

**EXECUTIVE AGENCY**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 31, 2015

Agency Submitting: Department of Motor Vehicles, Motor Carrier Division

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

BDR 58-788 requires the Department to complete certain audits within 90 days and then provide to the motor carrier a final report within 90 days of completion of the audit. This BDR also places limitations on how the Department conducts audits and prohibits the Department from charging interest on administrative fines or other monetary penalties. Nevada Statute provides authority to assess penalties and interest on taxes or fees due; therefore the Department does not assess additional penalties or interest on fines, penalties, or interest on its audits. Procedurally, language in this bill is in conflict with International Registration Plan (IRP) and International Fuel Tax Agreement (IFTA). Nevada is in compliance with the number of audits required each year so resources are not an issue. However, it is impossible to meet the 90 day deadline due to licensee notification and auditing requirements of IRP and IFTA which must be met by each member jurisdiction. Additionally, placing restrictions on an agency from conducting an audit on a company with known deficiencies is a violation of standard auditing practices. Audits are initiated based on risk factors, leads from external sources, and other random selection processes. Ownership is not considered as a criteria for audit selection and would place prejudice on the selection process. It is unknown how many companies licensed through Motor Carrier Division have the exact same ownership as this information is not tracked and audit findings vary based on the deficiencies identified. Therefore, the loss of revenue if this bill becomes law cannot be determined at this time.

Name Amy McKinney

Title Chief of Administration

**DEPARTMENT OF ADMINISTRATION'S COMMENTS**

The agency's response appears reasonable.

Date Monday, March 30, 2015

Name James R. Wells, CPA

Title Interim Director