

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON TAXATION

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
April 2, 1981

The Senate Committee on Taxation was called to order by Chairman Keith Ashworth, at 2:16 p.m., Thursday, April 2, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Keith Ashworth, Chairman
Senator Norman D. Glaser, Vice Chairman
Senator Virgil M. Getto
Senator James N. Kosinski
Senator William J. Raggio

COMMITTEE MEMBERS ABSENT:

Senator Don Ashworth
Senator Floyd R. Lamb

GUEST LEGISLATOR:

Senator Wilbur Faiss

STAFF MEMBERS PRESENT:

Ed Shorr, Deputy Fiscal Analyst
Colleen Crum, Committee Secretary

SENATE BILL NO. 200

The chairman stated there had been a request to withdraw Senate Bill No. 200 because it conflicts with Senate Bill No. 154, which was passed by the committee. He said no testimony would be taken on the bill.

SENATE BILL NO. 222

Mr. Ed Hastings, Chairman of the Washoe County Regional Transportation Commission, submitted a prepared statement for the record. (See Exhibit C.)

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Mr. Jerry Hall, Executive Director of the Washoe County Regional Transportation Commission, presented background information on the Regional Transportation Commission and a suggested amendment to the bill. (See Exhibit D.)

Senator Raggio asked what was the Regional Transportation Commission's operating and capital budget and how much money does it receive from other entities. He stated one of the entities has not met its obligation. Mr. Hall stated \$1 million of local match money was required to satisfy the federal requirements. The City of Reno contributed \$500,000. Sparks and Washoe County were each supposed to contribute \$250,000. Sparks was unable to meet its full requirement and contributed only \$125,000.

Senator Raggio clarified that the federal match was 50 percent on the operating budget and 80 percent on capital acquisitions. Mr. Hall noted that the Reagan Administration has proposed to cut back the operating assistance program by 1985.

Senator Raggio asked how much revenue would be generated by the passage of Senate Bill No. 222. Mr. Hall stated the .5-cent tax would generate approximately \$8 million. He stated \$8 million exceeds the amount of money needed in Washoe County.

Senator Raggio asked what is the total current operating cost. Mr. Hall stated the current operating cost is \$1.5 million. A total \$2 million operating cost is projected for next year.

Senator Raggio asked what is the cost after federal contributions for the present plan to add 16 vehicles to the system. Mr. Hall stated the cost is \$30,000 per bus.

Senator Kosinski stated he felt the bill mandated the imposition of a .5-cent tax. Mr. Hall said the bill states on page 3, line 42, "The board shall gradually reduce the amount of tax imposed pursuant to this chapter as revenue from the operation of the public transit system permits." He stated this bill may have been drafted with the intent that some counties may have to acquire a system, which would initially require substantial funds. This provision would permit Washoe County

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to lower the tax immediately in response to only those expenses which must be met. He said Washoe County would not need the full .5-cent tax.

Senator Kosinski suggested amending the bill to permit the board to levy a tax up to .5 cent. Mr. Hall stated Senator Kosinski's suggestion was preferable.

Senator Kosinski noted that section 12 on page 3 would permit the Regional Transportation Commission to issue revenue bonds. He asked if the Regional Transportation Commission presently issues revenue bonds. Mr. Hall stated the Regional Transportation Commission presently does not have the ability to issue revenue bonds. The county issues revenue bonds on behalf of the Regional Transportation Commission as it relates to street and highway projects. The debt is retired through the two-cent gas tax revenues. Presently revenue bonds cannot be used to fund public transit systems.

Senator Kosinski questioned the meaning of the language on page 2, lines 17-19. Mr. Hall explained short-term borrowing would be permitted for the establishment and maintenance of a transit system.

Mr. Kosinski asked if the Regional Transportation Commission was requesting to issue revenue bonds for operating expenses. Mr. Hall stated it was not.

Senator Kosinski asked whether the Regional Transportation Commission would impose the .5-cent tax if tax reform legislation resulted in increasing the sales tax to six cents. Mr. Hastings stated this issue had not been discussed.

Senator Faiss spoke in support of the bill. He presented Amendment No. 358 which would allow any county to participate in the public transit program. (See Exhibit E.)

Ms. Gail Gilpin, Study Coordinator for the Clark County Transportation Study Policy Committee, spoke in support of the bill. She stated a present lack of dedicated revenue sources does not allow the Regional Transportation Commission flexibility and the ability to exercise the authority granted it by the legis-

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lature last session. She explained Clark County does not have a public transit system. Its present transit system is privately owned and operated. The county is planning to purchase 12 additional vehicles. The plan will not be implemented until a purchase of service agreement is worked out between the Regional Transportation Commission and the private operator. There must be a commitment to subsidize the system before the agreement can be signed.

Senator Raggio asked for an explanation of the purchase of service agreement. Ms. Gilpin said the agreement is essentially a contract between the public and private sectors to improve public transit. If improvements to the system result in an operating expense deficit, the public sector must make up the deficit. She said a two-year minimum agreement is planned.

Senator Raggio asked whether a public transit system operated by the Regional Transportation Commission rather than by a private operator had been considered. Ms. Gilpin said this issue had been contemplated, but presently the private operator is making a profit and has more expertise than the Regional Transportation Commission. It was felt the improvement of services could be accomplished without the public sector having to commit funds. At the end of a five to six year period, when the public sector owns the majority of the vehicles, a public takeover would be logical.

Senator Raggio asked if the tax levied under this bill would be used to subsidize operation costs as well as the purchase of vehicles for the private operation. Ms. Gilpin said the Regional Transportation Commission plans to obtain 56 vehicles.

Senator Raggio observed that the Regional Transportation Commission would be guaranteeing a profit to the private operator regardless of how the company operates the system.

The chairman questioned page 2, line 41. He asked if Ms. Gilpin was bothered that public transit funds may not be diverted to the regional street and highway fund in view of the fact that the Regional Transportation Commission will operate the mass transit system. Ms. Gilpin stated those funds meet two distinct purposes and should not be mingled.

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The chairman asked whether the Regional Transportation Commission would impose an additional .5-cent tax if the legislature increased the sales tax to six cents. Ms. Gilpin stated one county commissioner had indicated the .5-cent tax would be imposed if there was a perceived need to finance mass transit. She noted the Regional Transportation Commission originally intended that the issue be brought to a vote of the people. She suggested amending the bill to include a provision for a referendum.

The chairman noted that a fuel tax increase had been proposed to fund regional transportation needs. He asked whether the Regional Transportation Commission would use the money generated by an increased fuel tax to finance mass transit. Ms. Gilpin stated the Regional Transportation Commission can use gas tax revenues only for street and highway construction.

Senator Kosinski asked how much money the .5-cent tax would generate in Clark County. Ms. Gilpin stated \$16 million to \$20 million would be generated. She said the full .5-cent tax would not be needed for five years. Senator Kosinski asked how much money is needed to operate the system. Ms. Gilpin stated \$1 million is required the first year to expand to 12 buses.

Ms. Gilpin stated she was concerned with the definition of "public" in the bill. It is not clear whether the term "public" means simply the conveyance of people or public ownership. She suggested deleting the period and inserting "but may be used for any facilities or improvements directly related to the operation or maintenance of the public transit system" on page 2, line 42. She suggested amending the bill to require the consistency of a proposed plan with the adopted plan.

The chairman questioned whether an extensive bill, like Senate Bill No. 222, was required if the issue was placed on a public referendum. He suggested a simple bill which would allow the counties to set the guidelines.

The chairman asked whether the public in Southern Nevada would prefer an additional .5-cent sales tax to support public transit

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or an additional 2-cent per gallon fuel tax to support street and highway construction. Ms. Gilpin stated two surveys taken on the issue were contradictory. She personally felt the public is more displeased with the conditions of roads in Clark County than with the mass transit system.

Ms. Daisy Talvitie, representing the League of Women Voters of Nevada, supported the bill. She suggested clarifying the definition of a public transit system. She stated the system should be publicly owned if public funds are used to finance a public transit system. She questioned the wording on page 1, lines 20-22. She said it was unclear whether food and drug taxes on the sales tax are exempt. She suggested amending page 3, line 4 to read "provide all functions" rather than "perform all functions." This amendment would allow greater flexibility. She suggested that NRS 373.030 be examined. She said public transit needs should be based on an overall transportation plan rather than a street and highway plan.

Senator Raggio asked Ms. Talvitie's position on the contract arrangement in Clark County. She stated Clark County should own the system but be able to contract with a private company to operate the system.

The chairman asked Ms. Talvitie's feelings about the county acquiring buses with federal and local money and turning those buses over for private operation. Ms. Talvitie preferred a public takeover of the system, but would agree with the proposed practice if it was the only way for the county to operate a public transit system.

The chairman asked whether the League would support an additional .5-cent sales tax if the sales tax is increased to six cents. She stated the organization would support it, but questioned whether the public would support a 6.5-cent sales tax.

Senator Getto asked why Ms. Talvitie preferred a public owned and operated transit system. Ms. Talvitie stated there was general dissatisfaction with the privately operated system in Clark County. She agreed with allowing the Regional Transportation Commission to contract with a private firm for the operation of the system, but felt the responsibility of the system should remain with the public sector.

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Mr. John Sande, representing the major oil companies, questioned the wording on section 4, lines 20-22. He said the wording could be construed to include motor vehicle fuels and special fuels, which are subject to taxation under a completely different scheme.

Mr. Daryl E. Capurro, representing the Nevada Motor Transport Association, and Mr. Virgil Anderson, representing the California-Nevada Automobile Association, expressed the same concern as Mr. Sande.

Mr. Bill Madigan, representing Carson City, spoke in support of the bill. He suggested changing the 100,000 population limit to enable Carson City to be eligible to participate in the transit program. Senator Getto suggested eliminating the population limit entirely.

Mr. Pete Kelly, representing the Nevada Retail Association, opposed the bill. He stated the tax is not based upon profit or the ability to pay and that businesses would suffer. He said the bill was discriminatory because it taxed only retail sales.

Senator Getto asked whether Mr. Kelly would oppose the bill if it was amended to require voter approval of the tax. Mr. Kelly stated he would have to consult his association for a position on that issue.

Senator Kosinski asked whether Mr. Kelly would support a net receipts tax. Mr. Kelly stated he would not support a net receipts tax.

