

SENATE BILL NO. 61—COMMITTEE ON REVENUE
AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE CITY OF FERNLEY)

PREFILED NOVEMBER 19, 2018

Referred to Committee on Revenue and Economic Development

SUMMARY—Authorizes the imposition of a tax on diesel fuel by certain incorporated cities in this State. (BDR 32-463)

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

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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; creating the City Diesel Fuel Tax Law; authorizing certain incorporated cities in this State to impose an excise tax on the sale of diesel fuel used in motor vehicles; setting forth certain mandatory provisions of an ordinance by which a city imposes an excise tax on diesel fuel; authorizing certain persons who use diesel fuel in motor vehicles operated or intended to operate interstate to request and obtain reimbursement for the tax paid on diesel fuel consumed outside this State; establishing the approved uses of the revenues of any excise tax on diesel fuel imposed by a city; establishing certain reporting requirements concerning the proposed use of revenues from any excise tax on diesel fuel imposed by a city; providing for the administration by the Department of Motor Vehicles of any excise tax on diesel fuel imposed by a city; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law provides for the imposition by the State and by counties in this
- 2 State of excise taxes on motor vehicle fuels. (Chapters 365 and 373 of NRS)
- 3 Existing law also provides for the imposition of excise taxes on special fuels used
- 4 to propel motor vehicles, including without limitation, diesel fuel, by the State and



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by a county whose population is 100,000 or more (currently Clark and Washoe Counties). (Chapter 366 of NRS, NRS 373.066, 373.0663)

Sections 1-25 of this bill create the City Diesel Fuel Tax Law. **Section 12** of this bill authorizes the city council of a city organized pursuant to chapter 266 of NRS to impose an excise tax on diesel fuel sold in the city in an amount not to exceed 5 cents per gallon in addition to any other taxes on diesel fuel imposed by law. **Section 14** of this bill sets forth certain mandatory provisions of an ordinance imposing the tax authorized by **section 12**, including the requirement that the city contract with the Department of Motor Vehicles to administer the tax. **Sections 15, 16 and 18-25** of this bill provide for the administration of the city diesel fuel tax, the distribution of the proceeds of the tax to the city and expenditure of the proceeds of the city diesel fuel tax. **Sections 22-24** of this bill provide for the financing of projects for street and highway construction, maintenance and repair using the proceeds of the city diesel fuel tax. **Section 50** of this bill requires a city council that imposes a city diesel fuel tax to: (1) prepare a comprehensive report of the proposed uses of the proceeds of the tax every 10 years; (2) hold a public hearing on the report; and (3) provide a copy of the report to the Legislature. **Sections 27-47** of this bill provide for the administration by the Department of Motor Vehicles of the city diesel fuel tax consistent with the provisions of existing law governing the administration by the Department of state and county fuel taxes.

The Department of Motor Vehicles is a party to the International Fuel Tax Agreement, a multistate agreement which facilitates the calculation and collection of certain fuel taxes from interstate trucking companies and others who use special fuel (primarily diesel fuel) in vehicles operated or intended to operate interstate. (NRS 366.175) Existing law: (1) authorizes certain special fuel users to file with the Department a request for reimbursement of amounts owed to the special fuel user as a result of the Department's entering into the International Fuel Tax Agreement and the imposition of a tax on special fuels consumed outside this State; and (2) requires the Department to adopt regulations establishing a system to provide reimbursement of a person who files such a request. (NRS 373.083) **Section 17** of this bill authorizes a person who pays a tax imposed by a city on diesel fuel to file such a request and obtain from the Department a reimbursement of the tax on diesel fuel which is consumed outside this State. **Sections 48 and 49** of this bill make conforming changes.

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

Section 1. Title 32 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 25, inclusive, of this act.

Sec. 2. *This chapter may be cited as the City Diesel Fuel Tax Law.*

Sec. 3. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 4 to 11, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 4. *"Acquisition" or "acquire" means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the United*



1 *States of America, any agency, instrumentality or corporation*
2 *thereof, the State of Nevada, any body corporate and politic*
3 *therein, any corporation, or any person, the endowment, bequest,*
4 *devise, condemnation, transfer, assignment, option to purchase,*
5 *other contract or other acquirement, or any combination thereof,*
6 *of any project, or an interest therein, authorized by this chapter.*

7 **Sec. 5.** *“City” means a city organized pursuant to the*
8 *provisions of chapter 266 of NRS.*

9 **Sec. 6.** *“Cost of the project,” or any phrase of similar import,*
10 *means all or any part designated by the council of the cost of any*
11 *project, or interest therein, being acquired, which cost, at the*
12 *option of the council may include all or any part of the incidental*
13 *costs pertaining to the project, including, without limitation,*
14 *preliminary expenses advanced by the city from money available*
15 *for use therefor or any other source, or advanced by the State of*
16 *Nevada or the Federal Government, or any corporation, agency or*
17 *instrumentality thereof, with the approval of the city, or any*
18 *combination thereof, in the making of surveys, preliminary plans,*
19 *estimates of costs, other preliminaries, the costs of appraising,*
20 *printing, estimates, advice, contracting for the services of*
21 *engineers, architects, financial consultants, attorneys at law,*
22 *clerical help, other agents or employees, the costs of making,*
23 *publishing, posting, mailing and otherwise giving any notice in*
24 *connection with the project, the taking of options, the issuance of*
25 *bonds and other securities, contingencies, the capitalization with*
26 *bond proceeds of any interest on the bonds for any period not*
27 *exceeding 1 year and of any reserves for the payment of the*
28 *principal of an interest on the bonds, the filing or recordation of*
29 *instruments, the costs of medium-term obligations, construction*
30 *loans and other temporary loans of not exceeding 10 years*
31 *appertaining to the project and of the incidental expenses incurred*
32 *in connection with such financing or loans, and all other expenses*
33 *necessary or desirable and appertaining to any project, as*
34 *estimated or otherwise ascertained by the council.*

