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SECOND REPRINT

A.B. 595

## ASSEMBLY BILL NO. 595—COMMITTEE ON TRANSPORTATION

(ON BEHALF OF THE DEPARTMENT OF MOTOR VEHICLES)

MARCH 26, 2007

Referred to Concurrent Committees on Transportation and Taxation

**SUMMARY**—Makes various changes relating to taxes on fuels and the provision of funding for highway projects. (BDR 32-643)

**FISCAL NOTE:** Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to vehicles; making various changes regarding the imposition, reporting, payment, collection, refunding, administration and enforcement of certain taxes on fuels; providing for the issuance of bonds by the county fair and recreation board in certain counties to assist in the funding of highway projects in the county; allocating a portion of the proceeds of certain taxes and fees to the construction and maintenance of public highways; requiring analyses of the costs and benefits of proposals for certain highway projects; requiring annual performance measurements of and various periodic reports by the Department of Transportation; revising the provisions governing the fees charged by a short-term lessor of a passenger car; providing penalties; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Under existing law, a taxpayer is entitled to receive interest on an overpayment  
2 of taxes. (NRS 360.2935, 360A.110) **Section 2** of this bill provides that no interest  
3 will be paid on an overpayment of taxes on fuels if the overpayment is made  
4 intentionally or carelessly.

5 Under existing law, if the Department of Motor Vehicles issues a deficiency  
6 determination against a taxpayer for underpayment of taxes on fuels, the taxpayer



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7 may file a petition for redetermination and seek an oral hearing on the petition.  
8 (NRS 360A.160, 360A.180) **Section 3** of this bill changes the hearing to an  
9 administrative hearing.

10 Under existing law, persons licensed under chapter 365 of NRS are required to  
11 submit reports and pay excise taxes to the Department for motor vehicle and other  
12 fuels subject to that chapter. (NRS 365.170, 365.175) **Section 5** of this bill imposes  
13 similar requirements on unlicensed persons who collect such excise taxes.

14 Existing law in chapter 366 of NRS concerning taxes on special fuels includes  
15 provisions relating to the confidentiality of records, the unlawful disclosure of  
16 information, false or fraudulent reports, and the sealing of fuel pumps. (NRS  
17 366.160, 366.180, 366.710, 366.715) **Sections 6-9** of this bill add similar  
18 provisions to chapter 365 of NRS concerning taxes on motor vehicle and other  
19 fuels.

20 Under existing law, licenses issued pursuant to chapter 365 of NRS for dealers,  
21 suppliers, transporters and exporters are valid until suspended, revoked or  
22 cancelled. (NRS 365.304) **Section 15** of this bill limits the validity of each such  
23 license to 1 year and requires the Department to adopt regulations providing for the  
24 renewal of such licenses.

25 Existing law in chapter 366 of NRS concerning taxes on special fuels includes  
26 provisions governing the due date of such taxes. (NRS 366.370) **Section 18** of this  
27 bill adds similar provisions to chapter 365 of NRS concerning taxes on motor  
28 vehicle and other fuels. (NRS 365.330)

29 **Section 21** of this bill increases the power of the Department and its agents to  
30 make examinations and inspections, including the power to stop and inspect motor  
31 vehicles that are using or transporting motor vehicle and other fuels, to determine  
32 whether all excise taxes due pursuant to chapter 365 of NRS are being properly  
33 reported and paid. (NRS 365.500)

34 Under existing law, persons licensed under chapter 366 of NRS are required to  
35 file tax returns and pay excise taxes to the Department for special fuels subject to  
36 that chapter. (NRS 366.380, 366.383, 366.386, 366.540) **Section 26** of this bill  
37 imposes similar requirements on unlicensed persons who collect such excise taxes.

38 Existing law in chapter 365 of NRS concerning taxes on motor vehicle and  
39 other fuels includes provisions relating to the liability of a person for willfully  
40 failing to collect or pay excise taxes, the records that must be maintained by  
41 retailers, the payment of the costs of prosecuting violations, and the enforcement of  
42 the provisions of the chapter by county sheriffs and other peace officers. (NRS  
43 365.351, 365.510, 365.590, 365.610) **Sections 27-30** of this bill add similar  
44 provisions to chapter 366 of NRS concerning taxes on special fuel.

45 Under existing law, licenses issued pursuant to chapter 366 of NRS for special  
46 fuel dealers, special fuel suppliers, special fuel transporters and special fuel  
47 exporters are valid until suspended, revoked or cancelled, and licenses for special  
48 fuel users are valid for 1 year. (NRS 366.260) **Section 36** of this bill limits the  
49 validity of each such license to 1 year and requires the Department to adopt  
50 regulations providing for the renewal of such licenses.

51 **Section 46** of this bill revises the provisions in NRS 366.720 that establish  
52 various violations and penalties relating to taxes on special fuels by specifying that  
53 each day during which such a violation occurs constitutes a separate offense.

54 **Section 46.5** of this bill requires the county fair and recreation board in a  
55 county whose population is 400,000 or more (currently Clark County) to issue,  
56 under certain conditions, bonds to assist in the funding of highway projects in that  
57 county. **Section 55.3** of this bill requires annual reports by the Department of  
58 Transportation on the projects undertaken with that funding.

59 Existing law authorizes a county to impose an ad valorem tax for capital  
60 projects in the amount of 5 cents per \$100 of the assessed valuation of the county.  
61 (NRS 354.59815) **Section 47** of this bill requires the allocation of an incrementally



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increasing portion, which will not exceed 60 percent, of the proceeds of any such tax imposed in a county with a population of 100,000 or more (currently Clark and Washoe Counties) to the State Highway Fund for use in the construction and maintenance of the public highways in that county.

**Section 47.2** of this bill requires the adoption of performance measurements for the Department of Transportation and annual reports of performance. **Section 47.3** of this bill requires the Department to prepare a written analysis of the costs and benefits of each proposal for a highway project that will cost \$25 million or more. **Section 55.5** of this bill requires quarterly reports by the Department on the status of certain proposed highway projects.

Existing law authorizes a short-term lessor of a passenger car to impose a recovery surcharge of 4 percent of the total amount for which the car is leased. (NRS 482.313) **Section 49** of this bill mandates the imposition of that fee and requires the deposit of one-quarter of the proceeds thereof into the State Highway Fund for use in the construction and maintenance of the public highways.

Existing law prescribes a maximum amount of \$15 per day that a short-term lessor of vehicles may charge for a waiver of damages. (NRS 482.31565) **Section 49.5** of this bill increases that amount to \$22 and provides for subsequent annual increases in that amount based upon increases in the Consumer Price Index.

Existing law prescribes a maximum amount of \$5 per day that a short-term lessor of vehicles may charge for more than one additional driver. (NRS 482.3158) **Section 49.7** of this bill increases that amount to \$10, provides for subsequent annual increases in that amount based upon increases in the Consumer Price Index and authorizes the imposition of the charge for any additional drivers.

Existing law authorizes a purchaser of motor vehicle fuel or special fuel from a supplier to apply to the Department for a permit to defer payment of the taxes to the supplier, and authorizes the supplier to deduct from his tax payments to the Department the amount of such deferred taxes. (NRS 365.326, 365.328, 366.397, 366.540) **Sections 42 and 55** of this bill delete or repeal those provisions. **Section 55** also repeals NRS 366.360 because its provisions are being added to NRS 366.350 by **section 38** of this bill.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 360A.050 is hereby amended to read as follows:

360A.050 ~~{Except for any payments authorized pursuant to NRS 365.328, 365.340, 366.375 and 366.397, if}~~ *If* the Department grants an extension of time for paying any amount required to be paid pursuant to chapter 365, 366 or 373 of NRS or NRS 590.120 or 590.840, a person who pays the amount within the period for which the extension is granted shall pay, in addition to the amount owing, interest at the rate of 1 percent per month from the date the amount would have been due without the extension until the date of payment.

**Sec. 2.** NRS 360A.110 is hereby amended to read as follows:

360A.110 ~~{H}~~

*1. Except as otherwise provided in subsection 2, in* making a determination, the Department may offset overpayments for a period



1 or periods, together with interest on the overpayments, against  
2 underpayments for another period or periods or against penalties and  
3 the interest on underpayments.

4 *2. No interest is allowed on any overpayment that the*  
5 *Department determines has been made intentionally or by reason*  
6 *of careless reporting.*

7 **Sec. 3.** NRS 360A.180 is hereby amended to read as follows:

8 360A.180 1. If a petition for redetermination is filed within  
9 the period prescribed in NRS 360A.160, the Department shall  
10 reconsider the determination and, if the person has so requested in  
11 the petition, grant the person an ~~oral~~ *administrative* hearing and  
12 give him at least 10 days' notice of the time and place of the  
13 hearing.

14 2. ~~[The Department may continue the]~~ *Any* hearing *held*  
15 *pursuant to subsection 1 may be continued* from time to time as  
16 may be necessary.

17 3. *A petitioner aggrieved by the decision of the Department*  
18 *may appeal the decision by submitting a written request to the*  
19 *Department for an administrative hearing not more than 30 days*  
20 *after notice of the redetermination was made by the Department.*

21 **Sec. 4.** Chapter 365 of NRS is hereby amended by adding  
22 thereto the provisions set forth as sections 5 to 9, inclusive, of this  
23 act.

24 **Sec. 5.** *Every person not licensed pursuant to this chapter*  
25 *who collects an excise tax shall:*

26 1. *Not later than the last day of each calendar month, submit*  
27 *a statement to the Department of all such taxes collected during*  
28 *the preceding calendar month; and*

29 2. *In accordance with the provisions of NRS 365.330, pay the*  
30 *tax to the Department.*

31 **Sec. 6.** *All supporting schedules, invoices and other pertinent*  
32 *papers relating to the business affairs and operations of any*  
33 *supplier, dealer, exporter or transporter, and any information*  
34 *obtained by an investigation of the records and equipment of any*  
35 *supplier, dealer, exporter or transporter, shall be deemed*  
36 *confidential and must not be revealed to any person except as*  
37 *necessary to administer this chapter or as otherwise provided by*  
38 *law.*

39 **Sec. 7.** 1. *It is unlawful for the Department or any person*  
40 *having an administrative duty under this chapter to divulge or to*  
41 *make known in any manner whatever the business affairs,*  
42 *operations or information obtained by an investigation or*  
43 *examination of the records of any person visited or examined in*  
44 *the discharge of official duty, or the amount or source of income,*  
45 *profits, losses, expenditures or any particular thereof set forth or*



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1 *disclosed in any report, or to permit any report or copy thereof to*  
2 *be seen or examined by any person except as otherwise provided in*  
3 *section 6 of this act and NRS 365.140.*

4 *2. Any violation of the provisions of subsection 1 is a gross*  
5 *misdemeanor.*

6 **Sec. 8.** *Any person required to make, submit, sign or verify*  
7 *any report who makes any false or fraudulent report with intent to*  
8 *defeat or evade the assessment required by law to be made is guilty*  
9 *of a gross misdemeanor.*

10 **Sec. 9.** *1. The Department may seal a fuel pump of a*  
11 *retailer or dealer, or the metered pipes and hoses of a rack of a*  
12 *dealer or supplier, if the retailer, dealer or supplier:*

13 *(a) Becomes delinquent in payment of any amount due*  
14 *pursuant to the provisions of this chapter;*

15 *(b) Operates without the license required by the provisions of*  
16 *this chapter; or*

17 *(c) Operates without the bond or cash deposit required by the*  
18 *provisions of this chapter.*

19 *2. A fuel pump of a retailer or dealer, or the metered pipes*  
20 *and hoses of a rack of a dealer or supplier, may be sealed until all*  
21 *required reports are filed, the tax, penalties and interest are paid*  
22 *in full, the required license is obtained and the bond or cash*  
23 *deposit is provided.*

24 *3. Before sealing a fuel pump or the metered pipes and hoses*  
25 *of a rack, the Department must send a notice by registered or*  
26 *certified mail to the retailer, dealer or supplier at his last known*  
27 *address ordering him to appear before the Department at a time*  
28 *not less than 10 days after the mailing of the notice and show*  
29 *cause why the fuel pump or the metered pipes and hoses of the*  
30 *rack should not be sealed.*

31 **Sec. 10.** NRS 365.092 is hereby amended to read as follows:

32 365.092 "Transporter" means a person, except a supplier or an  
33 exporter licensed pursuant to this chapter, who transports motor  
34 vehicle fuel or fuel for jet or turbine-powered aircraft *by pipeline,*  
35 *rail or truck* in interstate commerce to or from any point within this  
36 State, or solely within this State.