The chairman closed the hearings on Senate Bill No. 222.

SENATE BILL NO. 80

Ms. Sharon Alcamo, Chief, Driver's License Division, Department of Motor Vehicles, presented information on the national driver's license fees (Exhibit F), the cost of producing a license (Exhibit G), and a revenue analysis of the increased fees (Exhibit H). She stated a fee increase was necessary to make the Driver's License Division self supporting and to generate additional funds for the General Fund.

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The chairman suggested lowering the driver's license term from four years to three years.

Senator Glaser noted it appeared more revenue would be generated than was needed in comparing the revenue analysis with the analysis of the cost of producing a license. Ms. Alcamo noted the cost of producing a license information was based on the 1979-1980 fiscal year. She also noted the figures were affected by the double renewal cycle caused by changing the license term from five years to four years.

Mr. Anderson objected to the proposed increase in license fees. He urged moderation.

Senator Getto asked whether the general taxpayer should be expected to subsidize people who are driving on the highways. Mr. Anderson said that substantial General Fund revenues are generated by the operation of motor vehicles, such as sales tax and the privilege tax.

The chairman closed the hearings on Senate Bill No. 80.

SENATE BILL NO. 326

Mr. Howard E. Barrett, Director, Budget Division, Department of Administration, stated there presently is no limit to the amount the Board of Examiners can make up from the Distributive School Fund if there is a shortfall of even one dollar in a school district. He said this wasn't the original intent of the legislation. The Attorney General indicated this practice is legal.

Senator Glaser questioned the difference between "resources" and "receipts" on line 12. Senator Raggio explained the term "resources" means the receipts from all sources.

Mr. Wendell K. Newman, representing the Department of Education, spoke in support of the bill. He said the bill would clarify potential problems.

The chairman closed the hearings on Senate Bill No. 326.

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SENATE BILL NO. 373

Mr. Robert Sullivan, representing the Carson River Basin Council of Governments, stated relief is needed on the local level for road construction.

The chairman noted some relief was given to the counties by the passage of Senate Bill No. 154. He stated the voter optional two-cent increase has not been utilized. He asked whether changing the law to allow a voter optional two-cent tax for maintenance of roads at the regional transportation level would be helpful. Mr. Sullivan urged more discretionary use of the county fuel tax funds.

Mr. Sullivan stated Senate Bill No. 373 adds liquefied petroleum and diesel fuel to the fuel tax. He said the counties feel local roads should benefit from a diesel user fuel tax. Diesel vehicles use county roads as well as state roads. The bill also provides for flexible use of fuel tax revenues. The bill changes the tax from a fixed rate by volume to a value measure, or percentage tax. He noted Nevada would be the only state to impose a percentage tax.

Mr. Bob Hadfield, Douglas County Manager, supported Senate Bill No. 373. He stated greater flexibility is needed in using the two-cent county gas tax revenues. The tax generates \$215,000 annually in Douglas County. The county expects to spend \$1.2 million in Regional Transportation Commission activities. This plan requires an ad valorem tax rate which would generate \$500,000. He asked the committee to consider including diesel fuel in the tax, especially in view of the increased use of diesel fuel in passenger cars.

The chairman asked Mr. Hadfield's opinion of the suggestion that the legislature allow counties to levy the two-cent tax by ordinance rather than by voter approval. Mr. Hadfield stated this proposal would generate an additional \$215,000.

Mr. William Buxton, Acting Managing Engineer for the Clark County Regional Transportation Commission, spoke in support of the bill. He recommended amending the bill to include an additional two-cent tax. He agreed with including diesel

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fuel in the tax. He said roads must be designed to handle large diesel vehicles.

Mr. Sande stated Senate Bill No. 373 is totally unworkable. The tax would apply to the pump price. He noted conflicts between the bill and provisions in NRS Chapter 365. He said the bill would cause problems in computing the tax, in determining who collects the tax, in how the tax is collected, and how returns would be audited.

Mr. Capurro opposed deleting the word "improvement" on page 2, line 33 of the bill. He stated the deletion opens up the use of Regional Transportation Commission funds. He disagreed with permitting maintenance categories in both the Regional Transportation Commission level and the county road funding level. He said the original intent for the Regional Transportation Commission funds was construction and reconstruction. He felt the problem of maintenance should be addressed at the county road funding level. He noted difficulties in computing the tax at the pump.

Mr. Capurro stated 4.6 percent of the total diesel fuel tax was collected at the pump. He stated nearly 96 percent of the tax is paid based on a user's mileage report. He said the original genesis of using diesel tax funds at the state level was that most of the diesel activity occurs on state or federally supported highways.

Senator Raggio asked how the tax is collected from out-of-state or independent truckers. Mr. Wink Richards, Chief, Motor Carrier Division, Department of Motor Vehicles, explained a \$10 dollar fuel permit is purchased by non-resident truckers in lieu of paying the tax at the pump. The permit is valid for 48 hours. In addition to the \$10 fuel permit, a \$2.50 registration fee for each vehicle and a temporary carrier license, ranging from \$6 to \$30, is paid. He noted a bill has been drafted to double the fuel permit to \$20. This was necessitated by the passage of an increased fuel tax. He did not want the temporary fee to be less expensive than the amount paid based on the user report.

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The chairman asked how the diesel fuel tax is applied to passenger cars. Mr. Richards explained that any vehicle weighing less than 6,000 pounds pays the tax at the pump.

The chairman asked if diesel passenger vehicles were escaping the tax. Mr. Richards said they were not escaping the tax. He said the same process occurs for tax collection on liquefied petroleum gas used in automobiles.

The chairman stated regional transportation authorities were asking that diesel vehicles which use regional roads be required to help pay for maintaining those roads. Mr. Capurro disagreed that many diesel vehicles used regional roads. He said the basic diesel vehicle is the over-the-road vehicle, the sand and gravel haulers, and cement trucks.

Mr. Richards suggested increasing an established tax for the purpose of maintaining county roads, such as the privilege tax, rather than creating a new tax. He said a new tax would cost more money to administer than the revenue it would generate.

Mr. Capurro stated Senate Bill No. 373 would require a county mileage report as well as a state mileage report.

Mr. Richards submitted a "Review of the Present State Laws on the Fuel Taxation of Motor Carriers." (See Exhibit I.)

Senator Kosinski asked if there had been any court interpretations dealing with the term excise tax in the constitution. He asked whether gasoline tax at the retail level would be considered an excise tax. Mr. Capurro stated it would not be considered an excise tax and would not fall under the constitutional prohibition against diversion.

Mr. Dale Rayn, Deputy Public Works Director for Carson City, spoke in support of the bill. He said the bill would enable Carson City to keep up with escalating roadway maintenance and construction costs. He asked for an additional two-cent tax for regional transportation purposes.

Mr. Bud Wolf, a liquefied petroleum gas dealer, opposed including liquefied petroleum gas in the measure. He stated

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only a very small amount of liquefied petroleum gas is used as motor fuel. Those few individuals who use liquefied petroleum gas for motor fuel are licensed with the Department of Motor Vehicles and pay the special fuel tax.

Mr. Anderson opposed the taxing mechanism in Senate Bill No. 373.

The chairman closed the hearings on Senate Bill No. 373.

SENATE BILL NO. 80

The committee discussed whether the increased license fees would generate more money than was required. It was decided to hold the bill for consideration until the full committee was present.

SENATE BILL NO. 326 (Exhibit J)

The chairman asked for consideration on Senate Bill No. 326.

Senator Kosinski moved that Senate Bill No. 326 be approved.

Senator Getto seconded the motion.

The motion carried. (Senators Don Ashworth, Glaser and Lamb were absent.)

SENATE BILL NO. 373

The chairman asked for consideration on Senate Bill No. 373. The committee decided to hold the bill for future consideration.

SENATE BILL NO. 200

The chairman asked for consideration on Senate Bill No. 200.

Senator Getto moved that Senate Bill No. 200 be indefinitely postponed.

Senator Raggio seconded the motion.

The motion carried. (Senators Don Ashworth, Glaser, and Lamb were absent for the vote.)

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SENATE BILL NO. 411

The chairman asked for consideration on extensive amendments to Senate Bill No. 411.

Senator Glaser moved that the amendments be approved, reported to the floor, and re-referred to the committee.

Senator Getto seconded the motion.

The motion carried. (Senators Don Ashworth and Lamb were absent for the vote.)

In other business, the chairman presented a Bill Draft Request for committee introduction. If there were no objections the bill would be introduced.

There were no objections to the introduction of the following bill:

* BDR 32-1290: An act relating to taxation; providing an exemption for certain widowers from the property tax or the vehicle privilege tax; imposing a limitation on the exemption for widows and widowers by household income; making an exception to that limitation in the case of certain widows; and providing other matters properly relating thereto.

There being no further business, the meeting adjourned at 4:46 p.m.

Respectfully submitted by:

Colleen Crum
Colleen Crum, Secretary

APPROVED BY:

Keith Ashworth
Senator Keith Ashworth, Chairman

DATE: 4-8-81

* (SB 499)

SENATE AGENDA

COMMITTEE MEETINGS

Amended Date: 4-1-81

Committee on Taxation, Room 213.

Day Thursday, Date April 2, Time 2:00 p.m.

AMENDED AGENDA

EXHIBIT A

S. B. No. 326--Clarifies law relating to emergency financial assistance to public schools.

S. B. No. 80--Provides for increase in certain fees of department of motor vehicles.

S. B. No. 200--Levies tax on wholesale price of motor vehicle fuels.

S. B. No. 222--Imposes tax for support of public transportation.

S. B. No. 373--Extends county motor vehicle fuel tax to diesel fuel and liquefied petroleum gas and establishes percentage of sale price as measure of tax.