35 **Sec. 7.** *“Council” means the city council of a city.*

36 **Sec. 8.** *“Department” means the Department of Motor*
37 *Vehicles.*

38 **Sec. 9.** *“Diesel fuel” means diesel fuel that is used for the*
39 *generation of power for the propulsion of motor vehicles.*

40 **Sec. 10.** *“Improvement” or “improve” means the extension,*
41 *widening, lengthening, betterment, alteration, reconstruction,*
42 *surfacing, resurfacing or other major improvement, or any*
43 *combination thereof, of any project, or an interest therein,*
44 *authorized by this chapter. The term includes renovation,*



1 *reconditioning, patching, general maintenance and other minor*
2 *repairs.*

3 **Sec. 11.** *“Project” means street and highway construction,*
4 *maintenance or repair, or any combination thereof, including,*
5 *without limitation, the acquisition, maintenance, repair and*
6 *improvement of any street, avenue, boulevard, alley, highway or*
7 *other public right-of-way used for any vehicular traffic, and*
8 *including a sidewalk designed primarily for use by pedestrians,*
9 *and also, including, without limitation, grades, regrades, gravel,*
10 *oiling, surfacing, macadamizing, paving, crosswalks, sidewalks,*
11 *pedestrian rights-of-way, driveway approaches, curb cuts, curbs,*
12 *gutters, culverts, catch basins, drains, sewers, manholes, inlets,*
13 *outlets, retaining walls, bridges, overpasses, tunnels, underpasses,*
14 *approaches, sprinkling facilities, artificial lights and lighting*
15 *equipment, parkways, grade separators, traffic separators and*
16 *traffic control equipment, and all appurtenances and incidentals,*
17 *or any combination thereof, including, without limitation, the*
18 *acquisition, maintenance, repair and improvement of all types of*
19 *property therefor.*

20 **Sec. 12.** 1. *A council may by ordinance impose an excise*
21 *tax on diesel fuel sold in the city in an amount not to exceed 5*
22 *cents per gallon.*

23 2. *A tax imposed pursuant to this section is in addition to any*
24 *other taxes on diesel fuel imposed by law.*

25 **Sec. 13.** *Any ordinance enacted pursuant to section 12 of this*
26 *act must provide that the city diesel fuel tax will be imposed on the*
27 *first day of the second calendar month following the enactment of*
28 *the ordinance.*

29 **Sec. 14.** *Any city diesel fuel tax ordinance enacted pursuant*
30 *to this chapter must include provisions in substance as follows:*

31 1. *A provision imposing the additional excise tax and stating*
32 *the amount of the tax per gallon of fuel.*

33 2. *Provisions identical to those contained in chapter 366 of*
34 *NRS on the date of enactment of the ordinance, insofar as*
35 *applicable, except that:*

36 (a) *The name of the city as taxing agency must be substituted*
37 *for that of the State; and*

38 (b) *An additional supplier's license is not required.*

39 3. *A provision that all amendments to chapter 366 of NRS*
40 *subsequent to the date of enactment of the ordinance, not*
41 *inconsistent with this chapter, automatically become a part of the*
42 *diesel fuel tax ordinance of the city.*

43 4. *A provision that the city shall contract before the effective*
44 *date of the city diesel fuel tax ordinance with the Department to*



1 *perform all functions incident to the administration or operation*
2 *of the diesel fuel tax ordinance of the city.*

3 **Sec. 15.** *Any ordinance amending a city diesel fuel tax*
4 *ordinance enacted pursuant to this chapter must include a*
5 *provision in substance that the city shall amend the contract made*
6 *pursuant to subsection 4 of section 14 of this act by a contract*
7 *made between the city and the State acting by and through the*
8 *Department before the effective date of such amendatory*
9 *ordinance, unless the city determines that no such amendment of*
10 *the contract is necessary or desirable.*

11 **Sec. 16.** *All city diesel fuel taxes collected during any month*
12 *by the Department pursuant to a contract with a city must be*
13 *transmitted each month by the Department to the city, and the*
14 *Department shall, in accordance with the terms of the contract,*
15 *charge the city for the services of the Department specified in this*
16 *section and section 14 of this act.*

17 **Sec. 17.** *1. A person who uses diesel fuel in a motor vehicle*
18 *operated or intended to operate interstate and who pays any tax*
19 *imposed on diesel fuel pursuant to section 12 of this act may file*
20 *with the Department a request for reimbursement of any amounts*
21 *owed to the person as a result of the Department entering into an*
22 *agreement pursuant to NRS 366.175 and the imposition, pursuant*
23 *to section 12 of this act, of any tax on diesel fuel which is*
24 *consumed outside this State.*

25 *2. The provisions of NRS 373.083 and the regulations*
26 *adopted pursuant thereto apply to a reimbursement requested*
27 *pursuant to this section except that any reference to a county in*
28 *NRS 373.083 and the regulations adopted pursuant thereto shall*
29 *be deemed to refer to a city imposing a tax on diesel fuel pursuant*
30 *to section 12 of this act.*

31 *3. The Department shall charge and collect a fee in an*
32 *amount not to exceed \$100 for each request for reimbursement*
33 *filed by a person pursuant to subsection 1. All money from the fees*
34 *collected by the Department pursuant to this subsection must be*
35 *deposited in the Local Fuel Tax Fund created by NRS 373.087.*

36 **Sec. 18.** *For the purpose of each city diesel fuel tax imposed*
37 *by an ordinance enacted pursuant to this chapter, diesel fuel is*
38 *sold at the place where it is delivered into a vehicle not belonging*
39 *to the seller or into a stationary tank on the premises of the buyer.*

