

JOINT HEARING OF THE SENATE AND ASSEMBLY  
COMMITTEES ON TAXATION - 01/18/79

The meeting was called to order at 2:00 p.m. in the Senate Hearing Room, on Thursday, January 18, 1979. Senator Norman Glaser was in the Chair.

SENATORS

PRESENT: Chairman Glaser  
Senator Dodge  
Senator Raggio  
Senator Kosinski  
Senator Sloan  
Senator Don Ashworth

SENATOR

ABSENT: Vice-Chairman Lamb

GUESTS:

James L. Wadhams,  
Director, Commerce  
Dept.  

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Roy Nickson,  
Director, Taxation  
Dept.  

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Barton Jacka,  
Director, Motor  
Vehicles Dept.  

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Winston Richards,  
D.M.V. - Motor  
Carrier Division  

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Leonard Winkelman,  
D.M.V. - Admin.  
Svcs & Fiscal Actg.  

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Gene Phelps,  
Business Manager,  
Highway Depart.  

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Joe Souza, State  
Highway Engineer,  
Highway Depart.  

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Donald Crosby,  
Dep. Highway Eng.,  
Highway Depart.

ASSEMBLYMEN

PRESENT: Chairman Price  
Vice-Chairman Craddock  
Assemblyman Weise  
Assemblyman Chaney  
Assemblyman Dini  
Assemblyman Coulter  
Assemblyman Bergevin  
Assemblyman Marvel  
Assemblyman Rusk  
Assemblyman Tanner

ASSEMBLYMAN

ABSENT: Assemblyman Mann  
(Absence Excused)

The meeting was opened by Chairman Glaser. Chairman Glaser introduced the first speaker, Mr. James L. Wadhams, Director, Nevada State Department of Commerce.

Mr. Wadhams spoke on the Insurance Premium Tax and the Insurance Retaliatory Tax as shown in Exhibit "A". On Page Three of Exhibit "A", Mr. Wadhams made the following correction in the 1975 Column of the bottom TOTALS: \$5,844,038, should be \$6,425,408.

Senator Don Ashworth asked why on Page Three of these columns, the other two years, 1976 and 1977, are totals of the taxes collected and the fees & miscellaneous items; but column one,

when given the new total, does not add up to the above two figures. Senator Ashworth wanted to know which of the above two figures were in error. Mr. Wadhams said that this was difficult to explain. Chairman Glaser asked if Mr. Wadhams could have an explanation to the discrepancy by Monday, Jan. 22, 1979? Mr. Wadhams said he would do so.

Mr. Roy Nickson began his presentation by providing handouts to the Committee in response to questions from previous hearings, see Exhibits "B".

Assemblyman Weise asked if there was any reason why mobile homes couldn't be taken off of the standards that currently exist and placed on real property tax basis? Mr. Nickson said that now the property continues to depreciate regardless of market value, down to 28%. Mr. Nickson added that if a mobile home is in a nice park, it will be taxed the same as if it were in the desert in Dayton.

Mr. Nickson began his testimony on Motor Vehicle Fuel Tax; reading from Exhibit "C". Assemblyman Weise asked if Mr. Nickson knew how much of the tax is paid by out-of-state travelers? Mr. Nickson said he didn't know. Senator Glaser asked that these figures be provided to the Committee members.

Mr. Barton Jacka, Director of the Department of Motor Vehicles, then made his presentation. He began with "Special Fuel Taxes", see Exhibit "D". Senator Glaser asked Mr. Jacka to explain the \$10.00 fee for a special 48-hour temporary license. Mr. Winston Richards, Administrator of the Division of Motor Carriers, said that this is an additional temporary license for the vehicles that do not have the special fuel-user license, or the annual motor carrier license. Assemblyman Price asked for an example of this type of vehicle. Mr. Richards said an example is a company that is not licensed to operate in the State of Nevada, who may be coming into Nevada on just a single trip. Assemblyman Chaney stated that if the trucker has enough fuel to get him through Nevada without re-fueling, then there is nothing to force him to obtain this permit. Mr. Jacka said that he also questioned this when he first came into the Department; however Mr. Richards had indicated to him that the percentage of people who do not get caught is very minimal. Assemblyman Tanner asked how this permit is obtained? Mr. Richards said in a Vendor Station, and there are 21 in the State.

Assemblyman Price asked how diesel fueled automobiles were exempted from paying this fuel tax? Mr. Richards said that minimum for special fuel is 6,000 pounds empty weight. Mr. Richards said that the automobiles do pay the tax at the pump at .06¢ per gallon. Assemblyman Craddock asked how do we know the fuel dealers pay the State this tax, if it is not posted on the pump, and diesel is sold to either a truck that has a permit, or an auto that does not have a permit? Mr. Richards said that if the trucker has an annual license, the fuel dealer has to put that number on

each invoice. Senator Ashworth asked if a simple solution might be to indicate on the pumps that if an annual license is not required, then the .06¢/gallon will be charged. Assemblyman Chaney said that in some of the service stations, the .06¢ is automatically charged unless the vehicle has an annual permit, and then it is deducted. Senator Glaser said that this area is particularly of interest to the legislators because the Highway Fund needs operating funds, and there should be some way of guaranteeing that special fuels are not escaping taxation.

Assemblyman Weise asked if the problem with the cab company in Las Vegas refusing to pay this fuel tax has been resolved? Mr. Richards said that a hearing was requested by the companies involved (two) and that it is still under consideration.

Mr. Jacka went on with his presentation by reading his testimony on "Motor Vehicle Carrier Licenses and Taxes", Exhibit "E".

Senator Raggio asked how the mileage for the mileage tax is determined? Mr. Richards said this is based on a calendar year, beginning with January 1st, paid in arrears on a quarterly basis.

Assemblyman Price asked about a complaint he had received from a constituent where the person had a tractor, but not a trailer, and yet had to buy a license and registration for this "non-existent" trailer. Mr. Richards said that the owner has to license the same number of trailers that he normally tows. Mr. Richards added that the trailers can be leased or rented, and there is no way of keeping track of them, so the owner of the tractor is taxed for what he will be towing.

Assemblyman Chaney asked how the Department keeps up with the amount of mileage. Mr. Richards said that basically the truckers report to the Department on the "honor" system, and the Department's field agents make their own observations as back-up.

Senator Glaser asked if Mr. Richards had a break-down on how much of the revenue on this tax is generated by company truckers, and how much by "wild-cat" truckers. Mr. Richards said that for 1978, the carriers that are licensed to operate on mileage tax paid \$3,960,070.00, generated on 208,370,021 miles. Senator Glaser asked Mr. Richards if he could have a break-down of the amounts for each revenue source for the Motor Carrier Division in order that he could see what is brought in by the vendor stations.

Mr. Jacka continued with his presentation and read from his handout regarding, "Drivers License Fees", Exhibit "F".

Senator Dodge asked how self-sustaining the picture drivers licenses were in regards to funding? Mr. Jacka said that the average cost to prepare the drivers licenses is \$10.50; and the Department does not charge the cost of production. Mr. Jacka said that D.M.V. gets the subsidiary funding for the licenses by appropriation from the Highway Fund. Mr. Jacka added that it is not palatable at this time to make the licenses self-sustaining because of Proposition 6. Senator Glaser asked if the Department could provide a list of costs on a national basis to produce the plastic-coated, photographed licenses.

Mr. Jacka continued with his presentation and read from his handout regarding, "Registration Fees", Exhibit "G". Mr. Jacka said that the cost to produce the new auto license plates is approximately \$400,000.00 per year.

Mr. Jacka then discussed the "Certificate of Ownership Fees", Exhibit "H". Senator Raggio asked if he understood this to mean that for example in fiscal year 1977, one-half the amount shown in Exhibit "H", or approximately \$235,000.00 in changing of ownership titles took place? Mr. Jacka said that was correct.

Mr. Jacka then read his handout on "Personalized License Plate Fees", Exhibit "I".

Mr. Jacka's next presentation was "Highway Patrol Special Fees", Exhibit "J"; and his final presentation was "Emission Control Fees", Exhibit "K".

Assemblyman Price asked if the fines collected on tickets for traffic violations went totally to local jurisdictions? Mr. Jacka said that depends on which statutes or county ordinances are in force. Assemblyman Price said that he wondered if there would be any advantage to having an automatic portion of the fines going to the State.

Assemblyman Craddock inquired as to why it would not be possible for the automobile dealers to only use license plates for identification, and not the plates as well as stickers. Mr. Jacka said he would check into the reasoning for using both, and would report back to Assemblyman Craddock.

Senator Ashworth wondered if the fee charged by the garages in regards to emission control is realistic in proportion to the service performed. Mr. Leonard Winkelman, Administrator of the Division of Administrative Services and Fiscal Accounting, said that the fee charged varies from garage to garage. Senator Ashworth stated that if the annual license fee charged to the garage for being an authorized emission control station

were increased to provide additional state revenue, then the garages could in turn increase their fee for the service. Senator Glaser said that when this fee was initiated the annual fee charged had to be relatively low in order to generate enthusiasm among the service station dealers to assist in the program.

Chairman Glaser introduced Mr. Gene Phelps of the Nevada State Highway Department to present the revenue sources and uses of the Highway Fund.

Mr. Phelps, Business Manager of the Highway Department, began by explaining the origin of the Highway Fund, see Exhibit "L", (Please note that the written testimony in this Exhibit also has corresponding chart exhibits attached).

In looking at the chart showing the various Biennium Revenue sources for the Department, Assemblyman Price asked if the \$156.44 million in Federal aid is what will be withheld if Nevada does not conform to the 55 m.p.h. speed limit? Mr. Phelps said there are various penalties involved with Federal aid.

Senator Dodge asked if Mr. Phelps could provide how much Nevada would receive in Federal Aid if there were no public lands? Mr. Phelps said that the Nevada allocation would still be \$55 million, but the percentage of State matching would increase; as all states excepting the public land states are 90%/10% matching on interstate highways, and 70%/30% on other systems, (public land states are 95%/5% matching on all systems).

Assemblyman Chaney asked how Nevada has been threatened for removal of Federal aid? Mr. Phelps said they questioned the weight standards used, however the Federal Government has not set any standards on what is adequate weight enforcement for transport. Mr. Phelps also said that the Federal Government did not feel that Nevada moved fast enough in the enforcement of billboard regulations, and they threatened to withhold 5% of the funding until Nevada was in compliance.

Mr. Phelps then discussed the expenditure side of the Highway Fund budget, (See Exhibit "L", Revenue Distributions for the Biennium 79-81 Chart).