SENATE COMMITTEE ON TAXATION

DATE: April 2, 1981

EXHIBIT B

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
G. P. Etcheverry	Nev. LEAGUE OF CITIES	882-2121
Ken Strunk	Nev. L.P.G. BOARD	885-4890
E.D. Wagner	NEU L.P.G. District	916-495-2324
Tony Larson	Nev. L.P.G.A. Pros.	
Bud Wolfe	✓ - Assn	883-8383
Bill Madigan	CARSON City	883-800
Dale Ryan	"	"
Wm Buxton	Reg. Trans Comm. Clark County	396-4481
Wendell K. Newman	Dept of Education	885-5700
Shelie Peterson	Clark County	383-3500
Don Thompson	Clark County	886-4536
Daisy Talbot	League of Women Voters of Nevada	Las Vegas 451-6485
GAIL GARDNER	CLARK COUNTY RTC	388-4481
Earl Dill	NDOT	885-5440
John Sande	Oil Cos.	786-5000
Ed Hastings	Regional Trans Comm.	789 4856
Jerry Hall	Regional Trans Comm	785-6184
L. Passerille	Intern	826 5319
William C. Carro	DEIVER'S LICENSE DIVISION	885-5360
J. Tombarich	DOT	885-5-1410
Joseph Anderson	RRR	787-1890
Peggy Tweedt	League of Women Voters	882-2078
PARYL E. CAPURRO	NEVADA MOTOR TRANSPORT ASSN	331-6884

X E R O X

Number of Copies 11 Needed By 4-13

Collate Staple Punch as Indicated Below

8½ X 11 8½ X 14 2 holes on top

Comments:

Date of Request: Coco 4-10

Name of Requestor: _____

Room No.: 201C Phone No.: A177

SENATE COMMITTEE ON TAXATION

DATE: April 2, 1981

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
W.W. RICHARDS	DMU MOTOR CARRIER	885-5340
D GALLIAN	RTC - WASHOE COUNTY	785-6184
K MABRY	"	"
KEITH LOCKARD	CITY OF RENO	785-2250

ED HASTINGS
CHAIRMAN
REGIONAL TRANSPORTATION COMMISSION

EXHIBIT C

SENATOR ASHWORTH AND MEMBERS OF THE SENATE TAXATION COMMITTEE, IT IS A PLEASURE TO APPEAR BEFORE YOU TODAY TO PRESENT AN ISSUE WHICH IS OF VITAL IMPORTANCE TO WASHOE COUNTY AND INDEED TO THE ENTIRE STATE OF NEVADA.

DURING THE PAST FEW YEARS WE HAVE SEEN FUEL PRICES INCREASE, FUEL SHORTAGES HAVE OCCURRED AND IN SOME INSTANCES HAVE CREATED IMPACTS ON OUR TOURIST ECONOMY. IN ADDITION, WE HAVE SEEN THIS IMPACT CARRY OVER TO THE NORMAL COMMERCE WHICH IS CONDUCTED WITHIN OUR URBAN COMMUNITIES AND OUR ABILITY TO MOVE ABOUT THE COMMUNITY HAVE BEEN SEVERELY CONSTRAINED.

THE REGIONAL TRANSPORTATION COMMISSION OF WASHOE COUNTY HAS BEEN AGGRESSIVELY PURSUING ALTERNATIVE MODES OF TRANSPORTATION AS A MEANS OF CONSERVING FUEL, REDUCING TRANSPORTATION COSTS AND MORE IMPORTANTLY PROVIDING A REASONABLE TRANSPORTATION ALTERNATIVE TO TRANSIT DEPENDENTS OR THE ECONOMICALLY DISADVANTAGED.

THE RTC CREATED A REGIONAL TRANSIT COMMISSION IN 1978 AND IMPLEMENTED THE FIRST AND ONLY PUBLICLY OWNED AND OPERATED TRANSIT SYSTEM IN THE STATE OF NEVADA. I AM HAPPY TO SAY THAT THE SYSTEM HAS GROWN AND EXPANDED AND NOW SERVES A LARGER SEGMENT OF THE RENO, SPARKS, WASHOE COUNTY POPULATION BASE. ALL OF THIS HAS BEEN DONE WITH A MINIMUM EXPENDITURE OF PUBLIC FUNDS AND THE PROGRAM HAS BEEN FOLLOWING A WELL THOUGHT OUT PLAN. OUR PROGRAM INCLUDES CONTINUED EXPANSION OF THE SYSTEM TO MEET THE INCREASING REQUEST FOR SERVICE AND THE CONSTANTLY INCREASING RIDERSHIP.

AS WITH ANY NEW UNDERTAKING WE ARE CURRENTLY IN A CAPITAL INTENSIVE PERIOD IN WHICH WE ARE FORCED TO EXPEND CONSIDERABLE SUMS OF MONEY FOR ACQUISITION OF ROLLING STOCK AND WE ARE NOW FACED WITH CONSTRUCTING A MAINTENANCE FACILITY. WE EXPECT THAT THESE SUBSTANTIAL CAPITAL EXPENSES WILL CONTINUE OVER THE NEXT TWO YEARS AS WE CONTINUE TO BUILD OUR BASIC SYSTEM.

PUBLIC TRANSPORTATION IN MANY OF THE LARGER CITIES CONTINUE TO HAVE PROBLEMS DUE TO A NEGLECT OF THE SYSTEMS DURING THE PAST TWENTY YEARS. IN WASHOE COUNTY, WE HAVE INITIATED A NEW MODERN PUBLIC TRANSPORTATION SYSTEM WHICH WILL BE A SOURCE OF PRIDE TO THE COMMUNITY. MORE IMPORTANTLY THE CITIFARE SYSTEM WILL PROVIDE A REASONABLE TRANSPORTATION ALTERNATIVE WITHIN THE COMMUNITY FOR TRANSIT DEPENDENTS AND THE CHOICE RIDER.

The PURPOSE OF MY APPEARANCE TODAY IS TO SUGGEST APPROVAL OF SB 222 AS A MAJOR STEP FORWARD IN PROVIDING FUNDING TO THE REGIONAL TRANSPORTATION COMMISSION TO CONTINUE THIS IMPORTANT NEW PUBLIC SERVICE. CERTAINLY, PUBLIC SERVICE PROGRAMS ARE BEING SUBJECTED TO CLOSER SCRUTINY AND EVALUATION AND I WOULD SUGGEST TO YOU THAT THIS IS A PUBLIC SERVICE PROGRAM WHICH WILL STAND THE TEST. IT IS CLEAR THAT PUBLIC TRANSPORTATION WILL PLAY AN IMPORTANT ROLE IN THE ECONOMIC FUTURE OF OUR URBAN COMMUNITIES.

THE STAFF OF THE REGIONAL TRANSPORTATION COMMISSION HAS PREPARED A TECHNICAL BRIEFING TO ACQUAINT YOU WITH THE PROGRESS WHICH HAS BEEN MADE TO DATE IN PUBLIC TRANSPORTATION OF WASHOE COUNTY. I WOULD LIKE TO INTRODUCE JERRY HALL, EXECUTIVE DIRECTOR OF THE REGIONAL TRANSPORTATION COMMISSION.

*Sen. Asteworth with your permission
I would suggest that questions be directed
to Jerry Hall for the most ^{direct} and complete
answers*

Regional Transportation Commission

Ed Hastings, Chairman
Steve Brown, Vice Chairman

Barbara Bennett
Bruno Menicucci
James R. Underwood

Jerry L. Hall, P.E., Executive Director
A. Stanyan Peck, Deputy District Attorney

April 2, 1981

Senator Keith Ashworth
Chairman
Senate Taxation Committee
Nevada State Legislature
Carson City, Nevada 89701

EXHIBIT D


Dear Senator Ashworth:

The attached provides a summary of testimony which is being provided in support of SB 222. This bill is supported by the Washoe County Regional Transportation Commission and the Clark County Regional Transportation Commission. The formal Resolutions adopted by these Regional Agencies are attached for your information.

Public Transportation will be an important and significant element of the future of Nevada. Unfortunately, without the necessary financial support, this needed alternative mode of personal transportation will not be available to the major metropolitan communities of this state.

Your favorable support of this important legislation is respectfully requested.