40 **Sec. 19.** *The Department may redistribute any tax, penalty*
41 *and interest distributed to a city other than the city entitled thereto,*
42 *but no such redistribution may be made as to amounts originally*
43 *distributed more than 6 months before the date on which the*
44 *Department obtains knowledge of the improper distribution.*



1 **Sec. 20.** *All the net proceeds of any city diesel fuel tax*
2 *imposed pursuant to the provisions of section 12 of this act which*
3 *are received by the city pursuant to section 16 of this act must be:*

- 4 1. *Deposited by the city treasurer in the city treasury;*
5 2. *Accounted for as a separate fund and not as a part of any*
6 *other fund; and*
7 3. *Disbursed only in accordance with the provisions of this*
8 *chapter.*

9 **Sec. 21.** 1. *No city diesel fuel tax ordinance may be*
10 *repealed or amended or otherwise directly or indirectly modified in*
11 *such a manner as to impair adversely any outstanding bonds*
12 *issued under this chapter or other obligations incurred under this*
13 *chapter, until all obligations for which revenues from such*
14 *ordinance have been pledged or otherwise made payable from*
15 *such revenues pursuant to this chapter have been discharged in*
16 *full.*

17 2. *The faith of the State of Nevada is hereby pledged that this*
18 *chapter and any law supplemental thereto, including, without*
19 *limitation, provisions for the distribution to any city which enacts*
20 *an ordinance pursuant to section 12 of this act, of the proceeds of*
21 *the diesel fuel tax collected thereunder will not be repealed,*
22 *amended or otherwise directly or indirectly modified in such a*
23 *manner as to impair adversely any outstanding bonds issued*
24 *under this chapter or other obligations incurred under this*
25 *chapter, until all obligations for which any such tax proceeds have*
26 *been pledged or otherwise made payable from such tax proceeds*
27 *pursuant to this chapter have been discharged in full, but the State*
28 *of Nevada may at any time provide by act that no further*
29 *obligations may be incurred thereafter.*

30 **Sec. 22.** 1. *Money for the payment of the cost of a project*
31 *may be obtained by the issuance of revenue bonds and other*
32 *revenue securities as provided in subsection 2 or, subject to any*
33 *pledges, liens and other contractual limitations made pursuant to*
34 *the provisions of this chapter, may be obtained by direct*
35 *distribution from the fund described in section 20 of this act or*
36 *may be obtained both by the issuance of such securities and by*
37 *such direct distribution, as the council may determine.*

38 2. *The council may, after the enactment of any ordinance*
39 *authorized by section 12 of this act, issue revenue bonds and other*
40 *revenue securities, on the behalf and in the name of the city:*

41 (a) *The total of all of which, issued and outstanding at any one*
42 *time, must not be in an amount requiring a total debt service in*
43 *excess of the estimated receipts to be derived from the diesel fuel*
44 *tax imposed pursuant to the provisions of section 12 of this act*
45 *and, with respect to notes, warrants or interim debentures*



described in paragraphs (a) and (b) of subsection 6, the proceeds of bonds or interim debentures;

(b) Which must not be general obligations of the city or a charge on any real estate within the city; and

(c) Which may be secured as to principal and interest by a pledge authorized by this chapter of the receipts from the diesel fuel tax designated in this chapter.

3. A city is authorized to issue bonds or other securities without the necessity of their being authorized at any election in such manner and with such terms as provided in this chapter.

4. Subject to the provisions of this chapter, for any project authorized therein, the council may, on the behalf and in the name of the city, borrow money, otherwise become obligated, and evidence obligations by the issuance of bonds and other city securities, and in connection with the undertaking or project, the council may otherwise proceed as provided in the City Bond Law.

5. All such securities constitute special obligations payable from the net receipts of the diesel fuel taxes designated in this chapter, and the pledge of revenues to secure the payment of the securities must be limited to those net receipts.

6. Except for:

(a) Any notes or warrants which are funded with the proceeds of interim debentures or bonds;

(b) Any interim debentures which are funded with the proceeds of bonds;

(c) Any temporary bonds which are exchanged for definitive bonds;

(d) Any bonds which are reissued or which are refunded; and

(e) The use of any profit from any investment and reinvestment for the payment of any bonds or other securities issued pursuant to the provisions of this chapter,

↪ all bonds and other securities issued pursuant to the provisions of this chapter must be payable solely from the proceeds of the city diesel fuel tax collected by or remitted to the city pursuant to this chapter.

7. The ordinance authorizing the issuance of any bond or other revenue security under this section must describe the purpose for which it is issued at least in general terms and may describe the purpose in detail. This section does not prevent the modification by the council of details as to the purpose stated in the ordinance authorizing the issuance of any bond or other security after its issuance.

Sec. 23. 1. The ordinance or ordinances providing for the issuance of any bonds or other securities issued under this chapter payable from the receipts from the diesel fuel taxes authorized by



1 *this chapter may at the discretion of the council, in addition to*
2 *covenants and other provisions authorized in the City Bond Law,*
3 *contain covenants or other provisions as to the pledge of and*
4 *the creation of a lien upon the receipts of the taxes collected for*
5 *the city pursuant to the provisions of section 12 of this act or the*
6 *proceeds of the bonds or other securities pending their application*
7 *to defray the cost of the project, or both such tax proceeds and*
8 *security proceeds, to secure the payment of revenue bonds or other*
9 *securities issued under this chapter.*

