

SENATE BILL NO. 324—COMMITTEE ON TAXATION

MARCH 19, 2007

Referred to Committee on Taxation

**SUMMARY**—Makes various changes in the provision of funding for highway projects. (BDR 32-1139)

**FISCAL NOTE:** Effect on Local Government: No.  
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 state financial administration; providing annual increases in the rates of state taxes on certain fuels for motor vehicles; revising the provisions governing the calculation of governmental services taxes due annually for used vehicles; allocating a portion of the proceeds of certain taxes to the construction and maintenance of public highways; increasing the fees for state driver's licenses and identification cards; 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 and the appointment of an interim legislative subcommittee to oversee the activities and performance of the Department; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law imposes a state tax on certain motor vehicle fuel at the rate of 17.65 cents per gallon. (NRS 365.175) **Section 2** of this bill increases that rate by 3 cents on July 1, 2007, and by another 3 cents on July 1, 2008, and thereafter imposes annual increases in that rate to reflect the rate of increase in the Consumer Price Index, but not to exceed 4.5 percent of the rate of that tax for the preceding year. **Section 3** of this bill allocates the revenue from these increases to the construction and maintenance of the public highways.

Existing law imposes a state tax on certain special fuels used for the propulsion of motor vehicles at the rate of 27 cents per gallon. (NRS 366.190) **Section 4** of this bill increases that rate by 3 cents on July 1, 2007, and by another 3 cents on July 1, 2008, and thereafter imposes annual increases in that rate to reflect the rate of increase in the Consumer Price Index, but not to exceed 4.5 percent of the rate of



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that tax for the preceding year. **Section 5** of this bill allocates the revenue from these increases to the construction and maintenance of the public highways.

Existing law sets forth depreciation schedules for determining the amount of governmental services taxes due each year for used vehicles and establishes a minimum tax of \$6. (NRS 371.060) **Section 6** of this bill increases the amount of governmental services taxes due annually for used vehicles by reducing the amount of depreciation allowed and increasing the minimum tax to \$25. **Sections 7 and 14-17** of this bill allocate the revenue from these increases in the basic governmental services tax to the construction and maintenance of the public highways.

Existing law provides for the imposition of state sales and use taxes at the rate of 2 percent of the retail sales price of tangible personal property. (NRS 372.105, 372.185) **Sections 8 and 13** of this bill allocate the portion of the proceeds of those taxes attributable to sales by certain retailers to the construction and maintenance of the public highways.

**Section 10** of this bill requires the adoption of performance measurements for the Department of Transportation and annual reports of performance. **Section 11** 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 23** of this bill requires quarterly reports by the Department on the status of certain proposed highway projects. **Section 24** of this bill provides for the appointment of a subcommittee of the Interim Finance Committee to oversee the activities and performance of the Department during the next interim.

**Sections 20-22** of this bill increase the fees for a regular state driver's license, a state identification card and a commercial driver's license by \$20.

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

**Section 1.** The Legislature hereby finds and declares that:

1. The increases in highway funding provided by the 1991 Nevada Legislature have been steadily eroded by inflation, causing the purchasing power of that funding to decrease by 44 percent since then.

2. Due to increases in the costs of highway construction, which according to the Federal Highway Administration amounted to 78.5 percent nationally from 1992 to 2005, the sources of revenue currently provided for highway funding have not kept up with the needs of this State.

3. The Blue Ribbon Task Force created by the Board of Directors of the Nevada Department of Transportation has identified, in a report dated December 5, 2006, a \$3.8 billion shortfall in the funding required for the highway projects necessary to meet the transportation needs of this State, including 10 essential "super and mega projects" proposed by the Nevada Department of Transportation.

4. These highway projects are necessary to ensure the economic well-being of the residents and businesses of this State, to enhance driving safety and to mitigate roadway congestion and environmental impacts.



5. It is critical that a solution be found to this crisis in transportation funding.

6. It is in the public interest to provide a sufficient stream of revenue and additional methods of funding for the highway projects identified by the Blue Ribbon Task Force in its report.

7. The provisions of this act, which may be cited as the Highway Funding and Accountability Act of 2007, will provide an improved highway system to the residents and businesses of this State and ensure the best possible return on the tax dollars collected for highway construction.

**Sec. 2.** NRS 365.175 is hereby amended to read as follows:

365.175 Except as otherwise provided in NRS 365.135, every supplier shall, not later than the last day of each calendar month:

1. Submit to the Department a statement of all motor vehicle fuel, except aviation fuel, sold, distributed or used by him in this State; and

2. Pay , *for each calendar month of:*

*(a) The fiscal year commencing on July 1, 2007, an excise tax on all motor vehicle fuel, except aviation fuel, in the amount of ~~17.65 cents per~~ 20.65 cents for each* gallon sold, distributed or used in the manner prescribed in this chapter.