Very truly yours,



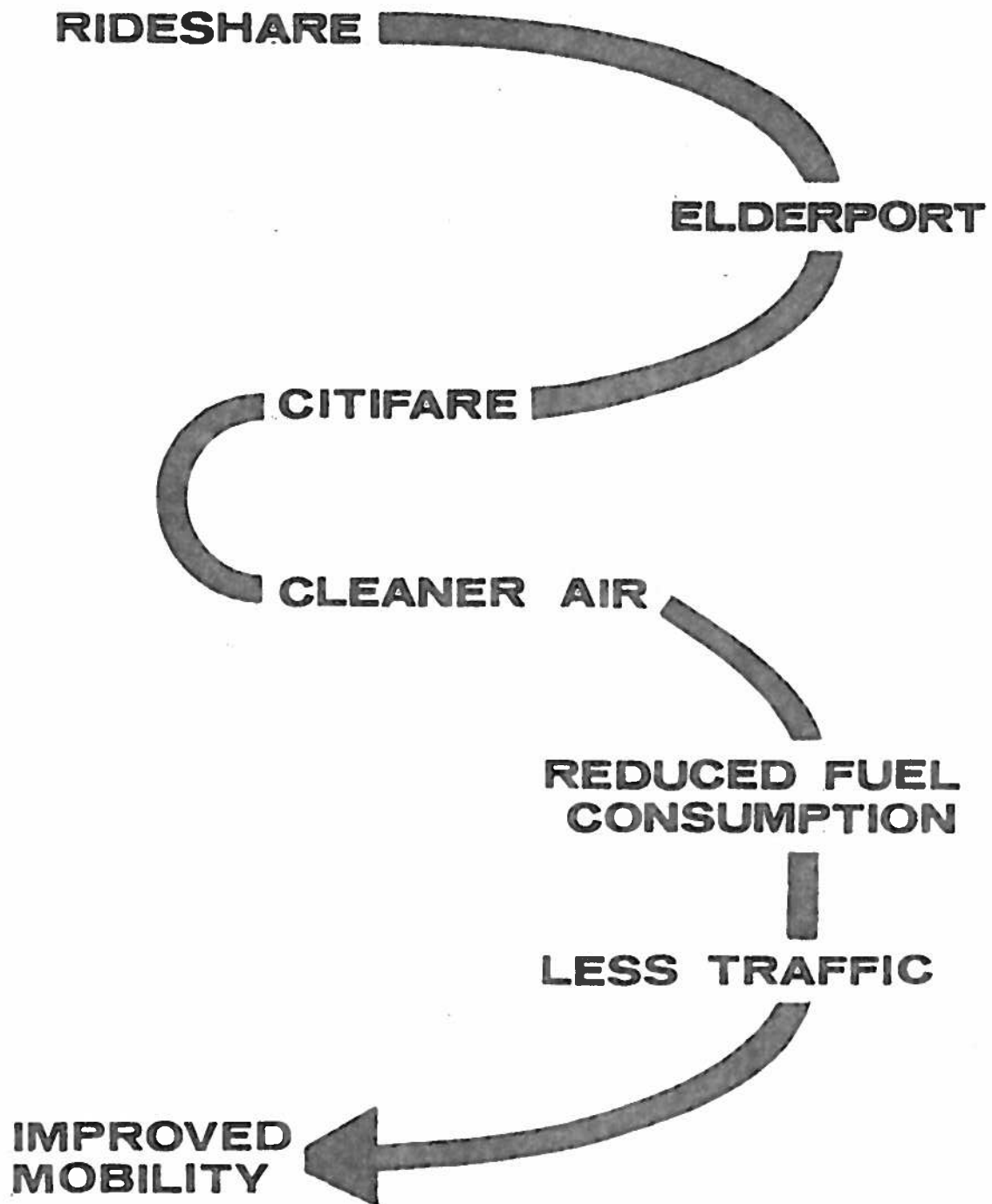
JERRY L. HALL, P.E.
Executive Director

JLH:vc

WHY DO WE NEED PUBLIC TRANSPORTATION

- BASIC TRANSPORTATION FOR TRANSIT DEPENDENT
- TRANSPORTATION ALTERNATIVE FOR ECONOMICALLY DISADVANTAGED
- HEDGE AGAINST FUEL SHORTAGES
- MAJOR CONTRIBUTOR TO IMPROVED AIR QUALITY
- LOCAL TRANSPORTATION FOR TOURISTS

THE PUBLIC TRANSPORTATION SYSTEM



PROGRESS IN PUBLIC TRANSPORTATION

OPERATIONS

- 13 GENERAL MOTORS RTS-02 TRANSIT COACHES
- RADIO EQUIPPED & DISPATCHED FLEET
- 7 ROUTES IN SERVICE AT DECEMBER 1, 1980
- ON TIME PERFORMANCE IMPROVED

MAINTENANCE

- MODERNIZED ADMINISTRATIVE OFFICE AND DISPATCH FACILITIES
- INVENTORY AND TOOL STORAGE AREAS
- INDOOR BUS WASHING FACILITIES
- INHOUSE FUELING CAPABILITIES

ADMINISTRATIVE

- 5 YEAR PROGRAM OF PROJECTS
- MONTHLY BATTERY OF MANAGEMENT REPORTS
- SPECIAL MARKETING EFFORTS
- INTERNAL MANAGEMENT CONTROLS

CURRENT SYSTEM

SERVICE AREA - ROUTES

RENO, SPARKS AND WASHOE COUNTY

- 7 ROUTES UTILIZING 11 TRANSIT COACHES
- 1 ROUTE ON 30 MINUTE HEADWAY
- 5 ROUTES ON 60 MINUTE HEADWAY
- 1 ROUTE PEAK HOUR SERVICE

FARE STRUCTURE

- 60¢ CASH
- 25¢ SENIORS AND HANDICAPPED
- 35¢ 18 YEARS AND UNDER
- COMMUTER - 10 RIDES FOR \$5.00
- MONTHLY FLASH PASS
- YOUTH SUMMER FARE

OPERATING STATISTICS

- FY 1981 447,477 OPERATING MILES
- FY 1982 998,504 OPERATING MILES
- RIDERSHIP
 - + FY 1979 307,980
 - + FY 1980 573,300 86% INCREASE
 - + FY 1981 807,155 41% INCREASE
 - + FY 1982 1,063,075 32% INCREASE

CURRENT SYSTEM

THE CURRENT OPERATING SYSTEM IS SHOWN ON THE FOLLOWING PAGE. A GENERAL ROUTE DESCRIPTION IS PROVIDED BELOW.

- | | |
|---------|--|
| ROUTE 1 | 30 MINUTE SERVICE FROM GREENBRAE SHOPPING CENTER TO MEADOWOOD VIA THE SPARKS AND RENO CBD. |
| ROUTE 2 | 60 MINUTE SERVICE FROM GREENBRAE TO THE RENO CBD THROUGH NORTHEAST RENO. |
| ROUTE 3 | 60 MINUTE SERVICE FROM KINGS ROW TO KIETZKE LANE. |
| ROUTE 4 | 60 MINUTE SERVICE FROM WEST 7TH TO MGM. |
| ROUTE 5 | 60 MINUTE SERVICE FROM SUN VALLEY TO DOWNTOWN RENO. |
| ROUTE 6 | 60 MINUTE SERVICE FROM DOWNTOWN RENO TO OLD TOWN MALL VIA SOUTHWEST RENO. |
| ROUTE 7 | PEAK HOUR COMMUTER SERVICE FROM LEMMON VALLEY-STEAD TO DOWNTOWN RENO. |

MAINTENANCE FACILITY - THE CURRENT MAINTENANCE FACILITY IS A CONVERTED FREIGHT TERMINAL LOCATED AT 5TH AND CENTER STREETS IN RENO. A TWO YEAR LEASE EXPIRES JUNE 30, 1982.

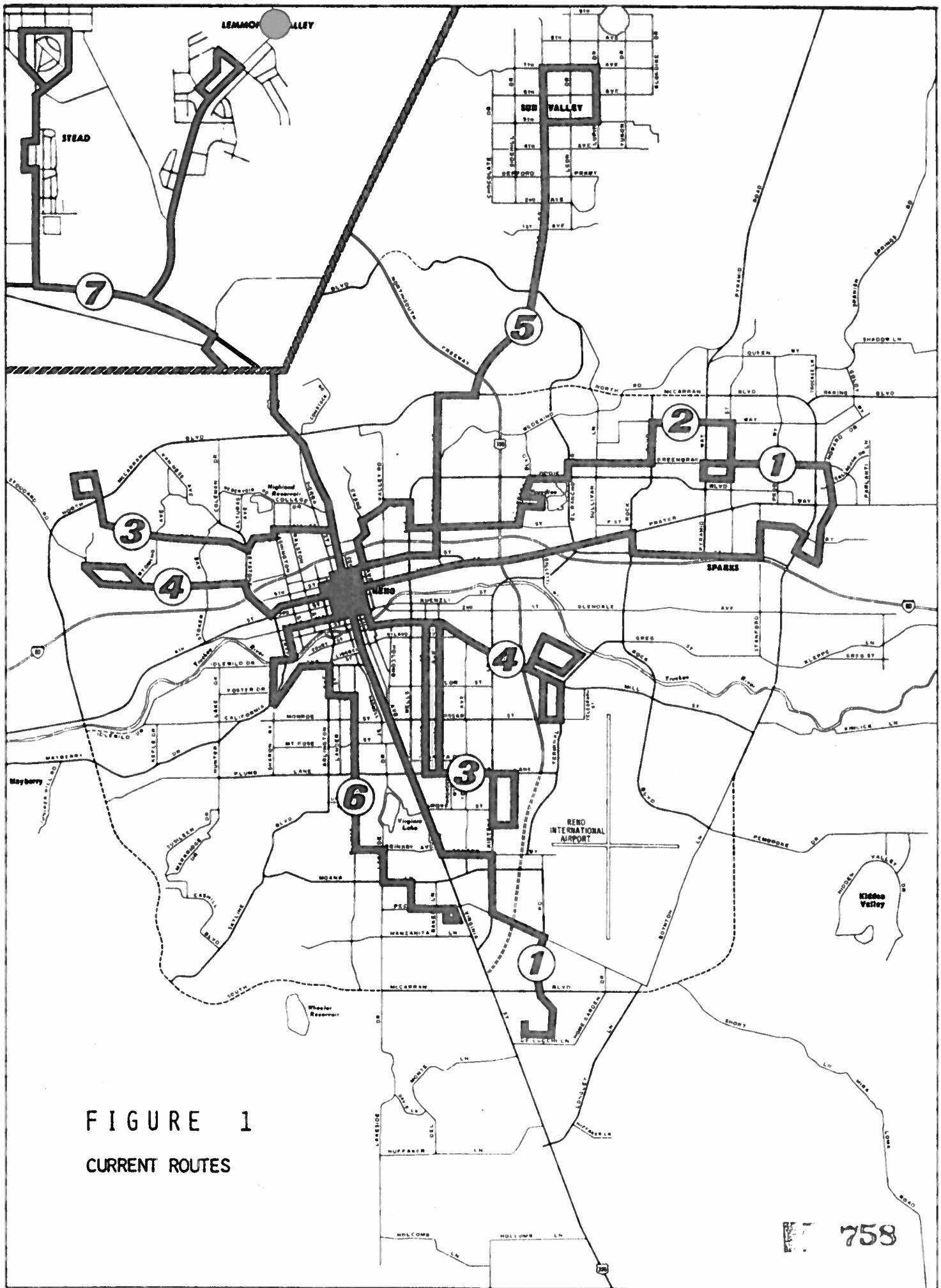


FIGURE 1
CURRENT ROUTES

SERVICE IMPROVEMENTS

LOCAL MATCH FUNDS HAVE BEEN PLEDGED AND A FEDERAL GRANT SUBMITTED FOR ACQUISITION OF AN ADDITIONAL 16 TRANSIT COACHES. IF THESE VEHICLES ARE ACQUIRED AND THE PROPOSED FY82 OPERATING BUDGET IS APPROVED THE FOLLOWING NEW SERVICE IS PROJECTED FOR NOVEMBER 1981.