10 2. *If the council determines in any ordinance authorizing the*
11 *issuance of any bonds or other securities under this chapter that*
12 *the proceeds of the taxes levied and collected pursuant to the*
13 *provisions of section 12 of this act are sufficient to pay all bonds*
14 *and securities, including the proposed issue, from the proceeds*
15 *thereof, the council may additionally secure the payment of any*
16 *bonds or other securities issued pursuant to the ordinance under*
17 *this chapter by a pledge of and the creation of a lien upon not only*
18 *the proceeds of any city diesel fuel tax authorized at the time of the*
19 *issuance of such securities to be used for such payment in*
20 *subsection 6 of section 22 of this act, but also the proceeds of any*
21 *such tax thereafter authorized to be used or pledged, or used and*
22 *pledged, for the payment of such securities, whether such tax be*
23 *levied or collected by the city, the State of Nevada, or otherwise, or*
24 *be levied in at least an equivalent value in lieu of any such tax*
25 *existing at the time of the issuance of such securities or be levied*
26 *in supplementation thereof.*

27 3. *The pledges and liens authorized by subsections 1 and 2*
28 *extend to the proceeds of any tax collected for use by the city on*
29 *any diesel fuel so long as any bonds or other securities issued*
30 *under this chapter remain outstanding and are not limited to any*
31 *type or types of diesel fuel in use when the bonds or other*
32 *securities are issued.*

33 **Sec. 24.** *The council is authorized to sell such bonds or other*
34 *securities from time to time at public or private sale as the council*
35 *may determine.*

36 **Sec. 25.** *This chapter, without reference to other statutes*
37 *except as herein provided, shall constitute full authority for the*
38 *authorization and issuance of bonds hereunder. No other law,*
39 *with regard to the authorization or issuance of bonds, that*
40 *provides for an election, requires an approval, or in any way*
41 *impedes or restricts the carrying out of the acts herein authorized*
42 *to be done shall be construed as applying to any proceedings taken*
43 *hereunder or acts done pursuant hereto.*



Sec. 26. NRS 360.001 is hereby amended to read as follows:

360.001 As used in this title, except as otherwise provided in chapters 360A, 365, 366, 371 and 373 of NRS *and sections 2 to 25, inclusive, of this act* and unless the context requires otherwise:

1. "Department" means the Department of Taxation.

2. "Executive Director" means the Executive Director of the Department of Taxation.

Sec. 27. NRS 360A.020 is hereby amended to read as follows:

360A.020 The Department shall adopt:

1. Such regulations as are necessary to carry out the provisions of this chapter.

2. Regulations providing for:

(a) The electronic submission of returns to the Department; and

(b) The payment to the Department of any amount required to be paid pursuant to this chapter or chapter 365, 366 or 373 of NRS, *or sections 2 to 25, inclusive, of this act*, or NRS 445C.330 or 590.120 through the use of credit cards, debit cards and electronic transfers of money.

Sec. 28. NRS 360A.034 is hereby amended to read as follows:

360A.034 1. The Legislature hereby declares that each taxpayer has the right:

(a) To be treated by officers and employees of the Department with courtesy, fairness, uniformity, consistency and common sense.

(b) To a prompt response from the Department to each communication from the taxpayer.

(c) To provide the minimum documentation and other information as may reasonably be required by the Department to carry out its duties.

(d) To written explanations of common errors, oversights and violations that taxpayers experience and instructions on how to avoid such problems.

(e) To be notified, in writing, by the Department whenever its officer, employee or agent determines that the taxpayer is entitled to an exemption or has been taxed or assessed more than is required by law.

(f) To written instructions indicating how the taxpayer may petition for:

(1) An adjustment of an assessment;

(2) A refund or credit for overpayment of taxes, interest or penalties; or

(3) A reduction in or the release of a bond or other form of security required to be furnished pursuant to the provisions of chapters 365 and 366 of NRS.

(g) To recover an overpayment of taxes promptly upon the final determination of such an overpayment.



(h) To obtain specific advice from the Department concerning the taxes imposed pursuant to chapters 365, 366 and 373 of NRS ~~and~~ *and sections 2 to 25, inclusive, of this act.*

(i) In any meeting with the Department, including an audit, conference, interview or hearing:

(1) To an explanation by an officer, agent or employee of the Department that describes the procedures to be followed and the taxpayer's rights thereunder;

(2) To be represented by himself or herself or anyone who is otherwise authorized by law to represent the taxpayer before the Department;

(3) To make an audio recording using the taxpayer's own equipment and at the taxpayer's own expense; and

(4) To receive a copy of any document or audio recording made by or in the possession of the Department relating to the determination or collection of any tax for which the taxpayer is assessed, upon payment of the actual cost to the Department of making the copy.

(j) To a full explanation of the authority of the Department to assess a tax or to collect delinquent taxes, including the procedures and notices for review and appeal that are required for the protection of the taxpayer. An explanation which meets the requirements of this section must also be included with each notice to a taxpayer that an audit will be conducted by the Department.

(k) To the immediate release of any lien which the Department has placed on real or personal property for the nonpayment of any tax when:

(1) The tax is paid;

(2) The period of limitation for collecting the tax expires;

(3) The lien is the result of an error by the Department;

(4) The Department determines that the taxes, interest and penalties are secured sufficiently by a lien on other property;

(5) The release or subordination of the lien will not jeopardize the collection of the taxes, interest and penalties;

(6) The release of the lien will facilitate the collection of the taxes, interest and penalties; or

(7) The Department determines that the lien is creating an economic hardship.

(l) To the release or reduction of a bond or other form of security required to be furnished pursuant to the provisions of chapters 365 and 366 of NRS by the Department in accordance with applicable statutes and regulations.

(m) To be free from harassment and intimidation by an officer, agent or employee of the Department for any reason.



(n) To have statutes imposing taxes and any regulations adopted pursuant thereto construed in favor of the taxpayer if those statutes or regulations are of doubtful validity or effect, unless there is a specific statutory provision that is applicable.

2. The provisions of chapters 365, 366 and 373 of NRS *and sections 2 to 25, inclusive, of this act* governing the administration and collection of taxes by the Department must not be construed in such a manner as to interfere or conflict with the provisions of this section or any applicable regulations.