Mr. Phelps said that the budget submitted for the Highway Department only allows for current maintenance, and the gas tax that goes to the Highway Fund has not been increased since 1955. Mr. Phelps said that Federal aid construction is continually increasing, but the State's ability to maintain the systems is decreasing.

Senator Dodge asked if the Department is able to get matching funding now for all the Federal aid that is currently available? Mr. Phelps said yes, but in order to make the match, the Department is foregoing some of its maintenance programs.

Senator Dodge asked if the Governor's proposed \$10 million to the Department would give them any better leverage? Mr. Phelps said that \$5 million is for a building for D.M.V., and the other \$5 million is for the purchase of equipment. Mr. Donald Crosby of the Highway Department said that studies show that Nevada ought to be spending approximately \$23 million per year on maintenance.

Senator Glaser asked if there wouldn't be opportunity to increase the maintenance programs as the freeway projects "wind-down"? Mr. Phelps said that he doesn't foresee a decrease in the freeway construction, and there doesn't appear to ever be any Federal funding for maintenance. Mr. Phelps said that currently the Department has thirteen major projects identified which would require \$335 million, \$90 million of which is Federal aid; but there doesn't appear to be a chance of receiving the needed \$225 million in State funds.

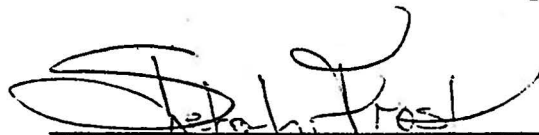
Assemblyman Weise asked if the \$5 million will cause a deficit spending posture for the Department? Mr. Phelps said that at the present time the revenue sources available to the Highway Department will not support the programs that are being funded. Assemblyman Weise said that his point was that there should be no pretense that this \$5 million will be "one-shot" funding.

Mr. Phelps said that it is the feeling of the Highway Board that at this time an increase in the gas tax mentioned earlier, would not be feasible with the public support of Proposition 6.

Senator Dodge asked if the Department has considered a consolidation of costs involved in collecting the revenues? Mr. Phelps said that this has been discussed in the past, and explained how each Department involved must do their area, i.e., the Department of Taxation for Fuel Tax; and, the Department of Motor Vehicles with trucking revenues.

Mr. Joe Souza, State Highway Engineer, stated that in regards to the proposal in increasing licensing, the Highway Fund would derive in the first year around \$7.5 million, and \$8.5 million in the second year. Mr. Souza said that even though the public atmosphere is such that it is adverse to tax increases, he could not see that an increase in the driver's licenses so that they are self-sufficient is anything but a healthy, stable increase.

Chairman Glaser thanked the guests for their presentations,  
and dismissed the meeting at 4:10 p.m.



Respectfully Submitted By:  
Sheba L. Frost, Committee Sec.

  
Approved By: Norman Glaser,  
Chairman

STATE OF NEVADA

## DEPARTMENT OF COMMERCE

NYE BUILDING, ROOM 321  
 201 SOUTH FALL STREET  
 CARSON CITY, NEVADA 89710  
 (702) 885-4250

## DIVISIONS

BANKING  
 CONSUMER AFFAIRS  
 CREDIT UNION  
 FIRE MARSHAL  
 HOUSING  
 INSURANCE  
 MOBILE HOME AGENCY  
 REAL ESTATE  
 SAVINGS AND LOAN



ROBERT LIST  
 GOVERNOR

JAMES L. WADHAMS  
 DIRECTOR

January 18, 1979

Taxation Committees  
 Nevada Legislature  
 Legislative Building  
 Carson City, NV 89710

Dear Committee Members:

There are two sources of tax revenue under the laws administered by the Commerce Department. These are collected by the Insurance Division.

INSURANCE PREMIUM TAX

Chapter 680B of the Nevada Revised Statutes provides for the assessment of fees and premium taxes. The present premium tax rate, which is levied against the insurance transaction is 2% of the premium paid.

This tax is due and payable on or before March 1 of each year. It is received by the Insurance Division with the tax return submitted by the various companies and certain agents. Attached to this memo is an exhibit of taxes and fees collected over the last four fiscal years.

Nevada Revised Statutes 687B.030 defines premium as "consideration for insurance by whatever name called. Any assessment, or any membership, policy, survey, inspection, service or similar fee or other charge in consideration for an insurance contract or procurement thereof is part of the premium". These are the dollar amounts upon which the 2% tax is calculated.

INSURANCE RETALIATORY TAX

The authority to assess taxes or fees on a retaliatory basis is granted by Nevada Revised Statutes 680A.330.

The purpose of this tax is to impose upon companies and agents of other states, the same requirements imposed upon Nevada companies or agents doing business in states where taxes or fees are greater than ours. An example would be a 3% premium tax rate charged by another state against a Nevada company doing business in that state. Our retaliatory move would be increase our premium tax from 2% to 3% for each company operating in Nevada from the example state.



## INCOME TO GENERAL FUND

	Fiscal Years				Projected Income		
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
INSURANCE PREMIUM TAX*	5,008,397.	5,574,290.	6,838,395.	8,600,488.	9,199,170.	9,797,852.	11,169,551.
RETRIBUTORY TAX	460,387.	438,514.	431,658.	579,384.	599,215.	619,047.	658,710.
LICENSE FEES	321,995.	339,615.	356,914.	380,328.	388,550.	399,772.	419,216.
EXAM FEES	17,494.	20,600.	18,701.	20,023.	20,444.	20,866.	21,709.
INSURANCE FINES	32,855.	18,499.	13,700.	12,355.	13,605.	14,855.	17,355.
INSURANCE - MISC. (Service of Process Agents Appointments Powers of Attorney)	31,354.	33,890.	32,857.	34,467.	34,985.	35,505.	36,543.
<b>TOTALS</b>	<b>5,872,482.</b>	<b>6,425,408.</b>	<b>7,692,225.</b>	<b>9,627,045.</b>	<b>10,255,969.</b>	<b>10,887,897.</b>	<b>12,323,084.</b>

\*For a more detailed breakdown, please see attached exhibit.

ANNUAL REPORT OF THE  
DIVISION OF INSURANCE  
DEPARTMENT OF COMMERCE

DIVISION ACTIVITIES

FINANCIAL

The following is a recap of premium monies expended by the people of Nevada during the calendar years 1975, 1976, and 1977, and premium taxes, license and miscellaneous fees collected by the Insurance Division for the same fiscal years. All such monies collected were deposited into the general fund. The three years depicted below show the phenomenal growth that is expected to continue as Nevada's population grows and more companies are admitted.

	<u>1975</u>	<u>1976</u>	<u>1977</u>
Direct premium paid all lines.....	\$319,882,342	\$386,841,070	\$432,100,052
Direct premium paid fraternal societies..	1,278,325	900,672	1,522,576
Direct premium paid title companies.....	2,659,298	5,076,443	8,318,890
Direct premium paid surplus lines.....	<u>1,073,200</u>	<u>2,356,319</u>	<u>4,823,697</u>
TOTALS....	\$324,873,165	\$395,174,504	\$446,765,215
Total taxes collected all sources.....	<u>1975</u> \$ 5,451,553	<u>1976</u> \$ 7,270,053	<u>1977</u> \$ 9,179,898
Total fees & miscel- laneous items col- lected.....	<u>392,485</u>	<u>422,027</u>	<u>447,986</u>
TOTALS....	\$ <del>5,844,038</del> 6,425,405	\$ 7,692,080	\$ 9,627,884
Cost of operation.....	\$ 663,379	\$ 683,896	\$ 687,953

NOTE: Fiscal year 1979 figures are unavailable at this time due to statutory March 1 filing dates.

## RESIDENTIAL HEATING AND COOLING SYSTEMS

NRS 361.795 provides for a tax allowance for certain residential heating and cooling systems using (a) solar and wind energy, (b) geothermal resources, (c) energy derived from conversion of solid wastes, or (d) water power. Claims for tax allowance are filed with the county assessors between January 15 and March 15 annually. Upon verification of the claim by the Department, authorization is made to reimburse the county from State funds appropriated for this purpose.

So far claims have been approved and paid to Washoe County for \$1,221.43, 19 claims, and Churchill County for \$179.46, 3 claims.

It appears there will be an increase in the number of claims in Washoe County for geothermal use and as costs stabilize, we would expect solar energy claims in particular from Clark County to become a factor.

The Department plans to remind the county assessors to publish notice of the filing dates for this type of claim.

## PERSONAL PROPERTY MOBILE HOMES

When a mobile home is sold and delivered, a copy of the Dealers Report of Sale is sent to the county assessor of the county of delivery. Personal property tax billings are made from the Dealers Report of Sale generally due and payable within thirty (30) days. In the case of a mobile home delivered on or about the 25th of the month, billing would probably be the first of the following month. Personal property tax is reduced by one-twelfth (1/12) for each full month which has elapsed since beginning of fiscal year.

After the original assessment, mobile home taxes are due and payable on the first Monday in July, except that in any county with a population of 100,000 or more and tax assessed exceeds \$100, the tax may be paid in quarterly installments on the first Monday of July, October, January and March.

1/4/79 1978-79 Assessment Roll - Survey  
of County Assessors 1/3 and 1/4/79

First Preliminary

COUNTIES	Estimated Net Assessed Valuation	Percent Increase or (decrease) Over Last Year
Carson City.....	\$ 199,871,536	16.36%
Churchill.....	66,000,000	13.18
Clark.....	2,877,142,736	16.79
Douglas.....	193,458,681	10.00
Elko.....	163,441,336	10.00
Esmeralda.....	17,292,470	10.65
Eureka.....	37,594,543	5.53
Humboldt.....	80,594,538	12.78
Lander.....	37,000,000	8.75
Lincoln.....	29,500,000	16.51
Lyon.....	90,000,000	8.43
Mineral.....	30,000,000	5.73
Nye.....	120,000,000	33.38
Pershing.....	40,500,000	5.17
Storey.....	10,368,455	2.00
Washoe.....	* 1,601,196,082	21.94
White Pine***	** 1,568,177,152	22.50
	49,000,000	( 7.80)
	* \$5,642,960,377	17.16%
TOTALS **	\$5,609,941,447	17.28%

\*Total Washoe Co. and Total State with Total Washoe Co.

\*\*Total Washoe Co. excluding Sparks Town Center which is being redeveloped, the value to be excluded from County, City, School and State budget figures.