- | | |
|----------|--|
| ROUTE 1 | 15 MINUTE SERVICE FROM MEADOWOOD TO DOWNTOWN RENO. |
| ROUTE 4 | 30 MINUTE SERVICE FROM WEST 7TH TO MGM. |
| ROUTE 7 | 60 MINUTE - ALL DAY SERVICE FROM STEAD TO RENO. |
| ROUTE 8 | SILVER DOLLAR EXPRESS - 15 MINUTE PREMIUM FARE SERVICE FROM RENO CBD TO SPARKS CBD. |
| ROUTE 9 | RENO GAMBLER - 10 MINUTE SERVICE IN SHUTTLE CONFIGURATION IN DOWNTOWN RENO DURING PEAK TOURIST PERIODS. |
| ROUTE 10 | NE SPARKS COLLECTOR - 30 MINUTE COLLECTION SERVICE FROM RESIDENTIAL AREA TO GREENBRAE TRANSFER SITE. |
| ROUTE 11 | GREENBRAE/INDUSTRIAL - PEAK HOUR WORK TRIP SERVICE FROM SPARKS RESIDENTIAL AREA TO SPARKS INDUSTRIAL AREA. |
| ROUTE 12 | WASHOE ZEPHYR - PEAK HOUR COMMUTER SERVICE FROM WASHOE CITY TO RENO CBD. |

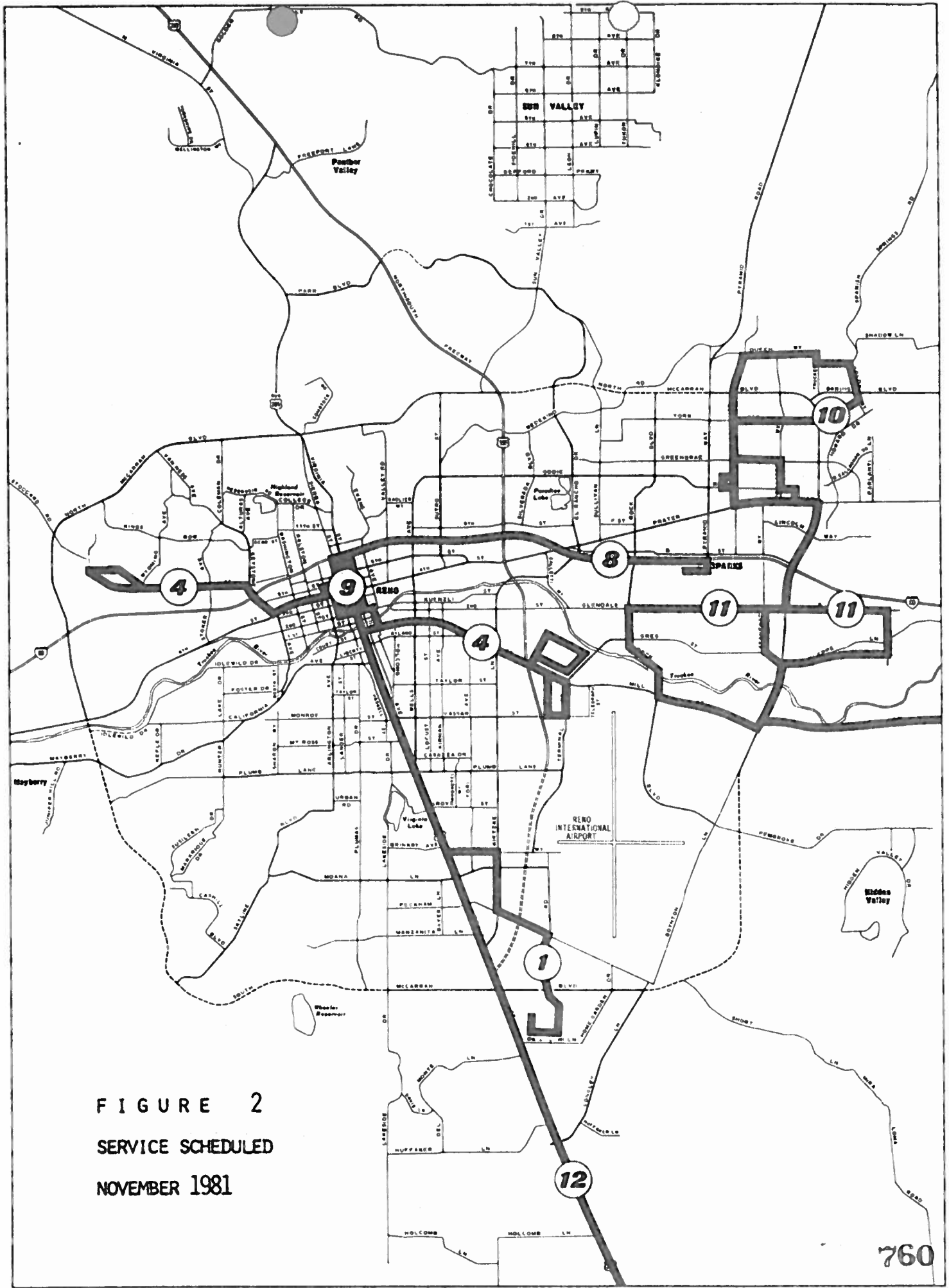


FIGURE 2
 SERVICE SCHEDULED
 NOVEMBER 1981

FUTURE YEAR IMPROVEMENTS

IN ADDITION TO THE IMPROVEMENTS PREVIOUSLY IDENTIFIED, THE RTC HAS PROGRAMMED A LOGICAL SYSTEM EXPANSION WHICH WILL BLEND AREA COVERAGE WITH SERVICE LEVEL IMPROVEMENTS THROUGH INCREASING FREQUENCY OF SERVICE. THE MAJORITY OF ROLLING STOCK ACQUISITION WILL BE COMPLETE THIS YEAR WITH UNIFORM ANNUAL ADDITIONS SCHEDULED TO BRING THE FLEET TO 57 COACHES BY 1985. AT THAT TIME, WASHOE COUNTY WILL HAVE A BASIC TRANSIT SYSTEM IN PLACE CAPABLE OF RESPONDING TO PUBLIC TRANSPORTATION NEEDS OF THE COMMUNITY.

A MAINTENANCE FACILITY MUST BE CONSTRUCTED IN THE NEXT TWO YEARS WHICH WILL ASSURE THE ABILITY OF THE RTC TO MAINTAIN THE MOST MODERN FLEET OF TRANSIT COACHES AVAILABLE IN THE STATE OF NEVADA.

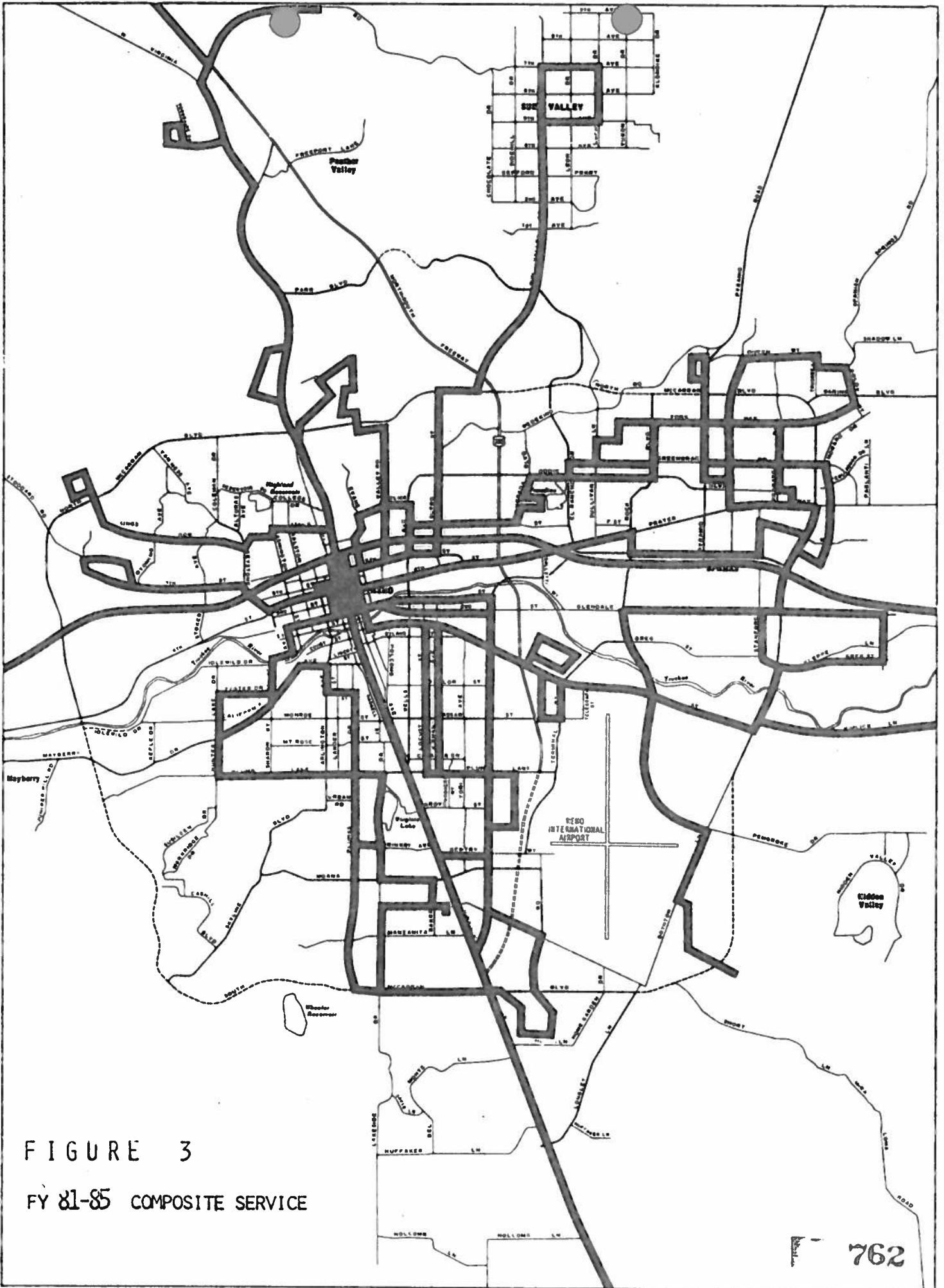


FIGURE 3
 FY 81-85 COMPOSITE SERVICE

REVENUE REQUIREMENTS

- PUBLIC TRANSPORTATION EXPENSES FALL INTO TWO MAJOR CATEGORIES INCLUDING
 - OPERATIONS
 - CAPITAL EQUIPMENT ACQUISITION

- CURRENT EXPENSES ARE MET THROUGH URBAN MASS TRANSPORTATION ADMINISTRATION SECTION 5
 - OPERATING ASSISTANCE PROGRAM
 - 50% LOCAL MATCH
 - 50% FEDERAL SHARE
 - CAPITAL ASSISTANCE PROGRAM
 - 20% LOCAL MATCH
 - 80% FEDERAL SHARE

- THE REAGAN ADMINISTRATION HAS INDICATED THAT SUBSTANTIAL CUTS IN THESE PROGRAMS CAN BE EXPECTED

- THE SECTION 5 OPERATING ASSISTANCE PROGRAM WILL BE ELIMINATED BY 1985.