37 **Sec. 11.** NRS 365.140 is hereby amended to read as follows:

38 365.140 The Department ~~[shall,]~~ *may*, upon a request from the  
39 officials to whom is entrusted the enforcement of the motor vehicle  
40 fuel tax laws of any other state, if the other state furnishes ~~[like]~~  
41 *similar* information to this State, forward any information which it  
42 may have in its possession relative to the manufacture, receipt,  
43 *storage, delivery,* sale, use, transportation, ~~[or]~~ *shipment or other*  
44 *disposition* by any *supplier, dealer, exporter, transporter or other*



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1 person of motor vehicle fuel or fuel for jet or turbine-powered  
2 aircraft.

3 **Sec. 12.** NRS 365.170 is hereby amended to read as follows:

4 365.170 Except as otherwise provided in NRS 365.135, every  
5 dealer shall ~~[-,not]~~ :

6 **1. Not** later than the last day of each calendar month ~~[-~~

7 ~~—1.—Render]~~ , **submit** to the Department a statement of all  
8 aviation fuel and fuel for jet or turbine-powered aircraft sold,  
9 distributed or used by him in this State, as well as all such fuel sold,  
10 distributed or used in this State by a purchaser thereof upon which  
11 sale, distribution or use the dealer has assumed liability for the tax  
12 thereon pursuant to NRS 365.020, during the preceding calendar  
13 month; and

14 **2. [Pay]** *In accordance with the provisions of NRS 365.330,*  
15 *pay* an excise tax on:

16 (a) All fuel for jet or turbine-powered aircraft in the amount of 1  
17 cent per gallon, plus any applicable amount imposed pursuant to  
18 NRS 365.203; and

19 (b) Aviation fuel in the amount of 2 cents per gallon, plus any  
20 applicable amount imposed pursuant to NRS 365.203,

21 ~~so sold, distributed or used . [-,in the manner and within the time~~  
22 ~~prescribed in this chapter.]~~

23 **Sec. 13.** NRS 365.175 is hereby amended to read as follows:

24 365.175 Except as otherwise provided in NRS 365.135, every  
25 supplier shall ~~[-,not]~~ :

26 **1. Not** later than the last day of each calendar month ~~[-~~

27 ~~—1.—Submit]~~ , **submit** to the Department a statement of all motor  
28 vehicle fuel, except aviation fuel, sold, distributed or used by him in  
29 this State ~~[-]~~ **during the preceding calendar month;** and

30 **2. [Pay]** *In accordance with the provisions of NRS 365.330,*  
31 *pay* an excise tax on all motor vehicle fuel, except aviation fuel, in  
32 the amount of 17.65 cents per gallon **so** sold, distributed or used . ~~[-in~~  
33 ~~the manner prescribed in this chapter.]~~

34 **Sec. 14.** NRS 365.290 is hereby amended to read as follows:

35 365.290 1. Before granting any application for a license as a  
36 dealer or supplier, the Department shall require the applicant to file  
37 with the Department a bond executed by the applicant as principal,  
38 and by a corporation qualified under the laws of this State as surety,  
39 payable to this State and conditioned upon the faithful performance  
40 of all the requirements of this chapter and upon the punctual  
41 payment of all excise taxes, penalties and other obligations of the  
42 applicant as a dealer or supplier.

43 2. The total amount of the bond or bonds required of any dealer  
44 or supplier must be fixed by the Department at three times the  
45 estimated maximum monthly tax, determined in such a manner as



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1 the Department deems proper, or \$1,000, whichever is greater. If  
2 ~~[the Department determines that]~~ a person is habitually delinquent in  
3 the payment of amounts due pursuant to this chapter, ~~[it]~~ *the*  
4 *Department* may increase the amount of his security to not more  
5 than five times the estimated maximum monthly tax. When cash or  
6 a savings certificate, certificate of deposit or investment certificate  
7 is used, the amount required must be rounded off to the next larger  
8 integral multiple of \$100, within the same upper limit.

9 3. The Department may increase or decrease the amount of  
10 security required by this section subject to the limitations provided  
11 in this section.

12 4. No recovery on any bond, ~~[nor the]~~ execution of any new  
13 bond, ~~[nor the]~~ *or* revocation, cancellation or suspension of any  
14 license, affects the validity of any bond.

15 5. In lieu of any bond or bonds, a dealer or supplier may  
16 deposit with the Department, under such terms and conditions as the  
17 Department may prescribe, ~~[a like]~~ *an equivalent* amount of lawful  
18 money of the United States or any other form of security authorized  
19 by NRS 100.065. If security is provided in the form of a savings  
20 certificate, certificate of deposit or investment certificate, the  
21 certificate must state that the amount is unavailable for withdrawal  
22 except upon order of the Department.

23 *6. If the amount of security required by this section is*  
24 *decreased pursuant to subsection 3, the Department shall*  
25 *immediately reinstate the original requirements for a bond for a*  
26 *holder of a license as a dealer or supplier upon his:*

27 *(a) Lack of faithful performance of the requirements of this*  
28 *chapter; or*

29 *(b) Failure to pay punctually all taxes, fees, penalties and*  
30 *interest due the State of Nevada.*

31 *7. For the purposes of this section, a person is "habitually*  
32 *delinquent" if, within any 12-month period, the person commits*  
33 *each of the following acts or commits either of the following acts*  
34 *more than once:*

35 *(a) Fails timely to file a monthly tax return, unless the*  
36 *Department determines that:*

37 *(1) The failure to file was caused by circumstances beyond*  
38 *the control of the person and occurred notwithstanding the*  
39 *exercise of ordinary care; and*

40 *(2) The person has paid any penalty and interest imposed*  
41 *by the Department because of the failure to file.*

42 *(b) Fails timely to submit to the Department any tax collected*  
43 *by the person pursuant to this chapter.*

44 **Sec. 15.** NRS 365.304 is hereby amended to read as follows:

45 365.304 *1.* A license issued pursuant to this chapter:



~~1-1~~ (a) Is valid ~~until~~ *for 1 year, unless* suspended, revoked or cancelled.

~~1-2~~ (b) Is not transferable.

**2. The Department shall adopt regulations providing for the renewal of such licenses.**

**Sec. 16.** NRS 365.306 is hereby amended to read as follows:

365.306 If any person ceases to be a dealer, supplier, exporter or transporter within this State by reason of the discontinuance, sale or transfer of his business, he shall:

1. Notify the Department in writing at the time the discontinuance, sale or transfer takes effect. The notice must give the date of the discontinuance, sale or transfer, and the name and address of any purchaser or transferee.

2. Surrender to the Department the license issued to him pursuant to this chapter.

3. If he is:

(a) A dealer, file a monthly tax return and pay all taxes, interest and penalties required pursuant to chapter 360A of NRS and NRS 365.170 and 365.203 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(b) A supplier, file a monthly tax return and pay all taxes, interest and penalties required pursuant to chapter 360A of NRS and NRS 365.175 to 365.192, inclusive, on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(c) An exporter, file the report required pursuant to NRS 365.515 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(d) A transporter, file the report required pursuant to NRS 365.520 ~~[within 25 days after the end]~~ *on or before the last day* of the month *following the month* of the discontinuance, sale or transfer of the business.

**Sec. 17.** NRS 365.324 is hereby amended to read as follows:

365.324 1. Except as otherwise provided in ~~subsections 2 and 3,~~ *subsection 2*, each supplier who sells or distributes motor vehicle fuel, other than aviation fuel, shall, at the time the motor vehicle fuel is distributed from a terminal, collect the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive.

~~2. [A supplier may sell motor vehicle fuel, other than aviation fuel, to a purchaser without collecting the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, if the purchaser of the motor vehicle fuel:~~

~~—(a) Has been issued a permit by the Department pursuant to NRS 365.328; and~~



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~~(b) Elects to defer payment of the taxes.~~

~~3.]~~ A supplier shall not collect the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, if the purchaser of the motor vehicle fuel is:

(a) A supplier; or

(b) An exporter.

*3. A supplier or exporter shall not purchase motor vehicle fuel on which the tax has been paid, except that a newly licensed supplier or exporter may purchase such fuel during its first month of operation.*

4. A supplier who sells motor vehicle fuel, other than aviation fuel, to any other supplier shall keep such records of the transaction as the Department may require. The Department shall adopt regulations setting forth:

(a) The records which must be kept by ~~[the dealer]~~ *a supplier* pursuant to this subsection; and

(b) The period for which those records must be kept . ~~[by the dealer.]~~

**Sec. 18.** NRS 365.330 is hereby amended to read as follows:

365.330 1. The excise taxes ~~[prescribed in]~~ *imposed by* this chapter ~~[must be paid on or before the last day of each calendar month to the Department.]~~ *are due on or before the last day of the first month following the month to which they relate.*

*2. If the due date falls on a Saturday, Sunday or legal holiday, the next business day is the final due date.*

*3. Payment shall be deemed received on the date shown by the cancellation mark stamped by the United States Postal Service or the postal service of any other country upon an envelope containing payment properly addressed to the Department.*

4. The Department shall deliver the taxes to the State Treasurer, who shall provide ~~[to the dealer, supplier or user]~~ a receipt for the payment of the taxes ~~[~~

~~2.]~~ *to the person who made the payment.*

5. Except as otherwise provided in subsection ~~[3:]~~ *6:*

(a) From the tax found to be due upon any statement submitted by a dealer pursuant to NRS 365.170, the dealer may retain an amount equal to 2 percent of the amount of the tax collected to cover the dealer's costs of collection of the tax and of compliance with this chapter, and the dealer's handling losses occasioned by evaporation, spillage or other similar causes.

(b) Each supplier may retain an amount equal to 2 percent of the amount of the tax collected by the supplier to cover the supplier's costs of collection of the tax and of compliance with this chapter, and the supplier's handling losses occasioned by evaporation, spillage or other similar causes.



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~~[3-]~~ 6. A dealer or supplier who fails to submit a tax return when due pursuant to this chapter or fails to pay the tax when due pursuant to this chapter is not entitled to retain any of the amount authorized pursuant to subsection ~~[2]~~ 5 for any month for which a tax return is not filed when due or a payment is not made when due.

~~[4-]~~ 7. If the Department determines that a dealer or supplier, *or any unlicensed person who collects an excise tax*, has failed to submit a tax return when due pursuant to this chapter or failed to pay the tax when due pursuant to this chapter, the Department may order the dealer, ~~[or]~~ supplier *or unlicensed person* to hold the amount of all taxes collected pursuant to this chapter in a separate account in trust for the State. The dealer, ~~[or]~~ supplier *or unlicensed person* shall comply with the order immediately upon receiving notification of the order from the Department.

**Sec. 19.** NRS 365.340 is hereby amended to read as follows:

365.340 1. If the amount of any excise tax for any month is not paid to the State on or before the ~~[last day of the next month,]~~ *date due*, it becomes delinquent at the close of business on that day. ~~[A dealer, supplier or user may have up to 15 additional days to make the payment if he makes written application to the Department on or before the day the payment is due and the Department finds good cause for the extension.]~~

2. The proceeds from any penalty levied for the delinquent payment of an excise tax must be deposited with the State Treasurer to the credit of the State Highway Fund.

