

SENATE BILL NO. 501—COMMITTEE ON TAXATION

MARCH 26, 2007

Referred to Committee on Taxation

SUMMARY—Makes various changes to provisions relating to taxation and nonprofit entities that provide emergency medical services. (BDR 32-1406)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 taxation; providing various exemptions for nonprofit entities that provide emergency medical services; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for certain exemptions from excise taxes on motor vehicle and aircraft fuel, and from sales tax on certain transfers of personal property. (NRS 365.220, 372.7287, 374.7315) **Sections 1, 2 and 6** of this bill extend such exemptions to include certain nonprofit organizations that own or operate ambulances or air ambulances. **Section 8** of this bill makes retroactive to November 1, 2002, the proposed exemptions from sales tax for the sale or transfer of air ambulances to certain nonprofit organizations.

Existing law also provides for certain excise taxes on motor vehicle and aircraft fuel to be imposed by counties in certain circumstances. (NRS 373.030, 373.065) **Sections 3, 4 and 5** of this bill extend an exemption from such taxes to motor vehicle and aircraft fuel sold to certain nonprofit organizations that own or operate ambulances or air ambulances.

Section 7 of this bill authorizes the Department of Motor Vehicles to issue special license plates for an ambulance owned or operated by certain nonprofit organizations. **Section 7** also provides an exemption from the annual license and registration fees and the governmental services tax for an ambulance owned or operated by certain nonprofit organizations.



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

1 **Section 1.** NRS 365.220 is hereby amended to read as follows:
2 365.220 The provisions of this chapter requiring the payment
3 of excise taxes do not apply to:

4 1. Motor vehicle fuel if it remains in interstate or foreign
5 commerce.

6 2. Motor vehicle fuel, except aviation fuel, exported from this
7 State by a supplier.

8 3. Aviation fuel or fuel for jet or turbine-powered aircraft
9 exported from this State by a dealer.

10 4. Motor vehicle fuel or fuel for jet or turbine-powered aircraft
11 sold to the United States Government for official use of the United
12 States Armed Forces.

13 5. Motor vehicle fuel, other than aviation fuel, distributed or
14 delivered on the order of the owner, to a supplier, or aviation fuel or
15 fuel for jet or turbine-powered aircraft distributed or delivered on
16 the order of the owner, to a dealer, if the dealer or supplier has
17 furnished security in the amount prescribed in NRS 365.290 and has
18 established to the satisfaction of the Department that the security is
19 sufficient to ensure payment of all excise taxes as they may become
20 due to the State from him under this chapter. Every dealer or
21 supplier who claims an exemption shall report the distributions to
22 the Department in such detail as the Department may require. If he
23 does not do so, the exemption granted in this subsection is void and
24 all fuel is considered distributed in this State subject fully to the
25 provisions of this chapter.

26 6. Leaded racing fuel. As used in this subsection, "leaded
27 racing fuel" means motor vehicle fuel that contains lead and is
28 produced for motor vehicles that are designed and built for racing
29 and not for operation on a public highway.

30 7. *Motor vehicle fuel, aviation fuel or fuel for jet or turbine-*
31 *powered aircraft that is:*

32 (a) *Sold to a nonprofit organization which is created for*
33 *religious, charitable or educational purposes and which holds a*
34 *permit to own or operate an ambulance or air ambulance*
35 *pursuant to chapter 450B of NRS; and*

36 (b) *Used in an ambulance, as defined in NRS 450B.040, or an*
37 *air ambulance, as defined in NRS 450B.030.*

38 **Sec. 2.** NRS 372.7287 is hereby amended to read as follows:

39 372.7287 In administering the provisions of NRS 372.326, the
40 Department shall apply the exemption for the sale of tangible
41 personal property to a nonprofit organization created for religious,
42 charitable or educational purposes to include **[any]** :



1 **1. Any** type of motor vehicle that is transferred for use by such
2 a nonprofit organization, whether by sale or lease and regardless of
3 whether title to the vehicle passes to the nonprofit organization at
4 any time during the use of the vehicle ~~[]~~; **and**

