

SENATE BILL NO. 502—COMMITTEE ON FINANCE
(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 23, 2015

Referred to Committee on Transportation

SUMMARY—Makes an appropriation to the Department of Motor Vehicles for the modernization of its current platform of information technology and authorizes the Department to collect a technology fee. (BDR 43-1177)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Executive Budget.

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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 the Department of Motor Vehicles; creating an account in the Motor Vehicle Fund for system modernization; authorizing the Department to collect a technology fee; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 2** of this bill creates the Revolving Account for System Modernization
2 within the Motor Vehicle Fund. **Section 6** of this bill makes an appropriation of
3 \$40,536,613 to the Account to pay for the upgrade of the platform of information
4 technology used by the Department of Motor Vehicles. **Section 3** of this bill
5 authorizes the Department to assess a \$1 technology fee on certain paid
6 transactions, to be deposited into the Account. Existing law requires that the cost of
7 administration of the Department be not more than 22 percent of the license and
8 registration fees collected. (NRS 408.235) **Section 5** of this bill excludes the money
9 spent from the Account for the technology upgrade from the costs of
10 administration.



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

Section 1. Chapter 481 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. *The Revolving Account for System Modernization is hereby created in the Motor Vehicle Fund.*

2. *The Director shall administer the Account. The money in the Account must be expended to pay for any costs associated with the implementation, upgrade and maintenance of the platform of information technology used by the Department.*

3. *The Director may apply for and accept any legislative appropriations, fees, gifts, grants, donations or other sources of money for deposit in the Account.*

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

5. *Any money remaining in the Account at the end of the fiscal year does not revert to the State General Fund or the State Highway Fund, and the balance of the Account must remain in the Account and be carried forward to the next fiscal year.*

6. *The expenditure of money in the Account is not deemed to be costs of administration of the Department for the purposes of NRS 408.235.*

7. *As used in this section:*

(a) *"Information technology" has the meaning ascribed to it in NRS 242.059.*

(b) *"Platform" means a group of technologies that are used as a base upon which other applications, processes or technologies are developed.*

Sec. 3. *The Department shall add a nonrefundable technology fee of \$1 to the existing fee for any transaction performed by the Department as specified by regulation of the Director. The technology fee must be deposited in the Revolving Account for System Modernization created by section 2 of this act.*

Sec. 4. NRS 481.079 is hereby amended to read as follows:

481.079 1. Except as otherwise provided by *section 3 of this act or any other* specific statute, all taxes, license fees and money collected by the Department must be deposited with the State Treasurer to the credit of the Motor Vehicle Fund.

2. If a check or any other method of payment accepted by the Department in payment of such fees is returned to the Department or otherwise dishonored upon presentation for payment:

(a) The drawer or any other person responsible for payment of the fee is subject to a fee in the amount established by the State



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1 Controller pursuant to NRS 353C.115 in addition to any other
2 penalties provided by law; and

3 (b) The Department may require that future payments from the
4 person be made by cashier's check, money order, traveler's check or
5 cash.

6 3. The Department may adjust the amount of a deposit made
7 with the State Treasurer to the credit of the Motor Vehicle Fund for
8 any cash shortage or overage resulting from the collection of fees.

9 **Sec. 5.** NRS 408.235 is hereby amended to read as follows:

10 408.235 1. There is hereby created the State Highway Fund.

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

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

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

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

24 4. ~~{Costs}~~ *Except as otherwise provided in section 2 of this*
25 *act, costs* of administration for the collection of the proceeds for any
26 license or registration fees and other charges with respect to the
27 operation of any motor vehicle must be limited to a sum not to
28 exceed 22 percent of the total proceeds so collected.

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

32 6. All bills and charges against the State Highway Fund for
33 administration, construction, reconstruction, improvement and
34 maintenance of highways under the provisions of this chapter must
35 be certified by the Director and must be presented to and examined
36 by the State Board of Examiners. When allowed by the State Board
37 of Examiners and upon being audited by the State Controller, the
38 State Controller shall draw his or her warrant therefor upon the State
39 Treasurer.

40 7. The money deposited in the State Highway Fund pursuant to
41 NRS 244A.637 and 354.59815 must be maintained in a separate
42 account for the county from which the money was received. The
43 interest and income on the money in the account, after deducting
44 any applicable charges, must be credited to the account. Any money
45 remaining in the account at the end of each fiscal year does not



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1 revert to the State Highway Fund but must be carried over into the
2 next fiscal year. The money in the account:

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

6 (b) Must not be used to reduce or supplant the amount or
7 percentage of any money which would otherwise be made available
8 from the State Highway Fund for projects in that county; and

9 (c) Must not be used for any costs of administration or to
10 purchase any equipment.

11 8. The money deposited in the State Highway Fund pursuant to
12 NRS 482.313 must be maintained in a separate account. The interest
13 and income on the money in the account, after deducting any
14 applicable charges, must be credited to the account. Any money
15 remaining in the account at the end of each fiscal year does not
16 revert to the State Highway Fund but must be carried over into the
17 next fiscal year. The money in the account:

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

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

23 **Sec. 6.** There is hereby appropriated from the State Highway
24 Fund to the Revolving Account for System Modernization created
25 by section 2 of this act the sum of \$40,536,613 for upgrading the
26 current platform of information technology used by the Department
27 of Motor Vehicles.

28 **Sec. 7.** This act becomes effective:

29 1. Upon passage and approval for the purpose of adopting any
30 regulations and performing any other preparatory administrative
31 tasks necessary to carry out the provisions of this act; and

32 2. On July 1, 2015, for all other purposes.