**Sec. 20.** NRS 365.370 is hereby amended to read as follows:

365.370 Any person who exports any motor vehicle fuel or fuel for jet or turbine-powered aircraft from this State, or who sells any such fuel to the United States Government for official use of the United States Armed Forces, or who buys and uses any such fuel for purposes other than for the propulsion of motor vehicles or jet or turbine-powered aircraft, and who has paid any tax on such fuel levied or directed to be paid as provided by this chapter, either directly by the collection of the tax by the vendor from the customer or indirectly by the addition of the amount of the tax to the price of the fuel, must be reimbursed and repaid the amount of the tax so paid by him, except as follows:

1. ~~[Refund claims]~~ *Claims for refunds* must be paid by prescribed classes in accordance with the ~~[department's regulations.]~~ *regulations of the Department.*

2. The minimum claim for *a* refund must be based on at least 200 gallons *of such fuel* purchased ~~[and used]~~ *in this State within a 6-month period [-] which is used for a purpose that is exempt from payment of the excise taxes imposed by this chapter.*



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3. No refund of motor vehicle fuel taxes may be made for off-highway use of motor vehicle fuel consumed in watercraft in this State for recreational purposes.

4. A person who exports, sells, buys or uses aviation fuel for any purpose is not entitled to reimbursement of any tax paid by him on such fuel.

**Sec. 21.** NRS 365.500 is hereby amended to read as follows:

365.500 1. Every dealer, supplier, exporter and transporter shall cause to be kept a true record, in such form as may be prescribed or approved by the Department, of all stocks of motor vehicle fuel and fuel for jet or turbine-powered aircraft and of other inflammable or combustible liquids, and of all manufacture, refining, compounding, blending, purchases, receipts, exportations, transportations, use, sales and distribution thereof.

2. The *Department or its authorized agents may:*

(a) *Examine the books, records, papers and equipment of any dealer, supplier, exporter or transporter of such fuel or liquids, or of any other person transporting or storing such fuel or liquids;*

(b) *Investigate the character of the disposition which any person makes of such fuel or liquids; and*

(c) *Stop and inspect a motor vehicle that is using or transporting such fuel or liquids,*

*↪ to determine whether all excise taxes due pursuant to this chapter are being properly reported and paid.*

3. *Books and records* ~~are subject to inspection at all times within business hours by the Department or its authorized agents, and~~ *subject to examination pursuant to subsection 2* must remain available for ~~inspection~~ *examination* for a period of 4 years after the date of any entry therein.

~~[3.]~~ 4. If a dealer, supplier, exporter or transporter wishes to keep proper books and records pertaining to business done in Nevada elsewhere than within the State of Nevada for inspection as provided in this section, he must pay a fee for the examination in an amount per day equal to the amount set by law for out-of-state travel for each day or fraction thereof during which the examiner is actually engaged in examining those books and records, plus the actual expenses of the examiner during the time that the examiner is absent from this State for the purpose of making the examination, but the time must not exceed 1 day going to and 1 day coming from the place where the examination is to be made in addition to the number of days or fractions thereof the examiner is actually engaged in auditing those books and records. Not more than two such examinations may be charged against any dealer, supplier, exporter or transporter in any year.



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1     ~~[4-]~~ 5. Any money received must be deposited by the  
2 Department to the credit of the fund or operating account from  
3 which the expenditures for the examination were paid.

4     ~~[5-]~~ 6. Upon the demand of the Department, each dealer,  
5 supplier, exporter or transporter shall furnish a statement showing  
6 the contents of the *books and* records to such extent and in such  
7 detail and form as the Department may require.

8     **Sec. 22.** NRS 365.520 is hereby amended to read as follows:

9     365.520 1. Every transporter, except a dealer licensed under  
10 this chapter or a wholesale distributor transporting the products of a  
11 dealer licensed under this chapter, who transports motor vehicle fuel  
12 or fuel for jet or turbine-powered aircraft in interstate commerce to  
13 or from any point within this State, or solely within this State, shall  
14 report all ~~to~~ those deliveries to the Department.

15     2. A report must be made for each calendar month and must be  
16 filed ~~[within 25 days after the end of the month for which the report~~  
17 ~~is made.]~~ *not later than the last day of each month for the*  
18 *deliveries made during the preceding month.* The report must  
19 show:

20     (a) The name and address of every consignor and consignee and  
21 of every person other than the designated consignee to whom  
22 delivery has actually been made.

23     (b) The date of every delivery.

24     (c) The amount of every delivery in gallons.

25     (d) Such other information as the Department may require.

26     **Sec. 23.** NRS 365.545 is hereby amended to read as follows:

27     365.545 1. The proceeds of all taxes on fuel for jet or  
28 turbine-powered aircraft imposed pursuant to the provisions of NRS  
29 365.170 or 365.203 must be deposited in the Account for Taxes on  
30 Fuel for Jet or Turbine-Powered Aircraft in the State General Fund  
31 and must be allocated monthly by the Department to the:

32     (a) Governmental entity which operates the airport at which the  
33 tax was collected, if the airport is operated by a governmental entity;

34     (b) Governmental entity which owns the airport at which the tax  
35 was collected, if the airport is owned but not operated by a  
36 governmental entity; or

37     (c) County in which is located the airport at which the tax was  
38 collected, if the airport is neither owned nor operated by a  
39 governmental entity.

40     2. Except as otherwise provided in subsection 3, the money  
41 allocated pursuant to subsection 1:

42     (a) Must be used by the governmental entity receiving it to pay  
43 the cost of:

44     (1) Transportation projects related to airports, including  
45 access on the ground to airports;



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(2) The payment of principal and interest on notes, bonds or other obligations incurred to fund projects described in subparagraph (1);

(3) Promoting the use of an airport located in a county whose population is less than 400,000, including, without limitation, increasing the number and availability of flights at the airport;

(4) Contributing money to the Trust Fund for Aviation created by NRS 494.048; or

(5) Any combination of those purposes; and

(b) May also be pledged for the payment of general or special obligations issued to fund projects described in paragraph (a). Any money pledged pursuant to this paragraph may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

3. Any money allocated pursuant to subsection 1 to a county whose population is 400,000 or more and in which a regional transportation commission has been created pursuant to chapter 373 of NRS, from the proceeds of the tax imposed pursuant to ~~subparagraph (1) of paragraph (b) of subsection 1~~ **paragraph (a) of subsection 2** of NRS 365.170 on fuel for jet or turbine-powered aircraft sold, distributed or used in that county, excluding the proceeds of any tax imposed pursuant to NRS 365.203, may, in addition to the uses authorized pursuant to subsection 2, be allocated by the county to that regional transportation commission. The money allocated pursuant to this subsection to a regional transportation commission:

(a) Must be used by the regional transportation commission:

(1) To pay the cost of transportation projects described in a regional plan for transportation established by that regional transportation commission pursuant to NRS 373.1161;

(2) For the payment of principal and interest on notes, bonds or other obligations incurred to fund projects described in subparagraph (1); or

(3) For any combination of those purposes; and

(b) May also be pledged for the payment of general or special obligations issued by the county at the request of the regional transportation commission to fund projects described in paragraph (a). Any money pledged pursuant to this paragraph may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

**Sec. 24.** NRS 365.575 is hereby amended to read as follows:

365.575 An exporter shall not sell or distribute motor vehicle fuel ~~[, other than aviation fuel,]~~ in this State. An exporter who violates the provisions of this section:

1. Is guilty of a misdemeanor; and



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2. Shall, within the period prescribed in NRS ~~365.175,~~  
365.330, pay to the Department the taxes imposed pursuant to NRS  
365.175 to 365.192, inclusive, on all motor vehicle fuel ~~[-, other than~~  
~~aviation fuel,]~~ sold or distributed in this State.

**Sec. 25.** Chapter 366 of NRS is hereby amended by adding  
thereto the provisions set forth as sections 26 to 30, inclusive, of this  
act.

**Sec. 26.** *Every person not licensed pursuant to this chapter  
who collects an excise tax shall, not later than the last day of each  
calendar month, file with the Department a tax return upon which  
is reported all such taxes collected during the preceding calendar  
month and, in accordance with the provisions of NRS 366.370,  
pay the tax to the Department.*

**Sec. 27. 1.** *A responsible person who willfully fails to  
collect or pay to the Department the tax imposed by this chapter or  
who willfully attempts to evade the payment of the tax is jointly  
and severally liable with the special fuel dealer or special fuel  
supplier for the tax owed, plus interest and all applicable penalties.  
The responsible person shall pay the tax upon notice from the  
Department that it is due.*

**2.** *As used in this section, "responsible person" includes:*

*(a) An officer or employee of a corporation; and*

*(b) A member or employee of a partnership or limited-liability  
company,*

*↳ whose job or duty it is to collect, account for or pay to the  
Department the tax imposed by this chapter.*

**Sec. 28. 1.** *Every retailer shall maintain and keep within  
the State for a period of 4 years a true record of special fuel  
received, the price thereof and the name of the person who  
supplied the special fuel, together with delivery tickets, invoices  
and such other records as the Department may require.*

**2.** *Such records are subject to inspection by the Department  
or its authorized agents at all times during business hours.*

**Sec. 29.** *The Department is authorized to have paid out of the  
State Highway Fund all expenses incurred in the prosecution  
before any court of this State of any person charged with the  
violation of any provision of this chapter.*

**Sec. 30.** *County sheriffs and all other peace officers and  
traffic officers of this State shall, without further compensation,  
assist in the enforcement of this chapter, and make arrests for that  
purpose when requested by the Department or its duly authorized  
agents.*

**Sec. 31.** NRS 366.075 is hereby amended to read as follows:

366.075 "Special fuel transporter" means a person, except a  
special fuel supplier or special fuel exporter licensed pursuant to this



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chapter, who transports special fuel in interstate commerce *by pipeline, rail or truck* to or from any point within this State, or solely within this State.

**Sec. 32.** NRS 366.140 is hereby amended to read as follows:

366.140 1. Every special fuel supplier, special fuel dealer, special fuel exporter, special fuel transporter, special fuel user and retailer, and every other person transporting or storing special fuel in this State shall keep such records, receipts, invoices and other pertinent papers with respect thereto as the Department requires.

2. The records, receipts, invoices and other pertinent papers described in subsection 1 must be preserved for 4 years after the date on which the record, receipt, invoice or other pertinent paper was created or generated.

3. The records, receipts, invoices and other pertinent papers must be available at all times during business hours to the Department or its authorized agents.

*4. In addition to any other penalty that may be imposed, any violation of the provisions of this section constitutes grounds for the Department to deny any future application for a license pursuant to this chapter that is submitted by a person who is determined to be responsible for the violation.*

**Sec. 33.** NRS 366.207 is hereby amended to read as follows:

366.207 1. Except as otherwise provided in ~~{subsections 2 and 3,}~~ *subsection 2*, each special fuel supplier who sells or distributes special fuel to which dye has not been added shall, at the time the special fuel is purchased, collect the tax imposed pursuant to NRS 366.190.

2. ~~{A special fuel supplier may sell special fuel to a purchaser without collecting the tax imposed pursuant to NRS 366.190 if the purchaser of the special fuel:~~

~~—(a) Has been issued a permit by the Department pursuant to NRS 366.397; and~~

~~—(b) Elects to defer payment of the tax.~~

~~3.}~~ A special fuel supplier shall not collect the tax imposed pursuant to NRS 366.190 if the purchaser of the special fuel is:

(a) A special fuel supplier;

(b) A special fuel exporter; or

(c) A special fuel dealer.

*3. A special fuel supplier or special fuel exporter shall not purchase special fuel on which the tax imposed pursuant to NRS 366.190 has been paid, except that a newly licensed special fuel supplier or special fuel exporter may purchase such fuel during its first month of operation.*

4. A special fuel supplier who sells special fuel to any other special fuel supplier, ~~{or}~~ special fuel dealer *or special fuel*



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1 *exporter* shall keep such records of the transaction as the  
2 Department may require. The Department shall adopt regulations  
3 setting forth:

4 (a) The records which must be kept by the special fuel supplier  
5 pursuant to this subsection; and

6 (b) The period for which those records must be kept by the  
7 special fuel supplier.

8 5. If, within a period of 6 months, a person purchases ~~not less~~  
9 ~~than~~ 200 gallons *or more* of special fuel in this State which is used  
10 for a purpose that is exempt from the payment of the tax on special  
11 fuel pursuant to NRS 366.200, he may apply to the Department for a  
12 refund in the manner prescribed in subsection 6 of NRS 366.650.

13 6. Any person who resells, for a taxable purpose, special fuel  
14 that was exempt from the tax imposed by this chapter and to which  
15 dye has not been added shall collect the tax and remit it to the  
16 Department.