5 **2. If the nonprofit organization holds a permit to own or**
6 **operate an air ambulance pursuant to chapter 450B of NRS, any**
7 **type of air ambulance, as defined in NRS 450B.030, that is**
8 **transferred for use by such a nonprofit organization, whether by**
9 **sale or lease and regardless of whether title to the air ambulance**
10 **passes to the nonprofit organization at any time during the use of**
11 **the air ambulance.**

12 **Sec. 3.** Chapter 373 of NRS is hereby amended by adding
13 thereto a new section to read as follows:

14 **The provisions of this chapter requiring the payment of taxes**
15 **on motor vehicle fuel do not apply to motor vehicle fuel that is:**

16 **1. Sold to a nonprofit organization which is created for**
17 **religious, charitable or educational purposes and which holds a**
18 **permit to own or operate an ambulance or air ambulance**
19 **pursuant to chapter 450B of NRS; and**

20 **2. Used in an ambulance, as defined in NRS 450B.040, or an**
21 **air ambulance, as defined in NRS 450B.030.**

22 **Sec. 4.** NRS 373.030 is hereby amended to read as follows:

23 373.030 1. In any county for all or part of which a streets and
24 highways plan has been adopted as a part of the master plan by the
25 county or regional planning commission pursuant to NRS 278.150,
26 the board may by ordinance:

27 (a) Create a regional transportation commission; and

28 (b) Impose a tax on motor vehicle fuel, except aviation fuel ,
29 ~~[and]~~ leaded racing fuel ~~[]~~ **and motor vehicle fuel exempted**
30 **pursuant to section 3 of this act,** sold in the county in an amount
31 not to exceed 9 cents per gallon.

32 2. A tax imposed pursuant to this section is in addition to other
33 motor vehicle fuel taxes imposed pursuant to the provisions of
34 chapter 365 of NRS.

35 3. As used in this section:

36 (a) "Aviation fuel" has the meaning ascribed to it in
37 NRS 365.015.

38 (b) "Leaded racing fuel" means motor vehicle fuel that contains
39 lead and is produced for motor vehicles that are designed and built
40 for racing and not for operation on a public highway.

41 **Sec. 5.** NRS 373.065 is hereby amended to read as follows:

42 373.065 1. Except as otherwise provided in this section, in a
43 county whose population is less than 400,000:

44 (a) The board may by ordinance impose:



(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel **⚡ and motor vehicle fuel exempted pursuant to section 3 of this act**, sold in the county in an amount equal to the product obtained by multiplying the amount of the tax imposed pursuant to NRS 365.180 by 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; and

(2) An annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in an amount equal to the sum of the tax imposed pursuant to NRS 365.180 and the tax imposed pursuant to subparagraph (1) during the preceding fiscal year, multiplied by 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.

(b) The board may by ordinance impose:

(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel **⚡ and motor vehicle fuel exempted pursuant to section 3 of this act**, sold in the county in an amount equal to the product obtained by multiplying the amount of the tax imposed pursuant to NRS 365.190 by 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; and

(2) An annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in an amount equal to the sum of the tax imposed pursuant to NRS 365.190 and the tax imposed pursuant to subparagraph (1) during the preceding fiscal year, multiplied by 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.

(c) The board may by ordinance impose:

(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel **⚡ and motor vehicle fuel exempted pursuant to section 3 of this act**, sold in the county in an amount equal to the product obtained by multiplying the amount of the tax imposed pursuant to NRS 365.192 by 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; and

(2) An annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in an amount equal to the sum of the tax imposed pursuant to NRS 365.192 and the tax imposed pursuant to subparagraph (1) during the preceding fiscal year, multiplied by the lesser of 4.5 percent or the average



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percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years.