\*\*\*Phase out of Kennecott Copper Facilities.

c. County/City Relief Tax:

This one-half of one percent tax was enacted by the 1969 session of the legislature and is a local option tax imposed by the boards of county commissioners. If a county has an incorporated city or cities the tax cannot be imposed unless the city or cities unanimously petition the board of county commissioners for such action. The tax is now imposed in all counties except Esmeralda, Eureka, Lander and White Pine. Thus, the only incorporated city not receiving revenues from the tax is Ely. The imposition and collection of the tax and the exemptions thereto are identical to the Sales and Use Tax. One percent of the tax collected is deposited in the State general fund for reimbursement of administrative expense. The remaining 99% (including that collected from out-of-state businesses) is remitted on the basis of origin as follows:

- a. No incorporated city - entire amount to county.
- b. One incorporated city - apportioned between the city and the county based on proportion of respective population.
- c. Two or more incorporated cities - Apportioned between the cities in proportion to their respective population.

Population figures used are those determined in the last preceding National census. Tax collections in fiscal year 1977-78 were \$23,106,135. Estimates for fiscal year 1978-79 are \$27,727,000. The projection for fiscal year 1979-80 is \$31,609,000 and for fiscal year 1980-81 are \$35,718,000. Retailers are authorized to deduct one-half of one percent of the tax due as an allowance for collection of the tax.

d. Motor Vehicle Fuel Tax:

This tax is imposed on the sale of gasoline (including aviation gasoline). Specifically excluded from the tax are jet aircraft fuel, diesel motor fuel, kerosene, gas oil, fuel oil and liquified petroleum gas. The levy is per gallon and the state-wide tax is 6 cents per gallon. Counties with a regional street and highways commission have the option of imposing an additional one or two cents per gallon motor vehicle fuel tax. Counties NOT imposing an option tax are Elko, Esmeralda, Eureka, Lander, Lincoln, Lyon, Mineral, Storey and White Pine. Pershing County imposes a one cent optional tax and Carson City, Churchill, Clark, Douglas, Humboldt, Nye and Washoe Counties each impose a two cent optional tax.

Distribution of the tax is as follows:

- a) 4 1/2 cents to the State Highway Fund.
- b) 1/2 cent to counties based on a formula that allocates 1/4 proportionate to the total area; 1/4 proportionate to total population; 1/4 proportionate to road and street mileage and 1/4 to miles traveled on roads and streets. Formula computations are made annually.
- c) One cent to county based on origin and apportioned between counties, incorporated cities and towns with town boards.
- d) Fuels used in water craft as determined by legislative formula have their revenues distributed 30 percent to the Department of Fish and Game and 70% the State Parks.
- e) Revenues from fuels used in aircraft are distributed as follows: \$30,000.00 to the Civil Air Patrol fund and the balance remitted to the counties in proportion to the origin of the tax.

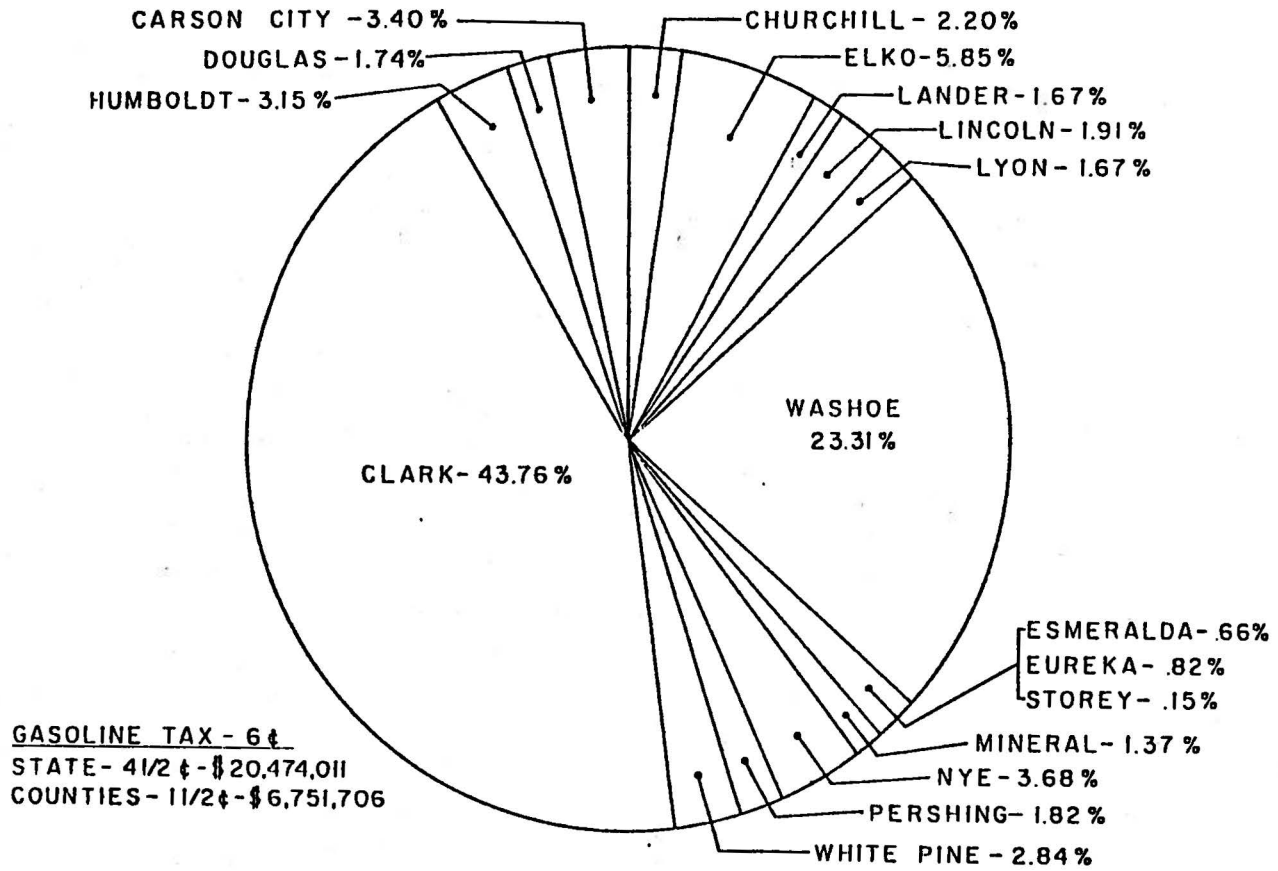
The optional one or two cent per gallon county tax is remitted to counties, and subject to restrictions in NRS 373.150.1, a share of this tax is allocated to cities and towns in proportion of assessed value to total county assessed value.

Collections of the tax in fiscal year 1977-78 were \$35,939,757. Estimates for fiscal year 1978-79 are \$38,455,540 and projections for fiscal year 1979-80 \$41,147,428 and for fiscal year 1980-81 \$44,027,748. Dealers are authorized to deduct two percent of the tax due to compensate for losses due to evaporation, spillage, etc., and as an allowance for collecting the tax.

e. Cigarette Tax:

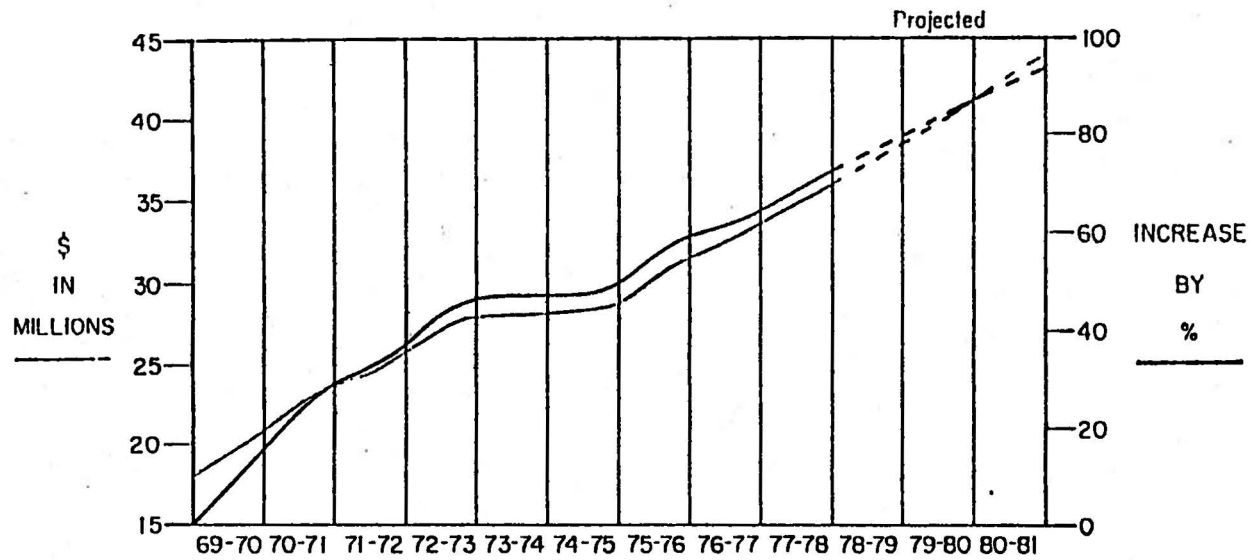
A levy of 10 cents per pack of 20 cigarettes or less and, for packages of over 20 cigarettes, 10 cents per each additional 20 cigarettes or fraction thereof. Cigarettes are defined as all rolled tobacco or substitutes therefore, wrapped in paper or any substitute other than tobacco. Thus, cigars and pipe tobaccos are excluded from the tax. The dealers (wholesalers) are allowed a discount of 4 percent of the tax due as an allowance for affixing cigarette

6¢ GASOLINE TAX - COUNTY DISTRIBUTION





GASOLINE TAX REVENUE



YEAR	TOTAL REVENUE	%	YEAR	TOTAL REVENUE	%
1969-70	\$ 20,925,711	15.63	1970-71	\$ 23,755,293	14.07
1971-72	25,671,637	8.07	1972-73	28,056,418	9.29
1973-74	28,152,894	0.34	1974-75	28,663,175	1.81
1975-76	31,540,338	10.04	1976-77	33,116,400	5.00
1977-78	35,939,757	8.53	1978-79	38,455,539	7.00
1979-80	41,147,428	7.00	1980-81	44,027,748	7.00