17 **Sec. 34.** NRS 366.220 is hereby amended to read as follows:

18 366.220 1. Except as otherwise provided in this chapter ~~it~~  
19 ~~is unlawful for any:~~

20 ~~—(a) Special fuel supplier, special fuel dealer or special fuel user~~  
21 ~~to sell or use special fuel within this State unless the special fuel~~  
22 ~~supplier, special fuel dealer or special fuel user is the holder of a~~  
23 ~~special fuel supplier's, special fuel dealer's or special fuel user's~~  
24 ~~license issued to him by the Department.~~

25 ~~—(b) Person to be a:~~

26 ~~—(1) Special fuel exporter unless the person is the holder of a~~  
27 ~~special fuel exporter's license issued to him by the Department.~~

28 ~~—(2) Special fuel transporter unless the person is the holder of a~~  
29 ~~special fuel transporter's license issued to him by the Department.~~

30 ~~—(c) Retailer or other person to sell or distribute dyed special fuel~~  
31 ~~unless the retailer or person controls the access to the dyed special~~  
32 ~~fuel.]:~~

33 (a) *Before becoming a special fuel dealer, special fuel*  
34 *supplier, special fuel exporter, special fuel transporter or special*  
35 *fuel user, a person must apply to the Department, on forms to be*  
36 *prescribed by the Department, for a license authorizing the*  
37 *applicant to engage in business as a special fuel dealer, special*  
38 *fuel supplier, special fuel exporter or special fuel transporter, or to*  
39 *operate as a special fuel user.*

40 (b) *It is unlawful for any person to be:*

41 (1) *A special fuel dealer without holding a license as a*  
42 *special fuel dealer pursuant to this chapter.*

43 (2) *A special fuel supplier without holding a license as a*  
44 *special fuel supplier pursuant to this chapter.*



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1       (3) *A special fuel exporter without holding a license as a*  
2 *special fuel exporter pursuant to this chapter.*

3       (4) *A special fuel transporter without holding a license as a*  
4 *special fuel transporter pursuant to this chapter.*

5       (5) *A special fuel user without holding a license as a special*  
6 *fuel user pursuant to this chapter.*

7       2. The Department may adopt regulations relating to the  
8 issuance of any ~~[special fuel supplier's, special fuel dealer's, special~~  
9 ~~fuel exporter's, special fuel transporter's or special fuel user's]~~  
10 license *pursuant to this chapter* and the collection of fees therefor.

11       **Sec. 35.** NRS 366.235 is hereby amended to read as follows:

12       366.235 1. An applicant for or holder of a *license as a*  
13 special fuel ~~[supplier's]~~ *supplier* or special fuel ~~[dealer's license]~~  
14 *dealer* shall provide a bond executed by him as principal, and by a  
15 corporation qualified pursuant to the laws of this State as surety,  
16 payable to the State of Nevada, and conditioned upon the faithful  
17 performance of all ~~[of]~~ the requirements of this chapter and upon the  
18 punctual payment of all excise taxes, penalties and interest due ~~[to]~~  
19 the State of Nevada. The total amount of the bond or bonds of any  
20 holder of *such* a ~~[special fuel supplier's or special fuel dealer's]~~  
21 license must be fixed by the Department at not less than three times  
22 the estimated maximum monthly tax, determined in such a manner  
23 as the Department deems proper, but the amount must not be less  
24 than \$1,000 for a special fuel supplier and must not be less than  
25 \$100 for a special fuel dealer. If ~~[the Department determines that a~~  
26 ~~person]~~ *a special fuel supplier or special fuel dealer* is habitually  
27 delinquent in the payment of amounts due *pursuant to this chapter*,  
28 the Department ~~[, it]~~ may increase the amount of his security to not  
29 more than five times the estimated maximum monthly tax. When  
30 cash or a savings certificate, certificate of deposit or investment  
31 certificate is used, the amount required must be rounded off to the  
32 next larger integral multiple of \$100.

33       2. *If a special fuel user is habitually delinquent in the*  
34 *payment of amounts due pursuant to this chapter, the Department*  
35 *shall require the special fuel user to provide a bond executed by*  
36 *him as principal, and by a corporation qualified pursuant to the*  
37 *laws of this State as surety, payable to the State of Nevada, and*  
38 *conditioned upon the faithful performance of all the requirements*  
39 *of this chapter and upon the punctual payment of all excise taxes,*  
40 *penalties and interest due the State of Nevada. The total amount of*  
41 *the bond must not be less than \$2,500.*

42       3. No recovery on any bond, ~~[nor the]~~ execution of any new  
43 bond ~~[, nor the]~~ or suspension or revocation of any *license as a*  
44 special fuel ~~[supplier's or]~~ *supplier*, special fuel ~~[dealer's license]~~  
45 *dealer or special fuel user* affects the validity of any bond.



~~[3-]~~ 4. In lieu of a bond or bonds, an applicant for or holder of a *license as a* special fuel ~~{supplier's}~~ *supplier* or special fuel ~~{dealer's license}~~ *dealer, or a person required to provide a bond pursuant to subsection 2,* may deposit with the State Treasurer, under such terms as the Department may prescribe, ~~{a like}~~ *an equivalent* amount of lawful money of the United States or any other form of security authorized by NRS 100.065. If security is provided in the form of a savings certificate, certificate of deposit or investment certificate, the certificate must state that the amount is unavailable for withdrawal except upon order of the Department.

~~[4-]~~ 5. If the holder of a *license as a* special fuel ~~{supplier's}~~ *supplier* or special fuel ~~{dealer's license}~~ *dealer* is required to provide a bond of more than \$5,000, the Department may reduce the requirements for the bond to not less than \$5,000 upon the ~~{supplier's or dealer's}~~ faithful performance of *the special fuel supplier or special fuel dealer of* all the requirements of this chapter and the punctual payment of all taxes due the State of Nevada for the 3 preceding calendar years.

~~[5-]~~ 6. The Department shall immediately reinstate the original requirements for a bond for a holder of a *license as a* special fuel ~~{supplier's}~~ *supplier* or special fuel ~~{dealer's license}~~ *dealer* upon his:

(a) Lack of faithful performance of the requirements of this chapter; or

(b) Failure to pay punctually all taxes, fees, penalties and interest due the State of Nevada.

7. *For the purposes of this section, a person is "habitually delinquent" if, within any 12-month period, the person commits each of the following acts or commits either of the following acts more than once:*

(a) *Fails timely to file a monthly or quarterly special fuel tax return, unless the Department determines that:*

(1) *The failure to file was caused by circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care; and*

(2) *The person has paid any penalty and interest imposed by the Department because of the failure to file.*

(b) *Fails timely to submit to the Department any tax collected by the person pursuant to this chapter.*

**Sec. 36.** NRS 366.260 is hereby amended to read as follows:

366.260 1. A license issued pursuant to this chapter:

(a) ~~{Except as otherwise provided in subsection 2, is valid until}~~ *Is valid for 1 year unless* suspended, revoked or cancelled.

(b) Is not transferable.



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2. ~~[Each special fuel user's license is valid for a calendar year unless suspended, revoked or cancelled.]~~ *The Department shall adopt regulations providing for the renewal of such licenses.*

**Sec. 37.** NRS 366.270 is hereby amended to read as follows:

366.270 If any person ceases to be a special fuel supplier, special fuel dealer, special fuel exporter, special fuel transporter or special fuel user within this State by reason of the discontinuance, sale or transfer of his business, he shall:

1. Notify the Department in writing at the time the discontinuance, sale or transfer takes effect. The notice must give the date of the discontinuance, sale or transfer, and the name and address of any purchaser or transferee.

2. Surrender to the Department the license issued to him by the Department.

3. If he is:

(a) A special fuel user ~~[ ]~~ *registered under the Interstate Highway User Fee Apportionment Act*, file the tax return required pursuant to NRS 366.380 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS, except that both the filing and payment are due on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(b) A special fuel supplier, file the tax return required pursuant to NRS 366.383 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(c) A special fuel dealer, file the tax return required pursuant to NRS 366.386 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS, except that both the filing and payment are due on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(d) A special fuel exporter, file the report required pursuant to NRS 366.387 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(e) A special fuel transporter, file the report required pursuant to NRS 366.695 ~~[within 25 days after the end]~~ *on or before the last day* of the month *following the month* of the discontinuance, sale or transfer of the business.

**Sec. 38.** NRS 366.350 is hereby amended to read as follows:

366.350 1. The Department may *suspend*, revoke *or cancel* the license of any special fuel dealer, special fuel supplier, special fuel exporter, special fuel transporter or special fuel user for



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~~{reasonable cause, including, without limitation,}~~ refusing or neglecting to comply with the provisions of this chapter.

2. *If a special fuel dealer or special fuel supplier becomes delinquent in the payment of excise taxes as prescribed by this chapter to the extent that his liability exceeds the total amount of bond or bonds furnished by the special fuel dealer or special fuel supplier, the Department shall suspend his license immediately.*

3. Before revoking *or cancelling* a license ~~{}~~ *issued pursuant to this chapter*, the Department shall send a notice by registered or certified mail to the ~~{licensee}~~ *special fuel dealer, special fuel supplier, special fuel exporter or special fuel transporter* at his last known address . ~~{ordering him to appear before the Department at a time not less than 10 days after the mailing of the notice and}~~ *The notice must order the special fuel dealer, special fuel supplier, special fuel exporter or special fuel transporter to show cause why* ~~{the}~~ *his license should not be revoked {} by appearing before the Department at Carson City, Nevada, or such other place in this State as may be designated by the Department, at a time not less than 10 days after the mailing of the notice. The Department shall allow the special fuel dealer, special fuel supplier, special fuel exporter or special fuel transporter an opportunity to be heard. The Department may revoke or cancel his license after reviewing all information received.*

4. *The Department shall cancel any license issued pursuant to this chapter upon the surrender of the license by the holder.*

5. *If a surety has lodged with the Department a written request to be released and discharged of liability, the Department shall notify the special fuel supplier or special fuel dealer who furnished the bond, and unless he files a new bond as required by the Department or makes a deposit in lieu thereof as provided in NRS 366.235, the Department shall cancel his license.*

**Sec. 39.** NRS 366.375 is hereby amended to read as follows:

366.375 1. If the amount of any excise tax for any reporting period is not paid to the State on or before the ~~{day the payment is due pursuant to this chapter,}~~ *date due*, the payment becomes delinquent at the close of business on that day. ~~{A special fuel supplier, special fuel dealer or special fuel user may have up to 15 additional days to make the payment if he makes written application to the Department on or before the day the payment is due and the Department finds good cause for the extension.}~~

2. The proceeds from any penalty levied for the delinquent payment of an excise tax must be deposited with the State Treasurer to the credit of the State Highway Fund.



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**Sec. 40.** NRS 366.380 is hereby amended to read as follows:

366.380 1. ~~{Except as otherwise provided in subsection 2, on}~~ *On* or before the last day of January, April, July and October in each year, each special fuel user *registered under the Interstate Highway User Fee Apportionment Act* shall file with the Department a quarterly tax return for the preceding quarter, regardless of the amount of excise tax due, on a form prescribed by the Department. *The special fuel user shall include with the tax return payment of any excise tax due. If the due date falls on a Saturday, Sunday or legal holiday, the next business day is the final due date.*

2. ~~{A special fuel user may, upon the issuance or renewal of a special fuel license, request to file a tax return annually with the Department. If the request is approved by the Department, the special fuel user shall file with the Department a tax return for the preceding year on or before the last day of January of each year, regardless of the amount of excise tax due, on a form prescribed by the Department.~~

~~—3—~~ The return must show such information as the Department may reasonably require for the proper administration and enforcement of this chapter.

**Sec. 41.** NRS 366.395 is hereby amended to read as follows:

366.395 1. Any special fuel user who fails to *file a tax return* or pay any excise tax ~~{within the time prescribed by this chapter}~~ *by the date due* shall pay, in addition to ~~{the tax, a penalty}~~ *any tax that may be due, a delinquent filing fee* of \$50 ~~{or}~~ *and a penalty* of 10 percent of the amount *of tax* owed, ~~{whichever is greater,}~~ plus interest on the amount of ~~{the}~~ *any tax that may be due* at the rate of 1 percent per month or fraction thereof, from the date the tax ~~{became finally}~~ *was* due until the date of payment.