*(b) The fiscal year commencing on July 1, 2008, an excise tax on all motor vehicle fuel, except aviation fuel, in the amount of 23.65 cents for each gallon sold, distributed or used in the manner prescribed in this chapter.*

*(c) Each fiscal year commencing on or after July 1, 2009, an excise tax on all motor vehicle fuel, except aviation fuel, in an amount equal to the product of the amount of the tax imposed pursuant to this section for each calendar month of the immediately preceding fiscal year multiplied by 1 plus the lesser of 4.5 percent or the average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years, for each gallon sold, distributed or used in the manner prescribed in this chapter. Before the commencement of each fiscal year, the Department shall calculate the annual increase in the amount of the tax required pursuant to this paragraph and provide public notice of the amount of the tax imposed pursuant to this section for that fiscal year.*

**Sec. 3.** NRS 365.540 is hereby amended to read as follows:

365.540 1. The money collected, as prescribed by NRS 365.175 and 365.185, from the tax on motor vehicle fuels, other than aviation fuel, after the remittances and deposits have first been made pursuant to the provisions of NRS 365.535, must be placed to the credit of the State Highway Fund by the State Treasurer. An



1 amount equal to that part of the tax collected pursuant to NRS  
2 365.175 ~~[5]~~ which represents ~~[5]~~:

3 (a) *Five* cents of the tax per gallon must be used exclusively for  
4 the construction and maintenance of public highways, and may not  
5 be used to purchase equipment related thereto.

6 (b) *The portion of the tax in excess of 17.65 cents per gallon*  
7 *must be used exclusively for the construction and maintenance of*  
8 *public highways, and may not be used for any costs of*  
9 *administration or to purchase any equipment.*

10 2. The money collected, as prescribed by NRS 365.180 and  
11 365.190, after the remittances and deposits have first been made  
12 pursuant to the provisions of NRS 365.535, must be allocated by the  
13 Department as prescribed in NRS 365.550 and 365.560.

14 3. The money collected as prescribed by NRS 365.200 must be  
15 allocated by the Department as prescribed by NRS 365.550 and  
16 365.560.

17 4. The money collected from the tax on aviation fuel must be  
18 deposited by the Department with the State Treasurer for credit to  
19 the Account for Taxes on Aviation Fuel, which is hereby created as  
20 a revolving account.

21 **Sec. 4.** NRS 366.190 is hereby amended to read as follows:

22 366.190 1. Except as otherwise provided in subsection 2, a  
23 tax is hereby imposed *on the sale or use of special fuels during:*

24 (a) *The fiscal year commencing on July 1, 2007, at the rate of*  
25 ~~[27]~~ 30 cents per gallon. ~~[on the sale or use of special fuels.]~~

26 (b) *The fiscal year commencing on July 1, 2008, at the rate of*  
27 *33 cents per gallon.*

28 (c) *Each fiscal year commencing on or after July 1, 2009, at a*  
29 *rate per gallon equal to the product of the amount of the tax*  
30 *imposed pursuant to this subsection for the immediately preceding*  
31 *fiscal year multiplied by 1 plus the lesser of 4.5 percent or the*  
32 *average percentage of increase in the Consumer Price Index for*  
33 *West Urban Consumers for the preceding 5 years. Before the*  
34 *commencement of each fiscal year, the Department shall calculate*  
35 *the annual increase in the amount of the tax required pursuant to*  
36 *this paragraph and provide public notice of the amount of the tax*  
37 *imposed pursuant to this subsection for that fiscal year.*

38 2. A tax is hereby imposed at:

39 (a) The rate of 19 cents per gallon on the sale or use of an  
40 emulsion of water-phased hydrocarbon fuel;

41 (b) The rate of 22 cents per gallon on the sale or use of liquefied  
42 petroleum gas; and

43 (c) The rate of 21 cents per gallon on the sale or use of  
44 compressed natural gas.



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1     **Sec. 5.** NRS 366.700 is hereby amended to read as follows:  
2     366.700 ~~[A]]~~ **1. Except as otherwise provided in subsection**  
3 **2, all the** money received by the Department pursuant to the  
4 provisions of this chapter must be deposited with the State Treasurer  
5 to the credit of the Motor Vehicle Fund. An amount equal to that  
6 part of the tax collected pursuant to NRS 366.190 which represents  
7 5 cents of the tax per gallon, minus the portion of that amount used  
8 to administer the Department of Motor Vehicles, must be used  
9 exclusively for the construction and maintenance of public  
10 highways, and may not be used to purchase equipment related  
11 thereto.