3. The provisions of this section apply to all taxes administered and collected by the Department pursuant to the provisions of chapters 365, 366 and 373 of NRS *and sections 2 to 25, inclusive, of this act* and any regulations adopted by the Department relating thereto.

Sec. 29. NRS 360A.040 is hereby amended to read as follows:

360A.040 1. If a check or other method of payment submitted to the Department for payment of any tax or fee required by chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120 is returned to the Department or otherwise dishonored upon presentation for payment, the Department:

(a) Shall charge an additional fee in the amount established by the State Controller pursuant to NRS 353C.115 for handling the check or other method of payment; and

(b) Except as otherwise provided in NRS 353.1467, may require that any future payments be made by cashier's check, traveler's check, money order or cash.

2. If a check or other method of payment is submitted to the Department for payment of a tax or fee required by chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120 on or before the date the tax or fee is due, but is afterward returned to the Department or otherwise dishonored upon presentation for payment, the submission of the check or other method of payment shall be deemed not to constitute timely payment of the tax or fee.

Sec. 30. NRS 360A.050 is hereby amended to read as follows:

360A.050 If the Department grants an extension of time for paying any amount required to be paid pursuant to chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120, a person who pays the amount within the period for which the extension is granted shall pay, in addition to the amount owing, interest at the rate of 1 percent per month from the date the amount would have been due without the extension until the date of payment.



Sec. 31. NRS 360A.060 is hereby amended to read as follows:
360A.060 Unless a different penalty or rate of interest is specifically provided by statute, any person who fails to pay any tax or fee required by chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120 to this State or a county within the time required, shall pay a penalty of not more than 10 percent of the amount of the tax or fee that is owed, as determined by the Department, in addition to the tax or fee, plus interest at the rate of 1 percent per month, or fraction of a month, from the last day of the month following the period for which the amount or any portion of the amount should have been reported until the date of payment.

Sec. 32. NRS 360A.070 is hereby amended to read as follows:
360A.070 1. If the Director of the Department or a hearing officer designated by the Director finds that the failure of a person to make a timely return or payment of a tax or fee required by chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120 is the result of circumstances beyond the control of the person and occurred despite the exercise of ordinary care and without willful neglect, the Department may relieve the person of all or part of any interest or penalty, or both.

2. A person requesting relief must file with the Department a statement signed, under penalty of perjury, that sets forth the facts upon which the person bases his or her claim for relief.

3. The Department shall disclose, upon the request of any person:

- (a) The name of the person to whom relief was granted; and
- (b) The amount of the relief.

Sec. 33. NRS 360A.080 is hereby amended to read as follows:
360A.080 The Department may:

1. Enter into a written agreement with a person who is required to pay the taxes or fees required by chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120 for the payment of delinquent taxes or fees, interest or penalties imposed pursuant to those provisions.

2. Adopt regulations providing for:

(a) The payment of delinquent taxes or fees, interest or penalties upon the execution of a written agreement between the Department and such a person; and

(b) The cancellation of such an agreement if the person becomes delinquent in his or her payment of the delinquent taxes or fees, interest or penalties owed to the Department pursuant to the provisions of chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120.



Sec. 34. NRS 360A.090 is hereby amended to read as follows:
360A.090 1. The amounts, including interest and penalties, required to be paid by a person pursuant to chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120 must be satisfied first if:

- (a) The person is insolvent;
- (b) The person makes a voluntary assignment of his or her assets;
- (c) The estate of the person in the hands of executors, administrators or heirs, before distribution, is insufficient to pay all the debts due from the deceased; or
- (d) The estate and effects of an absconding, concealed or absent person required to pay any amount by force of such a revenue act are levied upon by process of law.

2. This section does not give the State of Nevada a preference over:

- (a) Any recorded lien that attached before the date when the amounts required to be paid became a lien; or
- (b) Any costs of administration, funeral expenses, expenses of personal illness, family allowances or debts preferred pursuant to federal law or wages as provided in NRS 147.195.

Sec. 35. NRS 360A.100 is hereby amended to read as follows:
360A.100 Except as otherwise provided in NRS 366.395:

1. If a person fails to file a return or the Department is not satisfied with the return of any tax or fee required to be paid to the Department pursuant to chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120, the Department may determine the amount required to be paid upon the basis of:

- (a) The facts contained in the return;
- (b) Any information that is in the possession of the Department or may come into its possession; or
- (c) Reasonable estimates of the amount.

2. One or more deficiency determinations may be made with respect to the amount due for one or more periods.

3. In making its determination of the amount required to be paid, the Department shall impose a penalty and interest on the amount of tax or fee determined to be due, calculated at the rate and in the manner set forth in NRS 360A.060.

4. If a business is discontinued, a determination may be made at any time thereafter within the period prescribed in NRS 360A.150 concerning liability arising out of that business, irrespective of whether the determination is issued before the due date of the liability.



Sec. 36. NRS 360A.120 is hereby amended to read as follows:

360A.120 If any part of the deficiency for which a deficiency determination is made is because of negligence or intentional disregard of any applicable provision of chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120, or the regulations of the Department adopted pursuant thereto, a penalty of 10 percent of the amount of the determination must be added thereto.

Sec. 37. NRS 360A.130 is hereby amended to read as follows:

360A.130 If any part of the deficiency for which a deficiency determination is made is because of fraud or an intent to evade the payment of a tax or fee required by chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120, or the regulations of the Department adopted pursuant thereto, a penalty of 25 percent of the amount of the determination must be added thereto.