	1981	1982	1983	1984	1985
RTC OPERATING DEFICIT	\$ 871,155	\$1,715,658	\$2,060,323	\$2,730,809	\$3,753,781
RTC CAPITAL ACQUISITION	3,137,100	4,365,000	1,664,800	1,478,800	2,155,600
ELDERPORT DEFICIT	<u>186,426</u>	<u>222,744</u>	<u>263,222</u>	<u>304,522</u>	<u>356,365</u>
TOTAL REQUIREMENTS	\$4,194,681	\$6,303,402	\$3,988,345	\$4,514,131	\$6,265,746
REVENUE SOURCE					
FEDERAL	\$3,038,470	\$4,461,201	\$2,493,612	\$2,700,705	\$3,779,553
LOCAL	1,156,211	1,842,201	1,494,733	1,813,426	2,486,193

NEED: DEDICATED REVENUE SOURCES WHICH WILL

- ALLOW REASONABLE PROGRAMMING OF TRANSIT IMPROVEMENTS
- REVENUES WHICH RESPOND TO INFLATION

REGIONAL TRANSPORTATION COMMISSION
OF
CLARK COUNTY

RESOLUTION NO. 39

A RESOLUTION REQUESTING THE SIXTY FIRST SESSION OF THE NEVADA LEGISLATURE TO ENACT LEGISLATION CREATING A MASS TRANSPORTATION RELIEF TAX.

WHEREAS, under the Constitution of the State of Nevada, the legislature is empowered to establish legislation on behalf of municipal corporations and counties within the Great State of Nevada to enact a county ordinance imposing a relief tax; and,

WHEREAS, the Regional Transportation Commission of Clark County has determined that a publicly owned mass transportation system is needed within Clark County for social and economic reasons; and,

WHEREAS, the Regional Transportation Commission of Clark County has recognized that there exists no adequate funding to publicly own and operate a mass transportation system within said county:

NOW, THEREFORE BE IT RESOLVED by the Regional Transportation Commission of Clark County:

1. That the Regional Transportation Commission of Clark County petitions the Honorable Members of the Sixty First Session of the Nevada Legislature to enact legislation to allow for the imposition of a mass transportation relief tax upon retailers within each county at the rate of one-half of one percent of the gross receipts, as defined, exclusively for acquisition and operation of a publicly owned mass transportation system within each respective county.


PASSED, ADOPTED, AND APPROVED this 12th day of January, 1981.



RON LURIE, Chairman

REGIONAL TRANSPORTATION COMMISSION
OF CLARK COUNTY

ATTEST:


BONNIE WILSON, Secretary

REGIONAL TRANSPORTATION COMMISSION
OF
WASHOE COUNTY

RESOLUTION

A RESOLUTION REQUESTING THE SIXTY FIRST SESSION OF THE NEVADA LEGISLATURE TO ENACT LEGISLATION CREATING A MASS TRANSPORTATION RELIEF TAX.

WHEREAS, under the Constitution of the State of Nevada, the legislature is empowered to establish legislation on behalf of municipal corporations and counties within the Great State of Nevada to enact a county ordinance imposing a relief tax; and,

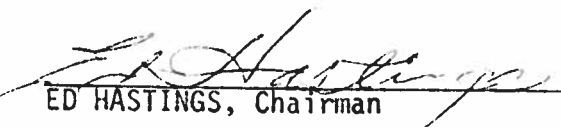
WHEREAS, the Regional Transportation Commission of Washoe County has determined that a publicly owned mass transportation system is needed within Washoe County for social and economic reasons; and,

WHEREAS, the Regional Transportation Commission of Washoe County has recognized that there exists no adequate funding to publicly own and operate a mass transportation system within said county:

NOW, THEREFORE BE IT RESOLVED by the Regional Transportation Commission of Washoe County:


1. That the Regional Transportation Commission of Washoe County petitions the Honorable Members of the Sixty First Session of the Nevada Legislature to enact legislation to allow for the imposition of a mass transportation relief tax upon retailers within each county at the rate of one-half of one percent of the gross receipts, as defined, exclusively for acquisition and operation of a publicly owned mass transportation system within each respective county.

PASS, ADOPTED, AND APPROVED this 26th day of February, 1981.


ED HASTINGS, Chairman

REGIONAL TRANSPORTATION COMMISSION
OF WASHOE COUNTY

ATTEST:


Washoe County Clerk

Suggested Amendment S.B. 222

Replace Line 7-10, page 1 with the following

"Public transit system" means the property, equipment and improvements of whatever nature owned, used, constructed, maintained, controlled or operated to provide mass transportation for passengers or to provide for the movement of people, including rideshare programs, senior citizen and handicapped transportation programs, park and ride stations, transfer stations and special transit transfer sites.

1981 REGULAR SESSION (61st)

EXHIBIT E

ASSEMBLY ACTION

SENATE ACTION

Senate

AMENDMENT BLANK

Adopted
Lost
Date:
Initial:
Concurred in
Not concurred in
Date:
Initial:

Adopted
Lost
Date:
Initial:
Concurred in
Not concurred in
Date:
Initial:

AMENDMENTS to Senate
~~Joint~~
Bill No. 222 ~~Resolution No.~~
BDR 32-743
Proposed by Committee on Taxation

Amendment N^o 358



Amend sec. 3, page 1, by deleting lines 11 and 12 and inserting:

"Sec. 3. 1. Any board of county commissioners may enact an ordinance imposing a tax for".

Amend sec. 4, page 1, line 24 by deleting the period and inserting:

", but an ordinance need not specify a percentage of the tax collected to be transferred to the state general fund as compensation to the state for the costs of collecting the tax for the county."

Amend sec. 6, page 2, by deleting lines 20 and 21 and inserting:

"ment must be deposited with the state".

Amend sec. 9, page 2, line 42, by deleting the period and inserting:

", but may be used for any facilities or improvements directly



EXHIBIT F

DEPARTMENT OF MOTOR VEHICLES

555 WRIGHT WAY

CARSON CITY, NEVADA 89711
DRIVER'S LICENSE DIVISION

April 2, 1981

TO: SENATE TAXATION COMMITTEE
FROM: SHARON P. ALCAMO, CHIEF, DRIVER'S LICENSE DIVISION
SUBJECT: NATIONAL DRIVER'S LICENSE FEES AND TERMS OF LICENSES
FIFTY (50) STATES AND THE DISTRICT OF COLUMBIA

The national average fee charged for a driver's license is:

Original \$ 9.90 per license*
Renewal 8.79 per license*
Duplicate 2.31 per license
Reinstatement - 14.35 (Average for the 26 states which charge
reinstatement fees.)

*In order to calculate the national fee average, we prorated the fee based on a four year term of license to make it consistent with Nevada.

The following is an individual breakdown by state of the fees and terms of license:

STATE	ORIGINAL	PRORATED	RENEWAL	PRORATED	DUPLICATE	TERM OF LICENSE	REINSTATEMENT
Alabama	\$ 10.00	\$	\$ 10.00	\$	\$ 1.50	4 years	\$ 25.00
Alaska	5.00	4.00	5.00	4.00	2.00	5 years	5.00
Arizona	5.00	6.68	5.00	6.68	4.00	3 years	10.00
Arkansas	13.00		13.00		2.00	4 years	-0-
California	3.25		3.25		1.25	4 years	6.00
Colorado	5.50		5.50		5.00	4 years	20.00
Connecticut	7.50		21.00		3.00	4 years	10.00
Delaware	10.00		10.00		2.00	4 years	15.00
Dist. of Columbia	12.00		12.00		2.00	4 years	10.00
Florida	9.50		6.50		2.00	4 years	25.00
Georgia	6.50		6.50		1.50	4 years	10.00
Hawaii	4.00		4.00		1.00	4 years	-0-
Idaho	7.00	9.33	7.00	9.33	3.00	3 years	-0-
Illinois	8.00	10.66	8.00	10.66	3.00	3 years	8.00
Indiana	6.00		6.00		3.00	4 years	-0-
Iowa	10.00		10.00		2.00	4 years	15.00
Kansas	6.00		6.00		1.00	4 years	-0-
Kentucky	4.00	8.00	4.00	8.00	2.00	2 years	5.00
Louisiana	3.50	7.00	3.50	7.00	1.50	2 years	15.00
Maine	10.00		10.00		2.00	4 years	10.00
Maryland	15.00		6.00		6.00	4 years	-0-
Massachusetts	13.00		10.00		3.50	4 years	-0-
Michigan	7.50		6.00		1.50	4 years	-0-
Minnesota	10.50		10.50		2.00	4 years	2.50
Mississippi	5.00	10.00	5.25	10.50	1.25	2 years	-0-

STATE	ORIGINAL	PRORATED	RENEWAL	PRORATED	DUPLICATE	TERM OF LICENSE	REINSTATEMENT
Missouri	\$ 3.00	\$ 4.00	\$ 3.00	\$ 4.00	\$ 3.00	3 years	-0-
Montana	8.00		8.00		1.00	4 years	-0-
Nebraska	7.00		7.00		2.00	4 years	25.00
Nevada	6.00		6.00		2.00	4 years	5.00
New Hampshire	12.00		12.00		2.00	4 years	-0-
New Jersey	8.00	16.00	8.00	16.00	3.00	2 years	-0-
New Mexico	5.25	10.50	5.25	10.50	1.25	2 years	-0-
New York	13.00		8.00		3.00	4 years	-0-
North Carolina	4.00		4.00		1.00	4 years	15.00
North Dakota	8.00		8.00		1.00	4 years	8.00
Ohio	5.00		5.00		1.00	4 years	-0-
Oklahoma	9.00	18.00	7.00	14.00	2.00	2 years	25.00
Oregon	9.00		9.00		3.00	4 years	25.00
Pennsylvania	20.00		20.00		5.00	4 years	-0-
Rhode Island	13.00	26.00	8.00	16.00	1.00	2 years	-0-
South Carolina	4.00		4.00		4.00	4 years	-0-
South Dakota	6.00		6.00		3.00	4 years	25.00
Tennessee	6.00	12.00	6.00	12.00	2.00	2 years	-0-
Texas	7.00		7.00		1.00	4 years	-0-
Utah	5.00		5.00		3.00	4 years	-0-
Vermont	18.00	36.00	8.00	16.00	2.00	2 years	-0-
Virginia	9.00		9.00		3.00	4 years	25.00
Washington	10.00	20.00	7.00	14.00	3.50	2 years	10.00
West Virginia	5.00		5.00		1.00	4 years	-0-
Wisconsin	8.50	17.00	4.00	8.00	2.00	2 years	18.50
Wyoming	2.50		2.50		2.50	4 years	-0-



EXHIBIT G

DEPARTMENT OF MOTOR VEHICLES

555 WRIGHT WAY

CARSON CITY, NEVADA 89711

DRIVER'S LICENSE DIVISION

April 2, 1981

TO: SENATE TAXATION COMMITTEE
FROM: SHARON P. ALCAMO, CHIEF, DRIVER'S LICENSE DIVISION
SUBJECT: COST OF PRODUCING A LICENSE

The direct cost of producing a license is \$6.59 per license; the combined indirect and direct costs of producing one are \$7.40.

