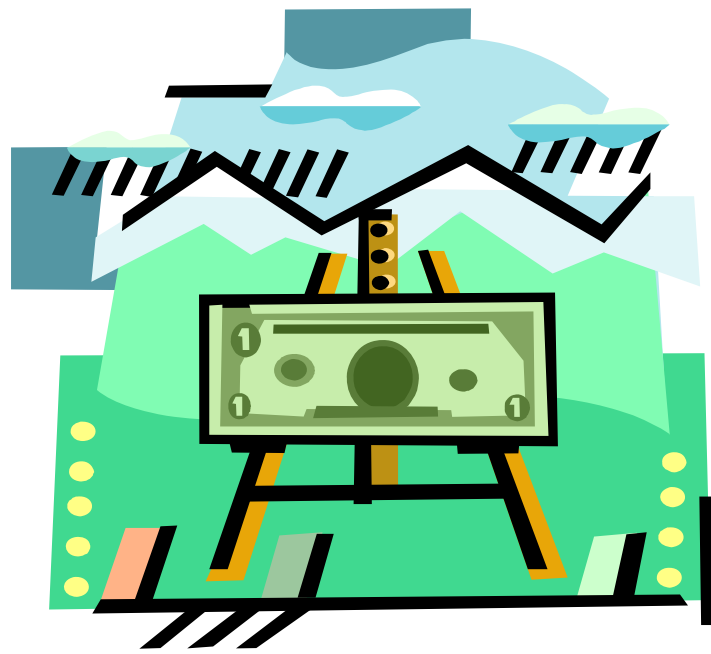


TAX POLICY



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Though the Economic Forum, at its May 1, 2007, meeting, produced a forecast for state General Fund revenues for FY 2007-08 and FY 2008-09 that was modest compared to the double-digit growth in revenues experienced in the several years prior, it soon became apparent that even modest growth forecasts were too optimistic. Throughout the 2007-09 biennium, the deterioration of economic conditions in Nevada and nationwide led to an emergency meeting of the Economic Forum in June 2008 to produce revised revenue forecasts, as well as two special sessions of the Legislature to make adjustments to expenditures and revenues for FY 2007-08 and FY 2008-09. The continued slowdown in the economy led the Governor to submit The Executive Budget requiring significant cuts to many state programs.

The Legislature, following the Economic Forum's May 1, 2009, forecast, approved a tax package of approximately \$780 million over the 2009-11 biennium, which in conjunction with funds received as a result of the American Recovery and Reinvestment Act of 2009, allowed for the restoration of many budget items removed in the Governor's budget. Included within this package were increases to the sales and use tax, room tax, Modified Business Tax, Governmental Services Tax, and the short-term car rental tax. The tax package, which for the most part was approved in spite of vetoes by the Governor, consisted of several pieces of legislation – among them, Initiative Petition 1 (not vetoed by the Governor), Senate Bill 429, Senate Bill 435, Assembly Bill 146, Senate Bill 234, Assembly Bill 543, and Assembly Bill 552.

Because much of the package designed to bring additional revenue for the upcoming biennium called for the sunset of these revenue increases at the end of FY 2010-11, consideration was given to a study of long-term revenue needs. This consideration resulted in the passage of Senate Concurrent Resolution 37, calling for a tax study to be prepared during the 2009-10 interim.

Senate Concurrent Resolution 37 requires the Interim Finance Committee to conduct a review of Nevada's revenue structure and to provide long-term stabilization of revenue. A subcommittee of the Interim Finance Committee, created as a result of the resolution, is required to perform the following tasks:

- Review proposals for broad-based taxes which are fair and equitable;
- Examine strategies for mitigating tax burdens on both businesses and consumers, including reductions, if possible, in existing state and local taxes;
- Consider the public's willingness to having existing taxes be decreased as other tax revenues become available;
- Propose strategies and recommendations, using current statistical information, to advance Nevada in nationwide rankings in key quality-of-life areas, including education, health and human services, public safety, economic diversification, job creation, transit, and energy use; and
- Develop a quality-of-life vision for the state of Nevada for a 5-year period, 10-year period, and a 20-year period.

