

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 provides for certain exemptions from the governmental services tax on vehicles. (NRS 371.100-371.104) **Section 2.5** of this bill provides such an exemption for ambulances owned or operated by 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 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.

Existing law requires the payment of an additional fee of 50 cents for the issuance of a license plate and provides that the fee must be deposited in the Fund for Prison Industries to defray the cost of producing the license plate. (NRS 482.268) **Section 8.5** of this bill provides that the additional fee does not apply to an ambulance owned or operated by certain nonprofit organizations.

Existing law authorizes the Department of Motor Vehicles to charge and collect fees for issuing certificates of title for vehicles present or registered in this State. (NRS 482.429) **Section 9.5** of this bill provides that such fees do not apply to an ambulance owned or operated by certain nonprofit organizations.



Existing law imposes a fee for the registration of a motor vehicle. (NRS 482.480) **Section 11** of this bill provides that the fee does not apply to 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. Motor vehicle fuel if it remains in interstate or foreign commerce.

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

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

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

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

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

7. Motor vehicle fuel, aviation fuel or fuel for jet or turbine-powered aircraft 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.



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

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

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. 2.5. NRS 371.100 is hereby amended to read as follows:

371.100 1. The governmental services tax imposed by this chapter does not apply to:

(a) Vehicles owned by the United States, the State of Nevada, any political subdivision of the State of Nevada, or any county, municipal corporation, city, unincorporated town or school district in the State of Nevada;

(b) Except for vehicles used for commercial purposes, vehicles owned by the governing body of an Indian reservation or Indian colony in this State if:



(1) The Indian tribe of the reservation or colony is recognized by federal law; and

(2) The governing body is located on the reservation or colony;

(c) Vehicles for whose operation money is provided by the State or Federal Government and which are operated solely for the transportation of or furnishing services to elderly or handicapped persons; ~~for~~

(d) Emergency vehicles owned by any volunteer fire department or volunteer ambulance service based in this State ~~for~~; or

(e) Ambulances, as defined in NRS 450B.040, owned or operated by a nonprofit organization which is created for religious, charitable or educational purposes and which holds a permit to own or operate ambulances pursuant to chapter 450B of NRS.

2. Any vehicle which ceases to be used exclusively for the purpose for which it is exempted from the governmental services tax by this section becomes immediately subject to that tax.

3. Except as otherwise provided in subsection 4, vehicles exempted from the governmental services tax by this section which are leased, loaned or otherwise made available to and used by a private person, association or corporation in connection with a business conducted for profit are subject to taxation in the same amount and to the same extent as though the lessee or user were the owner of such vehicle.

4. Vehicles which are used by a private person and are dedicated for exclusive use as part of a system which:

(a) Operates 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 exempted from the governmental services 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 ~~for~~; 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



1 *transferred for use by such a nonprofit organization, whether by*
2 *sale or lease and regardless of whether title to the air ambulance*
3 *passes to the nonprofit organization at any time during the use of*
4 *the air ambulance.*

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

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

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

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

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

16 373.030 1. In any county for all or part of which a streets and
17 highways plan has been adopted as a part of the master plan by the
18 county or regional planning commission pursuant to NRS 278.150,
19 the board may by ordinance:

20 (a) Create a regional transportation commission; and

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

25 2. A tax imposed pursuant to this section is in addition to other
26 motor vehicle fuel taxes imposed pursuant to the provisions of
27 chapter 365 of NRS.

28 3. As used in this section:

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

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

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

35 373.065 1. Except as otherwise provided in this section, in a
36 county whose population is less than 400,000:

37 (a) The board may by ordinance impose:

38 (1) An excise tax on each gallon of motor vehicle fuel,
39 except aviation fuel ~~and~~ *and motor vehicle fuel exempted pursuant*
40 *to section 4 of this act*, sold in the county in an amount equal to the
41 product obtained by multiplying the amount of the tax imposed
42 pursuant to NRS 365.180 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; 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~~ *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



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1 in an amount equal to the product obtained by multiplying the
2 amount of the tax imposed pursuant to paragraph (b) of subsection 1
3 of NRS 373.030 by the lesser of 4.5 percent or the average
4 percentage of increase in the Consumer Price Index for West Urban
5 Consumers for the preceding 5 years; and

6 (2) An annual increase in the tax imposed pursuant to
7 subparagraph (1), on the first day of each fiscal year following the
8 fiscal year in which that tax becomes effective, in an amount equal
9 to the sum of the tax imposed pursuant to paragraph (b) of
10 subsection 1 of NRS 373.030 and the tax imposed pursuant to
11 subparagraph (1) during the preceding fiscal year, multiplied by the
12 lesser of 4.5 percent or the average percentage of increase in the
13 Consumer Price Index for West Urban Consumers for the preceding
14 5 years.

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

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

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

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

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

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

40 (a) Must be reapproved, in addition to the approval required by
41 paragraph (b) of subsection 2, at least once every 8 years by a
42 majority of the registered voters of the county voting on the question
43 which the board may submit to the voters at any general election;
44 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:

(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



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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 365.180 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. 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 ~~it~~; 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. (Deleted by amendment.)