12     **2. An amount equal to that part of the tax collected pursuant**  
13 **to subsection 1 of NRS 366.190 which represents the portion of**  
14 **that tax in excess of 27 cents per gallon must be deposited in the**  
15 **State Highway Fund and:**

16     **(a) Must be used exclusively for the construction and**  
17 **maintenance of public highways; and**

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

20     **Sec. 6.** NRS 371.060 is hereby amended to read as follows:  
21     371.060 **1.** Except as otherwise provided in subsection 2,  
22 each vehicle must be depreciated by the Department for the  
23 purposes of the annual governmental services tax according to the  
24 following schedule:

Age	Percentage of Initial Value
New .....	100 percent
1 year .....	<del>[85]</del> <b>95</b> percent
2 years .....	<del>[75]</del> <b>90</b> percent
3 years .....	<del>[65]</del> <b>85</b> percent
4 years .....	<del>[55]</del> <b>75</b> percent
5 years .....	<del>[45]</del> <b>65</b> percent
6 years .....	<del>[35]</del> <b>55</b> percent
7 years .....	<del>[25]</del> <b>45</b> percent
8 years .....	<del>[15]</del> <b>35</b> percent
9 years .....	<b>25 percent</b>
<b>10 years</b> or more.....	<del>[5]</del> <b>20</b> percent

40     **2.** Each bus, truck or truck tractor having a declared gross  
41 weight of 10,000 pounds or more and each trailer or semitrailer  
42 having an unladen weight of 4,000 pounds or more must be  
43 depreciated by the Department for the purposes of the annual  
44 governmental services tax according to the following schedule:



	Age	Percentage of Initial Value
1		
2		
3		
4	New .....	100 percent
5	1 year .....	<del>[75]</del> 95 percent
6	2 years .....	<del>[59]</del> 79 percent
7	3 years .....	<del>[47]</del> 67 percent
8	4 years .....	<del>[37]</del> 57 percent
9	5 years .....	<del>[28]</del> 48 percent
10	6 years .....	<del>[23]</del> 43 percent
11	7 years .....	<del>[20]</del> 40 percent
12	8 years .....	<del>[17]</del> 37 percent
13	9 years .....	<del>[15]</del> 35 percent
14	10 years or more .....	<del>[13]</del> 33 percent
15		

16 3. Notwithstanding any other provision of this section, the  
17 minimum amount of the governmental services tax:

18 (a) On any trailer having an unladen weight of 1,000 pounds or  
19 less is \$3; and

20 (b) On any other vehicle is ~~[\$6.]~~ \$25.

21 4. For the purposes of this section, a vehicle shall be deemed a  
22 "new" vehicle if the vehicle has never been registered with the  
23 Department and has never been registered with the appropriate  
24 agency of any other state, the District of Columbia, any territory or  
25 possession of the United States or any foreign state, province or  
26 country.

27 **Sec. 7.** NRS 371.230 is hereby amended to read as follows:

28 371.230 Except as otherwise provided in NRS 371.1035,  
29 482.180 ~~[or]~~ and 482.181, *and section 15 of this act*, money  
30 collected by the Department for governmental services taxes and  
31 penalties pursuant to the provisions of this chapter must be  
32 deposited with the State Treasurer to the credit of the Motor Vehicle  
33 Fund.

34 **Sec. 8.** NRS 372.780 is hereby amended to read as follows:

35 372.780 1. All fees, taxes, interest and penalties imposed and  
36 all amounts of tax required to be paid to the State under this chapter  
37 must be paid to the Department in the form of remittances payable  
38 to the Department.

39 2. The Department shall deposit the payments in the State  
40 Treasury to the credit of the Sales and Use Tax Account in the State  
41 General Fund.

42 *3. The State Controller, acting upon the collection data*  
43 *furnished by the Department, shall transfer monthly from the*  
44 *Sales and Use Tax Account in the State General Fund to the State*  
45 *Highway Fund the amount of the proceeds of the taxes imposed*



1 *pursuant to this chapter and remitted to the Department during*  
2 *the preceding month attributable to sales by retailers who are*  
3 *classified by the Department, in accordance with the*  
4 *classifications defined pursuant to the North American Industry*  
5 *Classification System, as those definitions existed on July 1, 2007,*  
6 *under:*

7 *(a) Classification 441, Motor Vehicle and Parts Dealers; and*

8 *(b) Classification 8111, Automotive Repair and Maintenance.*

9 **Sec. 9.** Chapter 408 of NRS is hereby amended by adding  
10 thereto the provisions set forth as sections 10 and 11 of this act.