Sec. 38. NRS 360A.150 is hereby amended to read as follows:

360A.150 1. Except as otherwise provided in subsections 2, 3 and 5, each notice of a deficiency determination issued by the Department must be personally served, mailed or, pursuant to subsection 4, sent by electronic mail within 4 years after the last day of the month following the period for which the amount is proposed to be determined or within 4 years after the return is filed, whichever period expires later.

2. In the case of a failure to make a return or a claim for an additional amount, each notice of determination must be mailed, personally served or, pursuant to subsection 4, sent by electronic mail within 8 years after the last day of the month following the period for which the amount is proposed to be determined.

3. If, before the expiration of the time prescribed in this section for the service of a notice of determination, the taxpayer has signed a waiver consenting to the service of the notice after that time, the notice may be mailed, personally served or, pursuant to subsection 4, sent by electronic mail at any time before the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing if each agreement is made before the expiration of the period previously agreed upon.

4. The provision by a person to the Department of an electronic mail address shall be deemed an agreement for the purposes of NRS 719.220 to receive notice pursuant to this section by electronic mail. If served by electronic mail, the notice must be sent to the person at his or her electronic mail address as it appears in the records of the Department and service is complete at the time the electronic mail is sent.



5. This section does not apply to cases of fraud or the intentional evasion of a provision of chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120, or any regulation of the Department adopted pursuant thereto.

Sec. 39. NRS 360A.230 is hereby amended to read as follows:

360A.230 If the Department believes that the collection of any amount of taxes or fees due pursuant to chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120 will be jeopardized by delay, the Department shall make a determination of the amount required to be collected and serve notice of the determination upon the person against whom it is made.

Sec. 40. NRS 360A.260 is hereby amended to read as follows:

360A.260 1. If a person who is delinquent in the payment of any tax or fee required by chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120 has not paid the amount of a deficiency determination, the Department may bring an action in a court of this State, a court of any other state or a court of the United States to collect the delinquent or deficient amount, penalties and interest. The action must be brought not later than 3 years after the payment became delinquent or the determination became final or within 5 years after the last recording of an abstract of judgment or of a certificate constituting a lien for the tax or fee owed.

2. The Attorney General shall prosecute the action. The provisions of NRS and the Nevada Rules of Civil Procedure and Nevada Rules of Appellate Procedure relating to service of summons, pleadings, proofs, trials and appeals are applicable to the proceedings. In the action, a writ of attachment may issue. A bond or affidavit is not required before an attachment may be issued.

3. In the action, a certificate by the Department showing the delinquency is prima facie evidence of:

(a) The determination of the tax or fee or the amount of the tax or fee;

(b) The delinquency of the amounts; and

(c) The compliance by the Department with the procedures required by law related to the computation and determination of the amounts.

Sec. 41. NRS 360A.270 is hereby amended to read as follows:

360A.270 1. If, with respect to any tax or fee required by chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120, a person:

(a) Fails to pay the tax or fee when due according to his or her return filed with the Department;



(b) Fails to pay a deficiency determination when due; or
(c) Defaults on a payment pursuant to a written agreement with the Department,

↳ the Department may, within 3 years after the amount is due, file in the office of the clerk of any court of competent jurisdiction an application for the entry of a summary judgment for the amount due.

2. The application must be accompanied by a certificate that specifies:

(a) The amount required to be paid, including any interest and penalties due;

(b) The name and address of the person liable for the payment, as they appear on the records of the Department;

(c) The basis for the determination of the Department of the amount due; and

(d) That the Department has complied with the applicable provisions of law relating to the determination of the amount required to be paid.

3. The application must include a request that judgment be entered against the person in the amount required to be paid, including any interest and penalties due, as set forth in the certificate.

Sec. 42. NRS 360A.320 is hereby amended to read as follows:

360A.320 The remedies provided for in NRS 360A.270 to 360A.320, inclusive, are intended to supplement any other remedies provided for in this chapter or chapter 365, 366 or 373 of NRS ~~or~~ *sections 2 to 25, inclusive, of this act*. The provisions of NRS 360A.270 to 360A.320, inclusive, do not limit or repeal any additional requirements imposed upon the Department by statute, or otherwise by law.

Sec. 43. NRS 360A.330 is hereby amended to read as follows:

360A.330 1. If any tax or fee required by chapter 365, 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or 590.120 is not paid when due, the Department may, within 3 years after the date that the tax or fee became due, file for record a certificate in the office of any county recorder which states:

(a) The amount of the tax or fee and any interest or penalties due;

(b) The name and address of the person who is liable for the amount due as they appear on the records of the Department; and

(c) That the Department has complied with the procedures required by law for determining the amount due.

2. From the time of the filing of the certificate, the amount due, including interest and penalties, constitutes a lien upon all real and personal property in the county owned by the person or acquired by the person afterwards and before the lien expires. The lien has the



1 effect and priority of a judgment lien and continues for 5 years after
2 the time of the filing of the certificate unless sooner released or
3 otherwise discharged.

4 3. Within 5 years after the date of the filing of the certificate or
5 within 5 years after the date of the last extension of the lien pursuant
6 to this subsection, the lien may be extended by filing for record a
7 new certificate in the office of the county recorder of any county.
8 From the time of filing, the lien is extended to all real and personal
9 property in the county owned by the person or acquired by the
10 person afterwards for 5 years, unless sooner released or otherwise
11 discharged.

12 **Sec. 44.** NRS 360A.350 is hereby amended to read as follows:

13 360A.350 1. The Department or its authorized representative
14 may issue a warrant for the enforcement of a lien and for the
15 collection of any delinquent taxes or fees required by chapter 365,
16 366 or 373 of NRS *or sections 2 to 25, inclusive, of this act* or NRS
17 445C.330 or 590.120:

18 (a) Within 3 years after the person is delinquent in the payment
19 of the tax or fee; or

20 (b) Within 5 years after the last recording of an abstract of
21 judgment or of a certificate constituting a lien for the tax or fee.

