

SENATE BILL NO. 71—COMMITTEE ON
GROWTH AND INFRASTRUCTURE

(ON BEHALF OF THE DEPARTMENT OF MOTOR VEHICLES)

PREFILED NOVEMBER 20, 2018

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions governing the Motor Carrier
Division of the Department of Motor Vehicles.
(BDR 43-228)

FISCAL NOTE: Effect on Local Government: No.
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 vehicles; authorizing certain motor carriers to provide evidence of registration and other licenses in an electronic format; providing that certain persons are jointly and severally liable with certain other persons for payment to the Department of Motor Vehicles of certain taxes and fees relating to fuel; revising the definitions of “supplier” and “special fuel supplier” to include a person who exports certain types of fuel; authorizing the Department to enter into agreements with certain persons for the issuance and renewal of a special fuel users license; authorizing a special fuel user to provide evidence of a special fuel user’s license in an electronic format; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires certain vehicles to be registered through the Motor
2 Carrier Division of the Department of Motor Vehicles. (NRS 482.206, 482.217,
3 482.276, 482.2916, 706.188) Existing law also requires the owner of a registered
4 vehicle to place a certificate of registration or a legible copy of the certificate of
5 registration in the vehicle and to keep it in the vehicle. (NRS 482.255) **Section 1** of
6 this bill authorizes a person who is required to register through the Motor Carrier
7 Division to provide evidence of registration in an electronic format that can be
8 displayed on an electronic device, which must be carried in the vehicle, or be



9 accessible to law enforcement or other emergency personnel by other means.
10 **Section 1** also provides that a person who presents evidence of registration by
11 means of an electronic device assumes all liability for any resulting damage to the
12 device and provides that the owner of the vehicle may be held liable for any other
13 infractions indicated by the electronic image displaying evidence of registration.

14 Existing law requires certain taxes and fees on certain types of vehicle fuel be
15 paid to the Department of Motor Vehicles, and authorizes the Department to
16 impose penalties and interest if such payment is deficient or not timely paid. (NRS
17 360A.100) **Section 2** of this bill provides that a responsible person who willfully
18 fails to collect or pay to the Department any such taxes or fees or attempts to evade
19 such payment is jointly and severally liable with any other person who is required
20 to pay the tax or fee. **Section 2** defines a "responsible person" to include a person
21 whose job or duty it is to collect, account for or pay any such tax or fee and who
22 attests to the accuracy of the payment of the tax or fee under penalty of perjury,
23 including: (1) an officer or employee of a corporation; and (2) a member or
24 employee of a partnership or limited-liability company.

25 Existing law defines "supplier" for the purposes of laws governing motor
26 vehicle fuel, except aviation fuel, and "special fuel supplier" for the purposes of
27 laws governing special fuels. (NRS 365.084, 366.070) **Sections 3 and 6** of this bill
28 add to the definitions of "supplier" and "special fuel supplier" a person who exports
29 the respective fuels to a location outside of this State.

30 Existing law requires certain special fuel users to be licensed by the
31 Department. (NRS 366.220, 366.221) **Section 5** of this bill authorizes the
32 Department to enter into an agreement with a special fuel user, or a service provider
33 who is authorized by the Department to perform certain functions on behalf of a
34 special fuel user, to authorize the special fuel user or service provider to issue a
35 special fuel user's license, renew a special fuel user's license and issue certain
36 identifying devices required for certain special fuel users. Such a special fuel user
37 or service provider must file a bond or certain other form of security with the
38 Department. **Sections 8-10** of this bill make conforming changes. **Section 9**
39 authorizes a special fuel user to keep his or her special fuel user's license in his or
40 her vehicle on an electronic device which displays the license in an electronic
41 format. **Section 9** also provides that the person who presents proof of licensure by
42 means of an electronic device assumes all liability for any resulting damage to the
43 device, and provides that the licensee may be held liable for any other infractions
44 indicated by the electronic image displaying evidence of licensure.

45 Existing law authorizes the Department to enter into a cooperative agreement
46 with other states and countries for the exchange of information regarding, and the
47 auditing of, persons who use special fuel in motor vehicles operated or intended to
48 operate interstate. (NRS 366.175) **Section 7** of this bill identifies that agreement as
49 the International Fuel Tax Agreement.

