

SENATE BILL NO. 439—COMMITTEE ON REVENUE
AND ECONOMIC DEVELOPMENT

MARCH 27, 2017

Referred to Committee on Revenue and
Economic Development

SUMMARY—Authorizes certain local governments to increase diesel taxes under certain circumstances. (BDR 32-1002)

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; authorizing boards of county commissioners in certain smaller counties to impose an additional 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; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes counties to impose certain taxes on motor vehicle fuels
2 and special fuels used in motor vehicles. (Chapter 373 of NRS) Under existing law,
3 a board of county commissioners of a county whose population is 100,000 or more
4 (currently Clark and Washoe Counties) is authorized, under certain circumstances,
5 to impose county taxes on motor vehicle fuel and various special fuels used in
6 motor vehicles. (NRS 373.030, 373.066, 373.0663) However, a board of county
7 commissioners of a county whose population is less than 100,000 (currently all
8 counties other than Clark and Washoe Counties) is authorized to impose county
9 fuel taxes only on motor vehicle fuel. (NRS 373.030, 373.065) **Section 1** of this bill
10 authorizes the board of county commissioners of a county whose population is less
11 than 100,000 to impose a tax on special fuel that consists of diesel fuel sold in the
12 county in an amount not to exceed 5 cents per gallon. A tax imposed pursuant to
13 **section 1** would be administered, allocated, disbursed and used in the same manner
14 as certain existing fuel taxes. (Chapter 373 of NRS)

15 The Department of Motor Vehicles is a party to the International Fuel Tax
16 Agreement, a multistate agreement which facilitates the calculation and collection
17 of certain fuel taxes from interstate trucking companies and others who use special
18 fuel (primarily diesel fuel) in vehicles operated or intended to operate interstate.



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19 (NRS 366.175) Existing law: (1) authorizes certain special fuel users to file with
20 the Department a request for reimbursement of amounts owed to the special fuel
21 user as a result of the Department's entering into the International Fuel Tax
22 Agreement and the imposition of a tax on special fuels consumed outside this State;
23 and (2) requires the Department to adopt regulations establishing a system to
24 provide for the reimbursement of a person who files such a request. (NRS 373.083)
25 **Section 3** of this bill authorizes a person who pays a tax imposed pursuant to
26 **section 1** to file such a request and obtain from the Department a reimbursement of
27 the tax on diesel fuel which is consumed outside this State.

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

1 **Section 1.** NRS 373.030 is hereby amended to read as follows:
2 373.030 1. In any county for all or part of which a streets and
3 highways plan has been adopted as a part of the master plan by the
4 county or regional planning commission pursuant to NRS 278.150,
5 the board may by ordinance impose a tax on motor vehicle fuel,
6 except aviation fuel and leaded racing fuel, sold in the county in an
7 amount not to exceed 9 cents per gallon.
8 2. *In a county whose population is less than 100,000 and for*
9 *all or part of which a streets and highways plan has been adopted*
10 *as a part of the master plan by the county or regional planning*
11 *commission pursuant to NRS 278.150, the board may by*
12 *ordinance impose a tax on special fuel that consists of diesel fuel*
13 *sold in the county in an amount not to exceed 5 cents per gallon.*
14 3. A tax imposed pursuant to ~~§ this section~~ subsection 1 is in
15 addition to other motor vehicle fuel taxes imposed pursuant to the
16 provisions of chapter 365 of NRS.
17 ~~§~~ *A tax imposed pursuant to subsection 2 is in addition to*
18 *other special fuel taxes imposed pursuant to the provisions of*
19 *chapter 366 of NRS.*
20 4. As used in this section:
21 (a) "Aviation fuel" has the meaning ascribed to it in
22 NRS 365.015.
23 (b) "Leaded racing fuel" means motor vehicle fuel that contains
24 lead and is produced for motor vehicles that are designed and built
25 for racing and not for operation on a public highway.
26 **Sec. 2.** NRS 373.060 is hereby amended to read as follows:
27 373.060 Any ordinance enacted pursuant to NRS 373.030 must
28 provide that the county ~~motor vehicle~~ fuel tax will be imposed on
29 the first day of the second calendar month following the enactment
30 of the ordinance.
31 **Sec. 3.** NRS 373.083 is hereby amended to read as follows:
32 373.083 1. A person who uses special fuel in a motor vehicle
33 operated or intended to operate interstate and who pays any tax



1 imposed on special fuels pursuant to NRS **373.030**, 373.066,
2 373.0663 or 373.0667 may file with the Department a request for
3 reimbursement of any amounts owed to the person as a result of the
4 Department entering into an agreement pursuant to NRS 366.175
5 and the imposition, pursuant to NRS **373.030**, 373.066, 373.0663 or
6 373.0667, of any tax on special fuels which are consumed outside
7 this State.

8 2. The Department shall adopt regulations establishing a
9 system to provide for the reimbursement and the auditing of the
10 records of a person who files a request for reimbursement pursuant
11 to subsection 1. The system established by the Department:

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

15 (b) Must provide that the Department will determine the
16 eligibility for reimbursement of a person who files a request for
17 reimbursement pursuant to subsection 1 before the Department will
18 authorize the reimbursement;

19 (c) Must provide that any reimbursement authorized by the
20 Department be paid from only money received by a county pursuant
21 to any tax imposed on special fuels pursuant to NRS **373.030**,
22 373.066, 373.0663 or 373.0667;

23 (d) Must provide that the total amount of money which must be
24 paid by any county in any fiscal year to reimburse any amounts
25 owed to persons who use special fuel in motor vehicles operated or
26 intended to operate interstate must not exceed 20 percent of the total
27 amount of money collected by that county from any tax imposed on
28 special fuels pursuant to NRS **373.030**, 373.066, 373.0663 or
29 373.0667; and

30 (e) Must not apply to any tax imposed pursuant to NRS 373.066
31 during the term of any bonds outstanding on the effective date of
32 this section secured by those taxes or of any bonds that refund such
33 bonds provided that the term of the refunding bonds is not longer
34 than the term of the refunded bonds.

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

40 4. The Department and a commission which has been created
41 in a county whose population is 700,000 or more and in which a tax
42 is imposed pursuant to NRS 373.0663 or 373.0667 may enter into
43 an intergovernmental agreement or contract pursuant to which:

44 (a) The commission agrees to pay for the costs incurred by the
45 Department to establish the system pursuant to subsection 2 and



1 administer the system until the amount of money received by the
2 Department from the fees collected by the Department pursuant to
3 subsection 3 is sufficient to pay the costs incurred by the
4 Department to administer the system; and
5 (b) The Department agrees to reimburse the commission for any
6 money paid by the commission pursuant to paragraph (a) from a
7 portion of the money received by the Department from the fees
8 collected by the Department pursuant to subsection 3.
9 5. As used in this section, "special fuel" has the meaning
10 ascribed to it in NRS 366.060.
11 **Sec. 4.** This act becomes effective on July 1, 2017.