(d) If the board imposes a tax pursuant to paragraph (b) of subsection 1 of NRS 373.030, the board may by ordinance impose:

(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel, ~~and~~ leaded racing fuel ~~and~~ *and motor vehicle fuel exempted pursuant to section 3 of this act*, sold in the county in an amount equal to the product obtained by multiplying the amount of the tax imposed pursuant to paragraph (b) of subsection 1 of NRS 373.030 by 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; and

(2) An annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in an amount equal to the sum of the tax imposed pursuant to paragraph (b) of subsection 1 of NRS 373.030 and the tax imposed pursuant to subparagraph (1) during the preceding fiscal year, multiplied by 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.

2. A board may not adopt any ordinance authorized by this section unless:

(a) In a county for all or part of which a streets and highways plan has been adopted as a part of the master plan by the county or regional planning commission pursuant to NRS 278.150, the board first:

(1) Imposes a tax pursuant to paragraph (b) of subsection 1 of NRS 373.030 at the maximum rate authorized pursuant to that paragraph; or

(2) Submits to the voters of the county at a general or special election the question of whether to impose a tax pursuant to paragraph (b) of subsection 1 of NRS 373.030 at the maximum rate authorized pursuant to that paragraph; and

(b) A question concerning the imposition of the tax pursuant to this section is first approved by a majority of the registered voters of the county voting upon the question which the board may submit to the voters at any general election. The Committee on Local Government Finance shall annually provide to each city clerk, county clerk and district attorney in this State forms for submitting a question to the registered voters of a county pursuant to this paragraph. Any question submitted to the registered voters of a county pursuant to this paragraph must be in the form most recently provided by the Committee on Local Government Finance.



3. An ordinance adopted pursuant to this section in a county whose population is less than 100,000:

(a) Must be reapproved, in addition to the approval required by paragraph (b) of subsection 2, at least once every 8 years by a majority of the registered voters of the county voting on the question which the board may submit to the voters at any general election; and

(b) Expires by limitation no later than the last day of the 8th calendar year following the calendar year in which the ordinance was:

(1) Approved in accordance with paragraph (b) of subsection 2; or

(2) Most recently reapproved in accordance with this subsection,

↳ whichever occurs later.

4. Any ordinance authorized by this section may be adopted in combination with any other ordinance authorized by this section. Each tax imposed pursuant to this section is in addition to any other motor vehicle fuel taxes imposed pursuant to the provisions of this chapter and chapter 365 of NRS. Upon adoption of an ordinance authorized by this section, no further action by the board is necessary to effectuate the annual increases before the ordinance expires by limitation.

5. Any ordinance adopted pursuant to this section must:

(a) Become effective on the first day of the first calendar quarter beginning not less than 90 days after the adoption of the ordinance; and

(b) If the board has created a regional transportation commission in the county, require the commission:

(1) To review, at a public meeting conducted after the provision of public notice and before the effective date of each annual increase imposed by the ordinance:

(I) The amount of that increase and the accuracy of its calculation;

(II) The amounts of any annual increases imposed by the ordinance in previous years and the revenue collected pursuant to those increases;

(III) Any improvements to the regional system of transportation resulting from revenue collected pursuant to any annual increases imposed by the ordinance in previous years; and

(IV) Any other information relevant to the effect of the annual increases on the public; and

(2) To submit to the board any information the commission receives suggesting that the annual increase should be adjusted.

6. Any ordinance adopted pursuant to:



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(a) Paragraph (a) of subsection 1 must:

(1) Require the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to that ordinance in the same proportions and manner as the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to NRS 365.180; and

(2) Expire by limitation no later than the effective date of any increase or decrease in the amount of the tax imposed pursuant to NRS 365.180 which becomes effective after the adoption of that ordinance.

(b) Paragraph (b) of subsection 1 must:

(1) Require the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to that ordinance in the same proportions and manner as the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to NRS 365.190; and

(2) Expire by limitation no later than the effective date of any increase or decrease in the amount of the tax imposed pursuant to NRS 365.190 which becomes effective after the adoption of that ordinance.

(c) Paragraph (c) of subsection 1 must:

(1) Require the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to that ordinance in the same proportions and manner as the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to NRS 365.192; and

(2) Expire by limitation no later than the effective date of any increase or decrease in the amount of the tax imposed pursuant to NRS 365.192 which becomes effective after the adoption of that ordinance.