## DISTRIBUTION OF 6¢ GASOLINE TAX

	1968-1969	1969-1970	1970-1971	1971-1972	1972-1973	1973-1974	1974-1975
4 1/2¢ State	\$ 11,902,426	\$ 12,933,864	\$ 13,873,585	\$ 14,998,061	\$ 16,381,771	\$ 16,290,695	\$ 16,574,806
1 1/2¢ County							
Carson City	110,936	112,993	129,527	146,643	177,426	164,762	176,025
Churchill	97,790	105,661	116,439	118,820	135,825	125,599	123,015
Clark	1,604,783	1,758,483	1,905,347	2,115,236	2,331,548	2,382,463	2,412,979
Douglas	64,804	80,765	72,019	68,896	94,521	99,505	102,789
Elko	287,287	301,735	314,879	339,823	363,728	367,856	366,066
Esmeralda	29,356	32,770	35,230	37,273	46,561	39,916	41,905
Eureka	36,893	39,922	39,276	42,245	47,113	47,498	47,601
Humboldt	158,556	160,172	168,800	179,532	196,675	196,812	187,686
Lander	71,475	76,448	80,356	84,361	95,474	91,354	93,031
Lincoln	84,690	90,197	94,125	100,403	112,647	112,689	106,590
Lyon	68,568	78,445	85,527	95,883	99,870	97,233	99,538
Mineral	75,662	79,766	84,311	85,504	91,449	90,024	88,964
Nye	170,600	182,285	181,444	188,294	210,006	201,123	205,154
Pershing	82,071	88,180	99,155	103,124	114,139	112,009	108,108
Storey	6,209	6,607	7,405	7,821	8,950	9,034	8,950
Washoe	848,651	924,823	1,005,190	1,056,183	1,110,724	1,109,814	1,124,339
White Pine	140,069	153,344	155,127	164,583	175,447	172,279	173,185

## DISTRIBUTION OF 6¢ GASOLINE TAX

	1975-1976	1976-1977	1977-1978	1978-1979 PROJECTED	1979-1980 PROJECTED	1980-1981 PROJECTED
4 1/2¢ State	\$ 17,707,503	\$ 18,987,362	\$ 20,473,911	\$ 21,907,085	\$ 23,440,581	\$ 25,081,422
1 1/2¢ County						
Carson City	192,071	213,365	234,084	250,470	268,003	286,763
Churchill	129,389	130,429	151,755	162,378	173,744	185,906
Clark	2,603,282	2,795,808	3,016,834	3,228,012	3,453,973	3,695,751
Douglas	103,036	111,915	120,177	128,589	137,590	147,221
Elko	374,381	388,455	403,532	431,779	462,004	494,344
Esmeralda	45,635	46,876	45,439	48,620	52,023	55,665
Eureka	49,150	52,749	56,342	60,286	64,506	69,021
Humboldt	193,560	202,004	217,168	232,370	248,636	266,041
Lander	102,325	107,053	114,853	122,893	131,496	140,701
Lincoln	111,965	120,483	131,740	140,962	150,829	161,387
Lyon	104,620	111,184	115,061	123,115	131,733	140,954
Mineral	90,368	91,501	94,242	100,839	107,898	115,451
Nye	219,676	251,591	253,567	271,317	290,309	310,631
Pershing	115,836	122,350	125,775	134,579	144,000	154,080
Storey	8,864	9,222	10,037	10,740	11,492	12,296
Washoe	1,215,689	1,327,159	1,607,005	1,719,495	1,839,860	1,968,650
White Pine	179,695	184,619	196,049	209,772	224,456	240,168

## GASOLINE TAX

	1968-1969	1969-1970	1970-1971	1971-1972	1972-1973	1973-1974	1974-1975
State Tax and License	\$ 11,902,431	\$ 12,933,914	\$ 13,873,620	\$ 14,998,106	\$ 16,381,826	\$ 16,290,745	\$ 16,574,841
County Tax	3,938,400	4,272,597	4,574,157	4,934,624	5,412,103	5,419,877	5,465,925
Optional County Tax	1,988,072	3,448,570	5,015,771	5,426,888	5,935,323	6,112,479	6,192,509
Aviation Tax	123,215	110,902	118,018	120,820	119,672	124,189	222,725
Petroleum Inspection Fee	144,463	159,728	173,727	191,199	207,494	205,605	207,175
<b>TOTAL</b>	<b>\$ 18,096,581</b>	<b>\$ 20,925,711</b>	<b>\$ 23,755,293</b>	<b>\$ 25,671,637</b>	<b>\$ 28,056,418</b>	<b>\$ 28,152,894</b>	<b>\$ 28,663,175</b>
Percentage		+15.63	+4.07	+ 8.07	+ 9.29	+ .34	+ 1.81
Gallons							
State and County	276,425,177	300,844,789	321,889,162	349,016,837	381,349,445	380,284,846	385,881,354
Aviation	3,937,739	3,553,563	3,574,608	3,479,152	3,516,915	4,138,617	4,528,151
<b>TOTAL</b>	<b>280,362,916</b>	<b>304,398,352</b>	<b>325,463,770</b>	<b>352,495,989</b>	<b>384,866,360</b>	<b>384,423,463</b>	<b>390,409,505</b>
Percentage		+ 8.57	+ 6.92	+8.31	+ 9.18	- 0.12	+1.56

## GASOLINE TAX

	1975-1976	1976-1977	1977-1978	1978-1979 PROJECTED	1979-1980 PROJECTED	1980-1981 PROJECTED
State Tax and License	\$ 18,158,146	\$ 18,987,364	\$ 20,474,011	\$ 21,907,192	\$ 23,440,695	\$ 25,081,544
County Tax	6,052,692	6,259,539	6,751,706	7,224,325	7,730,028	8,271,130
Optional County Tax	6,835,647	7,363,469	8,180,675	8,753,322	9,366,055	10,021,679
Aviation Tax	263,969	257,560	273,402	292,540	313,018	334,929
Petroleum Inspection Fee	229,884	248,468	259,963	278,161	297,632	318,466
<b>TOTAL</b>	<b>\$ 31,540,338</b>	<b>\$ 33,116,400</b>	<b>\$ 35,939,757</b>	<b>\$ 38,455,539</b>	<b>\$ 41,147,428</b>	<b>\$ 44,027,748</b>
Percentage	+10.04	+ 5.00	+ 8.53	+7.00	+ 7.00	+ 7.00
Gallons						
State and County	412,627,899	441,284,705	475,634,933	508,929,378	544,554,434	582,673,244
Aviation	4,488,917	5,140,005	5,641,591	6,036,502	6,459,057	6,911,191
<b>TOTAL</b>	<b>417,116,816</b>	<b>446,424,710</b>	<b>481,096,524</b>	<b>514,965,880</b>	<b>551,013,491</b>	<b>589,584,435</b>
Percentage	+ 6.84	+ 7.03	+ 7.77	+ 7.00	+ 7.00	+ 7.00

## DISTRIBUTION OF COUNTY OPTION GASOLINE TAX

	1968-1969	1969-70	1970-1971	1971-1972	1972-1973	1973-1974	1974-1975
Carson City		76,001	106,553	128,579	157,941	140,150	153,086
Carson City Aviation		569	707	862	1,185	1,584	1,193
Churchill						123,674	186,049
Churchill Aviation						711	917
Clark	1,253,043	2,411,116	2,991,262	3,256,960	3,602,281	3,674,504	3,705,176
Clark Aviation	17,643	29,222	33,390	34,291	35,312	39,002	43,836
Douglas			119,139	102,374	152,512	164,330	171,889
Douglas Aviation			655	762	437	1,599	2,370
Humboldt		61,415	106,805	115,237	124,900	124,878	115,103
Humboldt Aviation		579	879	992	977	1,565	1,646
Nye	69,011	119,824	134,824	134,013	148,644	132,740	136,889
Nye Aviation	2150	1,445	196	417	436	1,197	1,694
Pershing							
Pershing Aviation							
Washoe	635,945	739,279	1,501,102	1,634,381	1,694,960	1,685,269	1,724,317
Washoe Aviation	10,280	9,108	20,260	18,020	15,737	21,274	22,370
Petroleum Inspection Dealers License	144,463 5	159,728 50	173,727 35	191,199 45	207,494 55	205,605 50	207,175 35
REFUNDS							
Aviation	108,314	97,459	92,169	84,168	86,997	118,976	117,565
Farmer/Rancher	224,579	260,566	247,480	231,793	244,890	252,877	238,547
General	169,348	103,582	104,304	99,121	102,630	108,400	88,094
TOTAL	502,241	461,607	443,953	415,082	434,517	480,253	444,206

## DISTRIBUTION OF COUNTY OPTION GASOLINE TAX

	1975-1976	1976-1977	1977-1978	1978-1979 PROJECTED	1979-1980 PROJECTED	1980-1981 PROJECTED
Carson City	170,451	200,945	408,805	437,421	468,040	500,803
Carson City Aviation	1,457	2,326	5,593	5,985	6,404	6,852
Churchill	134,899	157,258	190,047	203,350	217,585	232,816
Churchill Aviation	1,636	(2)	1,330	1,423	1,523	1,630
Clark	4,063,841	4,294,517	4,651,671	4,977,288	5,325,698	5,698,497
Clark Aviation	43,499	47,658	52,028	55,670	59,567	63,737
Douglas	169,291	183,829	197,901	211,754	226,577	242,437
Douglas Aviation	2,556	1,410	1,836	1,965	2,103	2,250
Humboldt	193,360	244,321	262,316	280,678	300,325	321,348
Humboldt Aviation	2,624	3,233	3,137	3,357	3,592	3,843
Nye	147,149	172,164	170,977	182,945	195,751	209,454
Nye Aviation	1,043	212	7,763	8,306	8,887	9,509
Pershing		55,407	59,877	64,068	68,553	73,352
Pershing Aviation		619	756	809	866	927
Washoe	1,849,822	2,055,027	2,239,081	2,395,817	2,563,524	2,742,971
Washoe Aviation	20,088	26,747	25,401	27,179	29,082	31,118
Petroleum Inspection Dealers License	229,884 35	248,468 110	259,963 100	278,160 105	297,631 110	318,465 120
REFUNDS						
Aviation	123,421	126,978	145,583	155,774	166,678	178,345
Farmer/Rancher	245,696	243,087	228,197	244,171	261,263	279,551
General	88,108	123,372	132,295	141,556	151,465	162,068
TOTAL	457,225	493,437	506,057	541,501	579,406	619,964

SPECIAL FUEL TAXES  
MOTOR CARRIER DIVISION  
NRS CHAPTER 366

## Description:

Tax levied on all combustible gases and liquids used for generation of power for propulsion of motor vehicles (Diesel, propane, butane, kerosene, or natural gas). It does not include motor vehicle fuel as defined in NRS Chapter 365 (Gasoline).

## Tax Rate:

Six (.06) cents per gallon on the sale or use.

## Payment and Collection: Special Fuel Dealer - Special Fuel User.

Tax shall be collected and paid by the special fuel dealer in all cases where the special fuel is sold within the State to a special fuel user who is not the holder of a special fuel users license, a special fuel vehicle identification, or a temporary special fuel license. In all other cases the tax shall be paid by the user of such special fuel computed by the tax rate times the number of gallons consumed on the highways of this state. A 48 hour temporary special fuel license may be purchased for a fee of \$10.00. Reporting forms are mailed by the Department.