11 **Sec. 10.** 1. *The Board shall adopt a plan for measuring the*  
12 *performance of the Department, which must include separate sets*  
13 *of performance measurements for each division of the Department*  
14 *and for the Department as a whole.*

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

17 *(a) Prepare a report, based upon the relevant performance*  
18 *measurements adopted pursuant to subsection 1, on the level of*  
19 *achievement of each division of the Department and of the*  
20 *Department as a whole during the immediately preceding fiscal*  
21 *year. The report must include a discussion of:*

22 *(1) The goals and objectives of the Department, and the*  
23 *current status of the Department in relation to meeting those goals*  
24 *and objectives;*

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

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

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

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

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

35 *(b) Submit the report to:*

36 *(1) The Board; and*

37 *(2) The Director of the Legislative Counsel Bureau for*  
38 *transmittal to the Legislative Commission.*

39 **Sec. 11.** 1. *Before the Department submits a proposal for a*  
40 *highway project to the Board for approval, the Department shall*  
41 *prepare a written analysis of the costs and benefits of the project.*  
42 *The analysis must state, for each highway district in which the*  
43 *project is proposed:*

44 *(a) The limits of the project;*

45 *(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:*
    - (I) *Savings in the time of travel;*
    - (II) *Improvements to safety; and*
    - (III) *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*
    - (c) *Must be prepared in a format that allows for the comparison of proposed highway projects.*
  3. *The analysis required by this section must be made available to the Board and the public when the agenda is posted for the meeting at which the proposal will be submitted to the Board for its approval.*
  4. *As used in this section, "highway project" means a project that is expected to increase the capacity of the state highway system and cost at least \$25 million.*

**Sec. 12.** NRS 408.131 is hereby amended to read as follows:

408.131 The Board shall:

1. Consider, at its meetings, all questions relating to the general policy of the Department and transact such business as properly comes before it.



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2. Receive and consider, at such time as the Board selects, an annual report by the Director.

3. Except as otherwise provided ~~[in NRS 408.203,]~~ *by specific statute*, act for the Department in all matters relating to recommendations, reports and such other matters as the Board finds advisable to submit to the Legislature.

4. Maintain a record of all proceedings of the Board.

5. Execute or approve all instruments and documents in the name of the State or the Department necessary to carry out the provisions of this chapter.

6. Except as otherwise provided in NRS 408.389, delegate to the Director such authority as it deems necessary under the provisions of this chapter.

7. Act by resolution, vote or order entered in its records.

**Sec. 13.** 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 ~~[in subsection 6 of NRS 482.180 and NRS 482.1805,]~~ *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 transferred to the State Highway Fund pursuant to NRS 372.780:*

*(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.

~~[4.]~~ 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.

~~[5.]~~ 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.



~~[6-]~~ 7. All bills and charges against the State Highway Fund for *the* 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. 14.** 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 transferred to the State Highway Fund pursuant to NRS 372.780 ~~[4-]~~ *and section 15 of this act:*

(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 the 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



1 State Controller shall draw his warrant therefor upon the State  
2 Treasurer.

3 **Sec. 15.** Chapter 482 of NRS is hereby amended by adding  
4 thereto a new section to read as follows:

5 *1. After deducting the amount withheld by the Department*  
6 *and the amount credited to the Department pursuant to subsection*  
7 *6 of NRS 482.180 and before carrying out the provisions of NRS*  
8 *482.181 each month, the Department shall direct the State*  
9 *Controller to transfer to the State Highway Fund from the*  
10 *proceeds of the basic governmental services tax collected by*  
11 *the Department and its agents during the preceding month the*  
12 *amounts indicated pursuant to this section.*

13 *2. Except as otherwise provided in subsection 3, the amount*  
14 *required to be transferred pursuant to subsection 1 from the*  
15 *proceeds of the basic governmental services tax imposed on*  
16 *vehicles depreciated in accordance with:*

17 *(a) Subsection 1 of NRS 371.060 based upon an age of:*

18 *(1) One year, is a sum equal to 11 percent of those*  
19 *proceeds;*

20 *(2) Two years, is a sum equal to 17 percent of those*  
21 *proceeds;*

22 *(3) Three years, is a sum equal to 24 percent of those*  
23 *proceeds;*

24 *(4) Four years, is a sum equal to 27 percent of those*  
25 *proceeds;*

26 *(5) Five years, is a sum equal to 31 percent of those*  
27 *proceeds;*

28 *(6) Six years, is a sum equal to 36 percent of those*  
29 *proceeds;*

30 *(7) Seven years, is a sum equal to 44 percent of those*  
31 *proceeds;*

32 *(8) Eight years, is a sum equal to 57 percent of those*  
33 *proceeds;*

34 *(9) Nine years, is a sum equal to 80 percent of those*  
35 *proceeds; and*

36 *(10) Ten years or more, is a sum equal to 75 percent of*  
37 *those proceeds; and*

38 *(b) Subsection 2 of NRS 371.060 based upon an age of:*

39 *(1) One year, is a sum equal to 21 percent of those*  
40 *proceeds;*

41 *(2) Two years, is a sum equal to 25 percent of those*  
42 *proceeds;*

43 *(3) Three years, is a sum equal to 30 percent of those*  
44 *proceeds;*



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1       (4) *Four years, is a sum equal to 35 percent of those*  
2 *proceeds;*