50 Existing law requires a special fuel user who fails to file a tax return or pay
51 excise tax by the due date to pay a delinquent filing fee of \$50 and a penalty of 10
52 percent of the amount of tax owed. (NRS 366.395) **Section 11** of this bill requires
53 such a person to pay either the delinquent filing fee or the penalty of 10 percent of
54 the amount owed, whichever is greater.

55 Existing law authorizes the Department to enter into an agreement with certain
56 departments or agencies of other states or countries regarding: (1) a plan
57 concerning registration fees and certain other taxes; and (2) requirements that apply
58 to certain vehicles that operate between this State and such other states or countries.
59 (NRS 706.826) **Section 12** of this bill identifies that plan as the International
60 Registration Plan.

61 Existing law requires any claim for certain exemptions from payment of excise
62 tax on certain exported motor vehicle fuel or fuel for jet or turbine powered aircraft
63 to be made within 6 months after the date of export of the fuel. (NRS 365.250)



64 **Section 13** of this bill eliminates that requirement. **Section 4** of this bill makes a
65 conforming change.

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

1 **Section 1.** NRS 482.255 is hereby amended to read as follows:
2 482.255 1. ~~Upon~~ *Except as otherwise provided in*
3 *subsection 2, upon* receipt of a certificate of registration, the owner
4 shall place it or a legible copy in the vehicle for which it is issued
5 and keep it in the vehicle. If the vehicle is a motorcycle, moped,
6 trailer or semitrailer, the owner shall carry the certificate in the tool
7 bag or other convenient receptacle attached to the vehicle.

8 2. *The owner of a vehicle which, pursuant to the plan, must*
9 *be registered through the Motor Carrier Division of the*
10 *Department, in lieu of carrying a certificate of registration or a*
11 *legible copy in the vehicle, may provide evidence of registration*
12 *and other applicable licenses as an electronic image in an*
13 *electronic format that can be displayed:*

14 (a) *On an electronic device, which must be carried in the*
15 *vehicle; or*

16 (b) *Through other means by which the electronic image is*
17 *accessible to law enforcement or other emergency personnel upon*
18 *request, including, without limitation, a radio frequency*
19 *identifying device.*

20 3. The owner or operator of a motor vehicle shall, upon
21 demand, surrender the certificate of registration, ~~for~~ the copy, *the*
22 *electronic device or access to the electronic image* for examination
23 to any peace officer, including a constable of the township in which
24 the motor vehicle is located or a justice of the peace or a deputy of
25 the Department.

26 ~~3.~~ 4. No person charged with violating this section may be
27 convicted if the person produces in court a certificate of registration
28 *or evidence of registration in an electronic format* which was
29 previously issued to him or her and was valid at the time of the
30 demand.

31 5. *If the evidence of registration and other applicable licenses*
32 *is provided by means of an electronic device:*

33 (a) *The person who presents the device assumes all liability for*
34 *any resulting damage to the device;*

35 (b) *The owner of the electronic device may be held liable for*
36 *any other infractions indicated by the electronic image displaying*
37 *evidence of registration and other applicable licenses.*

38 6. *As used in this section, "plan" means the International*
39 *Registration Plan.*



1 **Sec. 2.** Chapter 360A of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *A responsible person who willfully fails to collect or pay to*
4 *the Department any tax or fee required to be paid to the*
5 *Department pursuant to chapter 365, 366 or 373 of NRS or NRS*
6 *445C.330 or 590.120 or who attempts to evade the payment of any*
7 *such tax or fee, is jointly and severally liable with any other*
8 *person who is required to pay such a tax or fee for the tax or fee*
9 *owed plus interest and all applicable penalties. The responsible*
10 *person shall pay the tax or fee upon notice from the Department*
11 *that it is due.*

12 2. *As used in this section, "responsible person" includes:*

13 (a) *An officer or employee of a corporation; and*

14 (b) *A member or employee of a partnership or limited-liability*
15 *company,*

16 ↳ *whose job or duty it is to collect, account for or pay to the*
17 *Department any tax or fee required to be paid to the Department*
18 *pursuant to chapter 365, 366 or 373 of NRS or NRS 445C.330 or*
19 *590.120 and who attests to the accuracy of the payment of the tax*
20 *or fee under penalty of perjury.*

21 **Sec. 3.** NRS 365.084 is hereby amended to read as follows:

22 365.084 "Supplier" means a person who:

