

CLARK COUNTY, NEVADA

Business Impact Statement

(NRS 237.090)

Clark County Code Title 6, Chapter 6.105 (Peer-To-Peer Car Sharing Program)

Upon request, a copy of the Business Impact Statement can be obtained from the Clark County Department of Business License and such requests should be sent to:

Clark County Department of Business License
Chapter 5.02
500 S. Grand Central Pky., 3rd Flr
Box 551810
Las Vegas, NV 89155-1810

or a copy may be obtained from the following website:

www.clarkcountynv.gov/businesslicense.

Description of the proposed ordinance or rule:

The proposed amendments to the Clark County Code will:

1. Add a new Chapter 6.105 – Peer-To-Peer Car Sharing Program including the addition of definitions related to peer-to-peer car sharing.
2. Require peer-to-peer car sharing programs and shared vehicle owners to comply with applicable state and County laws, rules and regulations and any requirements of the Clark County Department of Aviation.
3. Require each peer-to-peer car sharing program, and shared vehicle owner operating as a corporation, limited partnership or limited-liability company to obtain a Clark County business license.
4. Establish the requirements for a business license application for a peer-to-peer car sharing program and a shared vehicle owner.
5. Establish the annual business license fees for a peer-to-peer car sharing program and a shared vehicle owner based on the number of vehicles available for sharing.
6. Require each vehicle to display a valid decal in order to operate on property owned or maintained by the Clark County Department of Aviation. The proposed ordinance also allows the Clark County Department of Aviation to require a peer-to-peer car sharing vehicle owner to obtain a permit, pay a fee and/or comply with any other requirement to operate at the airport.

Intent of the proposed ordinance or rule including issues to be resolved or other factors to be considered:

The intent of this proposed ordinance is to license the business activities of peer-to-peer car sharing programs and certain shared vehicle owners. In 2021 the Nevada State Legislature approved Senate Bill 389 allowing local governments to require a peer-to-peer car sharing program, and a shared vehicle owner operating as a corporation, limited partnership or limited-liability company to obtain a business license and pay a fee. The bill was in response to a growing industry that has been operating within the County and at the Harry Reid International Airport. this ordinance will also require identification of the shared vehicles while operating on airport property.

Description of the manner in which public comment, data or arguments was solicited from affected businesses and/or community stakeholders:

On March 1, 2022, the County sent a Notification of Proposed Amendments to Clark County Code, Title 6, Chapter 6.105 (Notification Letter, Attachment #1) and the Proposed Ordinance to various business associations, chambers of commerce, attorneys, peer-to-peer car sharing platforms, transportation network companies and other interested parties. The Notification and proposed ordinance were also available on the Department of Business License's website. Recipients of the Notification Letter were encouraged to respond with any comments or concerns regarding the proposed ordinance.

Summary of public comment, data or arguments including the number of public comments received:

Following a comment period that lasted 18 business days, three comments were received. [*County responses are in italics.*]

Comment #1 – Avail (Attachment #2)

Avail states that, although it does not currently operate in Nevada, the provisions in the proposed ordinance would “likely directly restrict the formation, operation and/or expansion” of its business as it would be economically restrictive. Avail makes the following claims:

Licensing fees - It would be difficult to estimate how many vehicles would be on its platform as it is currently not operating in Clark County. The tiered fee structure requires higher license fees when more vehicles are placed on the platform. It is unclear how a vehicle is counted in the platform (e.g., does a vehicle rented once in a year count the same as a vehicle that is rented several times within a year?). [*When a platform that is not currently operating in the County applies for a business license it would pay its initial fee based on the first tier and when the license is renewed the appropriate fee for the number of vehicles at time of renewal would determine the new fee. Generally, fees increase with increased business activity. The vehicles are counted based on how many are available for rent on the platform, not how many times the vehicles are rented during the year.*]