The subcommittee is also required to appoint a Nevada Vision Stakeholder Group, consisting of members selected from lists submitted by community and statewide groups involved in business, education, health care, human services, economic development, transit and energy, or any other groups deemed appropriate by the subcommittee, to assist in the development of 5-year, 10-year, and 20-year strategic plans for improving the state's quality-of-life.

Senate Concurrent Resolution 37 also requires the Interim Finance Committee to retain the services of a qualified, independent consultant to review Nevada's public revenue structure and make various recommendations to the Interim Finance Committee. The consultant retained by the Interim Finance Committee is also required to collect independent data on Nevada's national rankings in quality-of-life areas, coordinate with the Nevada Vision Stakeholder Group to develop strategies to advance Nevada's national standing in critical quality-of-life areas, and deliver a report of its findings concerning quality-of-life areas to the subcommittee and the Interim Finance Committee on or before July 1, 2010.

The Interim Finance Committee is required to hold at least two public hearings to evaluate the findings of the consultant, and is required to submit a report of the results of its review, as well as any recommendations for legislation, to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the 76th Session of the Nevada Legislature on or before October 1, 2010.

BILLS REGARDING STATE REVENUES AND TAXES

Initiative Petition 1 requires the Board of County Commissioners in any county whose population is 300,000 or more (currently Clark and Washoe Counties) to enact an ordinance imposing up to an additional 3 percent rate on the gross receipts from the rental of transient lodging in that county, but not to exceed a total rate of 13 percent. If the total rate imposed in a county is less than 10 percent as of July 31, 2008, the entire 3 percent rate may be imposed. If the total rate imposed in a county as of July 31, 2008, exceeds 10 percent, the rate that must be imposed is the difference between 13 percent and the rate in effect as of that date. However, if the sum of the existing tax rates in any area as of July 31, 2008, is 13 percent or more, then no additional rate may be imposed.

The proceeds of this tax, including applicable penalties and interest, must be credited to the state General Fund between July 1, 2009, and June 30, 2011. Beginning on July 1, 2011, the proceeds from this tax must be credited to the State Supplemental School Support Fund, a new special revenue fund created within this act, for the operation of school districts and charter schools in the state.

The proceeds of the State Supplemental School Support Fund are to be distributed proportionally among all school districts and charter schools in the state to improve the achievement of students and to retain qualified teachers and non-administrative

employees, and is not intended to supplant or replace any other money provided to fund the operation of public schools for kindergarten through grade 12.

(Initiative Petition 1 was not signed by the Governor; however, it became law without his signature due to the provisions of Article 4, Section 35 of the *Nevada Constitution*.)

Senate Bill 429 is the major General Fund revenue enhancement bill enacted by the Legislature during the 75th Regular Session. The bill increases the Local School Support Tax portion of the statewide sales and use tax rate by 0.35 percent, resulting in the minimum statewide sales and use tax increasing from 6.5 percent to 6.85 percent from July 1, 2009, until June 30, 2011. The bill also increases the Business License Fee collected by the Department of Taxation from \$100 to \$200 until September 30, 2009. Effective October 1, 2009, the Business License Fee will be collected by the Secretary of State's Office, pursuant to the provisions of Assembly Bill 146.

Senate Bill 429 also changes the depreciation schedule for motor vehicles subject to the Governmental Services Tax by increasing the value of the vehicle subject to tax by 10 percent for all vehicles except new vehicles. The additional revenue generated by this change in the depreciation schedule is to be credited to the state General Fund until June 30, 2013; after this date, the additional revenue generated is to be credited to the state Highway Fund.

Senate Bill 429 also makes changes to the tax rate and structure for the Modified Business Tax on General Businesses, creating a two-tier tax rate in lieu of the single rate of 0.63 percent paid on all taxable wages (gross wages less allowable health care expenses) generated by businesses (except for financial institutions). Under the provisions of Senate Bill 429, a business must pay a rate of 0.50 percent on all taxable wages up to \$62,500 per calendar quarter, and a rate of 1.17 percent on all wages exceeding \$62,500 per calendar quarter. No changes were made to the 2.0 percent rate for the Modified Business Tax on Financial Institutions.