3       (5) *Five years, is a sum equal to 42 percent of those*  
4 *proceeds;*

5       (6) *Six years, is a sum equal to 47 percent of those*  
6 *proceeds;*

7       (7) *Seven years, is a sum equal to 50 percent of those*  
8 *proceeds;*

9       (8) *Eight years, is a sum equal to 54 percent of those*  
10 *proceeds;*

11       (9) *Nine years, is a sum equal to 57 percent of those*  
12 *proceeds; and*

13       (10) *Ten years or more, is a sum equal to 61 percent of*  
14 *those proceeds.*

15       3. *The amount required to be transferred pursuant to*  
16 *subsection 1 from the proceeds of the basic governmental services*  
17 *tax imposed on vehicles to which the minimum amount of that tax*  
18 *applies pursuant to paragraph (b) of subsection 3 of NRS 371.060*  
19 *is a sum equal to 76 percent of those proceeds.*

20       **Sec. 16.** NRS 482.180 is hereby amended to read as follows:

21       482.180 1. The Motor Vehicle Fund is hereby created as an  
22 agency fund. Except as otherwise provided in subsection 4 or by a  
23 specific statute, all money received or collected by the Department  
24 must be deposited in the State Treasury for credit to the Motor  
25 Vehicle Fund.

26       2. The interest and income on the money in the Motor Vehicle  
27 Fund, after deducting any applicable charges, must be credited to  
28 the State Highway Fund.

29       3. Any check accepted by the Department in payment of the  
30 governmental services tax or any other fee required to be collected  
31 pursuant to this chapter must, if it is dishonored upon presentation  
32 for payment, be charged back against the Motor Vehicle Fund or the  
33 county to which the payment was credited pursuant to this section or  
34 NRS 482.181, in the proper proportion.

35       4. Except as otherwise provided in subsection 6, all money  
36 received or collected by the Department for the basic governmental  
37 services tax must be distributed in the manner set forth in NRS  
38 482.181 **and section 15 of this act.**

39       5. Money for the administration of the provisions of this  
40 chapter must be provided by direct legislative appropriation from  
41 the State Highway Fund or other legislative authorization, upon the  
42 presentation of budgets in the manner required by law. Out of the  
43 appropriation or authorization, the Department shall pay every item  
44 of expense.



6. The Department shall withhold 6 percent from the amount of the governmental services tax collected by the Department as a commission. From the amount of the governmental services tax collected by a county assessor, the State Controller shall credit 1 percent to the Department as a commission and remit 5 percent to the county for credit to its general fund as commission for the services of the county assessor. All money withheld by or credited to the Department pursuant to this subsection must be used only for the administration of this chapter as authorized by the Legislature pursuant to subsection 5.

7. When the requirements of this section and NRS 482.181 *and section 15 of this act* have been met, and when directed by the Department, the State Controller shall transfer monthly to the State Highway Fund any balance in the Motor Vehicle Fund.

8. If a statute requires that any money in the Motor Vehicle Fund be transferred to another fund or account, the Department shall direct the *State* Controller to transfer the money in accordance with the statute.

**Sec. 17.** NRS 482.181 is hereby amended to read as follows:

482.181 1. Except as otherwise provided in subsection 5, after deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180, *and the amount transferred to the State Highway Fund pursuant to section 15 of this act*, the Department shall certify monthly to the State Board of Examiners the amount of the basic and supplemental governmental services taxes collected for each county by the Department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental governmental services tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.045 and 371.047.

3. The distribution of the basic governmental services tax received or collected for each county must be made to the county school district within each county before any distribution is made to a local government, special district or enterprise district. For the purpose of calculating the amount of the basic governmental services tax to be distributed to the county school district, the taxes levied by each local government, special district and enterprise district are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning



1 on July 1, 1978, but if the rate attributable to a district's debt service  
2 in any fiscal year is greater than its rate for the fiscal year beginning  
3 on July 1, 1978, the higher rate must be used to determine the  
4 amount attributable to debt service.

5 4. After making the distributions set forth in subsection 3, the  
6 remaining money received or collected for each county must be  
7 deposited in the Local Government Tax Distribution Account  
8 created by NRS 360.660 for distribution to local governments,  
9 special districts and enterprise districts within each county pursuant  
10 to the provisions of NRS 360.680 and 360.690.

11 5. An amount equal to any basic governmental services tax  
12 distributed to a redevelopment agency in the Fiscal Year 1987-1988  
13 must continue to be distributed to that agency as long as it exists but  
14 must not be increased.

15 6. The Department shall make distributions of the basic  
16 governmental services tax directly to county school districts.

17 7. As used in this section:

18 (a) "Enterprise district" has the meaning ascribed to it in  
19 NRS 360.620.

20 (b) "Local government" has the meaning ascribed to it in  
21 NRS 360.640.

