



NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
("V&T Railway Commission")

STAFF REPORT

Meeting Date: 10/26/22

Agenda Title: For Possible Action: Discussion and possible action regarding (1) certain credits issued in lieu of refunds and purchased gift cards for train rides issued between January 1, 2019, and present and (2) a proposed policy outlining any exceptions to the Commission's existing policy that no gift cards or credits be issued for train rides. Jim Wells (admin@vtrailway.com)

Staff Summary: Pursuant to existing policy, no gift cards or credits may be issued to customers for train rides. In the event of operator cancellation, a full refund, not a gift card or a credit, will be issued. Full refunds or rebookings are allowed only 72 hours or more before the departure, for a service fee. The Commission is asked to take action on the gift cards or credits that were issued before the existing policy.

Time Requested: 10 Minutes

Type of Action Requested:

(_xx_) Formal Action/Motion

(___) Other (Specify) Presentation Only

Proposed Motion: I move to approve the recommendation that:

1. the credits issued in lieu of refunds before January 1, 2021 be considered earned revenue and those issued in 2021 and 2022 be refunded/not refunded (depending on the individual discussion).
2. the purchased gift cards be turned over to the State Treasurer pursuant to NRS Chapter 120A – Unclaimed Property Uniform Act, on the following schedule:
 - a. those issued before December 31, 2019 – after January 1, 2023;
 - b. those issued between January 1, 2020 and December 31, 2020 – after January 1, 2024;
 - c. those issued after January 1, 2021 – at expiration, on or about March 1, 2023.
3. (depending on discussion) the following exceptions to the current policy be made.

Background/Issues & Analysis:

Under existing policy, no gift cards or credits will be issued to customers and refunds will be issued only for operator cancellations or customer cancellations at least 72 hours in advance of the departure, for a service fee ("Existing Policy"). In 2021 and until the Existing Policy came into effect, a refund in the form of a gift card applicable to any future reservations except for the Polar Express rides, was issued for customer cancellations within 48 hours of departure. The Commission is asked to discuss and, if appropriate, adopt, a policy outlining appropriate circumstances to issue a refund as an exception to the Existing Policy.

Further, the Commission is asked to take action on the following transactions:

1. Credits issued in lieu of refunds (141 records for \$20,629.60):
 - a. prior to January 1, 2021 (132 records for \$17,931.16): The credits should be considered earned revenue since they are mostly for the 2019 General Season and 2019 Polar Express. Specifically, Polar Express

ticket sales are subject to the royalty fees payable to Rail Events. Since these credits were issued without a formal policy, are not aligned with the Existing Policy and are over two years old, these credits are no longer payable to the recipient.

- b. in 2021 or 2022 (9 records for \$2,698.44): A-Typical will provide justification for their issuance in accordance with the policy at the time of their issuance. If appropriate and approved by the Commission, the credits will be refunded via their original payment method.
2. Purchased gift cards (67 records for \$6,568.42):
 - a. prior to December 31, 2019, with no expiration date (18 records for \$1,546.00): The gift cards will be turned over to State Unclaimed Property, in accordance with appropriate statutes and regulations, after January 1, 2023, in accordance with the presumption that the credit is abandoned 3 years from the time it was issued.
 - b. between January 1, 2020, and December 31, 2020, with no expiration date (21 records for \$2,056.00): The gift cards will be turned over to State Unclaimed Property, in accordance with appropriate statutes and regulations, after January 1, 2024, in accordance with the presumption the credit is abandoned 3 years from the time it was issued.
 - c. after January 1, 2021, with a 1-year expiration date (27 records for \$2,966.42): The gift cards will be turned over to State Unclaimed Property, in accordance with appropriate statutes and regulations, after March 1, 2023, in accordance with the presumption the credit is abandoned on the expiration date.

Applicable Statute, Code, Policy, Rule or Regulation: NRS Chapter 120.A

Fiscal Impact: yes

Explanation of Impact: addressed above under Background/Issues & Analysis

Funding Source:

Supporting Material/Attachments:

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