(This bill was vetoed by Governor Gibbons, and became law after two-thirds of the Senate and Assembly voted to override the Governor's veto.)

Assembly Bill 146 requires the Secretary of State to establish a state business portal to facilitate interaction among businesses and governmental agencies by allowing businesses to conduct necessary transactions with governmental agencies through the use of the business portal. The bill also moves the responsibility for collecting the annual state business license fee from the Department of Taxation to the Secretary of State's Office effective October 1, 2009, and increases the amount of the business license fee from \$100 to \$200. The bill also requires that a state business license be obtained by any entity organized pursuant to Title 7 of NRS, except for nonprofit corporations and corporations sole (see NRS Chapter 84).

(This bill was vetoed by Governor Gibbons, and became law after two-thirds of the Senate and Assembly voted to override the Governor's veto.)

Senate Bill 234 makes various changes to the fee collected for short-term car rentals, increasing the tax rate dedicated to the state from 6 percent to 10 percent. Of these proceeds, 9 percent must be credited to the state General Fund, and 1 percent must be credited to the state Highway Fund as authorized in Assembly Bill. 595 of the 74th Session.

Senate Bill 234 removes the mandatory 4 percent vehicle recovery surcharge that rental agencies were required to impose (of which 2 percent was kept by the agency, 1 percent was credited to the state Highway Fund, and 1 percent was credited to the state General Fund as approved in Senate Bill 2 of the 25th Special Session). To offset the 2 percent vehicle recovery surcharge previously retained by the rental agencies, the bill allows the rental agencies to charge additional fees to cover their licensing costs and other costs of doing business, such as airport concession fees; however, these additional charges must be clearly stated in the lease agreement.

(This bill was vetoed by Governor Gibbons, and became law after two-thirds of the Senate and Assembly voted to override the Governor's veto.)

Assembly Bill 543 requires Clark and Washoe Counties to transfer to the state General Fund, for FY 2009-10 and FY 2010-11, the portion of the property taxes levied for operating purposes by those counties at the rate of 4 cents per \$100 of assessed value.

Assembly Bill 543 also requires these counties to transfer to the state General Fund the portion of the 5-cent property tax imposed pursuant to NRS 354.59815 for capital projects that would have been divided among the local governments in Clark and Washoe Counties for FY 2009-10 and FY 2010-11. This transfer does not affect the portion of this rate that is designated for the state Highway Fund pursuant to the provisions of Assembly Bill 595 of the 2007 Session.

(This bill was vetoed by Governor Gibbons, and became law after two-thirds of the Senate and Assembly voted to override the Governor's veto.)

Assembly Bill 552 makes various changes regarding the administration of taxes in the state designed to direct more revenue to the state. These changes include:

- Permanently increasing the commission to be kept by the state for the cost of collecting and distributing sales and use taxes from 0.75 percent to 1.75 percent for all rates except for the Local School Support Tax.
- Removing the prospective June 30, 2009, sunset for the decrease of the collection allowance given to taxpayers collecting sales and use taxes, cigarette taxes, liquor taxes, and other tobacco taxes from 0.5 percent to 0.25 percent. The collection allowance was originally lowered from 0.5 percent to 0.25 percent pursuant to Senate Bill 2 of the 25th Special Session between January 1, 2009, and June 30, 2009; however, the change in Assembly Bill 552 made this reduced collection allowance permanent.

(This bill was vetoed by Governor Gibbons, and became law after two-thirds of the Senate and Assembly voted to override the Governor's veto.)

Assembly Bill 480 increases fees collected for various duties performed by the State Engineer pursuant to NRS 533.435, and adds additional services for which the State Engineer shall collect fees.

(This bill was vetoed by Governor Gibbons, and became law after two-thirds of the Senate and Assembly voted to override the Governor's veto.)