22 (c) "Received or collected for each county" means:

23 (1) For the basic governmental services tax collected on  
24 vehicles subject to the provisions of chapter 706 of NRS, the  
25 amount determined for each county based on the following  
26 percentages:

27		
28	Carson City.....	1.07 percent
29	Churchill.....	5.21 percent
30	Clark.....	22.54 percent
31	Douglas .....	2.52 percent
32	Elko .....	13.31 percent
33	Esmeralda.....	2.52 percent
34	Eureka .....	3.10 percent
35	Humboldt.....	8.25 percent
36	Lander .....	3.88 percent
37		
38	Lincoln.....	3.12 percent
39	Lyon.....	2.90 percent
40	Mineral.....	2.40 percent
41	Nye.....	4.09 percent
42	Pershing .....	7.00 percent
43	Storey .....	.19 percent
	Washoe.....	12.24 percent
	White Pine.....	5.66 percent

44 (2) For all other basic and supplemental governmental  
45 services tax received or collected by the Department, the amount  
46 attributable to each county based on the county of registration of the  
47 vehicle for which the tax was paid.

48 (d) "Special district" has the meaning ascribed to it in  
49 NRS 360.650.



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**Sec. 18.** NRS 482.260 is hereby amended to read as follows:

482.260 1. When registering a vehicle, the Department and its agents or a registered dealer shall:

(a) Collect the fees for license plates and registration as provided for in this chapter.

(b) Except as otherwise provided in NRS 482.321, collect the governmental services tax on the vehicle, as agent *for the State and* for the county where the applicant intends to base the vehicle for the period of registration, unless the vehicle is deemed to have no base.

(c) Collect the applicable taxes imposed pursuant to chapters 372, 374, 377 and 377A of NRS.

(d) Issue a certificate of registration.

(e) If the registration is performed by the Department, issue the regular license plate or plates.

(f) If the registration is performed by a registered dealer, provide information to the owner regarding the manner in which the regular license plate or plates will be made available to him.

2. Upon proof of ownership satisfactory to the Director, he shall cause to be issued a certificate of title as provided in this chapter.

3. Except as otherwise provided in NRS 371.070, every vehicle being registered for the first time in Nevada must be taxed for the purposes of the governmental services tax for a 12-month period.

4. The Department shall deduct and withhold 2 percent of the taxes collected pursuant to paragraph (c) of subsection 1 and remit the remainder to the Department of Taxation.

5. A registered dealer shall forward all fees and taxes collected for the registration of vehicles to the Department.

**Sec. 19.** NRS 482.280 is hereby amended to read as follows:

482.280 1. The registration of every vehicle expires at midnight on the day specified on the receipt of registration, unless the day specified falls on a Saturday, Sunday or legal holiday. If the day specified on the receipt of registration is a Saturday, Sunday or legal holiday, the registration of the vehicle expires at midnight on the next judicial day. The Department shall mail to each holder of a certificate of registration an application for renewal of registration for the following period of registration. The applications must be mailed by the Department in sufficient time to allow all applicants to mail the applications to the Department and to receive new certificates of registration and license plates, stickers, tabs or other suitable devices by mail before the expiration of their registrations. An applicant may present or submit the application to any agent or office of the Department.

2. An application:



\* S B 3 2 4 \*

(a) Mailed or presented to the Department or to a county assessor pursuant to the provisions of this section;

(b) Submitted to the Department pursuant to NRS 482.294; or

(c) Presented to an authorized inspection station or authorized station pursuant to the provisions of NRS 482.281,

must include, if required, evidence of compliance with standards for *the* control of emissions.

3. The Department shall insert in each application mailed pursuant to subsection 1:

(a) The amount of the governmental services tax to be collected ~~for the county~~ pursuant to the provisions of NRS 482.260.

(b) The amount set forth in a notice of nonpayment filed with the Department by a local authority pursuant to NRS 484.444.

(c) A statement which informs the applicant that, pursuant to NRS 485.185, he is legally required to maintain insurance during the period in which the motor vehicle is registered.

4. An owner who has made proper application for renewal of registration before the expiration of the current registration but who has not received the license plate or plates or card of registration for the ensuing period of registration is entitled to operate or permit the operation of that vehicle upon the highways upon displaying thereon the license plate or plates issued for the preceding period of registration for such a time as may be prescribed by the Department as it may find necessary for the issuance of the new plate or plates or card of registration.

