

SENATE BILL NO. 378—SENATORS
GUSTAVSON; AND SETTELMAYER

MARCH 21, 2011

JOINT SPONSORS: ASSEMBLYMEN HARDY; ELLISON,
HAMMOND, HICKEY AND LIVERMORE

Referred to Committee on Revenue

SUMMARY—Revises the formula used to determine the value of used vehicles for the purpose of calculating the amount of governmental services taxes due. (BDR 32-309)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 taxation; revising the provisions governing the calculation of governmental services taxes due annually for used vehicles; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law sets forth depreciation schedules for determining the amount of
2 the governmental services taxes due each year for a used vehicle. (NRS 371.060)
3 During the 2009 Legislative Session, the Legislature amended these depreciation
4 schedules to increase by 10 percent the portion of the initial value of used vehicles
5 upon which the amount of those taxes are calculated, and allocated the resulting
6 increase in tax revenue to the State. (Chapter 395, Statutes of Nevada 2009, pp.
7 2190-91 and 2193-94) This bill essentially repeals that increase and allocation,
8 beginning on July 1, 2011.



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

1 **Section 1.** NRS 371.060 is hereby amended to read as follows:
2 371.060 1. Except as otherwise provided in subsection 2,
3 each vehicle must be depreciated by the Department for the
4 purposes of the annual governmental services tax according to the
5 following schedule:

	Percentage of
Age	Initial Value
6 New	100 percent
7 1 year	[95] 85 percent
8 2 years	[85] 75 percent
9 3 years	[75] 65 percent
10 4 years	[65] 55 percent
11 5 years	[55] 45 percent
12 6 years	[45] 35 percent
13 7 years	[35] 25 percent
14 8 years	[25] 15 percent
15 9 years or more	[15] 5 percent

16 2. Each bus, truck or truck-tractor having a declared gross
17 weight of 10,000 pounds or more and each trailer or semitrailer
18 having an unladen weight of 4,000 pounds or more must be
19 depreciated by the Department for the purposes of the annual
20 governmental services tax according to the following schedule:

	Percentage of
Age	Initial Value
21 New	100 percent
22 1 year	[85] 75 percent
23 2 years	[69] 59 percent
24 3 years	[57] 47 percent
25 4 years	[47] 37 percent
26 5 years	[38] 28 percent
27 6 years	[33] 23 percent
28 7 years	[30] 20 percent
29 8 years	[27] 17 percent
30 9 years	[25] 15 percent
31 10 years or more	[23] 13 percent

32 3. Notwithstanding any other provision of this section, the
33 minimum amount of the governmental services tax:
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1 (a) On any trailer having an unladen weight of 1,000 pounds or
2 less is \$3; and

3 (b) On any other vehicle is ~~[\$16.]~~ \$6.

4 4. For the purposes of this section, a vehicle shall be deemed a
5 "new" vehicle if the vehicle has never been registered with the
6 Department and has never been registered with the appropriate
7 agency of any other state, the District of Columbia, any territory or
8 possession of the United States or any foreign state, province or
9 country.

10 **Sec. 2.** NRS 371.230 is hereby amended to read as follows:

11 371.230 Except as otherwise provided in NRS 371.1035,
12 482.180 ~~[.]~~ and 482.181 , ~~[and 482.182,]~~ money collected by the
13 Department for governmental services taxes and penalties pursuant
14 to the provisions of this chapter must be deposited with the State
15 Treasurer to the credit of the Motor Vehicle Fund.

16 **Sec. 3.** NRS 482.180 is hereby amended to read as follows:

17 482.180 1. The Motor Vehicle Fund is hereby created as an
18 agency fund. Except as otherwise provided in subsection 4 or by a
19 specific statute, all money received or collected by the Department
20 must be deposited in the State Treasury for credit to the Motor
21 Vehicle Fund.

22 2. The interest and income on the money in the Motor Vehicle
23 Fund, after deducting any applicable charges, must be credited to
24 the State Highway Fund.

25 3. Any check accepted by the Department in payment of the
26 governmental services tax or any other fee required to be collected
27 pursuant to this chapter must, if it is dishonored upon presentation
28 for payment, be charged back against the Motor Vehicle Fund or the
29 county to which the payment was credited pursuant to this section or
30 NRS 482.181, in the proper proportion.