2. A tax return , ~~{or}~~ *statement or payment* is considered delinquent ~~{when it has not been}~~ *if it is not* received by the Department ~~{by}~~ *on or before* the date the tax return , ~~{or}~~ *statement or payment* is due, as prescribed by the provisions of this chapter.

3. *A tax return, statement or payment shall be deemed received on the date shown by the cancellation mark stamped by the United States Postal Service or the postal service of any country upon an envelope containing the tax return, statement or payment.*

**Sec. 42.** NRS 366.540 is hereby amended to read as follows:

366.540 1. The tax provided for by this chapter must be paid by special fuel suppliers, special fuel dealers and special fuel users. A special fuel supplier or special fuel dealer shall pay to the Department the excise tax he collects from purchasers of special fuel with the return filed pursuant to NRS 366.383 or 366.386,



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1 respectively. The tax paid by a special fuel user must be computed  
2 by multiplying the tax rate per gallon provided in this chapter by the  
3 amount that the number of gallons of special fuel consumed by  
4 the special fuel user in the propulsion of motor vehicles on the  
5 highways of this State exceeds the number of gallons of special fuel  
6 purchases by him.

7 ~~2. [Except as otherwise provided in subsection 3, in computing~~  
8 ~~the amount of tax on special fuel a special fuel supplier owes to the~~  
9 ~~Department, the special fuel supplier may deduct from the amount~~  
10 ~~due pursuant to subsection 1 any amount which is due but has not~~  
11 ~~been paid by a purchaser who is authorized by the Department to~~  
12 ~~defer payment of the tax pursuant to NRS 366.397. If such a~~  
13 ~~deduction is claimed, the claim must identify the purchaser and the~~  
14 ~~amount of taxes that he failed to pay.~~

15 ~~—3.— A special fuel supplier shall not deduct from the amount he~~  
16 ~~owes the Department pursuant to subsection 1 any amount which~~  
17 ~~has not been paid by a person whose permit to defer the payment of~~  
18 ~~the tax has been revoked pursuant to subsection 4 of NRS 366.397~~  
19 ~~if, before the special fuel was purchased, the special fuel supplier~~  
20 ~~had been notified by the Department pursuant to subsection 5 of~~  
21 ~~NRS 366.397 that it had revoked the purchaser's permit.~~

22 ~~—4.]~~ If the Department determines that a special fuel supplier or  
23 special fuel dealer , *or any unlicensed person who collects an*  
24 *excise tax*, has failed to submit a tax return when due pursuant to  
25 this chapter or failed to pay the tax when due pursuant to this  
26 chapter, the Department may order the special fuel supplier , ~~[or]~~  
27 special fuel dealer *or unlicensed person* to hold the amount of all  
28 taxes collected pursuant to this chapter in a separate account in trust  
29 for the State. The special fuel supplier , ~~[or]~~ special fuel dealer *or*  
30 *unlicensed person* shall comply with the order immediately upon  
31 receiving notification of the order from the Department.

32 *3. A retailer who receives or sells special fuel for which the*  
33 *taxes imposed pursuant to this chapter have not been paid is liable*  
34 *for the taxes and any applicable penalty or interest if the retailer*  
35 *knew or should have known that the applicable taxes on the*  
36 *special fuel had not been paid.*

37 **Sec. 43.** NRS 366.650 is hereby amended to read as follows:

38 366.650 1. If illegally or through error the Department  
39 collects or receives any excise tax, penalty or interest imposed  
40 pursuant to this chapter, the excise tax, penalty or interest must be  
41 refunded to the person who paid the tax, penalty or interest. A  
42 written application for a refund, *including, without limitation, a*  
43 *request for a refund that is submitted on an amended tax return,*  
44 stating the specific grounds therefor, must be made within 12



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1 months after the date of payment, whether or not the excise tax,  
2 penalty or interest was paid voluntarily or under protest.

3 2. Refunds must be made to a successor, assignee, estate or  
4 heir of the person if written application is made within the time  
5 limit.

6 3. Any amount determined to be refundable by the Department  
7 must be refunded or credited to any amounts then due from the  
8 special fuel supplier or special fuel dealer.

9 4. All amounts refunded pursuant to the provisions of this  
10 chapter must be paid from the State Highway Fund on claims  
11 presented by the Department, approved by the State Board of  
12 Examiners, and allowed and paid as other claims against the State  
13 are allowed and paid.

14 5. A licensed special fuel user operating interstate or off road,  
15 or both, who can prove to the satisfaction of the Department that his  
16 special fuel purchases in Nevada exceed his use of the special fuel  
17 over the highways of this State for a certain quarter must apply  
18 credit to any excise taxes, penalties or interest required by this  
19 chapter or fees, taxes, penalties or interest applicable pursuant to  
20 chapter 371, 482 or 706 of NRS and any balance may be refunded  
21 or credited to succeeding reports.

22 6. A person who wishes to apply for a refund of the tax on  
23 special fuel paid by him pursuant to subsection 5 of NRS 366.207  
24 must:

25 (a) Submit an application for the refund on a form prescribed by  
26 the Department; and

27 (b) Establish to the satisfaction of the Department that within a  
28 period of 6 months he purchased not less than 200 gallons of special  
29 fuel in this State which was used for a purpose that is exempt from  
30 the tax on special fuel pursuant to NRS 366.200.

31 ➤ The Department shall refund to an applicant who complies with  
32 the provisions of this subsection a refund in an amount equal to the  
33 tax paid by the applicant less the percentage allowed the special fuel  
34 supplier pursuant to NRS 366.390.

35 7. *To establish the validity of any claim for a refund, the*  
36 *Department may, upon demand, examine the books and records of*  
37 *the claimant. The failure of the claimant to accede to such a*  
38 *demand constitutes a waiver of all rights to the refund claimed on*  
39 *account of the transactions questioned.*

40 8. *No refund of special fuel taxes may be made for off-*  
41 *highway use of special fuel consumed in watercraft in this State*  
42 *for recreational purposes.*

43 **Sec. 44.** NRS 366.695 is hereby amended to read as follows:

44 366.695 1. Every special fuel transporter, except a wholesale  
45 distributor transporting the products of a special fuel supplier



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1 licensed pursuant to this chapter, who transports special fuel in  
2 interstate commerce to or from any point within this State, or solely  
3 within this State, shall report all of those deliveries to the  
4 Department.

5 2. A report must be made for each calendar month and must be  
6 filed ~~[within 25 days after the end of the month for which the report~~  
7 ~~is made.]~~ *not later than the last day of each month for the*  
8 *deliveries made during the preceding month.* The report must  
9 show:

10 (a) The name and address of every consignor and consignee and  
11 of every person other than the designated consignee to whom  
12 delivery has actually been made;

13 (b) The date of each delivery;

14 (c) The number of gallons of special fuel delivered for each  
15 delivery; and

16 (d) Such other information as the Department may require.

17 **Sec. 45.** NRS 366.715 is hereby amended to read as follows:

18 366.715 1. The Department may seal a special fuel pump of a  
19 *retailer or* special fuel dealer , or the metered pipes and hoses of a  
20 rack *of a special fuel dealer or special fuel supplier,* if the *retailer,*  
21 special fuel dealer or special fuel supplier:

22 (a) Becomes delinquent in payment of any amount due pursuant  
23 to the provisions of this chapter;

24 (b) Operates without the license required by the provisions of  
25 this chapter; or

26 (c) Operates without the bond or cash deposit required by the  
27 provisions of this chapter.

28 2. A special fuel pump of a *retailer or* special fuel dealer , or  
29 the metered pipes and hoses of the rack *of a special fuel dealer or*  
30 *special fuel supplier,* may be sealed until all required reports are  
31 filed, the tax, penalties and interest are paid in full, the required  
32 license is obtained and the bond or cash deposit is provided.

33 3. Before sealing ~~the~~ *a* fuel pump or *the* metered pipes and  
34 hoses of a rack, the Department must send a notice by registered or  
35 certified mail to the ~~[licensed]~~ *retailer,* special fuel ~~[supplier]~~ *dealer*  
36 or special fuel ~~[dealer]~~ *supplier* at his last known address ordering  
37 him to appear before the Department at a time not less than 10 days  
38 after the mailing of the notice and show cause why the fuel pump or  
39 the metered pipes and hoses of the rack should not be sealed.

40 **Sec. 46.** NRS 366.720 is hereby amended to read as follows:

41 366.720 1. Any person who:

42 ~~[1-]~~ *(a)* Fails or refuses to pay the tax imposed by this chapter;

43 ~~[2-]~~ *(b)* Engages in business in this State as a special fuel user,  
44 special fuel exporter, special fuel dealer or special fuel supplier, or  
45 acts in this State as a special fuel transporter, without being the



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holder of a license to engage in that business or to act in that capacity;

~~[3-]~~ (c) Fails to make any of the reports required by this chapter;

~~[4-]~~ (d) Makes any false statement in any application, report or statement required by this chapter;

~~[5-]~~ (e) Refuses to permit the Department or any authorized agent to examine records as provided by this chapter;

~~[6-]~~ (f) Fails to keep proper records of quantities of special fuel received, produced, refined, manufactured, compounded, used or delivered in this State as required by this chapter;

~~[7-]~~ (g) Makes any false statement in connection with an application for the refund of any money or taxes provided in this chapter;

~~[8-]~~ (h) Violates the provisions of NRS 366.265;

~~[9-]~~ (i) Fails or refuses to stop his motor vehicle for an inspection to determine if all excise taxes due pursuant to the provisions of this chapter are being properly reported and paid; or

~~[10-]~~ (j) Refuses to allow the Department or an authorized agent to inspect a motor vehicle to determine whether all excise taxes due pursuant to the provisions of this chapter are being properly reported and paid,

➤ is guilty of a misdemeanor.

*2. Each day or part thereof during which any person engages in business as a special fuel dealer, special fuel supplier or special fuel exporter or acts as a special fuel transporter without being the holder of a license authorizing him to engage in that business or to act in that capacity constitutes a separate offense within the meaning of this section.*

**Sec. 46.5.** NRS 244A.637 is hereby amended to read as follows:

244A.637 1. For the acquisition of any recreational facilities authorized in NRS 244A.597 to 244A.655, inclusive, *for the purposes described in subsection 3, or for any combination thereof*, the county fair and recreation board, at any time or from time to time may:

(a) In the name of and on behalf of the county, issue:

(1) General obligation bonds, payable from taxes; and

(2) General obligation bonds, payable from taxes, which payment is additionally secured by a pledge of gross or net revenues derived from the operation of such recreational facilities, and, if so determined by the board, further secured by a pledge of such other gross or net revenues as may be derived from any other income-producing project of the county or from any license or other excise taxes levied for revenue by the county, or otherwise, as may be legally made available for their payment;



(b) In the name of and on behalf of the county fair and recreation board, issue revenue bonds:

(1) Payable from the net revenues to be derived from the operation of such recreational facilities;

(2) Secured by a pledge of revenues from any tax on the rental of transient lodging levied for revenue by the county or a city;

(3) Secured by any other revenue that may be legally made available for their payment; or

(4) Payable or secured by any combination of subparagraph (1), (2) or (3); and

(c) Make a contract with the United States of America, or any agency or instrumentality thereof, or any other person or agency, public or private, creating an indebtedness if a question authorizing such contract is submitted to and approved by a majority of the qualified electors of the county in the manner provided in NRS 350.020 to 350.070, inclusive. This paragraph does not apply to contracts for the prepayment of rent or other similar obligations.

2. Revenue bonds issued pursuant to this section must be authorized by resolution of the county fair and recreation board, and no further approval by any person, board or commission is required.

