rates suggested by Commissioner George Assad at the last workshop on the regulation, but that rate was not accepted.*

*Shawn Davis from Ashley's Towing questioned when the hardship applies. He requested a limit for time to provide proof of the hardship. He felt that five calendar days is a reasonable length of time. He suggested Option 1 be changed to 30, 20, 10 % discounts. He further explained that about 50 % of the vehicles towed, everyone states they cannot pay. He raised a concern about fraudulent documents be given to them. He preferred Option 2 with a 30 % discount for the hardship tariff although he would like the discount to be lower than that if possible.*

*Brenden Curtain from Code Blue Towing agreed that five regular days is reasonable time frame. He asked what happens if the vehicle is sold. Also, what if the person retrieved their vehicle but brings in the proof of a hardship afterwards does this person receive a refund.*

*Commissioner R. David Groover asked about the number of vehicles towed each month that fit in this category.*

*Commissioner George Assad spoke about the legislation lack of guidance. He stated that the regulation is overbroad and vague. He suggested they file an injunction with the courts based on*



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*the regulation being overly broadness, vagueness and unconstitutional. You can refer to the Chevron v. Natural Resource case 467 US 837 (1984), also deference to administrative agencies with respect to legislative enactments. The legislation did not define what a hardship is but left it to us to define. What is the right amount of a discount? They gave us the responsibility to define a key term in the statute, that is their job. An injunction should be filed with the court.*

*Rose Dillion from Action Towing asked what is a residential complex? She had concerns of when the hardship tariff applies. She stated that the person is already given notice before the tow occurs, so when is the person with the hardship responsible to do what they are supposed to do? She raised a concern if this applies to registration not being valid? She explained the process of looking up registration of the vehicle with DMV. She gave a third option of 30% discount for first time the vehicle is towed, 10% discount for the second time the vehicle is towed within 60 days from the first tow.*

*Commissioner R. David Groover explained that we are trying to comply with what the legislation required us to do. He explained what they do in Arizona, if a person tells a tow operator that they cannot pay the bill for the tow, the tow operator must give the person their vehicle and then file a case in court to try to get their money for the tow. He stated that the Carrier needs to investigate the person requesting the hardship.*

*Michael Baumbach, President of the Tow Operators of Northern Nevada spoke about the options we presented in the proposed regulation. He does not agree with Option 1. He thinks only one discount should be given and add language not to tow this same vehicle within a certain period of time. Option 2 is a known way to give a discount on the tariff. He raised a concern of notification of the hardship tariffs on invoices will be costly to the Carriers. The language of the notices that we provided is not applicable and would cause more calls about something that would not apply to him. Finally, he raised a concern of the discount given to a person who is incarcerated.*

*Don Rowlett from Milne Towing concerns when does the constraint stop? Is there going to be an addendum to this regulation?*

*Commissioner George Assad stated that depends on the legislation that you elect.*

*Robert Segura from Titan Towing concerns regarding deescalating in Option 1 prefers 30, 20, 10 % discount not the 50, 40, 30 % discount. Option 2 should be a 30% discount not a 50% discount. A residential complex as he understands it as an apartment complex, there is different laws that define what a residential complex is. Day 5 starts the lien process that the tow operators are already utilize therefore we should use five calendar days. Additionally, he suggested the language of the hardship tariff be limited to registered owners of the vehicle only. He stated that the tow operators should pick their violations used for towing wisely.*

*Most of the people who attended the workshop in the Las Vegas and Reno locations preferred Option 2 with a 30% discount.*

*Camila Sparks from URT questioned how to apply Option 1 with the 3 different tows, does the discount apply if the vehicle is towed by different tow companies?*

*A lengthy discussion ensued questioning the proposed regulations.*

*Chairman Dawn Gibbons thanked everyone from attending the workshop and requested that they submit their comments to us in writing by next Friday, July 15, 2022.*

*Public comment – none*

*Workshop adjourned at 11:12 a.m.*