

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 certain motor vehicle and aircraft fuels, and from sales tax on certain transfers of personal property. (NRS 365.220, 366.200, 372.7287, 374.7315) **Sections 1, 2, 3 and 7** of this bill extend such exemptions to include certain nonprofit organizations that own or operate ambulances or air ambulances.

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 4, 5 and 6** 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 8 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 8** 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.

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

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



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

3 2. Motor vehicle fuel, except aviation fuel, exported from this
4 State by a supplier.

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

7 4. Motor vehicle fuel or fuel for jet or turbine-powered aircraft
8 sold to the United States Government for official use of the United
9 States Armed Forces.

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

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

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

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

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

35 **Sec. 2.** NRS 366.200 is hereby amended to read as follows:

36 366.200 1. The sale or use of special fuel for any purpose
37 other than to propel a motor vehicle upon the public highways of
38 Nevada is exempt from the application of the tax imposed by NRS
39 366.190. The exemption provided in this subsection applies only in
40 those cases where the purchasers or the users of special fuel
41 establish to the satisfaction of the Department that the special fuel
42 purchased or used was used for purposes other than to propel a
43 motor vehicle upon the public highways of Nevada.



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2. Sales made to the United States Government or any instrumentality thereof are exempt from the tax imposed by this chapter.

3. Sales made to any state, county, municipality, district or other political subdivision thereof are exempt from the tax imposed by this chapter.

4. Sales made to any person to be used to propel a motor vehicle which is dedicated for exclusive use as part of a system which:

(a) Operates motor vehicles for public transportation in an urban area;

(b) Transports persons who pay the established fare; and

(c) Uses public money to operate the system or acquire new equipment,

→ are exempt from the tax imposed by this chapter.

5. Sales made to any person for use in operating special mobile equipment are exempt from the tax imposed by this chapter.

6. *The sale and use of special fuel that is:*

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

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

→ ***are exempt from the tax imposed by this chapter.***

Sec. 3. NRS 372.7287 is hereby amended to read as follows:

372.7287 In administering the provisions of NRS 372.326, 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. Any type of motor vehicle that is transferred for use by such a nonprofit organization, whether by sale or lease and regardless of whether title to the vehicle passes to the nonprofit organization at any time during the use of the vehicle **[]**; and

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

Sec. 4. Chapter 373 of NRS is hereby amended by adding thereto a new section to read as follows:

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



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

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

7 **Sec. 5.** NRS 373.030 is hereby amended to read as follows:

8 373.030 1. In any county for all or part of which a streets and
9 highways plan has been adopted as a part of the master plan by the
10 county or regional planning commission pursuant to NRS 278.150,
11 the board may by ordinance:

12 (a) Create a regional transportation commission; and

13 (b) Impose a tax on motor vehicle fuel, except aviation fuel ,
14 ~~and~~ leaded racing fuel ~~and~~ *and motor vehicle fuel exempted*
15 *pursuant to section 4 of this act*, sold in the county in an amount
16 not to exceed 9 cents per gallon.

17 2. A tax imposed pursuant to this section is in addition to other
18 motor vehicle fuel taxes imposed pursuant to the provisions of
19 chapter 365 of NRS.

20 3. As used in this section:

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

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

26 **Sec. 6.** NRS 373.065 is hereby amended to read as follows:

27 373.065 1. Except as otherwise provided in this section, in a
28 county whose population is less than 400,000:

29 (a) The board may by ordinance impose:

30 (1) An excise tax on each gallon of motor vehicle fuel,
31 except aviation fuel ~~and~~ *and motor vehicle fuel exempted pursuant*
32 *to section 4 of this act*, sold in the county in an amount equal to the
33 product obtained by multiplying the amount of the tax imposed
34 pursuant to NRS 365.180 by the lesser of 4.5 percent or the average
35 percentage of increase in the Consumer Price Index for West Urban
36 Consumers for the preceding 5 years; and

37 (2) An annual increase in the tax imposed pursuant to
38 subparagraph (1), on the first day of each fiscal year following the
39 fiscal year in which that tax becomes effective, in an amount equal
40 to the sum of the tax imposed pursuant to NRS 365.180 and the tax
41 imposed pursuant to subparagraph (1) during the preceding fiscal
42 year, multiplied by the lesser of 4.5 percent or the average
43 percentage of increase in the Consumer Price Index for West Urban
44 Consumers for the preceding 5 years.

45 (b) The board may by ordinance impose:



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(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel ~~and~~ *and motor vehicle fuel exempted pursuant to section 4 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~~ *and motor vehicle fuel exempted pursuant to section 4 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 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~~ *and* ~~led~~ *and motor vehicle fuel exempted pursuant to section 4 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



1 subsection 1 of NRS 373.030 and the tax imposed pursuant to
2 subparagraph (1) during the preceding fiscal year, multiplied by the
3 lesser of 4.5 percent or the average percentage of increase in the
4 Consumer Price Index for West Urban Consumers for the preceding
5 5 years.

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

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

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

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

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

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

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

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

39 (1) Approved in accordance with paragraph (b) of subsection
40 2; or

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

43 ➡ whichever occurs later.

44 4. Any ordinance authorized by this section may be adopted in
45 combination with any other ordinance authorized by this section.



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1 Each tax imposed pursuant to this section is in addition to any other
2 motor vehicle fuel taxes imposed pursuant to the provisions of this
3 chapter and chapter 365 of NRS. Upon adoption of an ordinance
4 authorized by this section, no further action by the board is
5 necessary to effectuate the annual increases before the ordinance
6 expires by limitation.

7 5. Any ordinance adopted pursuant to this section must:

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

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

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

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

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

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

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

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

28 6. Any ordinance adopted pursuant to:

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

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

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

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

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



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(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. 7. 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. Any type of motor vehicle that is transferred for use by such a nonprofit organization, whether by sale or lease and regardless of whether title to the vehicle passes to the nonprofit organization at any time during the use of the vehicle ~~to~~; and

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

Sec. 8. NRS 482.3795 is hereby amended to read as follows:

482.3795 1. The Department may issue special license plates and registration certificates to residents of Nevada for a fire truck *or ambulance* pursuant to this section. Except as otherwise provided in subsection 3, the fire truck *or ambulance* must not be used for



1 general transportation, but may be used for musters, exhibitions,
2 parades or similar activities.

3 2. In lieu of the annual registration and fees required by this
4 chapter, and of the governmental services tax imposed by chapter
5 371 of NRS, the owner of a fire truck *or ambulance* may submit:

6 (a) An affidavit to the Department indicating that the fire truck
7 ~~H~~ *or ambulance:*

8 (1) Will only be used for the permitted purposes enumerated
9 in subsection 1;

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

12 (3) Qualifies as a fire truck pursuant to regulations adopted
13 by the Department for this purpose ~~H~~ *or qualifies as an ambulance*
14 *pursuant to chapter 450B of NRS.*

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

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

17 (2) For a renewal sticker5

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

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

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

28 *6. As used in this section, "ambulance" means an*
29 *ambulance, as defined in NRS 450B.040, owned or operated by a*
30 *nonprofit organization which is created for religious, charitable or*
31 *educational purposes and which holds a permit to own or operate*
32 *an ambulance pursuant to chapter 450B of NRS.*

33 **Sec. 9.** (Deleted by amendment.)

34 **Sec. 10.** This act becomes effective on July 1, 2007.