Shared Vehicle Owners – Licensing shared vehicles owners who are operating as a corporation, limited partnership or limited-liability company may prevent constituents and small business owners from being able to share their vehicles (e.g., excess fleet) on a platform. Requiring them to obtain a separate business license could create undue compliance obstacles and risks for them. Avail recommends deleting, or significantly modifying, the requirement that such entities be required to obtain a license under this ordinance. Avail does not believe it should be responsible to inform and enforce business license compliance. Requiring that the platform monitor who may own a vehicle and confirm if they have an adequate business license would be burdensome on the platform. *[The license created by this ordinance is a general license and requires an application fee of \$45 and an annual fee of \$50 for up to 5 vehicles, which does not seem to be overly burdensome. Also, if such entities were not licensed they would be prohibited from operating (dropping off or picking up vehicles) at the airport. The County does not have access to the shared vehicle owners' contact information and, therefore we cannot notify them of the licensing requirements.]*

Operations at the airport – Avail opposes the requirement for shared vehicles to have a decal displaying that they are part of a peer-to-peer car sharing program and could lead to increased risk to the shared vehicles. *[The decal is necessary to identify those vehicles that are authorized to conduct business on airport property.]*

Comment #2 – Brownstein, Hyatt, Farber & Schreck, LLP, representing Getaround, Inc. (Attachment #3)

The commenter states that Senate Bill 389 (SB 389) (2021 Nevada Legislative Session) preempts certain sections in the proposed ordinance that prohibit local governments from requiring a peer-to-peer car sharing program to obtain a business license or to pay a business license fee unless it is in the same manner that **is generally applicable to any other business that operates within the jurisdiction of the local government.** (Emphasis added by commenter.) Specifically, the commenter states that Sections 6.105.050 (application requirements) and 6.105.060 (license fees) are preempted by SB 389 and directly imposes a significant burden in the form of a business-specific license and exorbitant license fees that are not generally applicable to other businesses. The commenter believes that basing the fees for a shared vehicle owner on the number of vehicles made available for rent of a platform disincentivizes owners from car sharing and that the fees may consume a large percentage of the owner's income. Also, basing the fees for a platform on the number of vehicles imposes a substantial financial and administrative burden on the program, because owners may add and remove share vehicles from the platform at any time and may share their vehicles infrequently. The commenter also states the proposed ordinance will directly restrict the formation, operation or expansion of a peer-to-peer car sharing business for the same reasons stated above. The commenter recommends that Sections 6.0105.050 and 6.105.060 be revised to conform to the same business licensing manner which is generally applicable to any other business which operates within the County. *[SB 389 allows local governments to require peer-to-peer car sharing programs, and shared vehicle owners who operate as a corporation, limited partnership or limited-liability company to obtain a business license and to pay a business license fee in the*

same manner that is generally applicable to any other business that operates within the jurisdiction of the local government. The fee structures in the proposed amendments are very similar or are identical to the fees for rental car companies and transportation network company platforms, which are very similar to shared vehicle owners and peer-to-peer car sharing platforms.]

Comment #3 - Turo (Attachment #4)

Turo requests that the definition of “shared vehicle owner” be revised to include only shared vehicle owners that operate on a peer-to-peer car sharing platform as a corporation, limited partnership or limited-liability company. *[This definition is the same as what is in SB 389. In Section 6.105.030 the proposed ordinance clearly states that a shared vehicle owner operating as corporation, limited partnership or limited-liability company must obtain a business license. Shared vehicle owners that do not operate as one of the mentioned entities does not require a business license.]*

Turo requests that the application requirements in the proposed ordinance be revised to be generally applicable to any other business that operates within the jurisdiction of the local government. *[The application requirements state that an application for a business license is required along with payment of a \$45 application fee (the standard application fee that other business license applicants pay), and a statement as to how many vehicles will be available for sharing on the platform.]*

Turo suggests reducing or collapsing the number of annual fees for the shared vehicle owners and the platform to two tiers each to simplify administration and compliance as follows:

Vehicle owners	25 or less vehicles	\$250 annually
Vehicle owners	More than 25 vehicles	\$800 annually
Platforms	500 or less vehicles	\$10,000 annually
Platforms	More than 500 vehicles	\$25,000 annually

[The fee structures in the proposed amendments are very similar or are identical to the fees for rental car companies and transportation network company platforms, which are very similar to shared vehicle owners and peer-to-peer car sharing platforms. The calculation of annual fees is not complex. Upon renewal of the license the licensee pays the appropriate fee based on the number of vehicles in the shared vehicle program.]