**Sec. 20.** NRS 483.410 is hereby amended to read as follows:

483.410 1. Except as otherwise provided in subsection 6 and NRS 483.417, for every driver's license, including a motorcycle driver's license, issued and service performed, the following fees must be charged:

An original or renewal license issued to a person 65 years of age or older ..... ~~[\$13.50]~~ **\$33.50**

An original or renewal license issued to any person less than 65 years of age ..... ~~[\$18.50]~~ **38.50**

Reinstatement of a license after suspension, revocation or cancellation, except a revocation for a violation of NRS 484.379, 484.3795 or 484.37955, or pursuant to NRS 484.384 and 484.385 ..... ~~[\$40.00]~~ **60.00**

Reinstatement of a license after revocation for a violation of NRS 484.379, 484.3795 or 484.37955, or pursuant to NRS 484.384 and 484.385 ..... ~~[\$65.00]~~ **85.00**





1 A new photograph, change of name,  
2 change of other information, except  
3 address, or any combination .....\$5.00  
4 A duplicate license ..... 14.00  
5

6 2. For every motorcycle endorsement to a driver's license, a  
7 fee of \$5 must be charged.

8 3. If no other change is requested or required, the Department  
9 shall not charge a fee to convert the number of a license from the  
10 licensee's social security number, or a number that was formulated  
11 by using the licensee's social security number as a basis for the  
12 number, to a unique number that is not based on the licensee's social  
13 security number.

14 4. Except as otherwise provided in NRS 483.417, the increase  
15 in fees authorized by NRS 483.347 and the fees charged pursuant to  
16 NRS 483.415 must be paid in addition to the fees charged pursuant  
17 to subsections 1 and 2.

18 5. A penalty of \$10 must be paid by each person renewing his  
19 license after it has expired for a period of 30 days or more as  
20 provided in NRS 483.386 unless he is exempt pursuant to that  
21 section.

22 6. The Department may not charge a fee for the reinstatement  
23 of a driver's license that has been:

24 (a) Voluntarily surrendered for medical reasons; or

25 (b) Cancelled pursuant to NRS 483.310.

26 7. All fees and penalties are payable to the Administrator at the  
27 time a license or a renewal license is issued.

28 8. Except as otherwise provided in NRS 483.340, subsection 3  
29 of NRS 483.3485, NRS 483.415 and 483.840, and subsection 3 of  
30 NRS 483.863, all money collected by the Department pursuant to  
31 this chapter must be deposited in the State Treasury for credit to the  
32 Motor Vehicle Fund.

33 **Sec. 21.** NRS 483.820 is hereby amended to read as follows:

34 483.820 1. A person who applies for an identification card in  
35 accordance with the provisions of NRS 483.810 to 483.890,  
36 inclusive, and who is not ineligible to receive an identification card  
37 pursuant to NRS 483.861, is entitled to receive an identification card  
38 if he is:

39 (a) A resident of this State and is 10 years of age or older and  
40 does not hold a valid driver's license or identification card from any  
41 state or jurisdiction; or

42 (b) A seasonal resident who does not hold a valid Nevada  
43 driver's license.



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2. Except as otherwise provided in NRS 483.825, the Department shall charge and collect the following fees for the issuance of an original, duplicate or changed identification card:

An original or duplicate identification card issued to a person 65 years of age or older .....	<del>[\$4]</del> \$24
An original or duplicate identification card issued to a person under 18 years of age.....	<del>[\$3]</del> 23
A renewal of an identification card for a person under 18 years of age .....	<del>[\$3]</del> 23
An original or duplicate identification card issued to any other person .....	<del>[\$9]</del> 29
A renewal of an identification card for any person at least 18 years of age, but less than 65 years of age .....	<del>[\$9]</del> 29
A new photograph or change of name, or both .....	4

3. The Department shall not charge a fee for:

- (a) An identification card issued to a person who has voluntarily surrendered his driver's license pursuant to NRS 483.420; or
- (b) A renewal of an identification card for a person 65 years of age or older.

4. Except as otherwise provided in NRS 483.825, the increase in fees authorized in NRS 483.347 must be paid in addition to the fees charged pursuant to this section.

5. As used in this section, "photograph" has the meaning ascribed to it in NRS 483.125.

**Sec. 22.** NRS 483.910 is hereby amended to read as follows:

483.910 1. The Department shall charge and collect the following fees:

For an original commercial driver's license which requires the Department to administer a driving skills test .....	<del>[\$84]</del> \$104
For an original commercial driver's license which does not require the Department to administer a driving skills test.....	<del>[\$4]</del> 74
For renewal of a commercial driver's license which requires the Department to administer a driving skills test .....	<del>[\$4]</del> 104



