
SENATE BILL NO. 21—COMMITTEE ON REVENUE
AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE DEPARTMENT OF MOTOR VEHICLES)

PREFILED DECEMBER 20, 2014

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to certain taxes imposed
on special fuels. (BDR 32-381)

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 special fuels; revising provisions relating to the reimbursement by the Department of Motor Vehicles of certain amounts to a person who uses special fuel in a motor vehicle operated or intended to operate interstate and who pays certain taxes imposed on special fuels consumed outside this State; providing that such a person is authorized rather than required to file a request for reimbursement with the Department for the purpose of determining whether any amounts are owed by the Department to the person; removing provisions requiring the Department to determine whether any additional amounts are owed to the Department by such a person as a result of certain taxes imposed on special fuels; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, the Boards of County Commissioners of Clark County and
2 Washoe County have imposed certain county taxes on motor vehicle fuel and
3 various special fuels used in motor vehicles. (NRS 373.066, 373.0663) Upon
4 approval by a majority of the voters in any county, other than Clark County or
5 Washoe County, at the general election in November 2016, existing law requires
6 the board of county commissioners of the county similarly to impose these
7 additional county taxes on motor vehicle fuel and various special fuels used in
8 motor vehicles. (NRS 373.0667)



9 The Department of Motor Vehicles is a party to the International Fuel Tax
10 Agreement, a multistate agreement which facilitates the calculation and collection
11 of certain fuel taxes from interstate trucking companies and others who use special
12 fuel (primarily diesel fuel) in vehicles operated or intended to operate interstate.
13 (NRS 366.175) Existing law requires certain special fuel users to file a return with
14 the Department and requires the Department to adopt regulations establishing a
15 system for auditing such returns to determine whether any amounts are owed by or
16 to the special fuel user pursuant to the International Fuel Tax Agreement as a result
17 of any additional taxes on special fuels imposed pursuant to NRS 373.066,
18 373.0663 or 373.0667. (NRS 373.083) This bill authorizes rather than requires a
19 special fuel user to file with the Department a request for reimbursement of any
20 amounts owed by the Department to the special fuel user. This bill also removes
21 provisions requiring the Department to determine whether a special fuel user may
22 owe additional amounts to the Department as a result of the additional taxes
23 imposed pursuant to NRS 373.066, 373.0663 or 373.0667. Additionally, this bill
24 clarifies that reimbursement of any amounts owed to a special fuel user are only for
25 taxes imposed on special fuels which are consumed outside this State.

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

1 **Section 1.** NRS 373.083 is hereby amended to read as follows:
2 373.083 1. A person who uses special fuel in a motor vehicle
3 operated or intended to operate interstate and who pays any tax
4 imposed on special fuels pursuant to NRS 373.066 or 373.0663
5 ~~[shall]~~ *may* file with the Department a ~~[return for the purpose of the~~
6 ~~Department determining whether]~~ *request for reimbursement of*
7 any amounts ~~[are]~~ owed ~~[by or]~~ to the person ~~[pursuant to]~~ *as a*
8 *result of the Department entering into* an agreement ~~[entered into]~~
9 pursuant to NRS 366.175 ~~[as a result of]~~ *and* the imposition, ~~[of~~
10 ~~any tax on special fuels]~~ pursuant to NRS 373.066 or 373.0663 ~~],~~
11 *of any tax on special fuels which are consumed outside this State.*

12 2. The Department shall adopt regulations establishing a
13 system to provide for *the reimbursement and* the auditing of the
14 records of a person who files ~~[such a return to determine whether~~
15 ~~the person is entitled to reimbursement of or owes any amounts~~
16 ~~pursuant to an agreement entered into pursuant to NRS 366.175 as a~~
17 ~~result of the imposition of any tax on special fuels pursuant to NRS~~
18 ~~373.066 or 373.0663.]~~ *a request for reimbursement pursuant to*
19 *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 ~~[of any amounts owed to the person pursuant to~~
23 ~~an agreement entered into pursuant to NRS 366.175 as a result of~~
24 ~~the imposition of any tax on special fuels pursuant to NRS 373.066~~
25 ~~or 373.0663;]~~ *as provided in subsection 1;*