Senate Bill 435 is a trailer bill designed to make technical corrections to Senate Bill 429, clarifying the scope of an exemption from the increase in the Local School Support Tax to include the gross receipts from the sale of, and the storage, use or other consumption in a county of, tangible personal property used for the performance of a written contract entered into before July 1, 2009.

Senate Bill 435 clarifies that the \$100 increase in the business license fee, made effective in Senate Bill 429 and transferred to the Secretary of State's Office in Assembly Bill 146, expires by limitation on June 30, 2011.

Senate Concurrent Resolution 35 urges the United States Congress to enact legislation to fully implement the Streamlined Sales and Use Tax Agreement among its member states. The implementation of federal legislation is required to allow Nevada and other member states to collect sales taxes on remote sales, including taxable sales over the Internet.

Assembly Bill 317 requires the Department of Taxation to disburse to a regional organization for economic development which directly assists in the location of a business in this state, other than a gaming business, 50 percent of the Modified Business Tax revenue directly attributable to that business for not more than 10 fiscal years as a result of the location of that business in the state. The money disbursed to the organization must be used to promote economic development in the state and may not be used for administrative expenses.

For a regional organization for economic development located in a county whose population is 100,000 or more (currently Clark and Washoe Counties), the total amount disbursed by the department, together with any amounts appropriated to the organization by the Legislature, may not exceed \$1 million per year. For all other organizations, the total amount distributed to all other organizations may not exceed \$1 million, irrespective of the amount of revenue distributed to them by the Legislature.

(The provisions of Assembly Bill 317 expire by limitation on June 30, 2011.)

Assembly Bill 407 increases the fee for reinstatement of a driver's license after its suspension, cancellation, or revocation from \$40 to \$75, except for cases in which a driver's license has been revoked for certain offenses involving driving under the influence. The fee for reinstatement of a driver's license in cases where the license was revoked because of an offense involving driving under the influence increased under Assembly Bill 407 from \$65 to \$120.

The provisions of Assembly Bill 407 did not change the distribution of these reinstatement fees to the Motor Vehicle Fund.

Assembly Bill 549 suspends the transfer of \$7.6 million of unclaimed property revenue from the state General Fund to the Millennium Scholarship Fund for FY 2008-09 due to the need for additional revenue for that fiscal year.

Senate Bill 14 increases various fees collected from marriage licenses that are credited to the Account to Aid Victims of Domestic Violence. The bill increases the amount of the fee for a new marriage license to be credited to this fund from \$20 to \$25, and requires the county clerk or recorder, if authorized by the Board of County Commissioners, to collect an additional \$5 for the same purpose when certifying a copy or an abstract of a marriage certificate.

Senate Bill 394 sets forth provisions requiring persons who own or acquire off-road vehicles to apply to the Department of Motor Vehicles for titling and registration of the vehicle. The fee for issuing a certificate of title is determined by the department, but must not exceed the fee imposed for issuing a certificate of title pursuant to NRS 482.429. The registration fee to be imposed by the department is to be established by the Commission on Off-Highway Vehicles that is created by the bill, and may be no less than \$20 or more than \$30 per year.

During the first year for which the provisions of Senate Bill 394 are effective and implemented, 85 percent of the registration fees must be deposited into the Revolving Account for the Administration of Off-Highway Vehicle Titling and Registration (Account) created by the bill, and, to the extent that any portion of the fee for registration is not for the operation of the off-highway vehicle on a highway, 15 percent must be deposited into the Fund for Off-Highway Vehicles (Fund) created by the bill for certain projects related to off-highway vehicles. In all subsequent years, 15 percent of the registration fees must be deposited into the Account, and 85 percent must be deposited into the Fund. All of the fees collected for issuance of a certificate of title must be deposited into the Account.

Senate Bill 394 also clarifies that the specific enforcement of these provisions related to off-highway vehicles is with the Department of Motor Vehicles, removing provisions of Chapter 490 requiring owners of off-highway vehicles to obtain a certificate of operation for the vehicle from the Department of Taxation.