22 2. The warrant must be directed to a sheriff or constable and
23 has the same effect as a writ of execution.

24 3. The warrant must be levied and sale made pursuant to the
25 warrant in the same manner and with the same effect as a levy of
26 and a sale pursuant to a writ of execution.

27 **Sec. 45.** NRS 360A.370 is hereby amended to read as follows:

28 360A.370 1. If a person is delinquent in the payment of any
29 tax or fee required by chapter 365, 366 or 373 of NRS *or sections 2*
30 *to 25, inclusive, of this act* or NRS 445C.330 or 590.120, or if a
31 determination has been made against the person that remains
32 unpaid, the Department may:

33 (a) Not later than 3 years after the payment became delinquent
34 or the determination became final; or

35 (b) Not later than 5 years after the last recording of an abstract
36 of judgment or of a certificate constituting a lien for the tax or fee
37 owed,

38 ➤ give a notice of the delinquency and a demand to transmit
39 personally or by registered or certified mail to any person,
40 including, without limitation, any officer or department of this State
41 or any political subdivision or agency of this State, who has in his or
42 her possession or under his or her control any credits or other
43 personal property belonging to the delinquent taxpayer, or owing
44 any debts to the delinquent taxpayer or person against whom a
45 determination has been made which remains unpaid, or owing any



1 debts to the delinquent taxpayer or that person. In the case of any
2 state officer, department or agency, the notice must be given to the
3 officer, department or agency before it presents the claim of the
4 delinquent taxpayer to the State Controller.

5 2. A state officer, department or agency which receives such a
6 notice may satisfy any debt owed to it by that person before it
7 honors the notice of the Department.

8 3. After receiving the demand to transmit, the persons so
9 notified may not transfer or otherwise dispose of the credits, other
10 personal property, or debts in their possession or under their control
11 at the time they received the notice until the Department consents to
12 a transfer or other disposition.

13 4. Each person so notified shall, within 10 days after receipt of
14 the demand to transmit, inform the Department of, and transmit to
15 the Department all such credits, other personal property, or debts in
16 his or her possession, under his or her control or owing by that
17 person within the time and in the manner requested by the
18 Department. Except as otherwise provided in subsection 5, no
19 further notice is required to be served upon that person.

20 5. If the property of the delinquent taxpayer consists of a series
21 of payments owed to him or her, the person who owes or controls
22 the payments shall transmit the payments to the Department until
23 otherwise notified by the Department. If the debt of the delinquent
24 taxpayer is not paid within 1 year after the Department issued the
25 original demand to transmit, the Department shall issue another
26 demand to transmit to the person responsible for making the
27 payments informing that person to continue to transmit payments to
28 the Department or that his or her duty to transmit the payments to
29 the Department has ceased.

30 6. If the notice of the delinquency seeks to prevent the transfer
31 or other disposition of a deposit in a bank or other credits or
32 personal property in the possession or under the control of a bank or
33 other depository institution, the notice must be delivered or mailed
34 to the branch or office of the bank or other depository institution at
35 which the deposit is carried or at which the credits or personal
36 property is held.

37 7. If any person so notified makes any transfer or other
38 disposition of the property or debts required to be withheld or
39 transmitted, to the extent of the value of the property or the amount
40 of the debts thus transferred or paid, he or she is liable to this State
41 for any indebtedness due pursuant to chapter 365, 366 or 373 of
42 NRS *or sections 2 to 25, inclusive, of this act* or NRS 445C.330 or
43 590.120 from the person with respect to whose obligation the notice
44 was given if solely by reason of the transfer or other disposition, this



1 State is unable to recover the indebtedness of the person with
2 respect to whose obligation the notice was given.

3 **Sec. 46.** NRS 360A.390 is hereby amended to read as follows:

4 360A.390 1. If a person who is liable for any tax or fee
5 required by chapter 365, 366 or 373 of NRS *or sections 2 to 25,*
6 *inclusive, of this act* or NRS 445C.330 or 590.120 sells any portion
7 of his or her business or stock of goods not in the ordinary course of
8 business or quits the business, the successors or assignees of that
9 person shall:

10 (a) If the business or stock of goods was purchased for money,
11 withhold from the purchase price the amount due; or

12 (b) If the business or stock of goods was not purchased for
13 money, withhold a sufficient portion of the assets of the business or
14 stock of goods which, if sold, would equal the amount due,

15 ➤ until the former owner provides the successors or assignees with
16 a receipt or certificate from the Department indicating that he or she
17 paid the amount due.

18 2. A successor or assignee who fails to withhold the amount
19 required pursuant to subsection 1 becomes personally liable for the
20 payment of the amount required to be withheld by him or her to the
21 extent of the consideration paid for the business or stock of goods,
22 valued in money.

23 3. The Department shall issue a certificate of the amount due to
24 the successor or assignee:

25 (a) Not later than 60 days after receiving a written request from
26 the successor or assignee for such a certificate; or

27 (b) Not later than 60 days after the date the records of the former
28 owner are made available for audit,

29 ➤ whichever period expires later, but not later than 90 days after
30 receiving the request.

31 4. If the Department fails to mail the certificate, the successor
32 or assignee is released from any further obligation to withhold any
33 portion of the purchase price, business or stock of goods.

34 5. The time within which the obligation of the successor or
35 assignee may be enforced begins when the person who is liable for
36 the tax or fee sells or assigns all or any portion of his or her business
37 or stock of goods or when the determination against the person
38 becomes final, whichever occurs later.