1	For renewal of a commercial driver's	
2	license which does not require the	
3	Department to administer a driving	
4	skills test.....	<del>[54]</del> \$74
5	For reinstatement of a commercial	
6	driver's license after suspension or	
7	revocation of the license for a	
8	violation of NRS 484.379, 484.3795	
9	or 484.37955, or pursuant to NRS	
10	484.384 and 484.385, or pursuant to	
11	49 C.F.R. § 383.51(b)(2)(i) or (ii).....	<del>[84]</del> 104
12	For reinstatement of a commercial	
13	driver's license after suspension,	
14	revocation, cancellation or	
15	disqualification of the license, except	
16	a suspension or revocation for a	
17	violation of NRS 484.379, 484.3795	
18	or 484.37955, or pursuant to NRS	
19	484.384 and 484.385, or pursuant to	
20	49 C.F.R. § 383.51(b)(2)(i) or (ii).....	<del>[54]</del> 74
21	For the transfer of a commercial driver's	
22	license from another jurisdiction,	
23	which requires the Department to	
24	administer a driving skills test .....	<del>[84]</del> 104
25	For the transfer of a commercial driver's	
26	license from another jurisdiction,	
27	which does not require the	
28	Department to administer a driving	
29	skills test.....	<del>[54]</del> 74
30	For a duplicate commercial driver's	
31	license .....	19
32	For any change of information on a	
33	commercial driver's license .....	9
34	For each endorsement added after the	
35	issuance of an original commercial	
36	driver's license.....	14
37	For the administration of a driving skills	
38	test to change any information on, or	
39	add an endorsement to, an existing	
40	commercial driver's license .....	30

41

42 2. The Department shall charge and collect an annual fee of

43 \$555 from each person who is authorized by the Department to

44 administer a driving skills test pursuant to NRS 483.912.



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1       3. An additional charge of \$3 must be charged for each  
2 knowledge test administered to a person who has twice failed the  
3 test.

4       4. An additional charge of \$25 must be charged for each  
5 driving skills test administered to a person who has twice failed the  
6 test.

7       5. The increase in fees authorized in NRS 483.347 must be  
8 paid in addition to the fees charged pursuant to this section.

9       6. The Department shall charge an applicant for a hazardous  
10 materials endorsement an additional fee for the processing of  
11 fingerprints. The Department shall establish the additional fee by  
12 regulation, except that the amount of the additional fee must not  
13 exceed the sum of the amount charged by the Central Repository for  
14 Nevada Records of Criminal History and each applicable federal  
15 agency to process the fingerprints for a background check of the  
16 applicant in accordance with Section 1012 of the Uniting and  
17 Strengthening America by Providing Appropriate Tools Required to  
18 Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of  
19 2001, 49 U.S.C. § 5103a.

20       **Sec. 23.** 1. The Director of the Department of Transportation  
21 shall, each calendar quarter, prepare a report to supplement the  
22 annual reports required pursuant to section 10 of this act, and submit  
23 the quarterly report to the Board of Directors of the Department of  
24 Transportation and the Director of the Legislative Counsel Bureau  
25 for transmittal to the Legislative Commission. The quarterly report  
26 must contain the following information with respect to all the “super  
27 and mega projects” and other highway projects that the Blue Ribbon  
28 Task Force, as created by the Board of Directors of the Nevada  
29 Department of Transportation, identified in its report dated  
30 December 5, 2006:

31       (a) For each of those projects:

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

33           (2) The timeline for the completion of the project.

34           (3) Specific information regarding any delays in the project  
35 as a result of any variances from the Department’s projections of  
36 scheduling and costs.

37           (4) The status of:

38               (I) The definition of the project.

39               (II) The preliminary engineering for the project.

40               (III) The environmental documentation for the project.

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

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

44               (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. 24.** 1. The Interim Finance Committee shall appoint a subcommittee to oversee the activities and performance of the Nevada Department of Transportation.

2. The subcommittee must:

(a) Be composed of:

(1) Two members of the Assembly Standing Committee on Ways and Means during the 74th Legislative Session; and

(2) Two members of the Senate Standing Committee on Finance during the 74th Legislative Session.

(b) Select a chairman and vice chairman from among its members.

(c) Meet at least once between every two meetings of the Interim Finance Committee and report its activities and any findings at each meeting of the Interim Finance Committee.

3. The Director of the Legislative Counsel Bureau shall provide such staff and other support as is necessary for the subcommittee to perform its duty.

4. The Nevada Department of Transportation shall cooperate with the subcommittee and provide such information and assistance as the subcommittee requests.

**Sec. 25.** The amendatory provisions of:

1. Sections 2 and 4 of this act do not affect the amount of any taxes due for any period ending on or before June 30, 2007.

2. Sections 6, 7, 15, 16 and 17 of this act do not affect the amount of any governmental services taxes due pursuant to NRS 371.110 before January 1, 2008, or apply to the disposition of the proceeds of any governmental services taxes due before that date.

3. Section 8 of this act do not apply to the disposition of the proceeds of any sales or use taxes remitted to the Department of Taxation before July 1, 2007.

**Sec. 26.** 1. This section and sections 1 to 5, inclusive, 8 to 13, inclusive, and 20 to 25, inclusive, of this act become effective on July 1, 2007.



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- 1        2. Sections 6, 7 and 14 to 19, inclusive, of this act become
- 2 effective on December 1, 2007.
- 3        3. Section 24 of this act expires by limitation on December 31,
- 4 2008.
- 5        4. Section 23 of this act expires by limitation on December 31,
- 6 2015.