(This bill was vetoed by Governor Gibbons, and became law after two-thirds of the Senate and Assembly voted to override the Governor's veto.)

BILLS REGARDING TECHNICAL AND ADMINISTRATIVE CHANGES

Assembly Bill 23 authorizes the Department of Taxation to credit overpayments in one tax or fee administered by the department against deficiencies in other taxes or fees owed by a taxpayer before the department issues a refund to that taxpayer.

Assembly Bill 193 requires the Department of Taxation; Gaming Control Board; Department of Motor Vehicles; Department of Employment, Training and Rehabilitation; Department of Business and Industry; Office of the State Controller; and Office of the Secretary of State to report to the Interim Finance Committee within 60 days after the end of the immediately preceding fiscal quarter certain financial information, including the taxes and fees that: (1) were legally due to be paid to that agency; (2) the agency was able to collect; and (3) the agency did not collect or was otherwise unable to collect, to the extent that such information is available. The bill also requires the Nevada Commission on Economic Development to report to the Interim Finance Committee, on the same time schedule, regarding each tax or fee that the Commission abated, exempted, or otherwise waived and the duration of the applicable abatement, exemption, or waiver.

Each agency must file a report to the Interim Finance Committee for each quarter beginning in the fourth quarter of FY 2008-09, until the third quarter of FY 2010-11.

Assembly Bill 205 is the omnibus bill introduced on behalf of Nevada's county assessors, and contains several amendments regarding the administration of property taxes. These changes include:

- Revising the formula for calculating the partial abatement applicable to properties where the taxable value has been reduced as a result of the partial or complete destruction or removal of an improvement;
- Allowing a county assessor to use the final version of plans, drawings, or other representations of an improvement prepared by the architect or builder to determine that improvement's replacement cost or taxable value;
- Creating penalties for removing or otherwise concealing the notice of seizure on personal property which taxes are delinquent and also creates similar penalties for moving or selling such property;
- Revising the criteria by which certain unpaid personal property taxes may be deemed as uncollectible by the county treasurer;
- Allowing agricultural property that has an outstanding lease of surface water rights to be classified as open space real property for the purposes of taxation if the lease is to a political subdivision of this state for a municipal use; and
- Removing the prospective sunset of the 2 percent commission that may be kept by county assessors for the acquisition and improvement of technology in the county assessor's office, extending the authorization to keep that commission until June 30, 2011.

Assembly Bill 403 makes technical changes to various provisions governing sales and use taxes to ensure continued compliance with the Streamlined Sales and Use Tax Agreement. The proposed changes reflect amendments made to the Streamlined Sales and Use Tax Agreement since the end of the 2007 Session.

In addition to the technical adjustments, the bill provides for the submission of a ballot question at the November 2, 2010, General Election that would allow the Legislature to make changes to the Sales and Use Tax Act of 1955 without voter approval only if the

legislation is necessary to resolve a conflict with any federal statute, regulation, or interstate agreement for the administration, collection or enforcement of sales and use taxes; that it does not increase the rate of any tax imposed pursuant to that act; and that it does not narrow the scope of any tax exemption provided pursuant to the provisions of the Act, as amended by the direct vote of the people.

Senate Bill 276 amends various provisions of the *Nevada Revised Statutes* to establish the definition of a “land sale installment contract” to ensure that the Real Property Transfer Tax (RPTT) is paid on transactions involving these contracts, and to establish certain reporting requirements for these contracts. The bill also includes provisions that require the owner of a parcel to submit affidavits regarding the future payment of the RPTT and compliance with the reporting requirements for land sale installment contracts before the local government may approve certain documents relating to the division of the parcel.

Senate Bill 276 also provides that the failure of a seller in a land installment contract to perform the duties and requirements outlined in the bill constitutes a deceptive trade practice.

Senate Bill 332, among its numerous provisions governing transportation and motor vehicles, revises the definition of “motor vehicle fuel” to include ethanol and methanol, thereby requiring these types of fuels to be taxed as motor vehicle fuel in Nevada. The bill also revises the definition of “special fuel” to include biodiesel and biodiesel blends, which also requires these types of fuel to be regulated and taxed as special fuel.