23 1. Imports or acquires immediately upon importation into this
24 State motor vehicle fuel, except aviation fuel, from within or
25 without a state, territory or possession of the United States or the
26 District of Columbia into a terminal located in this State;

27 2. Otherwise acquires for distribution in this State motor
28 vehicle fuel, except aviation fuel, with respect to which there has
29 been no previous taxable sale or use; ~~for~~

30 3. Produces, manufactures or refines motor vehicle fuel, except
31 aviation fuel, in this State ~~for~~; or

32 4. *Exports motor vehicle fuel, except aviation fuel, to a*
33 *location outside of this State.*

34 **Sec. 4.** NRS 365.260 is hereby amended to read as follows:

35 365.260 Motor vehicle fuel carried out of this State, into
36 another state or onto federal proprietary lands or reservations, to an
37 amount not exceeding 25 gallons in the fuel tank or tanks of such
38 motor vehicle shall not be deemed to be exported for the purposes of
39 NRS 365.220 to ~~365.250, 365.240,~~ inclusive.

40 **Sec. 5.** Chapter 366 of NRS is hereby amended by adding
41 thereto a new section to read as follows:

42 1. *Upon the request of a special fuel user or a service*
43 *provider, the Department may enter into an agreement with the*
44 *special fuel user or service provider which authorizes the special*
45 *fuel user or service provider to license a special fuel user or renew*



1 *a special fuel user's license and issue the identifying device*
2 *required by NRS 366.265, if applicable.*

3 2. *Before licensing a special fuel user, renewing a special*
4 *fuel user's license or issuing an identifying device pursuant to*
5 *subsection 1:*

6 (a) *A special fuel user who enters into an agreement with the*
7 *Department pursuant to this section shall file with the Department*
8 *a bond of a surety company authorized to transact business in this*
9 *State for the benefit of this State in an amount not less than*
10 *\$25,000; and*

11 (b) *A service provider who enters into an agreement with the*
12 *Department pursuant to this section shall file with the Department*
13 *a bond of a surety company authorized to transact business in this*
14 *State for the benefit of this State in an amount not less than*
15 *\$50,000.*

16 3. *If a special fuel user or service provider provides a savings*
17 *certificate, certificate of deposit or investment certificate pursuant*
18 *to NRS 100.065 in lieu of the bond required pursuant to*
19 *subsection 2, the certificate must state that the amount is not*
20 *available for withdrawal except upon the approval of the Director*
21 *of the Department.*

22 4. *If at any time a special fuel user or service provider is*
23 *unable to account for an unissued license or an identifying device,*
24 *the special fuel user or service provider must immediately pay to*
25 *the Department an amount established by the Department.*

26 5. *The Department may cancel an agreement entered into*
27 *pursuant to this section with any special fuel user or service*
28 *provider for refusing or neglecting to comply with the provisions*
29 *of this chapter.*

30 6. *The Director shall adopt such regulations as are necessary*
31 *to carry out the provisions of this section.*

32 7. *As used in this section, "service provider" means a*
33 *business or organization authorized by the Department to license a*
34 *special fuel user or renew a special fuel user's license on behalf of*
35 *a special fuel user.*

36 **Sec. 6.** NRS 366.070 is hereby amended to read as follows:

37 366.070 1. "Special fuel supplier" means a person who:

38 (a) Imports or acquires immediately upon importation into this
39 State special fuel from within or without a state, territory or
40 possession of the United States or the District of Columbia into a
41 terminal located in this State;

42 (b) *Exports special fuel to a location outside of this State;*

43 (c) Produces, manufactures or refines special fuel in this State;
44 or



1 ~~[(e)]~~ (d) Otherwise acquires for distribution in this State special
2 fuel with respect to which there has been no previous taxable sale or
3 use.

4 2. The term does not include a special fuel manufacturer.

5 **Sec. 7.** NRS 366.175 is hereby amended to read as follows:

6 366.175 1. To the extent permitted by federal law, the
7 Department may enter into *a* cooperative ~~[agreements]~~ *agreement*
8 with other states and countries for the exchange of information
9 regarding, and the auditing of, persons who use special fuel in motor
10 vehicles operated or intended to operate interstate. Any agreement,
11 arrangement or declaration, or any amendment thereto, is not
12 effective until reduced to writing and signed by the parties thereto or
13 their authorized representatives.