Sec. 8.5. NRS 482.268 is hereby amended to read as follows:

482.268 ~~HB~~ **1.** *Except as otherwise provided in this section, in addition to any other applicable fee, there must be paid to the Department a fee of 50 cents for each license plate issued for a motor vehicle, trailer or semitrailer. The fee paid pursuant to this section must be deposited with the State Treasurer for credit to the Fund for Prison Industries to defray the cost of producing the license plate.*

2. *The fee imposed by this section does not apply to an ambulance, as defined in NRS 450B.040, owned or operated by a nonprofit organization which is created for religious, charitable or educational purposes and which holds a permit to own or operate an ambulance pursuant to chapter 450B of NRS.*

Sec. 9. (Deleted by amendment.)

Sec. 9.5. NRS 482.429 is hereby amended to read as follows:

482.429 ~~For~~ **1.** *Except as otherwise provided in this section, for its services under this chapter, the Department shall charge and collect the following fees:*

For each certificate of title issued for a vehicle present or registered in this State.....	\$20.00
For each duplicate certificate of title issued.....	20.00
For each certificate of title issued for a vehicle not present in or registered in this State.....	35.00
For the processing of each dealer's or rebuilder's report of sale submitted to the Department.....	8.25
For the processing of each long-term lessor's report of lease submitted to the Department.....	8.25
For the processing of each endorsed certificate of title or statement submitted to the Department upon the sale of a used or rebuilt vehicle in this State by a person who is not a dealer or rebuilder.....	8.25

2. *The fees imposed by this section for each certificate of title or duplicate certificate of title issued for a vehicle present or registered in this State do not apply to an ambulance, as defined in NRS 450B.040, owned or operated by a nonprofit organization which is created for religious, charitable or educational purposes*



1 *and which holds a permit to own or operate an ambulance*
2 *pursuant to chapter 450B of NRS.*

3 **Sec. 10.** NRS 482.480 is hereby amended to read as follows:

4 482.480 ~~[There]~~ *Except as otherwise provided in NRS*
5 *482.503, there* must be paid to the Department for the registration or
6 the transfer or reinstatement of the registration of motor vehicles,
7 trailers and semitrailers, fees according to the following schedule:

8 1. Except as otherwise provided in this section, for each stock
9 passenger car and each reconstructed or specially constructed
10 passenger car registered to a person, regardless of weight or number
11 of passenger capacity, a fee for registration of \$33.

12 2. Except as otherwise provided in subsection 3:

13 (a) For each of the fifth and sixth such cars registered to a
14 person, a fee for registration of \$16.50.

15 (b) For each of the seventh and eighth such cars registered to a
16 person, a fee for registration of \$12.

17 (c) For each of the ninth or more such cars registered to a
18 person, a fee for registration of \$8.

19 3. The fees specified in subsection 2 do not apply:

20 (a) Unless the person registering the cars presents to the
21 Department at the time of registration the registrations of all of the
22 cars registered to him.

23 (b) To cars that are part of a fleet.

24 4. For every motorcycle, a fee for registration of \$33 and for
25 each motorcycle other than a trimobile, an additional fee of \$6 for
26 motorcycle safety. The additional fee must be deposited in the State
27 Highway Fund for credit to the Account for the Program for the
28 Education of Motorcycle Riders.

29 5. For each transfer of registration, a fee of \$6 in addition to
30 any other fees.

31 6. Except as otherwise provided in subsection 9 of NRS
32 485.317, to reinstate the registration of a motor vehicle suspended
33 pursuant to that section:

34 (a) A fee of \$250 for a registered owner who failed to have
35 insurance on the date specified in the form for verification that was
36 mailed by the Department pursuant to subsection 3 of NRS 485.317;
37 or

38 (b) A fee of \$50 for a registered owner of a dormant vehicle who
39 cancelled the insurance coverage for that vehicle or allowed the
40 insurance coverage for that vehicle to expire without first cancelling
41 the registration for the vehicle in accordance with subsection 3 of
42 NRS 485.320,

43 ➤ both of which must be deposited in the Account for Verification
44 of Insurance which is hereby created in the State Highway Fund.



1 The money in the Account must be used to carry out the provisions
2 of NRS 485.313 to 485.318, inclusive.

3 7. For every travel trailer, a fee for registration of \$27.

4 8. For every permit for the operation of a golf cart, an annual
5 fee of \$10.

6 9. For every low-speed vehicle, as that term is defined in NRS
7 484.527, a fee for registration of \$33.

8 10. To reinstate the registration of a motor vehicle that is
9 suspended pursuant to NRS 482.451, a fee of \$33.

10 **Sec. 11.** NRS 482.503 is hereby amended to read as follows:

11 482.503 The registration fee imposed by this chapter does not
12 apply to ~~vehicles~~:

13 *1. A vehicle* owned by the United States, the State of Nevada,
14 any political subdivision of the State of Nevada, or any county,
15 municipal corporation, city, unincorporated town or school district
16 in the State of Nevada.

17 *2. An ambulance, as defined in NRS 450B.040, owned or*
18 *operated by a nonprofit organization which is created for*
19 *religious, charitable or educational purposes and which holds a*
20 *permit to own or operate an ambulance pursuant to chapter 450B*
21 *of NRS.*

22 **Sec. 12.** This act becomes effective on July 1, 2009.