39 **Sec. 47.** NRS 360A.400 is hereby amended to read as follows:

40 360A.400 1. At any time within 3 years after a person has
41 become delinquent in the payment of any amount of taxes or fees
42 due pursuant to chapter 365, 366 or 373 of NRS *or sections 2 to 25,*
43 *inclusive, of this act* or NRS 445C.330 or 590.120, the Department
44 may seize any property, real or personal, of the person and sell the
45 property, or a sufficient part of it, at public auction to pay the



1 amount due, together with any interest or penalties imposed for the
2 delinquency and any costs incurred on account of the seizure and
3 sale.

4 2. Any seizure made to collect a tax or fee due may be only of
5 the property of the person not exempt from execution under the
6 provisions of law.

7 **Sec. 48.** NRS 373.083 is hereby amended to read as follows:

8 373.083 1. A person who uses special fuel in a motor vehicle
9 operated or intended to operate interstate and who pays any tax
10 imposed on special fuels pursuant to NRS 373.066 or 373.0663 may
11 file with the Department a request for reimbursement of any
12 amounts owed to the person as a result of the Department entering
13 into an agreement pursuant to NRS 366.175 and the imposition,
14 pursuant to NRS 373.066 or 373.0663, of any tax on special fuels
15 which are consumed outside this State.

16 2. The Department shall adopt regulations establishing a
17 system to provide for the reimbursement and the auditing of the
18 records of a person who files a request for reimbursement pursuant
19 to subsection 1. The system established by the Department:

20 (a) Must authorize a person who uses special fuel in motor
21 vehicles operated or intended to operate interstate to file a request
22 for reimbursement as provided in subsection 1;

23 (b) Must provide that the Department will determine the
24 eligibility for reimbursement of a person who files a request for
25 reimbursement pursuant to subsection 1 before the Department will
26 authorize the reimbursement;

27 (c) Must provide that any reimbursement authorized by the
28 Department be paid from only money received by a county pursuant
29 to any tax imposed on special fuels pursuant to NRS 373.066 or
30 373.0663;

31 (d) Must provide that the total amount of money which must be
32 paid by any county in any fiscal year to reimburse any amounts
33 owed to persons who use special fuel in motor vehicles operated or
34 intended to operate interstate must not exceed 20 percent of the total
35 amount of money collected by that county from any tax imposed on
36 special fuels pursuant to NRS 373.066 or 373.0663; and

37 (e) Must not apply to any tax imposed pursuant to NRS 373.066
38 during the term of any bonds outstanding on June 12, 2013, secured
39 by those taxes or of any bonds that refund such bonds provided that
40 the term of the refunding bonds is not longer than the term of the
41 refunded bonds.

42 3. The Department shall charge and collect a fee in an amount
43 not to exceed \$100 for each request for reimbursement filed by a
44 person pursuant to subsection 1. All money from the fees collected



1 by the Department pursuant to this subsection must be deposited in
2 the Local Fuel Tax ~~Indexing~~ Fund created by NRS 373.087.

3 4. The Department and a commission which has been created
4 in a county whose population is 700,000 or more and in which a tax
5 is imposed pursuant to NRS 373.0663 may enter into an
6 intergovernmental agreement or contract pursuant to which:

7 (a) The commission agrees to pay for the costs incurred by the
8 Department to establish the system pursuant to subsection 2 and
9 administer the system until the amount of money received by the
10 Department from the fees collected by the Department pursuant to
11 subsection 3 is sufficient to pay the costs incurred by the
12 Department to administer the system; and

13 (b) The Department agrees to reimburse the commission for any
14 money paid by the commission pursuant to paragraph (a) from a
15 portion of the money received by the Department from the fees
16 collected by the Department pursuant to subsection 3.

17 5. As used in this section, "special fuel" has the meaning
18 ascribed to it in NRS 366.060.

19 **Sec. 49.** NRS 373.087 is hereby amended to read as follows:

20 373.087 1. The Local Fuel Tax ~~Indexing~~ Fund is hereby
21 created as an enterprise fund. The Department shall deposit in the
22 Fund all fees collected by the Department pursuant to subsection 3
23 of NRS 373.083. The Director of the Department shall administer
24 the Fund.

25 2. Money in the Fund must be invested as the money in other
26 state funds is invested. The interest and income earned on the
27 money in the Fund, after deducting any applicable charges, must be
28 credited to the Fund. Claims against the Fund must be paid as other
29 claims against the State are paid.

30 3. Money deposited in the Fund must only be expended:

31 (a) To administer the system established by the Department
32 pursuant to NRS 373.083; and

33 (b) To reimburse a commission for any amounts paid by the
34 commission pursuant to an intergovernmental agreement or contract
35 entered into pursuant to subsection 4 of NRS 373.083.

36 4. The Director may maintain a reserve of not more than
37 \$500,000 in the Fund. The reserve must be accounted for separately
38 in the Fund and must only be expended to administer the system
39 established by the Department pursuant to NRS 373.083.

40 5. Any balance remaining in the Fund at the end of any fiscal
41 year:

42 (a) Does not revert to the State General Fund; and

43 (b) Must be carried forward to the next fiscal year.

44 **Sec. 50.** Chapter 266 of NRS is hereby amended by adding
45 thereto a new section to read as follows:



1 *A city council which, on or after July 1, 2019, imposes a city*
2 *diesel fuel tax pursuant to section 12 of this act shall, on or before*
3 *January 1, 2022, and every 10 years thereafter:*

4 1. *Prepare a comprehensive report of the proposed uses*
5 *during the following 10 years of the revenues to be collected from*
6 *the city diesel fuel tax imposed;*

7 2. *Hold a public hearing to consider and solicit comments on*
8 *the report; and*

9 3. *Provide a copy of the report to the next regular session of*
10 *the Legislature.*

11 **Sec. 51.** The provisions of subsection 1 of NRS 218D.380 do
12 not apply to any provision of this act which adds or revises a
13 requirement to submit a report to the Legislature.

14 **Sec. 52.** This act becomes effective on July 1, 2019.