Turo requests that the mandate requiring a peer-to-peer car sharing platform enforce the county’s business license requirements that requires the platform to notify each shared vehicle owner of the requirement to obtain a business license and to terminate a shared vehicle owner’s account on the platform if the platform becomes aware or is notified by the County that the shared vehicle owner does not possess a valid County business license. *[The County does not have access to the contact information of the shared vehicle owners on a platform and it would be helpful if the platforms*

could notify their shared vehicle owners of the licensing requirement. This would make for a smoother operation at the airport by ensuring compliance with licensure.]

The estimated economic effect of the proposed ordinance or rule on businesses:

1. Adverse effects

The proposed ordinance will require peer-to-peer car sharing programs and certain shared vehicle owners to apply for and obtain a business license and pay an annual fee.

2. Beneficial effects

The licensing of peer-to-peer car sharing programs, and shared vehicle owners that operate as a corporation, limited partnership or limited-liability company would identify a business activity that has been recognized by the Nevada State Legislature and would provide a more level playing field with other similar business activities, such as rental car companies and transportation network companies,

3. Direct effects

The business license fees in the proposed ordinance benefit those shared vehicle owners that make only a few vehicles available on the platform and provide for tiered license fee structure that increases as the business volume increases.

4. Indirect effects.

The proposed ordinance would provide assistance to the Department of Aviation on regulating business activities occurring airport property as a result of the peer-to-peer car sharing program.

5. Other economic effects to be considered.

No other economic effects were identified.

The estimated cost to the local government for the enforcement of the proposed ordinance or rule:

It is estimated that the cost to enforce the Proposed Ordinance will be absorbed by current staff.

The estimated cost to the local government for the administration of the proposed ordinance or rule:

It is estimated that the cost to administer the Proposed Ordinance will be absorbed by current staff.

If applicable, explanation of a new fee or increase to an existing fee including a projection of the annual revenue expected to be collected and the manner in which the revenue will be utilized:

The new fees established by this proposed ordinance are based on the number of vehicles that a shared vehicle owner, that is subject to this ordinance, makes available on a platform and the

number of vehicles on a peer-to-peer car sharing program and is tiered to increase as the business volume increases. The total amount of license fees would depend on the number of shared vehicles that are available for rent on the peer-to-peer car sharing platform and the number of vehicles on the platform that are owned by the shared vehicle owners. The number of vehicles on either the platform or owned by the vehicle owners cannot be determined at this time. Any increase in franchise fees would go to the General Fund.

Assessment of provisions of the proposed ordinance or rule, which may duplicate or are more stringent than Federal, State or local standards regulating the same activity:

The proposed amendments do not duplicate and are not more stringent than Federal, State or local standards.

If applicable, explanation of why the duplicative or more stringent provisions are necessary:

Not applicable.

Description of the methods that local government considered to modify the proposed ordinance or rule; or otherwise reduce the impact of the proposed rule on businesses, the parties involved, and a statement of the methods used:

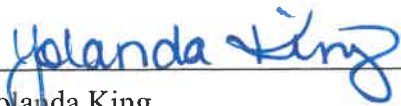
After reviewing the comments from the respondents and analyzing potential impacts on businesses it was determined that the proposed license fees are comparable to like businesses and, therefore, no changes were made. In Subsection 6.105.060(b) a revision was made to remove the requirement that a platform must remove a shared vehicle owner from the platform if the platform merely becomes aware of that fact, but the requirement is retained that if a platform is notified by the County of an owner that does not possess a valid County license when they should, the platform will remove them from the platform.

The reasons for the conclusions regarding the impact of the proposed rule on businesses:

In order to comply with the County's authority to license all types of businesses permitted by state law and to provide fair and equitable treatment of similar business activities we feel that the provisions in the Proposed Ordinance are necessary and are in compliance with state law.

Certification of Business Impact Statement

I certify that, to the best of my knowledge or belief, the information contained in this Business Impact Statement was prepared properly and is accurate.



Yolanda King
County Manager



Date