BILLS REGARDING EXEMPTIONS, ABATEMENTS AND POSTPONEMENTS

Assembly Bill 369 expands the current property tax exemption granted on land and improvements owned by the Archaeological Conservancy, Nature Conservancy, American Land Conservancy, and Nevada Land Conservancy to allow the exemption to be granted to land and improvements that are intended to be held indefinitely by that organization and vested in that organization for the purposes of education, environmental protection, or conservation.

Assembly Bill 369 also allows these organizations to receive a tax exemption on land held for eventual transfer to the federal government, in addition to the current provisions that allow the exemption to be granted on land held for eventual transfer to the state or a local government.

Assembly Bill 492 places in statute the provisions of Section 6 of Article 10 of the Nevada Constitution (created by A.J.R. 16 of the 2007 Session), which requires the Legislature, before enacting any legislation that authorizes an exemption or abatement of property taxes or sales and use taxes, to make certain findings with regard to the benefits associated with such an exemption or abatement.

Assembly Bill 492 establishes specific requirements for legislation enacted on or after July 1, 2009, that authorizes or increases tax abatements granted by the Nevada Commission on Economic Development. The bill requires that any legislation authorizing such abatements must expire after ten years and must also exclude the Local School Support Tax (NRS 374.110 or NRS 374.190) from the amount of any tax abatements authorized. The bill also specifies that such abatements do not apply to entities that receive funding from a governmental entity, other than private activity bonds, or entities that receive real or personal property from a governmental entity at no cost or at a reduced cost. Assembly Bill 492 requires the recipients of such abatements to submit a biennial report to the Department of Taxation to provide the status of the project receiving the abatement, including certain information needed to ensure compliance with the minimum qualifications for the abatements. The bill requires the Department of Taxation to use the biennial reports to provide a report on the costs and benefits associated with granting the abatements.

Assembly Bill 492 also requires the Nevada Commission on Economic Development, prior to taking action on an application requesting a partial abatement, to provide at least 30 days notice to any local government or school district that may be affected.

Assembly Bill 522 creates new tax abatement incentives for eligible renewable energy projects and transfers the authority for granting and administering the renewable energy abatements from the Nevada Commission on Economic Development to the Nevada Energy Commissioner. The new tax abatement incentives are set to expire on June 30, 2049 and replace the previous renewable energy abatements that expired on June 30, 2009.

The new tax abatements established by Assembly Bill 522 provide for an abatement of all local sales and use taxes over a 3-year period that are above 0.6 percent (above 0.25 percent beginning July 1, 2011), and an abatement of 55 percent of the real and personal property taxes over a 20-year period. Eligible renewable energy projects must commit to operate in Nevada for at least 10 years; may not receive any state or local government funding for the facility or land acquisition; and must meet additional criteria with regard to new construction jobs, the amount of capital investment, and wages paid to workers.

For projects located in Clark or Washoe Counties and cities whose population is over 60,000, the project must: (1) create 75 or more construction jobs with Nevada residents holding at least 30 percent of the jobs, (2) include a capital investment of at least \$10 million, and (3) pay facility workers at least 110 percent of the average statewide hourly wage (excluding management and administrative employees) and construction workers at least 150 percent of the average statewide hourly wage (excluding management and administrative employees). For projects located in all other areas of the state, the criteria are similar but the thresholds are lowered to 50 construction jobs and a capital investment of \$3 million.

Assembly Bill 522 also specifies the distribution of the sales and use taxes and property taxes that are collected from the qualified renewable energy projects after all applicable abatements. The sales and use taxes are to be distributed in the same manner as the Local School Support Tax and 55 percent of the property taxes are to be distributed to local government entities in the usual manner. During FY 2010-11 and FY 2011-12, the remaining 45 percent of the property taxes are to be deposited to the state General Fund and beginning July 1, 2012, to the Renewable Energy Fund. The Renewable Energy Fund is administered by the Nevada Energy Commissioner and not less than 75 percent of the money in the fund must be used to offset the cost of electricity to retail customers of a public utility that is subject to the portfolio standard established by the Public Utilities Commission of Nevada pursuant to NRS 704.7821. The Nevada Energy Commissioner may establish other uses of the money in the Fund by regulation.