14 2. An agreement may include, with respect to persons who use
15 special fuel, provisions:

16 (a) For determining the domicile of those persons;

17 (b) Specifying the records which are required to be kept by those
18 persons;

19 (c) Relating to audit procedures, the exchange of information
20 and persons eligible for licensing;

21 (d) Defining various words and terms;

22 (e) Setting forth the procedure for collecting special fuel taxes
23 owing to another jurisdiction and forwarding those taxes to that
24 jurisdiction; and

25 (f) Designed to facilitate the administration of the agreement.

26 3. The Department may, pursuant to the terms of an agreement,
27 forward to the designated representatives of another jurisdiction any
28 information in its possession relating to the manufacture,
29 transportation, shipment, sale or use of special fuel by any person,
30 and the location within this State of any motor vehicles owned by a
31 person who has been identified by another jurisdiction as a user of
32 special fuel.

33 4. An agreement may provide that each jurisdiction shall audit
34 the records of persons residing or doing business within that
35 jurisdiction to determine if the special fuel taxes owing to each
36 jurisdiction have been properly reported and paid, and requiring
37 each jurisdiction to forward the findings of its audits to every other
38 jurisdiction in which the person who is the subject of an audit has
39 incurred tax liability as a result of his or her use of special fuel. The
40 audit findings received from another jurisdiction may be used by the
41 Department as the basis for an estimated assessment of tax due from
42 a person pursuant to the provisions of NRS 360A.100.

43 5. Any agreement entered into pursuant to the provisions of
44 this section does not preclude the Department from auditing the
45 records of any person subject to the provisions of this chapter.



1 **6. As used in this section, "agreement" means the**
2 **International Fuel Tax Agreement.**

3 **Sec. 8.** NRS 366.240 is hereby amended to read as follows:

4 366.240 1. Except as otherwise provided in subsection 2 ~~§~~
5 **and section 5 of this act**, the Department shall:

6 (a) Upon receipt of the application and bond in proper form,
7 issue to the applicant a special fuel supplier's or special fuel dealer's
8 license.

9 (b) Upon receipt of the application in proper form, issue to the
10 applicant a special fuel exporter's, special fuel transporter's, special
11 fuel user's or special fuel manufacturer's license.

12 2. The Department may refuse to issue a license pursuant to
13 this section to any person:

14 (a) Who formerly held a license issued pursuant to this chapter
15 or a similar license of any other state, the District of Columbia, the
16 United States, a territory or possession of the United States or any
17 foreign country which, before the time of filing the application, has
18 been revoked for cause;

19 (b) Who applies as a subterfuge for the real party in interest
20 whose license, before the time of filing the application, has been
21 revoked for cause;

22 (c) Who, if the person is a special fuel supplier or special fuel
23 dealer, neglects or refuses to furnish a bond as required by this
24 chapter;

25 (d) Who is in default in the payment of a tax on special fuel in
26 this State, any other state, the District of Columbia, the United
27 States, a territory or possession of the United States or any foreign
28 country;

29 (e) Who has failed to comply with any provision of this chapter;
30 or

31 (f) Upon other sufficient cause being shown.

32 **Sec. 9.** NRS 366.265 is hereby amended to read as follows:

33 366.265 1. A special fuel user who is required to hold a
34 special fuel user's license pursuant to the provisions of this chapter
35 shall:

36 (a) If the special fuel user uses special fuel in a motor vehicle
37 that is operated or intended to operate interstate:

38 (1) Obtain an identifying device issued pursuant to ~~§~~:

39 **(I) An agreement with the Department entered into**
40 **pursuant to section 5 of this act; or**

41 **(II) A cooperative agreement entered into pursuant to**
42 **NRS 366.175; and**

43 (2) Conspicuously display that identifying device on the
44 exterior of the motor vehicle in such location as is required pursuant
45 to the cooperative agreement.



(b) At any time the special fuel user is using special fuel in this State, ensure that his or her license, ~~for~~ a reproduction of the license that is authorized by the Department ~~is~~ *or an electronic device that displays the license in an electronic format that is authorized by the Department* is located in the motor vehicle.

2. The Department may establish by regulation a fee for the issuance of the identifying device described in subsection 1, in an amount not to exceed the estimated administrative costs of issuing the device. If the Department establishes the fee and issues such a device to a special fuel user ~~is~~ *or provides such a device to the special fuel user under the terms of an agreement entered into pursuant to section 5 of this act*, it shall charge and collect the fee from the special fuel user.