(d) Paragraph (d) of subsection 1 must:

(1) Require the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to that ordinance in the same proportions and manner as the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to paragraph (b) of subsection 1 of NRS 373.030; and

(2) Expire by limitation no later than the effective date of any subsequent ordinance increasing or decreasing the amount of the tax imposed in that county pursuant to paragraph (b) of subsection 1 of NRS 373.030.

Sec. 6. NRS 374.7315 is hereby amended to read as follows:

374.7315 In administering the provisions of NRS 374.3305, the Department shall apply the exemption for the sale of tangible personal property to a nonprofit organization created for religious, charitable or educational purposes to include ~~any~~:



1 **1. Any** type of motor vehicle that is transferred for use by such
2 a nonprofit organization, whether by sale or lease and regardless of
3 whether title to the vehicle passes to the nonprofit organization at
4 any time during the use of the vehicle ~~[]~~; **and**

5 **2. If the nonprofit organization holds a permit to own or**
6 **operate an air ambulance pursuant to chapter 450B of NRS, any**
7 **type of air ambulance, as defined in NRS 450B.030, that is**
8 **transferred for use by such a nonprofit organization, whether by**
9 **sale or lease and regardless of whether title to the air ambulance**
10 **passes to the nonprofit organization at any time during the use of**
11 **the air ambulance.**

12 **Sec. 7.** NRS 482.3795 is hereby amended to read as follows:

13 482.3795 1. The Department may issue special license plates
14 and registration certificates to residents of Nevada for a fire truck **or**
15 **ambulance** pursuant to this section. Except as otherwise provided in
16 subsection 3, the fire truck **or ambulance** must not be used for
17 general transportation, but may be used for musters, exhibitions,
18 parades or similar activities.

19 2. In lieu of the annual registration and fees required by this
20 chapter, and of the governmental services tax imposed by chapter
21 371 of NRS, the owner of a fire truck **or ambulance** may submit:

22 (a) An affidavit to the Department indicating that the fire truck
23 ~~[]~~ **or ambulance:**

24 (1) Will only be used for the permitted purposes enumerated
25 in subsection 1;

26 (2) Has been inspected and found safe to be operated on the
27 highways of this State; and

28 (3) Qualifies as a fire truck pursuant to regulations adopted
29 by the Department for this purpose ~~[]~~ **or qualifies as an ambulance**
30 **pursuant to chapter 450B of NRS.**

31 (b) The following fees for the issuance of these license plates:

32 (1) For the first issuance.....\$15

33 (2) For a renewal sticker5

34 3. If the owner elects to use the fire truck **or ambulance** as
35 general transportation, he shall pay the regular annual registration
36 and fees prescribed by law and the governmental services tax
37 imposed by chapter 371 of NRS.

38 4. License plates issued pursuant to this section must bear the
39 inscription "Fire Truck" **or "Ambulance," as appropriate**, and the
40 plates must be numbered consecutively.

41 5. The cost of the die and the modifications necessary for the
42 issuance of a license plate pursuant to this section must be paid from
43 private sources without any expense to the State of Nevada.

44 **6. As used in this section, "ambulance" means an**
45 **ambulance, as defined in NRS 450B.040, owned or operated by a**



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1 *nonprofit organization which is created for religious, charitable or*
2 *educational purposes and which holds a permit to own or operate*
3 *an ambulance pursuant to chapter 450B of NRS.*

4 **Sec. 8.** The provisions of NRS 372.7287 and 374.7315, as
5 amended by this act, apply retroactively to the sale, on or after
6 November 1, 2002, of an air ambulance, as defined in NRS
7 450B.030, to a nonprofit organization which is created for religious,
8 charitable or educational purposes and which holds a permit to own
9 or operate an air ambulance pursuant to chapter 450B of NRS,
10 including any type of air ambulance transferred for use by such a
11 nonprofit organization, whether by sale or lease and regardless of
12 whether title to the air ambulance passes to the nonprofit
13 organization at any time during the use of the air ambulance.

14 **Sec. 9.** This act becomes effective on July 1, 2007.