The following is a description of the method as well as the actual figures used in computing the cost. It is based on fiscal year 1979-80 and addresses the following three areas:

- I. Total of all direct and indirect costs associated with the administration of the Driver's License Division during fiscal year 1979-80.
- II. Percentage of time and resources allocated to the issuance of driver's licenses and other Divisional responsibilities.
- III. Total number of licenses issued for all classes including originals, renewals, duplicates, changes, and identification cards for fiscal year 1979-80.

I. DIRECT AND INDIRECT COSTS:

DIVISION/SERVICE PROVIDED/PERSON	% DLD	ANNUAL SALARY/COST	INDIRECT COST FOR DLD	DIRECT COST FOR DLD
A. Driver's License Division Budget (FY 1979-80)	100%	1,618,486		1,618,486
B. Director's Office				
Director	12%	36,925	4,431	
Secretary	10%	16,796	1,679	
Deputy Director	10%	24,793	2,479	
Deputy Director's Secretary	10%	15,345	1,534	
Assistant to the Director	15%	26,638	3,995	
Hearings Officer	90%	25,424	22,981	
Hearings Officer's Secretary	90%	14,032	12,628	

DIVISION/SERVICE PROVIDED/PERSON	% DLD	ANNUAL SALARY/COST	INDIRECT COST FOR DLD	DIRECT COST FOR DLD
Deputy Attorney General Northern	30%	27,170	8,151	
Deputy Attorney General Southern	30%	27,958	8,387	
	70%	15,245	10,771	
Personnel Officer	20%	26,638	5,327	
Training Officer	20%	22,114	4,422	
Personnel Technician	15%	16,796	2,519	
Personnel Clerk	15%	11,763	1,764	
C. Administrative Services Division (Driver's License Division costs)				
Salaries			56,962	
Operating (Space, Telephone, Mail, etc.)				210,716
D. Automation Division (Driver's License Division costs)				
Salaries			108,302	
Computer Facility (including storage)				125,000
Raytheon Mini-Computer Hardware				99,960
Microwave				4,000
Phone lines				1,100
Microfiche				24,000
Printed Forms				3,605
		TOTAL	256,202	2,086,867

II. PERCENTAGE ALLOCATION:

The following is a breakdown by section of the percentage of staffing, money, and resources allocated to the issuance of driver's licenses versus other Divisional responsibilities.

SECTION	PERCENT ALLOCATION OF RESOURCE	
	DRIVER'S LICENSE ISSUANCE	OTHER RESPONSIBILITIES
Division Administration	1%	1%
Examining Bureau	67%	
Special Programs Bureau		1%
License Withdrawal Section		7%
Safety Responsibility Section		10%
Documents Section	7%	6%
TOTAL PERCENTAGE ALLOCATION	75%	25%

III. TOTAL TRANSACTIONS:

The total number of driver's licenses and identification cards for FY 1979-80 were as follows:

Originals	59,715
Renewals	71,809
Duplicates	4,539
Changes	74,178
Endorsements	5,689
Instruction Permits	14,699
Original Identification Cards	5,919
Duplicate Identification Cards	57
Changed Identification Cards	910

TOTAL TRANSACTIONS 237,515

<u>(I) TOTAL DIRECT COST</u>		<u>(II) % DRIVER'S LICENSE ISSUANCE</u>		<u>(III) TOTAL TRANSACTIONS</u>	=	<u>AVERAGE COST PER LICENSE</u>
\$2,086,867	X	.75	÷	237,515	=	\$6.59

<u>(I) TOTAL DIRECT AND INDIRECT COST</u>		<u>(II) % DRIVER'S LICENSE ISSUANCE</u>		<u>(III) TOTAL TRANSACTIONS</u>	=	<u>AVERAGE COST PER LICENSE</u>
\$2,343,069	X	.75	÷	237,515	=	\$7.40

As previously stated, the cost of producing a license is based on FY 79-80. This fiscal year was chosen because it was the most current year from which we could take the actual cost of operating as well as the actual activity which occurred. However, for each subsequent year a minimum of at least %12 inflationary cost should be added. It would increase the cost as follows:

<u>YEAR</u>	<u>FEE</u>
1980-81	\$ 8.29
1981-82	9.28
1982-83	10.39

REVENUE ANALYSIS FOR INCREASE IN FEES

CURRENT FEES TYPES OF LICENSES	CURRENT FEES*	ANTICIPATED 81-82 VOLUME	FEES GENERATED	ANTICIPATED 82-83 VOLUME	FEES GENERATED
Original license (70 yrs.)	3	835	2,505	880	2,640
Original license	6	72,841	437,046	76,744	460,464
Renewal (70 yrs.) 5.5%	3	11,338	34,014	7,665	22,995
Renewal	6	194,812	1,168,872	131,702	790,212
Duplicate/Change	2	92,769	185,538	97,778	195,556
Motorcycle Endorsement	3	6,633	19,899	6,991	20,973
Reinstatement	5	3,310	16,550	3,488	17,440
I. D. Card Original	6	3,291	19,746	3,468	20,808
I. D. Card Original (70 yrs.)	3	128	384	134	402
I. D. Card (Duplicate)	2	530	1,060	558	1,116
TOTAL		386,487	\$1,885,614	329,408	\$1,532,606

PROPOSED FEES TYPES OF LICENSES	PROPOSED FEES*	ANTICIPATED 81-82 VOLUME	FEES GENERATED	ANTICIPATED 82-83 VOLUME	FEES GENERATED
Original license (70 yrs.)	3	835	2,505	880	2,640
Original license	12	72,841	874,092	76,744	920,928
Renewal (70 yrs.)	3	11,338	34,014	7,665	22,995
Renewal	10	194,812	1,948,120	131,702	1,317,020
Duplicate/Change	4	92,769	371,076	97,778	391,112
Motorcycle Endorsement	4	6,633	26,532	6,991	27,964
Reinstatement	20	3,310	66,200	3,488	69,760
I. D. Card Original	12	3,291	39,492	3,468	41,616
I. D. Card Original (70 yrs.)	3	128	384	134	402
I. D. Card (Duplicate)	4	530	2,120	558	2,232
TOTAL		386,487	\$3,364,535	329,408	\$2,796,669

	<u>FY 81-82</u>	<u>FY 82-83</u>	<u>TOTAL</u>
Anticipated Gross Revenue Generated By Increasing Fees	3,364,535	2,796,669	6,161,204
Anticipated Gross Revenue Generated - Current Fees	<u>1,885,614</u>	<u>1,532,606</u>	<u>3,418,220</u>
Anticipated Revenue Increase	1,478,921	1,264,063	2,742,984

* Each fee includes \$1 for the photo license fee except the reinstatement fee.

722

EXHIBIT I

A Review of Present State Laws
on the Fuel Taxation of Motor Carriers
as Compared to the
Proposed Five-Point Plan
of the
Committee on Uniform Special Fuels
and Motor Carrier Laws
of the
North American Gasoline Tax Conference
a constituent organization
of the

FEDERATION OF TAX ADMINISTRATORS
 1313 East 60th Street
 Chicago, Illinois 60637

Review of Present State Laws
on the Fuel Taxation of Motor Carriers
as Compared to the
Proposed Five-Point Plan*

The federal Department of Transportation has for some years been concerned that variations among state special fuels laws may place a burden on interstate motor carriers. The trucking industry has complained that the difference in fuel tax laws from one state to the next, particularly in the matter of the varying records required, make compliance with these laws unnecessarily difficult.

At its 1975 annual meeting, the North American Gasoline Tax Conference adopted the Proposed Five-Point Plan for Uniform Motor Carrier Laws, drawn up and submitted by the NAGTC Committee on Uniform Special Fuels and Motor Carrier Laws. The Five-Point Plan is designed to alleviate burdens on interstate motor carriers by making uniform the special fuels laws of all the states.

In order to determine the extent to which special fuels tax laws lack uniformity and to evaluate the prospects for adoption of the Five-Point Plan, NAGTC has circulated a questionnaire to all the states, inquiring whether their present special fuels tax laws correspond to the provisions of the Plan. This summary reports the responses to the questionnaire, supplemented by a review of the various state statutes themselves.

Types of Special Fuels Laws

Before entering into a discussion of the responses of the states to the NAGTC questionnaire, it may be helpful to review briefly the basic types of special fuels laws presently in force across the country. There are three such types: supplier statutes, user-dealer statutes, and user statutes. In addition, some states do not tax special fuels.