31 4. Except as otherwise provided in subsection 6, all money
32 received or collected by the Department for the basic governmental
33 services tax must be distributed in the manner set forth in NRS
34 482.181 . ~~[and 482.182.]~~

35 5. Money for the administration of the provisions of this
36 chapter must be provided by direct legislative appropriation from
37 the State Highway Fund or other legislative authorization, upon the
38 presentation of budgets in the manner required by law. Out of the
39 appropriation or authorization, the Department shall pay every item
40 of expense.

41 6. The Department shall withhold 6 percent from the amount of
42 the governmental services tax collected by the Department as a
43 commission. From the amount of the governmental services tax
44 collected by a county assessor, the State Controller shall credit 1
45 percent to the Department as a commission and remit 5 percent to



1 the county for credit to its general fund as commission for the
2 services of the county assessor. All money withheld by or credited
3 to the Department pursuant to this subsection must be used only for
4 the administration of this chapter as authorized by the Legislature
5 pursuant to subsection 5.

6 7. When the requirements of this section and NRS 482.181
7 ~~[and 482.182]~~ have been met, and when directed by the Department,
8 the State Controller shall transfer monthly to the State Highway
9 Fund any balance in the Motor Vehicle Fund.

10 8. If a statute requires that any money in the Motor Vehicle
11 Fund be transferred to another fund or account, the Department shall
12 direct the State Controller to transfer the money in accordance with
13 the statute.

14 **Sec. 4.** NRS 482.181 is hereby amended to read as follows:

15 482.181 1. Except as otherwise provided in subsection 5,
16 after deducting the amount withheld by the Department and the
17 amount credited to the Department pursuant to subsection 6 of NRS
18 482.180, ~~[and the amount transferred to the State General Fund~~
19 ~~pursuant to NRS 482.182.]~~ the Department shall certify monthly to
20 the State Board of Examiners the amount of the basic and
21 supplemental governmental services taxes collected for each county
22 by the Department and its agents during the preceding month, and
23 that money must be distributed monthly as provided in this section.

24 2. Any supplemental governmental services tax collected for a
25 county must be distributed only to the county, to be used as
26 provided in NRS 371.043, 371.045 and 371.047.

27 3. The distribution of the basic governmental services tax
28 received or collected for each county must be made to the county
29 school district within each county before any distribution is made to
30 a local government, special district or enterprise district. For the
31 purpose of calculating the amount of the basic governmental
32 services tax to be distributed to the county school district, the taxes
33 levied by each local government, special district and enterprise
34 district are the product of its certified valuation, determined
35 pursuant to subsection 2 of NRS 361.405, and its tax rate,
36 established pursuant to NRS 361.455 for the fiscal year beginning
37 on July 1, 1980, except that the tax rate for school districts,
38 including the rate attributable to a district's debt service, is the rate
39 established pursuant to NRS 361.455 for the fiscal year beginning
40 on July 1, 1978, but if the rate attributable to a district's debt service
41 in any fiscal year is greater than its rate for the fiscal year beginning
42 on July 1, 1978, the higher rate must be used to determine the
43 amount attributable to debt service.

44 4. After making the distributions set forth in subsection 3, the
45 remaining money received or collected for each county must be



1 deposited in the Local Government Tax Distribution Account
2 created by NRS 360.660 for distribution to local governments,
3 special districts and enterprise districts within each county pursuant
4 to the provisions of NRS 360.680 and 360.690.

5 5. An amount equal to any basic governmental services tax
6 distributed to a redevelopment agency in the Fiscal Year 1987-1988
7 must continue to be distributed to that agency as long as it exists but
8 must not be increased.

9 6. The Department shall make distributions of the basic
10 governmental services tax directly to county school districts.

11 7. As used in this section:

12 (a) "Enterprise district" has the meaning ascribed to it in
13 NRS 360.620.

14 (b) "Local government" has the meaning ascribed to it in
15 NRS 360.640.

16 (c) "Received or collected for each county" means:

17 (1) For the basic governmental services tax collected on
18 vehicles subject to the provisions of chapter 706 of NRS, the
19 amount determined for each county based on the following
20 percentages:

21		
22	Carson City.....1.07 percent	Lincoln3.12 percent
23	Churchill.....5.21 percent	Lyon2.90 percent
24	Clark.....22.54 percent	Mineral.....2.40 percent
25	Douglas2.52 percent	Nye.....4.09 percent
26	Elko13.31 percent	Pershing.....7.00 percent
27	Esmeralda.....2.52 percent	Storey0.19 percent
28	Eureka3.10 percent	Washoe.....12.24 percent
29	Humboldt.....8.25 percent	White Pine.....5.66 percent
30	Lander3.88 percent	
31		

32 (2) For all other basic and supplemental governmental
33 services tax received or collected by the Department, the amount
34 attributable to each county based on the county of registration of the
35 vehicle for which the tax was paid.