3. If proof of licensure is provided by means of an electronic device:

(a) The person who presents the electronic device assumes all liability for any resulting damage to the electronic device; and

(b) The licensee may be held liable for other infractions indicated by the electronic image displaying evidence of licensure.

Sec. 10. NRS 366.270 is hereby amended to read as follows:

366.270 If any person ceases to be a special fuel supplier, special fuel dealer, special fuel exporter, special fuel transporter, special fuel user or special fuel manufacturer within this State by reason of the discontinuance, sale or transfer of his or her business, the person shall:

1. Notify the Department in writing at the time the discontinuance, sale or transfer takes effect. The notice must give the date of the discontinuance, sale or transfer, and the name and address of any purchaser or transferee.

2. Surrender to the Department the license issued to the person by the Department ~~is~~ *or under the terms of an agreement entered into with the Department pursuant to section 5 of this act.*

3. If the person is:

(a) A special fuel user registered under the Interstate Highway User Fee Apportionment Act, file the tax return required pursuant to NRS 366.380 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS, except that both the filing and payment are due on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(b) A special fuel supplier, file the tax return required pursuant to NRS 366.383 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.



(c) A special fuel dealer or special fuel manufacturer, file the tax return required pursuant to NRS 366.386 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS, except that both the filing and payment are due on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(d) A special fuel exporter, file the report required pursuant to NRS 366.387 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(e) A special fuel transporter, file the report required pursuant to NRS 366.695 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

Sec. 11. NRS 366.395 is hereby amended to read as follows:

366.395 1. Any special fuel user who fails to file a tax return or pay any excise tax by the date due shall pay, in addition to any tax that may be due, a delinquent filing fee of \$50 ~~and~~ *or* a penalty of 10 percent of the amount of tax owed, *whichever is greater*, plus interest on the amount of any tax that may be due at a rate established by the Department in accordance with the provisions of a cooperative agreement entered into pursuant to NRS 366.175, from the date the tax was due until the date of payment.

2. A tax return, statement or payment is considered delinquent if it is not received by the Department on or before the date the tax return, statement or payment is due, as prescribed by the provisions of this chapter.

3. A tax return, statement or payment shall be deemed received on the date shown by the cancellation mark stamped by the United States Postal Service or the postal service of any country upon an envelope containing the tax return, statement or payment.

Sec. 12. NRS 706.826 is hereby amended to read as follows:

706.826 In carrying out NRS 706.801 to 706.861, inclusive, each department of this State may enter into agreements with the departments or appropriate agencies of this or any other state or country to provide for any or all of the following:

1. For the exemption from the plan of certain classes of vehicles either on the basis of type, extent or frequency of operations and, when also deemed advisable, for their total or partial exemption from the fees for registration or taxes or both upon the conditions set forth in the agreement, all as found to be in the interest of this State, the facilitating of this plan, or of the facilitating of the operation of vehicles between this and the other contracting state or country.

2. For the reports and records required pursuant to NRS 706.801 to 706.861, inclusive, or any regulations made pursuant thereto to be uniform with the reports and records required by the



1 other contracting state or country, but this does not prevent any
2 department from requiring additional information from any operator
3 subject to NRS 706.801 to 706.861, inclusive.

4 3. For the joint audit of the reports and records of any operator
5 subject to NRS 706.801 to 706.861, inclusive, the reports and
6 records of any such operator and the department may be disclosed to
7 the extent necessary for this purpose.

8 4. For the use of a plate, license, emblem, certificate or other
9 device of this or any other state or country, for the identification of
10 vehicles subject to the plan.

11 5. For putting the plan into effect between this and any other
12 state or country.

13 6. *As used in this section, "plan" means the International*
14 *Registration Plan.*

15 **Sec. 13.** NRS 365.250 is hereby repealed.

TEXT OF REPEALED SECTION

365.250 Time to claim exemption on dealer's export to another state. Any claim for exemption from excise tax on account of motor vehicle fuel or fuel for jet or turbine-powered aircraft exported by a dealer to another state, other than stock transfers or deliveries in his or her own equipment, must be made by the dealer within 6 months after the date of the export unless the state or territory of destination would not be prejudiced with respect to its collection of taxes thereon should the claim not be made within that time.