## Tax Distribution: Highway Fund

## 10 Year Collection

<u>68/69</u>	<u>69/70</u>	<u>70/71</u>	<u>71/72</u>	<u>72/73</u>
2,019,277.00	2,219,515.00	2,251,792.00	2,609,604.00	3,033,791.00
<u>73/74</u>	<u>74/75</u>	<u>75/76</u>	<u>76/77</u>	<u>77/78</u>
2,715,208.00	3,225,918.00	3,390,900.00	3,745,694.00	4,091,726.00

% increase (10 Years) 102.6



## MOTOR VEHICLE CARRIER LICENSES AND TAXES

## MOTOR CARRIER DIVISION

## NRS CHAPTER 706, 482

## Description:

Fees and taxes collected from various types of motor carriers. Private Carrier, Common Carrier and Contract Carrier. A person must select one or more of the following methods of licensing for paying the third structure tax:

1. Unladen Weight
2. Mileage Fee
3. 48 Hour Temporary License
4. Motor Convoy Carrier License

Unladen Weight

The annual license based on unladen weight of the vehicle based on 1,000 pound increments 5,001 to 20,001 pounds and over. Vehicles weighing 5,000 pounds or less are not required to license, but may license.

Mileage Tax

In lieu of unladen weight an interstate motor carrier may license on mileage tax. Each carrier must qualify for mileage fee licensing.

48 Hour Temporary License

In lieu of licensing under annual unladen weight fee or mileage fee licensing, a person may purchase a 48 Hour Temporary License.

Motor Convoy License and 48 Hour Temporary Convoy License

Licenses required by any person engaged in driveway-towaway transportation of motor vehicles in transit.

Proration Registration and Privilege Tax

Resident or non-resident interstate carriers with a fleet of commercial vehicles based in certain compact states (29 states, plus Alberta and British Columbia) or non-reciprocal states are subject to proration of registration and privilege tax.

## Fees:

Unladen Weight

Fees are based on weight as per a schedule set forth in NRS 706.506 and range from \$15.00 to \$450.00

Mileage Tax

Fees are based on mileage traveled within the State of Nevada. In addition to the fees per mile, a \$5.00 administrative fee is charged for each vehicle qualified.

1-75,000 miles	2.5 cents per mile
75,000-250,000 miles	2.0 cents per mile
250,001-1,000,000 miles	1.5 cents per mile
1,000,001-2,000,000 miles	1.25 cents per mile
2,000,001 and over	1.0 cents per mile

48 Hour Temporary License

Fee is based upon 5% of the unladen weight fee with a minimum of \$6.00 and a maximum of \$30.00. Also a motor vehicle identification card is required for each vehicle at a cost of \$5.00 for each vehicle.

Motor Convoy License and 48 Hour Temporary Convoy Licenses

The annual license fee shall be \$500.00 plus \$30.00 for each license plate, which shall be displayed on each vehicle driven, towed or carried.

The fee for a 48 hour temporary convoy license is \$8.25 for each vehicle plus \$5.00 annually per vehicle for vehicle identification card.

Proration Registration and Privilege Tax

Registration fees or privilege tax fees are set forth in NRS 482 and 371.

Proration of registration is based on 100% Nevada registration times the Nevada mileage percentage

Privilege tax proration is based on original purchase cost times a tax factor times the Nevada mileage percentage. (Factor is 4¢ for each dollar of valuation)

The Nevada mileage percentage is based on Nevada miles divided by total miles traveled.

The \$3.00 Highway Patrol Special Fee is also collected.

Distribution: Highway Fund

Privilege tax addressed separately under Motor Vehicle Privilege tax.  
Highway Patrol Special Fee addressed separately under Highway Patrol Special Fees.

Collections:

<u>68/69</u>	<u>69/70</u>	<u>70/71</u>	<u>71/72</u>	<u>72/73</u>
4,405,768.00	4,795,529.00	5,158,025.00	5,791,935.00	6,167,483.00
<u>73/74</u>	<u>74/75</u>	<u>75/76</u>	<u>76/77</u>	<u>77/78</u>
7,060,797.00	7,458,087.00	8,095,165.00	8,814,858.00	9,852,866.00

% of increase (10 years) 123.6

DRIVERS LICENSE FEES  
 DRIVERS LICENSE DIVISION  
 NRS CHAPTER 483

## Description:

Fees for the issuance of a license or permit to operate a motor vehicle. Licenses are valid for 4 years. Expiration notices are mailed by the Department to the licensee no later than 30 days prior to expiration of the license.

## Fees:

License issued to a person 70 years of age or older	\$2.00
License issued to any other person	5.00
Reinstatement of a license	5.00
Duplicate license, change of name, change of address, new photograph or any combination	1.00
Motorcycle endorsement to a drivers license	2.00
Additional charge to all fees for photo on license	1.00

## Payment:

Fees are due when any license is issued or other service is performed.

## Fee Distribution: Highway Fund - Department of Motor Vehicles

Fees, with the exception of the additional \$1.00 for the photo, are transferred to the Highway Fund. The additional \$1.00 charged for the photo is allocated to the Department to defray the increased costs of license production.

## Collections to Highway Fund:

<u>68/69</u>	<u>69/70</u>	<u>70/71</u>	<u>71/72</u>	<u>72/73</u>
410,833.00	733,821.00	491,108.00	444,383.00	464,456.00
<u>73/74</u>	<u>74/75</u>	<u>75/76</u>	<u>76/77</u>	<u>77/78</u>
1,071,552.00	735,662.00	696,703.00	674,176.00	1,158,719.00

## Collections to Department of Motor Vehicles from photo license fees.

<u>75/76</u>	<u>76/77</u>	<u>77/78</u>
88,213.00	183,686.00	283,231.00

REGISTRATION FEES  
REGISTRATION DIVISION  
NRS CHAPTER 482

## Description:

A fee imposed on every owner of a motor vehicle, trailer or semi-trailer which is intended to be operated upon any highway in this state.

Registration Fees: 482.480

Passenger Car, bus, regardless of weight and number of passengers-\$5.50

Motorcycle-\$3.50

Motortrucks by weight from \$9 to \$25 up to 5,049 pounds. From 5,050 pounds or more 50¢ per 100 pounds or fraction thereof.

Trailer or Semi-trailer by weight from \$2.50 to \$18 up to 3,999 pounds. From 4,000 pounds or more 50¢ per 100 pounds or fraction thereof.

Travel Trailer-\$5.50

Dealer, Manufacturer, Rebuilder Plates-\$5.50

## Fees for duplicate, substitute certificates, decals, license plates:

Certificate of registration or ownership	\$2.00
Substitute Number Plate	2.00
Duplicate Number Plate	7.50
Decal	1.00

A \$3.00 Highway Patrol Special Fee is also collected.

## Payment:

Fees are due at time of registration and whenever a particular transaction takes place. In each county with a population of less than 100,000 the county assessor is designated as agent to assist in collection of these fees. This affects all counties except Washoe and Clark. Renewal forms indicating fees due are mailed to all registered owners.

## Fee Distribution: Highway Fund and Counties

Compensation for the services of each county assessor acting as agent for the Department is \$1.00 for each registration (NRS 482.160). Balance of the fees go to the Highway Fund.

## 10 Year Collections:

	<u>68/69</u>	<u>69/70</u>	<u>70/71</u>	<u>71/72</u>
Gross	3,522,244.00	3,510,683.00	3,623,398.00	3,955,885.00
County	<u>83,000.00</u>	<u>95,213.00</u>	<u>92,611.00</u>	<u>99,945.00</u>
Highway Fund	3,439,244.00	3,415,470.00	3,530,787.00	3,855,940.00

	<u>72/73</u>	<u>73/74</u>	<u>74/75</u>	<u>75/76</u>
Gross	4,221,900.00	4,768,917.00	4,882,313.00	5,175,049.00
County	<u>100,056.00</u>	<u>114,530.00</u>	<u>115,893.00</u>	<u>114,238.00</u>
Highway Fund	4,121,844.00	4,654,387.00	4,766,415.00	5,060,811.00

	<u>76/77</u>	<u>77/78</u>
Gross	5,678,540.00	6,121,465.00
County	<u>128,647.00</u>	<u>134,020.00</u>
Highway Fund	5,549,893.00	5,987,445.00

% of increase Total Collections (10 Years) 73.8%

## CERTIFICATE OF OWNERSHIP FEES (TITLES)

## REGISTRATION DIVISION

## NRS CHAPTER 482

## Description:

A fee imposed for the issuance of a certificate of ownership for the vehicle concerned. A certificate of ownership shall be valid until cancelled by the Department upon the transfer of interest therein.

## Fee:

For issuance the Department shall charge and collect a single fee of \$2.00 from the owner.

## Payment:

Fee is paid at the time of first vehicle registration by an owner or when a security interest is satisfied and legal ownership changes. Fee is charged for all titles issued.

Fee Distribution: Highway Fund

## Collections:

<u>69/70</u>	<u>70/71</u>	<u>71/72</u>	<u>72/73</u>	<u>73/74</u>
330,953.00	354,231.00	399,696.00	419,661.00	417,211.00
<u>74/75</u>	<u>75/76</u>	<u>76/77</u>	<u>77/78</u>	
405,205.00	440,003.00	474,427.00	526,368.00	

% of Increase (10 years) 59%

## PERSONALIZED LICENSE PLATE FEES

## REGISTRATION DIVISION

## NRS CHAPTER 482

## Description:

The Department shall establish, design and otherwise prepare for issuance personalized prestige license plates upon payment of prescribed fees. These fees shall be in addition to all other license fees and motor vehicle taxes.

## Fees:

For first issuance	\$25.00
For Renewal	15.00
For changing to another plate	25.00

## Payment:

Payment for first issuance is due when application is first made for the plate. Renewal payment is made when vehicle registration is renewed. When changing from one plate to another plate payment is due when application is made.

Fee Distribution: Highway Fund

## Collections:

<u>69/70</u>	<u>70/71</u>	<u>71/72</u>	<u>72/73</u>	<u>73/74</u>
82,552.00	73,696.00	85,716.00	105,601.00	115,038.00
<u>74/75</u>	<u>76/77</u>	<u>77/78</u>		
160,219.00	235,980.00	285,201.00		

An average of 102 Personalized Plates were issued each week of Calendar year 1978.

## HIGHWAY PATROL SPECIAL FEES

REGISTRATION DIVISION - MOTOR CARRIER DIVISION

NRS CHAPTER 481-482-706

## Description:

An additional fee for each registration of a motor vehicle which shall be placed in a special fund to be used only for supplementary patrolmen to the extent permitted by the monies available. The total number of highway patrolmen may not exceed 151.