Supplier statutes A supplier fuel law places a tax primarily upon the purchase of fuel. Of the forty-five states responding to the NAGTC questionnaire, seventeen have supplier statutes. These are:

- | | | |
|-----------|----------------|----------------------|
| Alabama | Massachusetts | Tennessee |
| Alaska | Mississippi | Texas |
| Arkansas | North Carolina | Virginia |
| Georgia | Ohio | West Virginia |
| Illinois | Rhode Island | District of Columbia |
| Louisiana | South Carolina | |

Under a supplier law, as the name indicates, it is the distributor who is primarily liable for payment of the tax. The purpose of such a law is to restrict the number of taxpayers responsible to the state. However, in order to limit the collection of the tax to taxable use, supplier states commonly permit bulk users to receive fuel into bulk

*This research memorandum summarizes the material to be contained in a detailed research report which FTA will issue at a later date.

storage ex-tax and to calculate their tax on the basis of fuel withdrawn from storage, rather than fuel purchased. Carriers importing fuel into supplier law states in their fuel tanks are commonly taxed on the consumption of that fuel within the state. In these states bulk users and fuel tank importers are generally required to pay their liabilities on a report basis, crediting tax paid on purchases made along the highway. A number of supplier law states, however, do not permit even bulk users to purchase fuel ex-tax, and a few do not have use statutes for interstate carriers.

User-dealer statutes Under a user-dealer fuel tax law, retail dealers and licensed users with bulk storage facilities may receive ex-tax deliveries of special fuel, and are primarily responsible for paying the tax on it. Such a tax is basically one on the delivery of special fuels into the fuel tank of a motor vehicle by a retail dealer or a user with bulk storage facilities -- who acts, in effect, as his own dealer. Of the states responding to the NAGTC questionnaire, twenty-three have user-dealer fuel tax statutes:

Arizona	Maine	North Dakota
California	Maryland	Oklahoma
Connecticut	Michigan	Pennsylvania
Delaware	Minnesota	South Dakota
Florida	Missouri	Utah
Indiana	Montana	Washington
Iowa	New Mexico	Wisconsin
Kansas	New York	

As in those supplier law states which permit ex-tax deliveries, bulk users in user-dealer law states pay their liabilities on a report basis, crediting tax paid on highway purchases. The most common measure of fuel consumption is mileage, although the statutes of some states specify that use is to be measured by withdrawal from fuel storage -- the fueling operation instead of fuel consumption being the taxable event. The tax on fuel imported by interstate carriers into a state with a user-dealer statute is measured by mileage.

User statutes Only a few states have user fuel tax laws. As the designation implies, a law of this type makes all licensed users fuel taxpayers. Purchases of special fuels are tax free to such users, whose liability is measured on a mileage basis. Of the responding states, only Nevada and New Hampshire have user statutes.

States not taxing carriers' use of special fuels Idaho, Oregon, and

Wyoming do not tax carriers' use of special fuels. Instead, each of these states taxes carriers by a weight-mile tax. Oregon and Idaho exempt carriers registered with the public utilities commission from fuel tax, and Wyoming exempts vehicles using fuels other than gasoline.

States not responding to the questionnaire Forty-six states have so far responded to the questionnaire. Of these, Hawaii answered that due to its location, it did not encounter interstate problems related to trucking. The states that have not yet responded to the questionnaire are Colorado, Kentucky, Nebraska, New Jersey, and Vermont, the last of which does not tax special fuels. These states, and Hawaii, are excluded from the discussion in this summary.

The Five-Point Plan and Present State Statutes

Point One Point One of the Plan recommends that (1) ex-tax deliveries of diesel fuel be allowed to any licensed and bonded user with bulk storage facilities, (2) fuel use tax be paid on the basis of mileage as the measure of fuel used in each state, and (3) credit be allowed for tax paid purchases made along the highway, to be reported on a combined form. Item (3) applies only to those relatively few states which have dual reporting requirements for their motor fuel and motor carrier statutes. The Plan would eliminate dual reporting in these states.

Present state statutes The statutes of thirty-four of the forty-five responding states do not conflict with the provisions of Point One. The other eleven states are those whose laws do not permit ex-tax deliveries of fuel to any bulk user.

Point Two Point Two provides that carriers be allowed an option of a cash refund or a credit of tax paid on fuel consumed in operations outside the state.

Present state statutes The statutes of thirty-eight of the forty-five responding states do not conflict with the provisions of Point Two. Three of the remaining seven jurisdictions do not have fuel use taxes, while the other four offer either a credit or a refund, but not both.

Point Three Point Three of the Plan provides for fleet registration. In those states which require the registration of vehicles for fuel tax purposes, carriers could fulfill the requirement by registering their fleets as entities. Under present laws, some states require specifically numbered identification stickers to be affixed to each individual vehicle in a fleet. The Plan would substitute copies of the carrier's registration, good for any vehicle in a fleet.

Present state statutes The statutes of twenty-six of the forty-five responding states do not conflict with the provisions of Point Three. The other nineteen states require individual stickers for each vehicle in a fleet.

Point Three A Point Three A of the Plan provides for trip permits for carriers with infrequent operations into or through a state. The permits recommended under the Plan would be in lieu of both registration and fuel tax, and would be available twenty-four hours a day by wire or facsimile transmission.

Present state practices Only nine states provide for continuously available trip permits in lieu of both registration and fuel tax. Eight more states provide for permits in lieu of both registration and fuel tax, but do not do so on a continuous basis. The other twenty-six responding states do not provide permits in lieu of fuel tax. Most states which make permits continuously available do so by regulation.

Point Four Point Four of the Plan recommends special provisions which would (1) permit rental companies to report and pay the carrier fuel tax as lessors of the equipment, and (2) in the case of carriers using independent contractors, give the lessor or the lessee the option of reporting and paying the tax in accordance with an agreement with the revenue department assigning primary tax liability to the lessor or lessee.

Present state statutes Thirty-four of the forty-five responding states have provisions which do not conflict with those recommended with respect to rental companies. Twenty-six of the responding states have provisions which do not conflict with those recommended with respect to independent contractors used by carriers. Somewhat more than half of those states with corresponding provisions deal with these matters by regulation.

Point Five Point Five of the Plan recommends the adoption by all states of a fuel receipt containing standardized information. The one proposed is the NAGTC standard invoice drawn up in 1962. It contains the following items: (1) date of sale; (2) name and station address of the vendor, printed or with credit card imprint; (3) name and address of the purchaser or licensee; (4) number of gallons sold; (5) name of the product sold; (6) state tax rate charged; (7) signature of the purchaser; and (8) company unit number of the motor vehicle and state and license number of the power unit. The original prepared over double carbon copy is required except in the case of a credit card purchase.

Present acceptability of the invoice Only three of the responding states indicate that the invoice would be unacceptable. The Committee feels that problems arise in this area not because states will not accept the standardized invoices, but because some dealers do not use them.

S. B. 326

SENATE BILL NO. 326—COMMITTEE ON HUMAN
RESOURCES AND FACILITIES

MARCH 2, 1981

Referred to Committee on Human Resources and Facilities

SUMMARY—Clarifies law relating to emergency financial assistance to
public schools. (BDR 34-937)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.



EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to public schools; specifying the limit placed on the amount of
emergency financial assistance which may be allocated to school districts; and
providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 387.1245 is hereby amended to read as follows:
2 387.1245 The board of trustees of any school district in this state
3 whose estimated receipts from all sources provided by this chapter and
4 chapter 374 of NRS are less than the total estimated receipts from [such]
5 these sources in the final approved budget for [such] the fiscal year, and
6 which cannot therefore provide a minimum program of education and
7 meet its contract obligations, may apply for emergency financial assist-
8 ance from the state distributive school fund and may be granted such
9 assistance upon compliance with the following conditions and procedures:
10 1. The tax levy for the applying district [shall] *must* be the maxi-
11 mum [of \$1.50] for operating costs as authorized by law, not including
12 any special tax authorized by the provisions of NRS 387.328.
13 2. [Such application shall] *Each application must* be made to the
14 state board of education in [such form as shall be] *the form* prescribed
15 by the superintendent of public instruction, and in accordance with guide-
16 lines for evaluating needs for emergency financial assistance as established
17 by the state board of education.
18 3. Before acting on any such application, the state board of education
19 and state board of examiners, jointly, shall determine the difference
20 between the total amount of money appropriated and authorized for
21 expenditure during the current biennium from the state distributive
22 school fund and the total amount of money estimated to be payable from

Senate Bill No. 326 (cont'd)

— 2 —

1 that fund during the biennium, and shall make no distribution in excess
2 of that difference.

3 4. The state board of education shall review each application and
4 shall by resolution find the least amount of additional money, if any,
5 which it deems necessary to enable the board of trustees of the applying
6 school district to provide a minimum educational program and meet its
7 irreducible contract obligations. In making [such] *this* determination, the
8 state board of education shall consider also the amount available in the
9 distributive school fund and the anticipated amount of future applications,
10 so that no deserving school district will be wholly denied relief. *Any*
11 *money allocated by the state board of education under this section may*
12 *not exceed, when added to all other estimated resources, the total esti-*
13 *mated receipts in the final approved budget of the applying school district*
14 *for the fiscal year.*

15 5. If the state board of education finds that emergency assistance
16 should be granted to an applying school district, it shall transmit its reso-
17 lution finding such amount to the state board of examiners, along with a
18 report of its then current estimate of the total requirements to be paid
19 from the state distributive school fund during the then current fiscal year.

20 6. The state board of examiners shall independently review each res-
21 olution so transmitted by the state board of education, may require the
22 submission of such additional justification as it deems necessary, and shall
23 find by resolution the amount of emergency assistance, if any, to be
24 granted. The board may defer, and subsequently grant or deny, any part
25 of a request. *Any emergency assistance granted by the state board of*
26 *examiners may not exceed, when added to all other estimated resources,*
27 *the total estimated receipts in the final approved budget of the applying*
28 *school district for the fiscal year.*

29 7. The state board of examiners shall transmit one copy of its finding
30 to the state board of education and one copy to the state controller.
31 [Upon receipt of a] *A claim pursuant to a grant of emergency assist-*
32 *ance [such claim shall] must be paid from the state distributive school*
33 *fund as other claims against the state are paid.*

34 8. Money received by a school district pursuant to a grant of relief
35 may be expended only in accordance with the approved budget of [such]
36 *that school district for the fiscal year for which [such] the grant is made.*
37 *No formal action to incorporate the money so received in the approved*
38 *budget is required, but [such receipts shall] the receipts must be reported*
39 *as other receipts are reported and explained in a footnote as short-term*
40 *financing is explained.*

41 9. The state board of education shall transmit to the legislature a
42 report of each grant of emergency assistance paid pursuant to this section.

43 SEC. 2. This act shall become effective upon passage and approval.