Assembly Bill 522 prohibits the Energy Commissioner from approving a partial abatement of property taxes for a qualified geothermal project unless the abatement application is first approved by the affected Board of County Commissioners. The bill also requires the Budget Division and the Department of Taxation to issue a fiscal note to estimate the impact of the abatements on the state and each affected local government respectively.

BILLS REGARDING LOCAL GOVERNMENT TAXES AND REVENUES

Assembly Bill 65 authorizes a district court to charge and collect certain additional filing fees; requires the fees to be deposited into a special county account maintained for the benefit of the court; and provides that the fees may be used only for court staffing, capital costs, debt service, renovation, furniture, fixtures, equipment, technology, and in counties whose population is less than 100,000, for court appointed special advocate programs.

Assembly Bill 65 requires that these fees must also be used to fund the cost of the salary and benefits of any district judge added between January 1, 2011, and June 30, 2011, pursuant to Assembly Bill 64, and requires the transfer from each county an amount equal to \$104,104 to the State Controller for credit to the District Judges' Salary Account of the Supreme Court for each judge added in that county.

Assembly Bill 329 revises the allowable use of the sales and use tax rate of up to one-quarter of 1 percent that may be imposed in counties whose population is less than 15,000 for the operation and maintenance of a swimming pool to allow the revenue to also be used for the operation and maintenance of a recreational facility.

Senate Bill 61 allows school districts who receive revenue from the net proceeds of minerals tax to have greater access to their mitigation fund, which is created by setting aside a portion of the net proceeds revenue they receive annually. The bill eliminates the requirement that a school district may only access the fund if the amount of revenue received from the net proceeds of minerals tax declines in each of the preceding two fiscal years. Senate Bill 61 also expands the authorized uses of the fund to include mitigating the adverse effects caused by a natural disaster.

Senate Bill 61 also allows school districts in counties whose population is less than 5,000 to retire bonds or any other outstanding obligations of the school district. School districts in these counties may also use the fund to continue instructional programs and related support services that would otherwise be reduced or eliminated if not for the provisions of this bill allowing access to the fund.

Senate Bill 201 is the enabling legislation that carries out the provisions of Washoe County Ballot Question No. RTC-5 approved by the voters at the 2008 general election. Senate Bill 201 allows for an additional fuel tax to be imposed in Washoe County only to fund transportation projects located within Washoe County. The additional fuel tax is applicable to gasoline, special fuel (diesel), liquefied petroleum gas, compressed natural gas, and water-phased hydrocarbon fuel.

The amount of additional tax is initially determined by indexing the fuel taxes that are currently imposed on each type of fuel in order to establish a base amount of the tax for each fuel. The base amount of tax for each fuel may then be increased annually based on changes in the Producer Price Index for Highway and Street Construction published by the U.S. Department of Labor, but may not exceed 7.8 percent annually.

The revenue from the additional fuel taxes are to be used to service bond financing for Washoe County transportation projects, which must be coordinated with the Nevada Department of Transportation projects.

(This bill was vetoed by Governor Gibbons, and became law after two-thirds of the Senate and Assembly voted to override the Governor's veto.)

Senate Bill 218 authorizes constables to issue citations for the failure to register a vehicle that is required by existing law to be registered in Nevada and requires constables to charge and collect a fee of \$100 from the person to whom the citation is issued. Senate Bill 218 also increases the fee to which constables are entitled for their services of removing or causing the removal of an abandoned vehicle from public property from \$50 to \$100.

Senate Bill 218 also increases the fine for failing to register a vehicle in this state within 60 days of becoming a resident, or at the time a driver's license is obtained, from a minimum of \$250 and a maximum of \$500 to a \$1,000 fine. This fine may be reduced to not less than \$200 if the person provides proof of registration in the state of Nevada at the time the hearing regarding the violation is held.