## Fee:

\$3.00 for each motor vehicle registration.

## Payment:

Fee is paid at the time of vehicle registration or renewal of registration.

Fee Distribution: Department of Motor Vehicles - Special Fund  
Fund 276 - Highway Patrol Special Fund

## Collections:

<u>69/70 (\$1.00)</u>	<u>70/71</u>	<u>71/72</u>	<u>72/73</u>	<u>73/74 (\$2.00)</u>
336,740.00	417,438.00	471,666.00	497,523.00	1,082,790.00

<u>74/75</u>	<u>75/76 (\$3.00)</u>	<u>76/77</u>	<u>77/78</u>
1,155,779.00	1,755,984.00	1,937,219.00	2,032,633.00



## EMISSION CONTROL FEES

## REGISTRATION DIVISION

## NRS CHAPTER 445

## Description:

Fees collected as a result of a program of motor vehicle inspection and testing to control motor vehicle emissions. This is a cooperative program between the State Environmental Commission and the Department of Motor Vehicles.

## Fees:

For the issuance and annual renewal of license for an authorized station or Fleet Station - \$25.00.

For each certificate of compliance - \$2.00

## Payment:

Fee for annual license due at time of first application and at time of renewal.

Fees for compliance certificates are payable in advance by the authorized station or fleet station.

Fee Distribution: Department of Motor Vehicles - Fund 219 - Emission Control

All fees collected shall be available to the Department of Motor Vehicles as needed to carry out the provisions of the program.

## Collections:

<u>73/74</u>	<u>74/75</u>	<u>75/76</u>	<u>76/77</u>	<u>77/78</u>
27,450.00	94,835.00	107,500.00	117,619.00	163,469.00

This has been a "Pilot" program in Washoe and Clark Counties. It becomes mandatory in these two counties on July 1, 1979.

## REVENUE SOURCES AND USES OF THE HIGHWAY FUND

Constitutional and Statutory Basis

The basis for the creation and operation of the Highway Fund is Article 9, Section 5 of the Nevada Constitution. This section earmarks the proceeds from any license or registration fee and any other charge with the respect to the operation of any motor vehicle on any public highway for use exclusively on construction, maintenance and repair of the public highways. It also earmarks the proceeds from the implementation of any excise tax on gasoline or other motor vehicle fuel for the same purpose.

This section was added to the Constitution by amendment in 1940 and was amended in 1962 to exempt the proceeds of a tax on vehicles in lieu of ad-valorem property tax. The exempted tax is the privilege tax on vehicles which, except for cost of collection, is distributed to the counties and cities.

Exhibit A

Chapter 408 of NRS defines further the uses of the above taxes and 408.255 creates the Highway Fund and defines its purpose.

Revenue Sources

Fuel Taxes (Gasoline) - Administered by the Department of Taxation.

Most gasoline sold in the State of Nevada is taxed at 8 cents per gallon. The 8 cents is actually a number of separate taxes that have been imposed at various times and for various purposes and only part of which goes to the State Highway Fund. NRS 365.190 permits each county to impose 1 cent for construction and maintenance on their roads. NRS 365.180 permits each county to impose an additional 1/2 cent to be shared with the cities in the county on the basis of ratios of assessed valuation. In addition, as prescribed in NRS 370.070, each county that has created a Regional Street and Highway Commission

Exhibit B

can impose an additional 1 cent or 2 cents per gallon for highway construction only. Eight counties have imposed 2 cents, one county has imposed 1 cent and eight counties have not imposed this tax. All counties have imposed the first 1 cent and 1/2 cent taxes. NRS 365.170 imposes 4 1/2 cents for the State Highway Fund.

Exhibit C

Fuel tax paid on fuel used in water craft is distributed to State Parks and Fish and Game Departments. The amount of fuel so used is determined by multiplying the number of boats registered by 220.76 gallons average per calendar year use and adding 566,771 gallons of fuel estimated to be purchased by out-of-state boaters. All State and local taxes within the 8 cent tax are collected by the fuel wholesaler on delivery to retailers and remitted to the Department of Taxation who distribute the taxes among the various entities.

In addition to the 8 cent State tax, the federal government imposes a tax of 4 cents per gallon on all gasoline imported to the State. The federal tax is collected by the importer and is remitted to the federal trust fund.

Exhibit D

Special Fuels - Administered by Motor Carrier Division, Department of Motor Vehicles.

Diesel Fuel, propane, butane and other special fuels are taxed at 6 cents per gallon or the equivalent. Proceeds are deposited to the Motor Vehicle Fund and subsequently to the Highway Fund.

Motor Vehicles Licenses and Fees - Administered by Department of Motor Vehicles.

The Department of Motor Vehicles administers and collects taxes and fees on vehicle registration, motor carriers, driver's licenses,

emission control and highway patrol special fees. In addition, they collect and distribute to local government privilege tax on automobiles and trucks.

Federal Aid

Exhibit E

The Highway Department receives federal aid in a large number of categories, the most significant being interstate system, primary system, urban and secondary. Participation is received in preliminary engineering, planning, design, right-of-way acquisition and construction. It is important to note that federal aid is not received in the form of grants but in the form of reimbursement for approved expenditures. In other words, the Highway Department pays the bills from State funds and then bills the federal government for their share. It is also important to note that no federal aid is received for maintenance of the highway systems. Maintenance is funded entirely from state sources. At present, the direct matching ratio is 5% state funds and 95% federal. In addition to the 5% direct match, there are requirements for receiving federal aid that raises the State's share to between 15 and 20%.

Expenditures from the Highway Fund

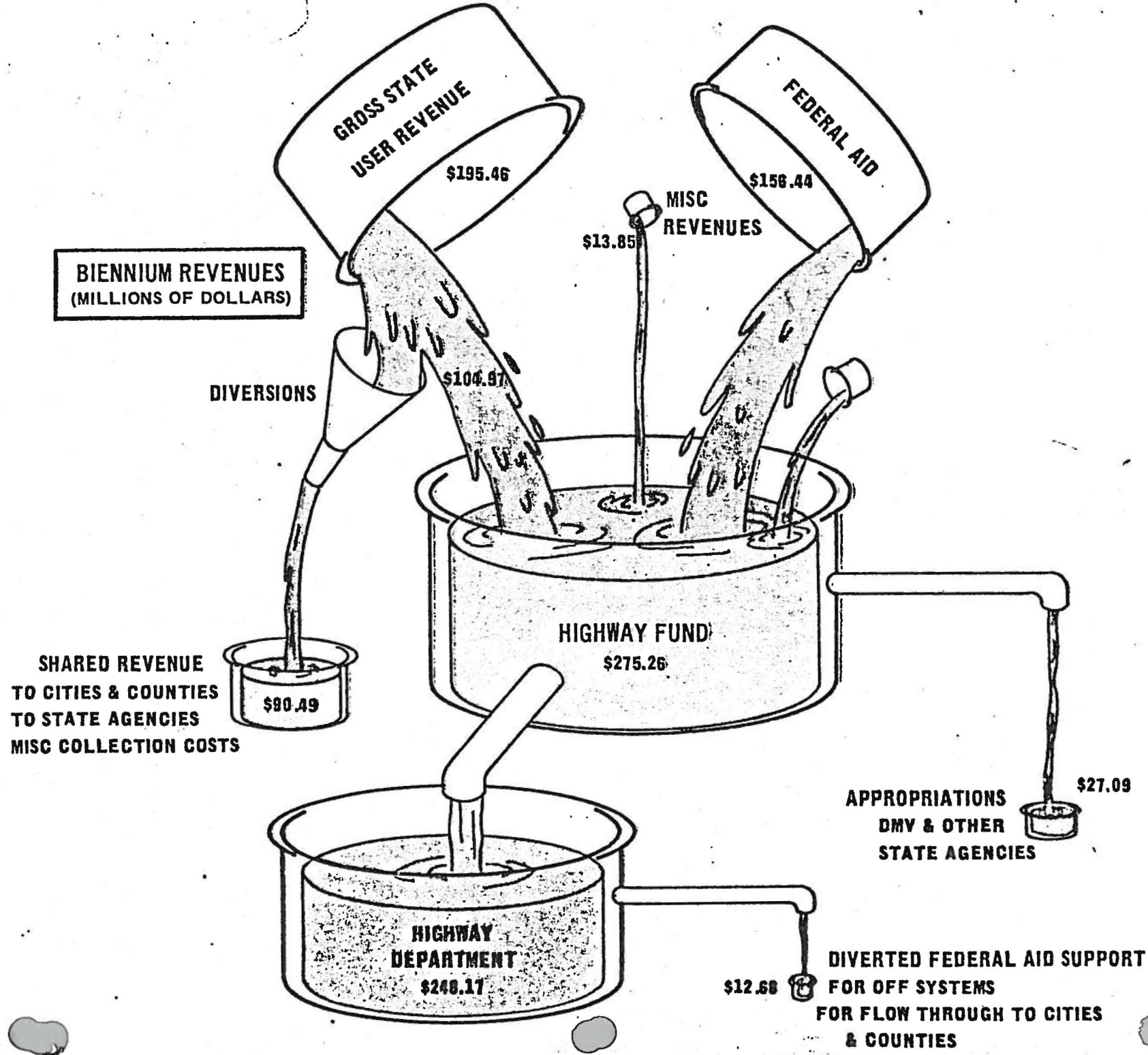
Exhibit F

The primary users of Highway fund resources are the Highway Department and the Department of Motor Vehicles. In addition small appropriations are made to the Attorney General's Office for payment of salaries of Deputy Attorney Generals assigned to the Highway Department, to the Department of Taxation for costs of collection and Public Service Commission for costs of administering motor carrier franchise laws.