*3. In a county whose population is 400,000 or more, the county fair and recreation board shall, at the request of the Department of Transportation, use its commercially reasonable best efforts to issue bonds as provided in subsections 1 and 2 for the purpose of providing money to the Department of Transportation to assist in paying the cost of any project in the county for which bonds are authorized to be issued pursuant to NRS 408.273.*

*4. Bonds may be issued for the purposes described in subsection 3 only if:*

*(a) The county fair and recreation board determines that the provision of money for the purposes described in subsection 3 is essential to providing access to tourists to the recreational and tourism facilities of the county, including, without limitation, the recreational facilities of the county fair and recreation board;*

*(b) The bonds are issued in compliance with any contractual limitations set forth in the instruments authorizing any outstanding bonds issued as provided in subsections 1 and 2; and*

*(c) The aggregate principal amount of bonds issued for the purposes described in subsection 3, excluding any bonds issued to refund those bonds, does not exceed the lesser of:*

*(1) Three hundred million dollars; or*

*(2) An amount which the county fair and recreation board determines can be repaid, as to all principal and interest, over a*



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1 *period of not more than 30 years with the expenditure of not more*  
2 *than \$20,000,000 per year.*

3 *5. All determinations of the county fair and recreation board*  
4 *under this section shall be deemed to be conclusive, absent fraud*  
5 *or a gross abuse of discretion.*

6 *6. The issuance and payment of bonds issued pursuant to*  
7 *subsection 3 is hereby declared to be a use which is in fulfillment*  
8 *of the statutory requirements of NRS 244A.645 and of any*  
9 *requirements of any ordinance pursuant to which a tax is levied*  
10 *for the benefit of the county fair and recreation board or*  
11 *transferred thereto, and no such ordinance may be repealed or*  
12 *amended in any manner which would affect adversely the receipt*  
13 *and use by the county fair and recreation board of the revenues*  
14 *pledged to any bonds issued pursuant to this section, during the*  
15 *term of the bonds issued pursuant to this section or any bonds that*  
16 *refund those bonds.*

17 *7. Any money provided to the Department of Transportation*  
18 *pursuant to subsection 3 must be deposited in the State Highway*  
19 *Fund for administration pursuant to subsection 3 of NRS 408.235,*  
20 *except that the money must be expended for the purposes*  
21 *described in subsection 3 of this section.*

22 **Sec. 47.** NRS 354.59815 is hereby amended to read as  
23 follows:

24 354.59815 1. In addition to the allowed revenue from taxes  
25 ad valorem determined pursuant to NRS 354.59811, the board of  
26 county commissioners may levy a tax ad valorem on all taxable  
27 property in the county at a rate not to exceed 5 cents per \$100 of the  
28 assessed valuation of the county.

29 2. ~~[The]~~ *If a tax is levied pursuant to subsection 1 in:*

30 (a) *A county whose population is less than 100,000, the board*  
31 *of county commissioners shall direct the county treasurer to*  
32 *distribute quarterly the proceeds of ~~[any tax levied pursuant to the~~*  
33 *~~provisions of subsection 1]~~ the tax among the county and the cities*  
34 *and towns within that county in the proportion that the supplemental*  
35 *city-county relief tax distribution factor of each of those local*  
36 *governments for the 1990-1991 Fiscal Year bears to the sum of the*  
37 *supplemental city-county relief tax distribution factors of all of the*  
38 *local governments in the county for the 1990-1991 Fiscal Year.*

39 (b) *A county whose population is 100,000 or more, the board*  
40 *of county commissioners shall direct the county treasurer to*  
41 *distribute quarterly, from the proceeds of the tax for:*

42 (1) *The fiscal year beginning on July 1, 2008:*

43 (I) *Eighty-eight percent of those proceeds among the*  
44 *county and the cities and towns within that county in the*  
45 *proportion that the supplemental city-county relief tax distribution*



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1 *factor of each of those local governments for the 1990-1991 Fiscal*  
2 *Year bears to the sum of the supplemental city-county relief tax*  
3 *distribution factors of all the local governments in the county for*  
4 *the 1990-1991 Fiscal Year; and*

5 (II) *Twelve percent of those proceeds to the State*  
6 *Treasurer for deposit in the State Highway Fund for*  
7 *administration pursuant to subsection 3 of NRS 408.235, except*  
8 *that the money must be allocated for expenditure in the county*  
9 *where the tax is levied.*

10 (2) *The fiscal year beginning on July 1, 2009:*

11 (I) *Seventy-six percent of those proceeds among the*  
12 *county and the cities and towns within that county in the*  
13 *proportion that the supplemental city-county relief tax distribution*  
14 *factor of each of those local governments for the 1990-1991 Fiscal*  
15 *Year bears to the sum of the supplemental city-county relief tax*  
16 *distribution factors of all the local governments in the county for*  
17 *the 1990-1991 Fiscal Year; and*

18 (II) *Twenty-four percent of those proceeds to the State*  
19 *Treasurer for deposit in the State Highway Fund for*  
20 *administration pursuant to subsection 3 of NRS 408.235, except*  
21 *that the money must be allocated for expenditure in the county*  
22 *where the tax is levied.*

23 (3) *The fiscal year beginning on July 1, 2010:*

24 (I) *Sixty-four percent of those proceeds among the*  
25 *county and the cities and towns within that county in the*  
26 *proportion that the supplemental city-county relief tax distribution*  
27 *factor of each of those local governments for the 1990-1991 Fiscal*  
28 *Year bears to the sum of the supplemental city-county relief tax*  
29 *distribution factors of all the local governments in the county for*  
30 *the 1990-1991 Fiscal Year; and*

31 (II) *Thirty-six percent of those proceeds to the State*  
32 *Treasurer for deposit in the State Highway Fund for*  
33 *administration pursuant to subsection 3 of NRS 408.235, except*  
34 *that the money must be allocated for expenditure in the county*  
35 *where the tax is levied.*

36 (4) *The fiscal year beginning on July 1, 2011:*

37 (I) *Fifty-two percent of those proceeds among the*  
38 *county and the cities and towns within that county in the*  
39 *proportion that the supplemental city-county relief tax distribution*  
40 *factor of each of those local governments for the 1990-1991 Fiscal*  
41 *Year bears to the sum of the supplemental city-county relief tax*  
42 *distribution factors of all the local governments in the county for*  
43 *the 1990-1991 Fiscal Year; and*

44 (II) *Forty-eight percent of those proceeds to the State*  
45 *Treasurer for deposit in the State Highway Fund for*



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1 *administration pursuant to subsection 3 of NRS 408.235, except*  
2 *that the money must be allocated for expenditure in the county*  
3 *where the tax is levied.*

4 (5) *Each fiscal year beginning on or after July 1, 2012:*

5 (I) *Forty percent of those proceeds among the county*  
6 *and the cities and towns within that county in the proportion that*  
7 *the supplemental city-county relief tax distribution factor of each*  
8 *of those local governments for the 1990-1991 Fiscal Year bears to*  
9 *the sum of the supplemental city-county relief tax distribution*  
10 *factors of all the local governments in the county for the 1990-*  
11 *1991 Fiscal Year; and*

12 (II) *Sixty percent of those proceeds to the State*  
13 *Treasurer for deposit in the State Highway Fund for*  
14 *administration pursuant to subsection 3 of NRS 408.235, except*  
15 *that the money must be allocated for expenditure in the county*  
16 *where the tax is levied.*

17 3. The board of county commissioners shall not reduce the rate  
18 of any tax levied pursuant to the provisions of subsection 1 without  
19 the approval of each of the local governments that receives a portion  
20 of the tax, except that, if a local government declines to receive its  
21 portion of the tax in a particular year the levy may be reduced by the  
22 amount that local government would have received.

23 **Sec. 47.1.** Chapter 408 of NRS is hereby amended by adding  
24 thereto the provisions set forth as sections 47.2 and 47.3 of this act.

25 **Sec. 47.2. 1.** *The Board shall adopt a plan for measuring*  
26 *the performance of the Department, which must include separate*  
27 *sets of performance measurements for each division of the*  
28 *Department and for the Department as a whole.*

29 **2.** *The Director shall, not later than December 31 of each*  
30 *year:*

31 (a) *Prepare a report, based upon the relevant performance*  
32 *measurements adopted pursuant to subsection 1, on the level of*  
33 *achievement of each division of the Department and of the*  
34 *Department as a whole during the immediately preceding fiscal*  
35 *year. The report must include a discussion of:*

36 (1) *The goals and objectives of the Department, and the*  
37 *current status of the Department in relation to meeting those goals*  
38 *and objectives;*

39 (2) *Any applicable directives from the Board or Legislature*  
40 *since the most recent report prepared pursuant to this section;*

41 (3) *The scheduling, scope, cost and progress of any current*  
42 *or proposed highway projects;*

43 (4) *The sources, amount and expenditure of any funding*  
44 *received during the immediately preceding fiscal year;*



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(5) *The rationale used to establish priorities for the completion of highway projects; and*

(6) *Any recommendations for amendments to the plan adopted pursuant to subsection 1.*

(b) *Submit the report to:*

(1) *The Board; and*

(2) *The Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee.*

**Sec. 47.3.** *1. Before the Department submits a proposal for a highway project to the Board for approval, the Department shall prepare a written analysis of the costs and benefits of the project. The analysis must state, for each highway district in which the project is proposed:*

(a) *The limits of the project;*

(b) *The period of analysis;*

(c) *The discount rate used in the analysis;*

(d) *The initial costs of the Department for the project, including any costs for design, engineering, the acquisition of land and construction;*

(e) *The future costs of the Department to preserve and maintain the project, discounted to present value;*

(f) *Any other costs of the Department for any other construction or any mitigation associated with the project;*

(g) *The costs to highway users for any loss of safety, delays in the time of travel and costs for the operation of vehicles that are associated with the project;*

(h) *The costs of any environmental impacts, including vehicle emissions and noise, that are associated with the project; and*

(i) *The value of the benefits of the project, including the value of any:*

(1) *Savings in the time of travel;*

(2) *Improvements to safety; and*

(3) *Savings in the cost of operating vehicles.*

**2.** *The analysis required by this section:*

(a) *Must include a discussion of any additional increases in costs that would result from any delays in the performance of any routine maintenance scheduled under the maintenance program of the Department;*

(b) *May include a discussion of:*

(1) *The costs of the project for any other persons and governmental agencies;*

(2) *The value of any other social, economic or environmental benefits or costs of the project; and*

(3) *Any costs or benefits which may result from the use of any alternative design, construction or financing practices; and*



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1 (c) *Must be prepared in a format that allows for the*  
2 *comparison of proposed highway projects.*

3 3. *The analysis required by this section must be made*  
4 *available to the Board and the public when the agenda is posted*  
5 *for the meeting at which the proposal will be submitted to the*  
6 *Board for its approval.*

7 4. *As used in this section, "highway project" means a project*  
8 *that is expected to increase the capacity of the state highway*  
9 *system and cost at least \$25 million.*

10 **Sec. 47.4.** NRS 408.235 is hereby amended to read as follows:  
11 408.235 1. There is hereby created the State Highway Fund.

12 2. Except as otherwise provided ~~[in subsection 6 of NRS~~  
13 ~~482.180 and NRS 482.1805,]~~ *by a specific statute*, the proceeds  
14 from the imposition of any:

15 (a) License or registration fee and other charges with respect to  
16 the operation of any motor vehicle upon any public highway, city,  
17 town or county road, street, alley or highway in this State; and

18 (b) Excise tax on gasoline or other motor vehicle fuel,  
19 ➔ must be deposited in the State Highway Fund and must, except  
20 for *the* costs of administering the collection thereof, be used  
21 exclusively for *the* administration, construction, reconstruction,  
22 improvement and maintenance of highways as provided for in this  
23 chapter.

24 3. *The money deposited in the State Highway Fund pursuant*  
25 *to NRS 244A.637 must be maintained in a separate account. The*  
26 *interest and income on the money in the account, after deducting*  
27 *any applicable charges, must be credited to the account. Any*  
28 *money remaining in the account at the end of each fiscal year*  
29 *does not revert to the State Highway Fund but must be carried*  
30 *over into the next fiscal year. The money in the account:*

31 (a) *Must be used exclusively for the construction,*  
32 *reconstruction, improvement and maintenance of highways as*  
33 *provided for in this chapter; and*

34 (b) *May not be used for any costs of administration or to*  
35 *purchase any equipment.*

36 4. The interest and income earned on the money in the State  
37 Highway Fund, after deducting any applicable charges, must be  
38 credited to the Fund.