36 (d) "Special district" has the meaning ascribed to it in
37 NRS 360.650.

38 **Sec. 5.** NRS 482.260 is hereby amended to read as follows:

39 482.260 1. When registering a vehicle, the Department and
40 its agents or a registered dealer shall:

41 (a) Collect the fees for license plates and registration as
42 provided for in this chapter.

43 (b) Collect the governmental services tax on the vehicle, as
44 agent ~~for the State and~~ for the county where the applicant intends



1 to base the vehicle for the period of registration, unless the vehicle is
2 deemed to have no base.

3 (c) Collect the applicable taxes imposed pursuant to chapters
4 372, 374, 377 and 377A of NRS.

5 (d) Issue a certificate of registration.

6 (e) If the registration is performed by the Department, issue the
7 regular license plate or plates.

8 (f) If the registration is performed by a registered dealer, provide
9 information to the owner regarding the manner in which the regular
10 license plate or plates will be made available to the owner.

11 2. Upon proof of ownership satisfactory to the Director, the
12 Director shall cause to be issued a certificate of title as provided in
13 this chapter.

14 3. Except as otherwise provided in NRS 371.070, every vehicle
15 being registered for the first time in Nevada must be taxed for the
16 purposes of the governmental services tax for a 12-month period.

17 4. The Department shall deduct and withhold 2 percent of the
18 taxes collected pursuant to paragraph (c) of subsection 1 and remit
19 the remainder to the Department of Taxation.

20 5. A registered dealer shall forward all fees and taxes collected
21 for the registration of vehicles to the Department.

22 **Sec. 6.** NRS 482.280 is hereby amended to read as follows:

23 482.280 1. The registration of every vehicle expires at
24 midnight on the day specified on the receipt of registration, unless
25 the day specified falls on a Saturday, Sunday or legal holiday. If the
26 day specified on the receipt of registration is a Saturday, Sunday or
27 legal holiday, the registration of the vehicle expires at midnight on
28 the next judicial day. The Department shall mail to each holder of a
29 certificate of registration a notification for renewal of registration
30 for the following period of registration. The notifications must be
31 mailed by the Department in sufficient time to allow all applicants
32 to mail the notifications to the Department or to renew the certificate
33 of registration at a kiosk or authorized inspection station or via the
34 Internet or an interactive response system and to receive new
35 certificates of registration and license plates, stickers, tabs or other
36 suitable devices by mail before the expiration of their registrations.
37 An applicant may present or submit the notification to any agent or
38 office of the Department.

39 2. A notification:

40 (a) Mailed or presented to the Department or to a county
41 assessor pursuant to the provisions of this section;

42 (b) Submitted to the Department pursuant to NRS 482.294; or

43 (c) Presented to an authorized inspection station or authorized
44 station pursuant to the provisions of NRS 482.281,



1 ↳ must include, if required, evidence of compliance with standards
2 for the control of emissions.

3 3. The Department shall include with each notification mailed
4 pursuant to subsection 1:

5 (a) The amount of the governmental services tax to be collected
6 *for the county* pursuant to the provisions of NRS 482.260.

7 (b) The amount set forth in a notice of nonpayment filed with
8 the Department by a local authority pursuant to NRS 484B.527.

9 (c) A statement which informs the applicant:

10 (1) That, pursuant to NRS 485.185, the applicant is legally
11 required to maintain insurance during the period in which the motor
12 vehicle is registered which must be provided by an insurance
13 company licensed by the Division of Insurance of the Department of
14 Business and Industry and approved to do business in this State; and

15 (2) Of any other applicable requirements set forth in chapter
16 485 of NRS and any regulations adopted pursuant thereto.

17 4. An owner who has made proper application for renewal of
18 registration before the expiration of the current registration but who
19 has not received the license plate or plates or card of registration for
20 the ensuing period of registration is entitled to operate or permit the
21 operation of that vehicle upon the highways upon displaying thereon
22 the license plate or plates issued for the preceding period of
23 registration for such a time as may be prescribed by the Department
24 as it may find necessary for the issuance of the new plate or plates
25 or card of registration.

