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SECOND REPRINT

S.B. 502

SENATE BILL NO. 502—COMMITTEE ON FINANCE

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 23, 2015

Referred to Committee on Transportation

SUMMARY—Temporarily authorizes the Department of Motor Vehicles 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; temporarily authorizing the Department to collect a technology fee; temporarily increasing the limitation on the percentage of the proceeds of certain fees and charges collected by the Department that are authorized for the Department's costs of administration associated with the collection of those fees and charges; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 3 of this bill authorizes the Department of Motor Vehicles to assess a \$1 technology fee on paid transactions, to be used by the Department to pay the expenses associated with implementing, upgrading and maintaining the platform of information technology used by the Department. **Section 7** of this bill authorizes the collection of the technology fee until June 30, 2020.

Under existing law, all the proceeds from the imposition of any license or registration fee and other charges regarding the operation of a motor vehicle on any public highway, road or street in Nevada, except costs of administering the collection thereof, is required to be used exclusively for the construction, maintenance and repair of the State's public highways. (Nev. Const. Art. 9, § 5; NRS 408.235) Existing law limits the amount of such proceeds that are authorized to be used for costs of administration to 22 percent of the proceeds collected. (NRS 408.235) **Section 5** of this bill temporarily increases this limitation for costs of administration to 27 percent during the period in which the Department is collecting the technology fee.



* S B 5 0 2 R 2 *

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. (Deleted by amendment.)

Sec. 3. *The Department shall add a nonrefundable technology fee of \$1 to the existing fee for any transaction performed by the Department for which a fee is charged. The technology fee must be used to pay the expenses associated with implementing, upgrading and maintaining the platform of information technology used by the Department.*

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

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

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

Sec. 5. 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 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 interest and income earned on the money in the State Highway Fund, after deducting any applicable charges, must be credited to the Fund.



4. 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 ~~12 1/2~~ 27 percent of the total proceeds so collected.

5. 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. All bills and charges against the State Highway Fund for 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 or her warrant therefor upon the State Treasurer.

7. The money deposited in the State Highway Fund pursuant to NRS 244A.637 and 354.59815 must be maintained in a separate account for the county from which the money was received. The interest and income on the money in the account, after deducting any applicable charges, must be credited to the account. Any money remaining in the account at the end of each fiscal year does not revert to the State Highway Fund but must be carried over into the next fiscal year. The money in the account:

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

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

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

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

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

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

Sec. 6. (Deleted by amendment.)

Sec. 6.5. (Deleted by amendment.)



1 **Sec. 7.** This act becomes effective on July 1, 2015, and expires
2 by limitation on June 30, 2020.



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