39 ~~[4.]~~ 5. Costs of administration for the collection of the  
40 proceeds for any license or registration fees and other charges with  
41 respect to the operation of any motor vehicle must be limited to a  
42 sum not to exceed 22 percent of the total proceeds so collected.

43 ~~[5.]~~ 6. Costs of administration for the collection of any excise  
44 tax on gasoline or other motor vehicle fuel must be limited to a sum  
45 not to exceed 1 percent of the total proceeds so collected.





~~16.1~~ 7. All bills and charges against the State Highway Fund for administration, construction, reconstruction, improvement and maintenance of highways under the provisions of this chapter must be certified by the Director and must be presented to and examined by the State Board of Examiners. When allowed by the State Board of Examiners and upon being audited by the State Controller, the State Controller shall draw his warrant therefor upon the State Treasurer.

**Sec. 47.5.** NRS 408.235 is hereby amended to read as follows:

408.235 1. There is hereby created the State Highway Fund.

2. Except as otherwise provided by a specific statute, the proceeds from the imposition of any:

(a) License or registration fee and other charges with respect to the operation of any motor vehicle upon any public highway, city, town or county road, street, alley or highway in this State; and

(b) Excise tax on gasoline or other motor vehicle fuel, must be deposited in the State Highway Fund and must, except for the costs of administering the collection thereof, be used exclusively for the administration, construction, reconstruction, improvement and maintenance of highways as provided for in this chapter.

3. The money deposited in the State Highway Fund pursuant to NRS 244A.637 *and 482.313* must be maintained in a separate account. The interest and income on the money in the account, after deducting any applicable charges, must be credited to the account. Any money remaining in the account at the end of each fiscal year does not revert to the State Highway Fund but must be carried over into the next fiscal year. The money in the account:

(a) Must be used exclusively for the construction, reconstruction, improvement and maintenance of highways as provided for in this chapter; and

(b) May not be used for any costs of administration or to purchase any equipment.

4. The interest and income earned on the money in the State Highway Fund, after deducting any applicable charges, must be credited to the Fund.

5. Costs of administration for the collection of the proceeds for any license or registration fees and other charges with respect to the operation of any motor vehicle must be limited to a sum not to exceed 22 percent of the total proceeds so collected.

6. Costs of administration for the collection of any excise tax on gasoline or other motor vehicle fuel must be limited to a sum not to exceed 1 percent of the total proceeds so collected.

7. All bills and charges against the State Highway Fund for administration, construction, reconstruction, improvement and





1 maintenance of highways under the provisions of this chapter must  
2 be certified by the Director and must be presented to and examined  
3 by the State Board of Examiners. When allowed by the State Board  
4 of Examiners and upon being audited by the State Controller, the  
5 State Controller shall draw his warrant therefor upon the State  
6 Treasurer.

7 **Sec. 47.6.** NRS 408.235 is hereby amended to read as follows:

8 408.235 1. There is hereby created the State Highway Fund.

9 2. Except as otherwise provided by a specific statute, the  
10 proceeds from the imposition of any:

11 (a) License or registration fee and other charges with respect to  
12 the operation of any motor vehicle upon any public highway, city,  
13 town or county road, street, alley or highway in this State; and

14 (b) Excise tax on gasoline or other motor vehicle fuel,  
15 ➔ must be deposited in the State Highway Fund and must, except  
16 for the costs of administering the collection thereof, be used  
17 exclusively for the administration, construction, reconstruction,  
18 improvement and maintenance of highways as provided for in this  
19 chapter.

20 3. The money deposited in the State Highway Fund pursuant to  
21 NRS 244A.637 , 354.59815 and 482.313 must be maintained in a  
22 separate account. The interest and income on the money in the  
23 account, after deducting any applicable charges, must be credited to  
24 the account. Any money remaining in the account at the end of each  
25 fiscal year does not revert to the State Highway Fund but must be  
26 carried over into the next fiscal year. The money in the account:

27 (a) Must be used exclusively for the construction,  
28 reconstruction, improvement and maintenance of highways as  
29 provided for in this chapter; and

30 (b) May not be used for any costs of administration or to  
31 purchase any equipment.

32 4. The interest and income earned on the money in the State  
33 Highway Fund, after deducting any applicable charges, must be  
34 credited to the Fund.

35 5. Costs of administration for the collection of the proceeds for  
36 any license or registration fees and other charges with respect to the  
37 operation of any motor vehicle must be limited to a sum not to  
38 exceed 22 percent of the total proceeds so collected.

39 6. Costs of administration for the collection of any excise tax  
40 on gasoline or other motor vehicle fuel must be limited to a sum not  
41 to exceed 1 percent of the total proceeds so collected.

42 7. All bills and charges against the State Highway Fund for  
43 administration, construction, reconstruction, improvement and  
44 maintenance of highways under the provisions of this chapter must  
45 be certified by the Director and must be presented to and examined



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1 by the State Board of Examiners. When allowed by the State Board  
2 of Examiners and upon being audited by the State Controller, the  
3 State Controller shall draw his warrant therefor upon the State  
4 Treasurer.

5 **Sec. 48.** (Deleted by amendment.)

6 **Sec. 49.** NRS 482.313 is hereby amended to read as follows:

7 482.313 1. Upon the lease of a passenger car by a short-term  
8 lessor in this State, the short-term lessor ~~[-]~~

9 ~~—(a) Shall~~ *shall* charge and collect from the short-term lessee:

10 ~~[-(1)]~~ (a) A governmental services fee of 6 percent of the total  
11 amount for which the passenger car was leased, excluding the items  
12 described in subsection 7; ~~[and]~~

13 ~~[-(2)]~~ (b) Any fee required pursuant to NRS 244A.810 or  
14 244A.860; and

15 ~~[-(b) May charge and collect from the short term lessee a]~~

16 (c) A recovery surcharge ~~[not to exceed]~~ *fee of* 4 percent of the  
17 total amount for which the passenger car was leased, excluding the  
18 items described in subsection 8, as reimbursement for vehicle  
19 licensing fees and taxes paid by the short-term lessor.

20 ➤ The amount of ~~[any]~~ *each* fee charged pursuant to this subsection  
21 must be indicated in the lease agreement.

22 2. The fees due from a short-term lessor to the Department of  
23 Taxation pursuant to subsection 1 are due on the last day of each  
24 calendar quarter. On or before the last day of the month following  
25 each calendar quarter, the short-term lessor shall:

26 (a) File with the Department of Taxation, on a form prescribed  
27 by the Department of Taxation, a report indicating the total amount  
28 of:

29 (1) Each of the fees collected by the short-term lessor  
30 pursuant to ~~[paragraph (a) of]~~ subsection 1 during the immediately  
31 preceding calendar quarter; *and*

32 (2) ~~[Recovery surcharges, if any, collected by the short term~~  
33 ~~lessor pursuant to paragraph (b) of subsection 1 during the~~  
34 ~~immediately preceding calendar quarter; and~~

35 ~~—(3)]~~ Vehicle licensing fees and taxes paid by the short-term  
36 lessor pursuant to this chapter during the immediately preceding  
37 calendar quarter.

38 (b) Remit to the Department of Taxation ~~[-the]~~ :

39 (1) *The* fees collected by the short-term lessor pursuant to  
40 ~~[paragraph]~~ *paragraphs* (a) *and* (b) of subsection 1 during the  
41 immediately preceding calendar quarter ~~[-]~~ ; *and*

42 (2) *One-quarter of the fees collected by the short-term*  
43 *lessor pursuant to paragraph (c) of subsection 1 during the*  
44 *immediately preceding calendar quarter.*



3. Except as otherwise provided in a contract made pursuant to NRS 244A.820 or 244A.870, the Department of Taxation shall deposit all money received from short-term lessors pursuant to the provisions of ~~[this section]~~ :

(a) *Subparagraph (1) of paragraph (b) of subsection 2* with the State Treasurer for credit to the State General Fund ~~[ ]~~; and

(b) *Subparagraph (2) of paragraph (b) of subsection 2 with the State Treasurer for credit to the State Highway Fund for administration pursuant to subsection 3 of NRS 408.235.*

4. To ensure compliance with this section, the Department of Taxation may audit the records of a short-term lessor.

5. The provisions of this section do not limit or affect the payment of any taxes or fees imposed pursuant to the provisions of this chapter.

6. The Department of Motor Vehicles shall, upon request, provide to the Department of Taxation any information in its records relating to a short-term lessor that the Department of Taxation considers necessary to collect the fees described in subsection 1.

7. For the purposes of charging and collecting the governmental services fee described in ~~[subparagraph (1) of]~~ paragraph (a) of subsection 1, the following items must not be included in the total amount for which the passenger car was leased:

(a) The amount of ~~[any recovery surcharge]~~ *the fees* charged and collected pursuant to ~~[paragraph]~~ *paragraphs* (b) and (c) of subsection 1;

(b) The amount of any charge for fuel used to operate the passenger car;

(c) The amount of any fee or charge for the delivery, transportation or other handling of the passenger car;

(d) The amount of any fee or charge for insurance, including, without limitation, personal accident insurance, extended coverage or insurance coverage for personal property; and

(e) The amount of any charges assessed against a short-term lessee for damages for which the short-term lessee is held responsible.

8. For the purposes of charging and collecting the recovery surcharge *fee* described in paragraph ~~[(b)]~~ (c) of subsection 1, the following items must not be included in the total amount for which the passenger car was leased:

(a) The amount of the fees charged and collected pursuant to ~~[paragraph]~~ *paragraphs* (a) and (b) of subsection 1;

(b) The amount of any charge for a collision damage waiver or a similar instrument that acts as a waiver of the short-term lessor's right to collect from the short-term lessee for any damage to the passenger car;



(c) The amount of any charge for fuel used to operate the passenger car;

(d) The amount of any fee or charge for the delivery, transportation or other handling of the passenger car;

(e) The amount of any fee or charge for insurance, including, without limitation, personal accident insurance, extended coverage or insurance coverage for personal property;

(f) The amount of any charges assessed against a short-term lessee for damages for which the short-term lessee is held responsible; and

(g) The amount of any concession fee or charge that the short-term lessor:

(1) Is required to pay to do business at an airport, if applicable; and

(2) Passes on to the short-term lessee of the passenger car.

9. The Executive Director of the Department of Taxation shall:

(a) Adopt such regulations as he determines are necessary to carry out the provisions of this section; and

(b) Upon the request of the Director of the Department of Motor Vehicles, provide to the Director of the Department of Motor Vehicles a copy of any record or report described in this section.

10. As used in this section, "vehicle licensing fees and taxes" means:

(a) The fees paid by a short-term lessor for the registration of, and the issuance of certificates of title for, the passenger cars leased by him; and

(b) The basic and supplemental governmental services taxes paid by the short-term lessor with regard to those passenger cars.

**Sec. 49.5.** NRS 482.31565 is hereby amended to read as follows:

482.31565 1. A short-term lessor shall not require the purchase of a waiver of damages, optional insurance or any other optional good or service as a condition for the lease of a passenger car.

2. ~~[A]~~ *Except as otherwise provided in this subsection, a short-term lessor may sell a waiver of damages but shall not charge more than ~~[\$15]~~ \$22 per full or partial rental day or 24-hour rental period, as appropriate, for the waiver. **The monetary amount set forth in this subsection must be adjusted for each fiscal year that begins on or after July 1, 2008, by adding to that amount the product of that amount multiplied by the percentage increase in the Consumer Price Index West Urban for All Urban Consumers (All Items) between the calendar year ending on December 31, 2005, and the calendar year immediately preceding the fiscal year for which the adjustment is made. The Department shall, on or***



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1 *before March 1 of each year, publish the adjusted amount for the*  
2 *next fiscal year on its website or otherwise make that information*  
3 *available to short-term lessors.*

4 3. A short-term lessor who disseminates an advertisement in  
5 the State of Nevada that contains a rate for the lease of a passenger  
6 car shall include in the advertisement a clearly readable statement of  
7 the charge for a waiver of damages and a statement that the waiver  
8 is optional.