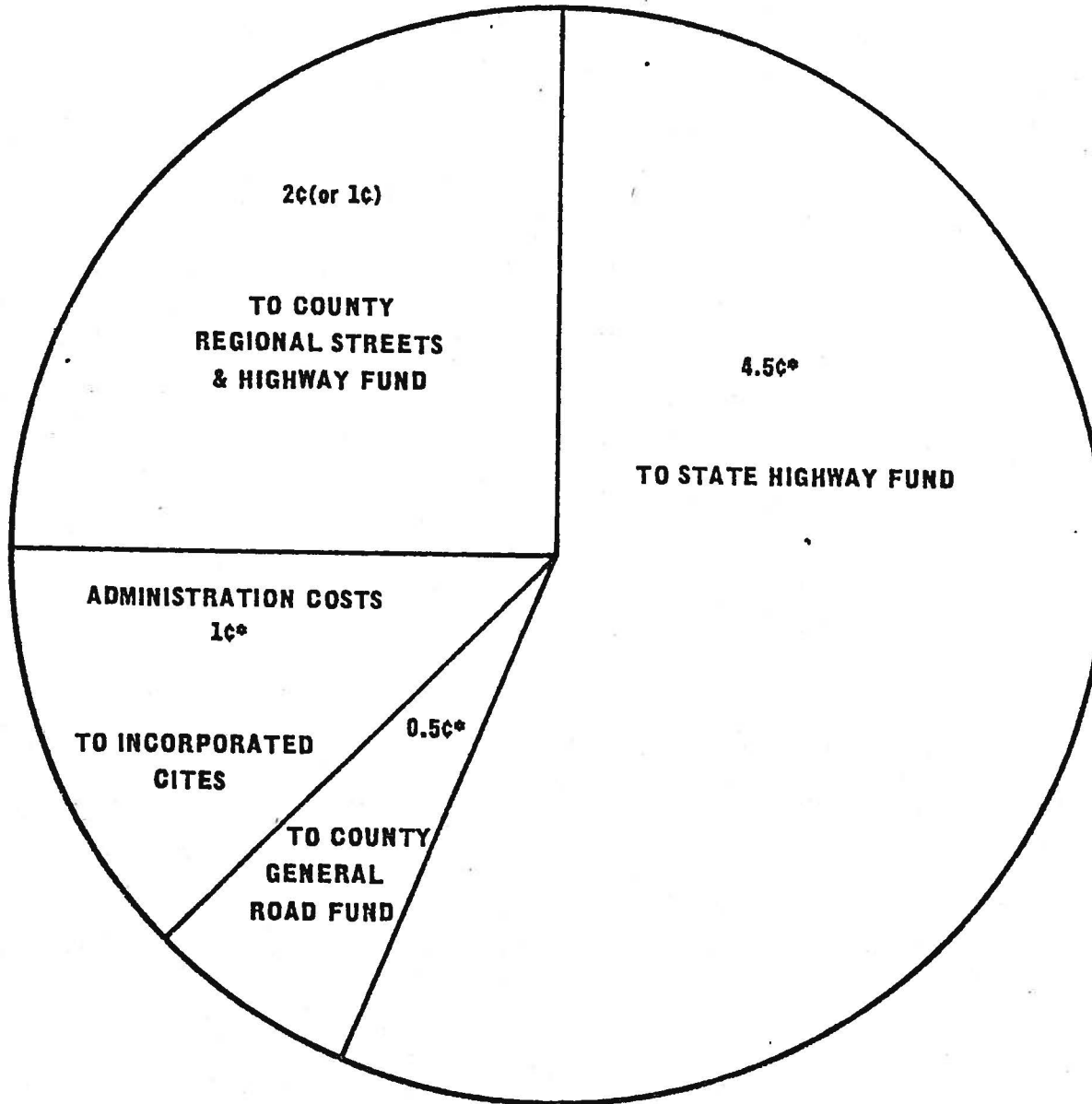
Exhibit G

Exhibit H

**BIENNIUM REVENUES  
(MILLIONS OF DOLLARS)**



HIGHWAY USER STATE TAX  
8¢ PER GALLON



\*FISH & GAME AND STATE PARKS  
RECEIVE MINOR PORTION.

DEPARTMENT OF TAXATION USER REVENUES

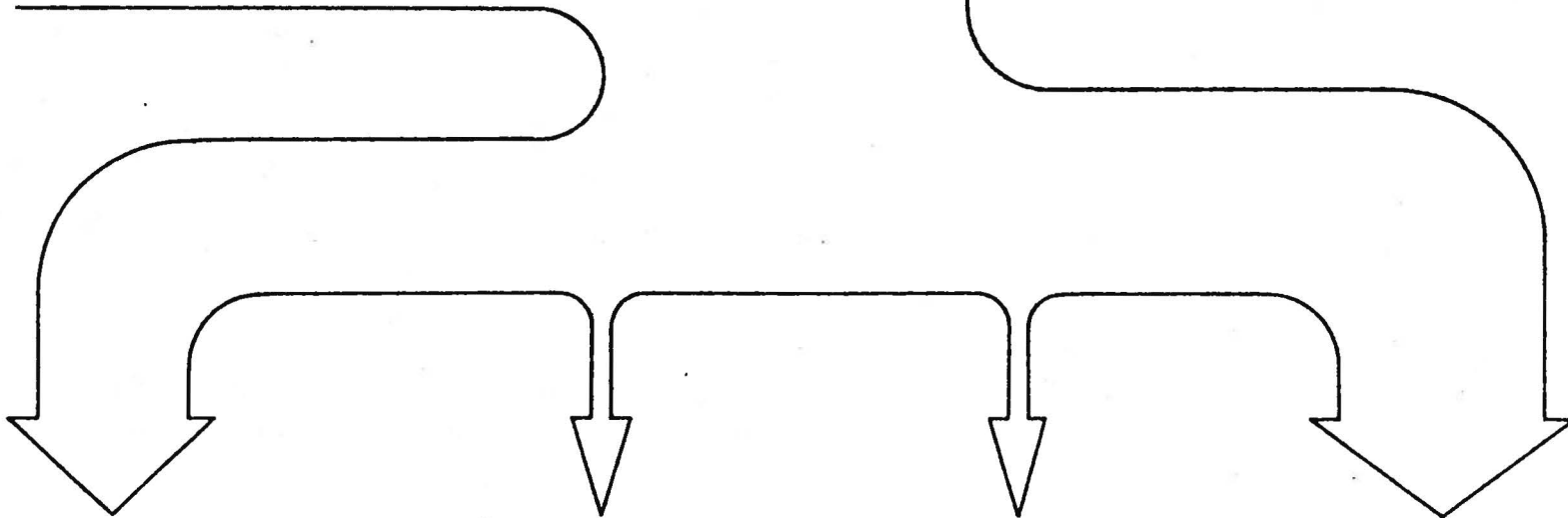
EXHIBIT C

245

GASOLINE TAXES	\$36,583,193
PETROLEUM INSPECTION FEES	<u>259,963</u>
<b>TOTAL TAX FY 77-78</b>	<b>\$36,843,156</b>

TOTAL TAX USER REVENUES

FY 77-78	\$36,843,156
FY 78-79	\$39,422,200
FY 79-80	\$42,181,800
FY 80-81	\$44,712,800



DISTRIBUTION TO CITIES AND COUNTIES

GASOLINE TAX	\$6,781,706
REGIONAL GASOLINE TAX	8,145,520
AVIATION TAX	248,556
CIVIL AIR PATROL	<u>30,000</u>
<b>TOTAL FY 77-78</b>	<b>\$15,205,782</b>

FY 78-79	\$16,270,200
FY 79-80	\$17,409,000
FY 80-81	\$18,453,600

DISTRIBUTIONS TO STATE

PETROLEUM INSPECTION FEES	\$259,963
FISH AND GAME, PARKS	335,374
<b>TOTAL FY 77-78</b>	<b>\$595,337</b>

FY 78-79	\$637,100
FY 79-80	\$681,700
FY 80-81	\$722,700

INCIDENTAL COLLECTION COSTS

GASOLINE TAX ADMIN	\$61,951
GASOLINE TAX REFUNDS	506,076
<b>TOTAL FY 77-78</b>	<b>\$568,027</b>

FY 78-79	\$607,800
FY 79-80	\$650,300
FY 80-81	\$689,400

REVENUE DEPOSITED INTO THE HIGHWAY FUND

<b>TOTAL FY 77-78</b>	<b>\$20,474,010</b>
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FY 78-79	\$21,907,100
FY 79-80	\$23,440,800
FY 80-81	\$24,847,100

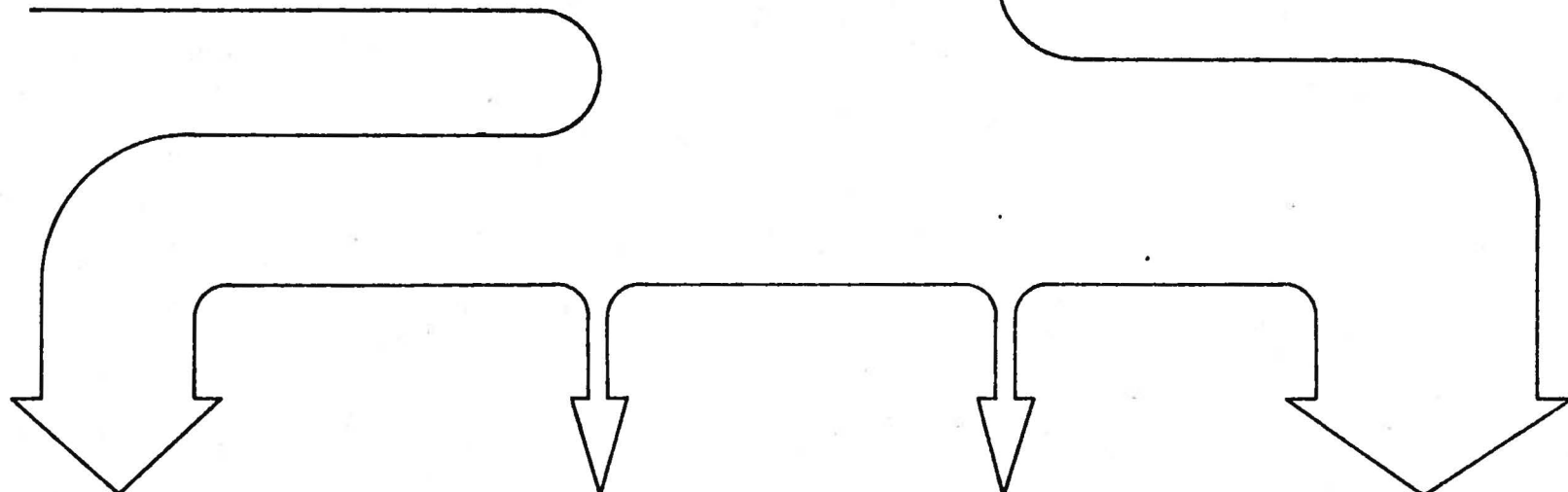
EXHIBIT C

DEPARTMENT OF MOTOR VEHICLE REVENUE

SPECIAL FUEL TAXES	\$4,091,726
MOTOR VEHICLE REGISTRATION AND LICENSE FEES	7,045,805
PRO-RATA REGISTRATION	1,192,830
MOTOR CARRIER FEES	8,570,446
DRIVERS LICENSE FEES	1,442,841
MOTOR VEHICLE PRIVILEGE TAXES	16,574,079
PUBLIC SERVICE REGULATORY TAXES	343,239
EMISSION CONTROL AND HIGHWAY PATROL SPECIAL FEES	2,196,102
<b>TOTAL DMV REVENUES FY 77-78</b>	<b>\$41,457,068</b>