26 **Sec. 7.** NRS 706.211 is hereby amended to read as follows:

27 706.211 All money collected by the Department under the
28 provisions of NRS 706.011 to 706.861, inclusive, must be deposited
29 in the State Treasury for credit to the Motor Vehicle Fund. Except as
30 otherwise provided in this chapter and NRS 482.180 and 482.181,
31 ~~and except for any money transferred to the State General Fund~~
32 ~~pursuant to NRS 482.182,]~~ all money collected under the provisions
33 of NRS 706.011 to 706.861, inclusive, must be used for the
34 construction, maintenance and repair of the public highways of this
35 State.

36 **Sec. 8.** Section 20 of chapter 395, Statutes of Nevada 2009, at
37 page 2199, is hereby amended to read as follows:

38 Sec. 20. 1. This section and section 19 of this act
39 become effective upon passage and approval.

40 2. Sections 1, 2, 3 and 6 to 12, inclusive, of this act
41 become effective on July 1, 2009, and expire by limitation on
42 June 30, 2011.

43 3. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act
44 become effective:



1 (a) Upon passage and approval for the purpose of
2 performing any preparatory administrative tasks that are
3 necessary to carry out the provisions of this act; and

4 (b) On September 1, 2009, for all other purposes.

5 ~~[4. Sections 15.5 and 18.5 of this act become effective~~
6 ~~on July 1, 2013.~~

7 ~~—5. Section 18 of this act expires by limitation on~~
8 ~~June 30, 2013.]~~

9 **Sec. 9.** 1. NRS 482.182 is hereby repealed.

10 2. Sections 15.5 and 18.5 of chapter 395, Statutes of Nevada
11 2009, at pages 2196 and 2198, respectively, are hereby repealed.

12 **Sec. 10.** Sections 1 to 7, inclusive, and subsection 1 of section
13 9 of this act apply only to governmental services taxes imposed for
14 any period of registration of a vehicle that begins on or after
15 July 1, 2011.

16 **Sec. 11.** 1. This section, section 8 and subsection 2 of
17 section 9 of this act become effective upon passage and approval.

18 2. Sections 1 to 7, inclusive, subsection 1 of section 9 and
19 section 10 of this act become effective:

20 (a) Upon passage and approval for the purpose of performing
21 any preparatory administrative tasks that are necessary to carry out
22 the provisions of this act; and

23 (b) On July 1, 2011, for all other purposes.

**TEXT OF REPEALED SECTION OF NRS AND
TEXT OF REPEALED SECTIONS OF STATUTES OF NEVADA**

**482.182 Governmental services taxes: Transfer of certain
amount from proceeds to State General Fund.**

1. After deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180 and before carrying out the provisions of NRS 482.181 each month, the Department shall direct the State Controller to transfer to the State General Fund from the proceeds of the basic governmental services tax collected by the Department and its agents during the preceding month the amounts indicated pursuant to this section.

2. Except as otherwise provided in subsection 3, the amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles depreciated in accordance with:

(a) Subsection 1 of NRS 371.060 based upon an age of:



- (1) One year, is a sum equal to 11 percent of those proceeds;
- (2) Two years, is a sum equal to 12 percent of those proceeds;
- (3) Three years, is a sum equal to 13 percent of those proceeds;
- (4) Four years, is a sum equal to 15 percent of those proceeds;
- (5) Five years, is a sum equal to 18 percent of those proceeds;
- (6) Six years, is a sum equal to 22 percent of those proceeds;
- (7) Seven years, is a sum equal to 29 percent of those proceeds;
- (8) Eight years, is a sum equal to 40 percent of those proceeds; and
- (9) Nine years or more, is a sum equal to 67 percent of those proceeds; and

(b) Subsection 2 of NRS 371.060 based upon an age of:

- (1) One year, is a sum equal to 12 percent of those proceeds;
- (2) Two years, is a sum equal to 14 percent of those proceeds;
- (3) Three years, is a sum equal to 18 percent of those proceeds;
- (4) Four years, is a sum equal to 21 percent of those proceeds;
- (5) Five years, is a sum equal to 26 percent of those proceeds;
- (6) Six years, is a sum equal to 30 percent of those proceeds;
- (7) Seven years, is a sum equal to 33 percent of those proceeds;
- (8) Eight years, is a sum equal to 37 percent of those proceeds;
- (9) Nine years, is a sum equal to 40 percent of those proceeds; and
- (10) Ten years or more, is a sum equal to 43 percent of those proceeds.

