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ASSEMBLY BILL NO. 491—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 25, 2013

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Referred to Committee on Ways and Means

SUMMARY—Temporarily revises various provisions relating to state financial administration. (BDR S-1162)

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.

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AN ACT relating to state financial administration; temporarily extending the allocation of a portion of the proceeds of the basic governmental services tax to the State General Fund; transferring certain commissions collected and penalties retained by the Department of Motor Vehicles with respect to the governmental services tax during Fiscal Year 2014-2015; temporarily increasing for Fiscal Year 2014-2015 the limitation on the percentage of the proceeds of certain fees and charges collected by the Department of Motor Vehicles that are authorized for the Department's costs of administration associated with the collection of those fees and charges; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 The State of Nevada imposes a governmental services tax for the privilege of  
2 operating any vehicle upon the public highways of this State. (NRS 371.030) The  
3 annual amount of the basic governmental services tax is 4 cents on each \$1 of  
4 valuation of the vehicle, as determined by the Department of Motor Vehicles. (NRS  
5 371.040) Existing law sets forth depreciation schedules for determining the amount  
6 of the basic governmental services tax due each year for used vehicles and  
7 establishes a minimum tax. (NRS 371.060) In 2009, the amount of the basic  
8 governmental services tax due annually was increased for used vehicles by  
9 reducing the amount of depreciation allowed and increasing the minimum tax. The  
10 revenue from these increases in the basic governmental services tax were allocated  
11 to the State General Fund until June 30, 2013, and then were required to be  
12 deposited in the State Highway Fund thereafter. (Chapter 395, Statutes of Nevada



\* A B 4 9 1 \*

13 2009, p. 2188) **Section 1** of this bill extends for an additional 2 years the period  
14 during which the increases in the basic governmental services tax are allocated to  
15 the State General Fund. Therefore, those increases will be deposited in the State  
16 Highway Fund commencing on July 1, 2015.

17 Under existing law, the Department of Motor Vehicles is authorized to retain a  
18 commission of 1 percent of the revenue of the governmental services tax collected  
19 by the county assessors and 6 percent of all other revenue from the governmental  
20 services tax received by the Department. (NRS 482.180) The Department is also  
21 authorized under existing law to retain any penalties collected for delinquent  
22 payment of the governmental services tax. (NRS 371.140) **Section 2** of this bill  
23 transfers those commissions collected and penalties retained by the Department  
24 during Fiscal Year 2014-2015 to the State General Fund for unrestricted use.

25 Under existing law, all the proceeds from the imposition of any license or  
26 registration fee and other charge regarding the operation of a motor vehicle on any  
27 public highway, road or street in Nevada, except costs of administering the  
28 collection thereof, is required to be used exclusively for the construction,  
29 maintenance and repair of the State's public highways, roads and streets. (Nev.  
30 Const. Art. 9, § 5; NRS 408.235) Existing law limits the amount of such proceeds  
31 that are authorized to be used as costs of administration to 22 percent of the  
32 proceeds collected. (NRS 408.235) **Section 3** of this bill temporarily increases this  
33 limitation on costs of administration to 32 percent during Fiscal Year 2014-2015.

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

1 **Section 1.** Section 20 of chapter 395, Statutes of Nevada 2009,  
2 as amended by chapter 476, Statutes of Nevada 2011, at page 2897,  
3 is hereby amended to read as follows:

4 Sec. 10.7. Section 20 of chapter 395, Statutes of Nevada  
5 2009, at page 2199, is hereby amended to read as follows:

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

8 2. Sections 1 and 2 of this act become effective on  
9 July 1, 2009.

10 3. Section 3 of this act becomes effective on July 1,  
11 2009, and expires by limitation on June 30, 2011.

12 4. Sections 6 to 12, inclusive, of this act become  
13 effective on July 1, 2009, and expire by limitation on  
14 June 30, 2013.

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

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

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

21 6. Sections 15.5 and 18.5 of this act become effective  
22 on July 1, ~~2013~~ 2015.



1                   7. Section 18 of this act expires by limitation on  
2                   June 30, ~~2013~~ 2015.

3           **Sec. 2.** The State Controller shall, as soon as practicable in  
4 Fiscal Year 2014-2015:

5           1. Notwithstanding the provisions of NRS 482.180, transfer the  
6 commissions collected by the Department of Motor Vehicles  
7 pursuant to subsection 6 of NRS 482.180 in an amount not to  
8 exceed \$20,680,534 in Fiscal Year 2014-2015 to the State General  
9 Fund for unrestricted State General Fund use.

10          2. Notwithstanding the provisions of NRS 371.140, transfer the  
11 penalties retained by the Department of Motor Vehicles pursuant to  
12 subsection 1 of NRS 371.140 in an amount not to exceed  
13 \$4,074,856 in Fiscal Year 2014-2015 to the State General Fund for  
14 unrestricted State General Fund use.

15          **Sec. 3.** Notwithstanding the provisions of NRS 408.235, the  
16 costs of administration of the Department of Motor Vehicles for  
17 Fiscal Year 2014-2015 for the collection of the proceeds for any  
18 license or registration fees and other charges with respect to the  
19 operation of any motor vehicle must be limited to a sum not to  
20 exceed 32 percent of the total proceeds so collected.

21          **Sec. 4.** 1. This section and section 1 of this act become  
22 effective upon passage and approval.

23          2. Sections 2 and 3 of this act become effective on July 1,  
24 2013.