TOTAL DMV REVENUES

FY 77-78	\$41,457,068
FY 78-79	\$45,602,800
FY 79-80	\$51,461,000
FY 80-81	\$57,108,000



DISTRIBUTIONS TO CITIES AND COUNTIES

PRIVILEGE TAX	\$15,739,428
REGISTRATION FEES	134,020
<b>TOTAL FY 77-78</b>	<b>\$15,873,448</b>

FY 78-79	\$17,460,800
FY 79-80	\$21,350,000
FY 80-81	\$24,160,000

DISTRIBUTIONS TO STATE

EMISSION CONTROL	\$163,469
HIGH PATROL SPL FEE	2,032,633
<b>TOTAL FY 77-78</b>	<b>\$2,196,102</b>

FY 78-79	\$2,415,700
FY 79-80	\$2,575,000
FY 80-81	\$2,820,000

INCIDENTAL COLLECTION COSTS

SERVICE FEES	\$285,687
DMV REFUNDS	118,032
<b>TOTAL FY 77-78</b>	<b>\$403,719</b>

FY 78-79	\$444,100
FY 79-80	\$479,000
FY 80-81	\$500,000

REVENUE DEPOSITED INTO THE HIGHWAY FUND

<b>TOTAL FY 77-78</b>	<b>\$22,983,799</b>
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FY 78-79	\$25,282,200
FY 79-80	\$27,057,000
FY 80-81	\$29,628,000



FEDERAL AID PARTICIPATION

INTERSTATE SYSTEM	\$25,985,807
OTHER SYSTEMS	34,842,925
PLANNING	1,198,930
SIGN REMOVAL	1,726,315
OFF SYSTEM/FLOW THROUGH	2,022,959
ADVANCED RIGHT OF WAY	1,183,417
<b>TOTAL FY 77-78</b>	<b>\$66,960,353</b>

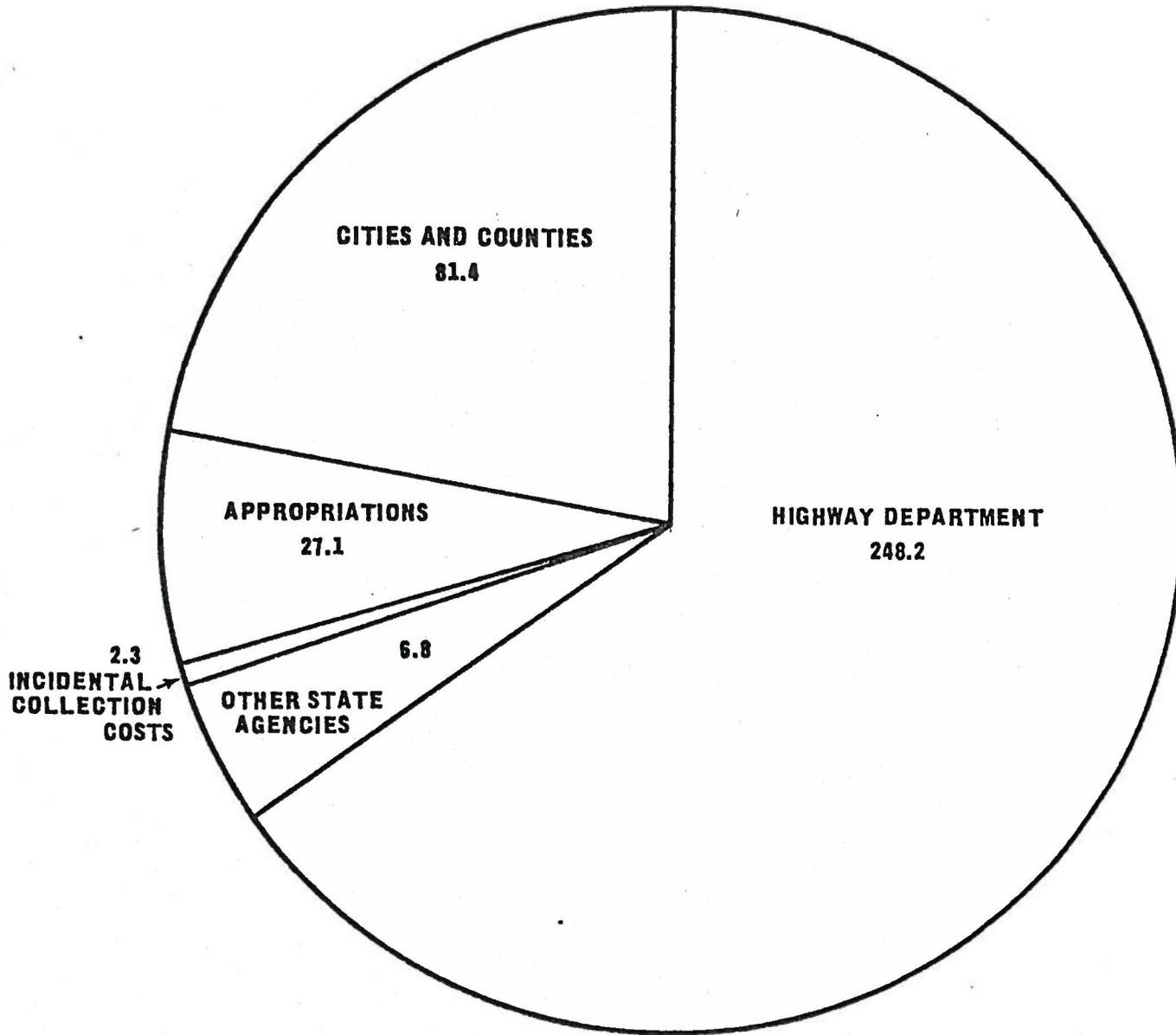
TOTAL FEDERAL AID REVENUE

FY 77-78	\$66,960,353
FY 78-79	\$65,922,624
FY 79-80	\$74,812,000
FY 80-81	\$81,630,200

REVENUE DEPOSITED INTO THE HIGHWAY FUND

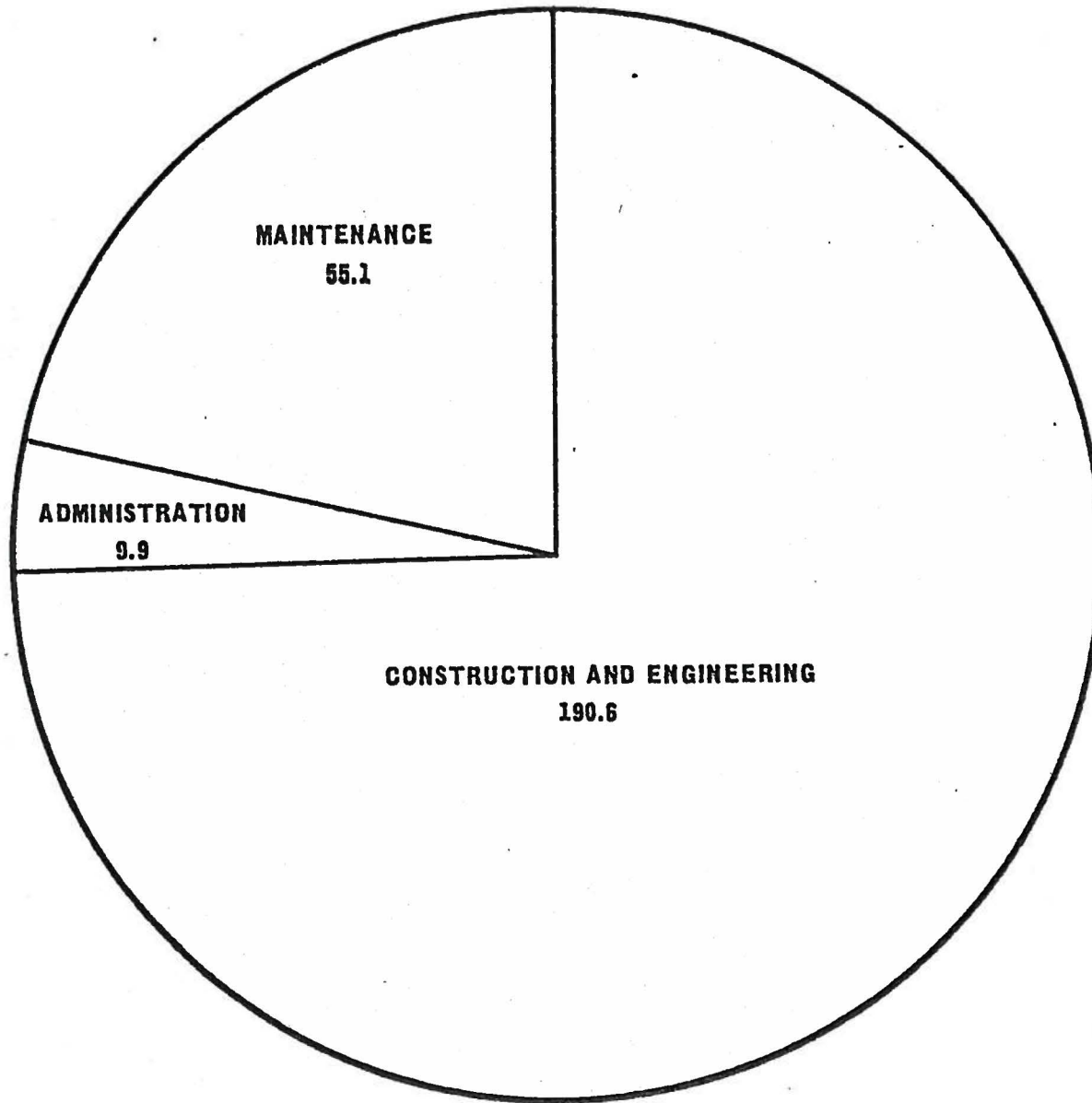
FY 77-78	\$66,960,353
FY 78-79	\$65,922,624
FY 79-80	\$74,812,000
FY 80-81	\$81,630,200

HIGHWAY FUND REVENUE DISTRIBUTIONS  
FOR THE BIENNIUM 79-81  
(MILLIONS OF DOLLARS)



TOTAL REVENUES 365.8

DISTRIBUTION OF HIGHWAY DEPARTMENT EXPENSES  
FOR THE BIENNIUM 79-81  
(MILLIONS OF DOLLARS)



TOTAL EXPENSES 255.6  
INCLUDES A DRAWDOWN OF THE HIGHWAY  
FUND BALANCE OF \$7.4 MILLION.

**EXPENDITURES BY PROGRAM**