3. The amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles to which the minimum amount of that tax applies pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum equal to 63 percent of those proceeds.



Section 15.5 of Chapter 395, Statutes of Nevada 2009:

Sec. 15.5. NRS 482.181 is hereby amended to read as follows:

482.181 1. Except as otherwise provided in subsection 5, after deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180, and the amount transferred to the State ~~[General]~~ **Highway** Fund pursuant to section 13 of this act, the Department shall certify monthly to the State Board of Examiners the amount of the basic and supplemental governmental services taxes collected for each county by the Department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental governmental services tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.045 and 371.047.

3. The distribution of the basic governmental services tax received or collected for each county must be made to the county school district within each county before any distribution is made to a local government, special district or enterprise district. For the purpose of calculating the amount of the basic governmental services tax to be distributed to the county school district, the taxes levied by each local government, special district and enterprise district are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. After making the distributions set forth in subsection 3, the remaining money received or collected for each county must be deposited in the Local Government Tax Distribution Account created by NRS 360.660 for distribution to local governments, special districts and enterprise districts within each county pursuant to the provisions of NRS 360.680 and 360.690.

5. An amount equal to any basic governmental services tax distributed to a redevelopment agency in the Fiscal Year



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1987-1988 must continue to be distributed to that agency as long as it exists but must not be increased.

6. The Department shall make distributions of the basic governmental services tax directly to county school districts.

7. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Received or collected for each county" means:

(1) For the basic governmental services tax collected on vehicles subject to the provisions of chapter 706 of NRS, the amount determined for each county based on the following percentages:

Carson City.....	1.07 percent	Lincoln	3.12 percent
Churchill.....	5.21 percent	Lyon	2.90 percent
Clark.....	22.54 percent	Mineral	2.40 percent
Douglas	2.52 percent	Nye.....	4.09 percent
Elko	13.31 percent	Pershing.....	7.00 percent
Esmeralda.....	2.52 percent	Storey19 percent
Eureka	3.10 percent	Washoe.....	12.24 percent
Humboldt.....	8.25 percent	White Pine.....	5.66 percent
Lander	3.88 percent		

(2) For all other basic and supplemental governmental services tax received or collected by the Department, the amount attributable to each county based on the county of registration of the vehicle for which the tax was paid.

(d) "Special district" has the meaning ascribed to it in NRS 360.650.

Section 18.5 of Chapter 395, Statutes of Nevada 2009:

Sec. 18.5. Section 13 of this act is hereby amended to read as follows:

Sec. 13. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

1. After deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180 and before carrying out the provisions of NRS 482.181 each month, the Department shall direct the State Controller to transfer to the State ~~[General]~~ **Highway** Fund from the proceeds of the basic governmental services tax collected by the Department and its



agents during the preceding month the amounts indicated pursuant to this section.

2. Except as otherwise provided in subsection 3, the amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles depreciated in accordance with:

(a) Subsection 1 of NRS 371.060 based upon an age of:

(1) One year, is a sum equal to 11 percent of those proceeds;

(2) Two years, is a sum equal to 12 percent of those proceeds;

(3) Three years, is a sum equal to 13 percent of those proceeds;

(4) Four years, is a sum equal to 15 percent of those proceeds;

(5) Five years, is a sum equal to 18 percent of those proceeds;

(6) Six years, is a sum equal to 22 percent of those proceeds;

(7) Seven years, is a sum equal to 29 percent of those proceeds;

(8) Eight years, is a sum equal to 40 percent of those proceeds; and

(9) Nine years or more, is a sum equal to 67 percent of those proceeds; and

(b) Subsection 2 of NRS 371.060 based upon an age of:

(1) One year, is a sum equal to 12 percent of those proceeds;

(2) Two years, is a sum equal to 14 percent of those proceeds;

(3) Three years, is a sum equal to 18 percent of those proceeds;

(4) Four years, is a sum equal to 21 percent of those proceeds;

(5) Five years, is a sum equal to 26 percent of those proceeds;

(6) Six years, is a sum equal to 30 percent of those proceeds;

(7) Seven years, is a sum equal to 33 percent of those proceeds;

(8) Eight years, is a sum equal to 37 percent of those proceeds;

(9) Nine years, is a sum equal to 40 percent of those proceeds; and



(10) Ten years or more, is a sum equal to 43 percent of those proceeds.

3. The amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles to which the minimum amount of that tax applies pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum equal to 63 percent of those proceeds.