1 (b) *Must provide that the Department will determine the*
2 *eligibility for reimbursement of a person who files a request for*
3 *reimbursement pursuant to subsection 1 before the Department*
4 *will authorize the reimbursement;*

5 (c) Must provide that any reimbursement authorized by the
6 Department be paid from only money received by a county pursuant
7 to any tax imposed on special fuels pursuant to NRS 373.066 or
8 373.0663;

9 ~~[(e)]~~ (d) Must provide that the total amount of money which
10 must be paid by any county in any fiscal year to reimburse any
11 amounts owed to persons who use special fuel in motor vehicles
12 operated or intended to operate interstate must not exceed 20
13 percent of the total amount of money collected by that county from
14 any tax imposed on special fuels pursuant to NRS 373.066 or
15 373.0663; and

16 ~~[(d)]~~ (e) Must not apply to any tax imposed pursuant to NRS
17 373.066 during the term of any bonds outstanding on the effective
18 date of this section secured by those taxes or of any bonds that
19 refund such bonds provided that the term of the refunding bonds is
20 not longer than the term of the refunded bonds.

21 ~~[(2)]~~ 3. The Department shall charge and collect a fee in an
22 amount not to exceed \$100 for each request for reimbursement filed
23 by a person ~~[pursuant to the system established by the Department]~~
24 pursuant to subsection 1. All money from the fees collected by the
25 Department pursuant to this subsection must be deposited in the
26 Local Fuel Tax Indexing Fund created by NRS 373.087.

27 ~~[(3)]~~ 4. The Department and a commission which has been
28 created in a county whose population is 700,000 or more and in
29 which a tax is imposed pursuant to NRS 373.0663 may enter into an
30 intergovernmental agreement or contract pursuant to which:

31 (a) The commission agrees to pay for the costs incurred by the
32 Department to establish the system pursuant to subsection ~~[(2)]~~ 2 and
33 administer the system until the amount of money received by the
34 Department from the fees collected by the Department pursuant to
35 subsection ~~[(2)]~~ 3 is sufficient to pay the costs incurred by the
36 Department to administer the system; and

37 (b) The Department agrees to reimburse the commission for any
38 money paid by the commission pursuant to paragraph (a) from a
39 portion of the money received by the Department from the fees
40 collected by the Department pursuant to subsection ~~[(2)]~~ 3.

41 ~~[(4)]~~ 5. As used in this section, "special fuel" has the meaning
42 ascribed to it in NRS 366.060.

43 **Sec. 2.** NRS 373.087 is hereby amended to read as follows:

44 373.087 1. The Local Fuel Tax Indexing Fund is hereby
45 created as an enterprise fund. The Department shall deposit in the



1 Fund all fees collected by the Department pursuant to subsection ~~2~~
2 3 of NRS 373.083. The Director of the Department shall administer
3 the Fund.

4 2. Money in the Fund must be invested as the money in other
5 state funds is invested. The interest and income earned on the
6 money in the Fund, after deducting any applicable charges, must be
7 credited to the Fund. Claims against the Fund must be paid as other
8 claims against the State are paid.

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

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

12 (b) To reimburse a commission for any amounts paid by the
13 commission pursuant to an intergovernmental agreement or contract
14 entered into pursuant to subsection ~~3~~ 4 of NRS 373.083.

15 4. The Director may maintain a reserve of not more than
16 \$500,000 in the Fund. The reserve must be accounted for separately
17 in the Fund and must only be expended to administer the system
18 established by the Department pursuant to NRS 373.083.

19 5. Any balance remaining in the Fund at the end of any fiscal
20 year:

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

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

23 **Sec. 3.** This act becomes effective on July 1, 2015.