9 4. A short-term lessor shall not engage in any unfair, deceptive  
10 or coercive conduct to induce a short-term lessee to purchase a  
11 waiver of damages, optional insurance or any other optional good or  
12 service, including, but not limited to, refusing to honor the lessee's  
13 reservation, limiting the availability of cars, requiring a deposit or  
14 debiting or blocking the lessee's credit card account for a sum  
15 equivalent to a deposit if the lessee declines to purchase a waiver,  
16 optional insurance or any other optional good or service.

17 **Sec. 49.7.** NRS 482.3158 is hereby amended to read as  
18 follows:

19 482.3158 1. The short-term lessor of a passenger car may  
20 impose an additional charge:

21 (a) Based on reasonable age criteria established by the lessor.

22 (b) For any item or a service provided if the short-term lessee  
23 could have avoided incurring the charge by choosing not to obtain  
24 or utilize the optional item or service.

25 (c) For insurance and accessories requested by the lessee.

26 (d) For service incident to the lessee's optional return of the car  
27 to a location other than the location where the car was leased.

28 (e) For refueling the car at the conclusion of the lease if the  
29 lessee did not return the car with as much fuel as was in the fuel  
30 tank at the beginning of the lease.

31 (f) For any authorized driver in addition to the short-term lessee  
32 ~~[and one other authorized driver]~~ but shall not, *except as otherwise*  
33 *provided in this paragraph*, charge more than ~~[\$5]~~ \$10 per full or  
34 partial 24-hour period for such an additional authorized driver. *The*  
35 *monetary amount set forth in this paragraph must be adjusted for*  
36 *each fiscal year that begins on or after July 1, 2008, by adding to*  
37 *that amount the product of that amount multiplied by the*  
38 *percentage increase in the Consumer Price Index West Urban for*  
39 *All Urban Consumers (All Items) between the calendar year*  
40 *ending on December 31, 2005, and the calendar year immediately*  
41 *preceding the fiscal year for which the adjustment is made. The*  
42 *Department shall, on or before March 1 of each year, publish the*  
43 *adjusted amount for the next fiscal year on its website or otherwise*  
44 *make that information available to short-term lessors.*



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2. A short-term lessor shall not charge a short-term lessee, as a condition of leasing a passenger car, an additional fee for:

(a) Any surcharges required for fuel.

(b) Transporting the lessee to the location where the car will be delivered to the lessee.

~~[(c) One other authorized driver.]~~

3. If a short-term lessor:

(a) Delivers a passenger car to a short-term lessee at a location other than the location where the lessor normally carries on its business, the lessor shall not charge the lessee any amount for the period before the delivery of the car.

(b) Takes possession of a passenger car from a short-term lessee at a location other than the location where the lessor normally carries on its business, the lessor shall not charge the lessee any amount for the period after the lessee notifies the lessor to take possession of the car.

**Sec. 50.** (Deleted by amendment.)

**Sec. 51.** (Deleted by amendment.)

**Sec. 52.** (Deleted by amendment.)

**Sec. 53.** (Deleted by amendment.)

**Sec. 54.** (Deleted by amendment.)

**Sec. 55.** NRS 365.326, 365.328, 366.360 and 366.397 are hereby repealed.

**Sec. 55.3.** The Department of Transportation shall, not later than December 31 of each year:

1. Prepare an annual report on all the projects undertaken with the money deposited in the State Highway Fund pursuant to NRS 244A.637. The report must include:

(a) For each of those projects:

(1) The amount of that funding expended on the project.

(2) The amount of any other funding expended on the project.

(3) The timeline for the completion of the project.

(4) Specific information regarding any delays in the project as a result of any variances from the Department's projections of scheduling and costs.

(5) The status of:

(I) The definition of the project.

(II) The preliminary engineering for the project.

(III) The environmental documentation for the project.

(IV) The acquisition of required rights-of-way for the project.

(V) The date of advertisement for bids on the project.

(VI) The date of operational completion of the project.



(b) The total number of those projects that have been completed and, for each completed project:

- (1) Whether the project was completed early or on time.
- (2) Whether the project remained within its planned scope.
- (3) Whether the project was completed for less than or for the amount of its budgeted expenses.
- (4) Any specific measures of transportation improvement resulting from the project.

2. Submit the annual report to:

(a) The Governor.

(b) The Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee.

**Sec. 55.5.** 1. The Director of the Department of Transportation shall, each calendar quarter, prepare a report to supplement the annual reports required pursuant to section 47.2 of this act, and submit the quarterly report to the Board of Directors of the Department of Transportation and the Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee. The quarterly report must contain the following information with respect to the highway projects that the Blue Ribbon Task Force, as created by the Board of Directors of the Nevada Department of Transportation, identified in its report dated December 5, 2006, and any proposed super and mega highway projects:

(a) For each of those projects:

- (1) The amount of funding expended on the project.
- (2) The timeline for the completion of the project.
- (3) Specific information regarding any delays in the project as a result of any variances from the Department's projections of scheduling and costs.

(4) The status of:

- (I) The definition of the project.
- (II) The preliminary engineering for the project.
- (III) The environmental documentation for the project.
- (IV) The acquisition of required rights-of-way for the project.
- (V) The date of advertisement for bids on the project.
- (VI) The date of operational completion of the project.

(b) The total number of those projects that have been completed and, for each completed project:

- (1) Whether the project was completed early or on time.
- (2) Whether the project remained within its planned scope.
- (3) Whether the project was completed for less than or for the amount of its budgeted expenses.
- (4) Any specific measures of transportation improvement resulting from the project.



2. The Director shall cause a copy of each report prepared pursuant to this section to be posted on the Internet website of the Department when the report is submitted pursuant to subsection 1.

**Sec. 56.** 1. This act does not require the payment of any principal or interest on any bonds described in subsection 3 of NRS 244A.637, as amended by section 46.5 of this act, before July 1, 2008.

2. The amendatory provisions of section 47 of this act must not be applied to modify, directly or indirectly, any taxes levied or revenues pledged in such a manner as to impair adversely any outstanding obligations of any county, city or town, including, without limitation, bonds, medium-term financing, letters of credit and any other financial obligation, until all such obligations have been discharged in full or provision for their payment and redemption has been fully made.

3. The amendatory provisions of section 49 of this act do not apply to the lease of a passenger car before October 1, 2007.

**Sec. 57.** 1. This section and sections 1 to 46, inclusive, 49.5, 49.7, 55 and 56 of this act become effective upon passage and approval.

2. Sections 46.5, 47.1 to 47.4, inclusive, 55.3 and 55.5 of this act become effective on July 1, 2007.

3. Sections 47.5 and 49 of this act become effective on October 1, 2007.

4. Sections 47 and 47.6 of this act become effective on July 1, 2008.

5. Section 55.5 of this act expires by limitation on December 31, 2015.

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## TEXT OF REPEALED SECTIONS

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### **365.326 Calculation of amount due from supplier: Deduction of amount due from purchaser who is authorized to defer payment.**

1. Except as otherwise provided in subsection 2, in calculating the amount of tax on motor vehicle fuel, other than aviation fuel, a supplier owes to the Department, the supplier may deduct from the amount due pursuant to NRS 365.175 to 365.192, inclusive, any amount that is due but has not been paid by a purchaser who is authorized by the Department to defer payment of the tax pursuant to NRS 365.328. If such a deduction is claimed, the claim must





identify the purchaser and the amount of the taxes that he failed to pay.

2. A supplier shall not deduct from the amount he owes the Department pursuant to subsection 1 any amount that has not been paid by a person whose permit to defer the payment of the tax has been revoked pursuant to subsection 4 of NRS 365.328 if, before the motor vehicle fuel, other than aviation fuel, was purchased, the supplier was notified by the Department pursuant to subsection 5 of NRS 365.328 that it had revoked the permit of the purchaser.

**365.328 Deferral of payment by purchaser of certain motor vehicle fuel: Permit; bond; time and method of payment; failure to pay; regulations.**

1. A purchaser of motor vehicle fuel, other than aviation fuel, who wishes to defer payment to the supplier of the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, until 20 days after the end of the month in which the fuel is purchased must apply for a permit to defer payment of the taxes.

2. The Department may require an applicant for a permit to defer payment of the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, to provide a bond executed by him as principal, and by a corporation qualified pursuant to the laws of this State as surety, payable to this State. The bond must indemnify the Department against any deduction claimed pursuant to NRS 365.326 by a supplier because of the failure of the principal to pay the taxes as required by this chapter.

3. If a purchaser of motor vehicle fuel, other than aviation fuel:

(a) Has been issued a permit to defer the payment of the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive; and

(b) Elects to defer payment of the taxes,

➡ he shall, not later than 25 days after the end of the month in which the fuel is purchased, pay the taxes to the supplier by electronic transfer of money.

4. If a purchaser fails to make a payment to a supplier as required by this section, the Department may:

(a) Revoke the permit of the purchaser;

(b) If the purchaser was required to provide a bond pursuant to subsection 2, require the purchaser to increase the amount of the bond; or

(c) Take any other action to ensure that the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, are paid.

5. The Department shall notify each supplier in this State when it revokes a permit issued pursuant to this section.

6. The Department shall adopt regulations to carry out the provisions of this section.



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7. As used in this section, "electronic transfer of money" means any transfer of money, other than a transaction initiated by a check, draft or other similar instrument, that is initiated through an electronic terminal, telephone, computer or magnetic tape to order, instruct or authorize a financial institution or person holding an account on behalf of a purchaser of motor vehicle fuel to debit an account.

**366.360 Cancellation of license.**

1. The Department shall cancel any license to act as a special fuel supplier, special fuel dealer, special fuel exporter, special fuel transporter or special fuel user immediately upon the surrender thereof by the holder.

2. If a surety has lodged with the Department a written request to be released and discharged of liability, the Department shall immediately notify the special fuel supplier or special fuel dealer who furnished the bond, and unless he files a new bond as required by the Department within 30 days or makes a deposit in lieu thereof as provided in NRS 366.235, the Department may cancel his license.

3. If a special fuel supplier or special fuel dealer becomes delinquent in the payment of excise taxes as prescribed by this chapter to the extent that his liability exceeds the total amount of bond furnished by him, the Department may cancel his license immediately.

**366.397 Permit to defer payment of tax: Application; bond; payment of tax by electronic transfer; effect of failure to pay tax; notice of revocation; regulations.**

1. A purchaser of special fuel who wishes to defer payment of the tax imposed pursuant to NRS 366.190 to the special fuel supplier until 25 days after the end of the month in which the fuel is purchased must apply for a permit to defer payment of the tax.

2. The Department may require an applicant for a permit to defer payment of the tax imposed pursuant to NRS 366.190 to provide a bond executed by him as principal, and by a corporation qualified pursuant to the laws of this State as surety, payable to this State. The bond must indemnify the Department against any deduction claimed pursuant to subsection 2 of NRS 366.540 by a special fuel supplier because of the principal's failure to pay the tax as required by this chapter.

3. If a purchaser of special fuel:

(a) Has been issued a permit to defer the payment of the tax imposed pursuant to NRS 366.190; and

(b) Elects to defer payment of the tax,

➡ he shall, not later than 25 days after the end of the month in which the fuel is purchased, pay the tax to the special fuel supplier by electronic transfer of money.



4. If a purchaser fails to make a payment to a special fuel supplier as required by this section, the Department may:

- (a) Revoke the purchaser's permit;
- (b) If the purchaser was required to provide a bond pursuant to subsection 2, require the purchaser to increase the amount of the bond; or
- (c) Take any other action to ensure that the tax imposed pursuant to NRS 366.190 is paid.

5. The Department shall notify each special fuel supplier in this State when it revokes a permit issued pursuant to this section.

6. The Department shall adopt regulations to carry out the provisions of this section.

7. As used in this section, "electronic transfer of money" means any transfer of money, other than a transaction initiated by a check, draft or other similar instrument, that is initiated through an electronic terminal, telephone, computer or magnetic tape to order, instruct or authorize a financial institution or person holding an account on behalf of a purchaser of special fuel to debit an account.

