

ASSEMBLY BILL NO. 364-ASSEMBLYMAN MARVEL

MARCH 17, 2003

Referred to Committee on Taxation

SUMMARY—Authorizes imposition of additional tax on motor vehicle fuel by cities and counties. (BDR 32-1119)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxes on motor vehicle fuels; authorizing cities and counties to impose an additional tax on motor vehicle fuel; prescribing the authorized uses of the revenue from the tax; 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.** Chapter 365 of NRS is hereby amended by adding
- 2 thereto the provisions set forth as sections 2 and 3 of this act.
- 3 **Sec. 2. 1.** *In addition to any other tax provided for in this*
- 4 *chapter, a board of county commissioners, for the unincorporated*
- 5 *area of a county, or the governing body of an incorporated city*
- 6 *may by ordinance impose an excise tax of 1 cent per gallon on*
- 7 *motor vehicle fuel, except aviation fuel.*
- 8 2. *Any ordinance enacted pursuant to subsection 1 must*
- 9 *provide that the tax will be imposed on the first day of the second*
- 10 *calendar month following the enactment of the ordinance.*
- 11 3. *A tax imposed pursuant to this section must be collected by*
- 12 *the supplier in the manner provided in this chapter. Upon*
- 13 *collection of the tax by the supplier, the purchaser of the fuel shall*
- 14 *provide to the supplier a statement that sets forth the number of*
- 15 *gallons of fuel that will be sold to retailers in the unincorporated*
- 16 *area of a county and to retailers within an incorporated city that*
- 17 *have imposed the tax. The tax must be paid to the Department and*



1 *delivered by the Department to the State Treasurer. When the tax*
2 *is paid to the Department, the supplier shall provide to the*
3 *Department a copy of the statement provided to the supplier by the*
4 *purchaser pursuant to this subsection.*

5 **Sec. 3. 1.** *The receipts of a tax levied pursuant to section 2*
6 *of this act must be allocated monthly by the Department to*
7 *counties and cities that have imposed the tax in proportion to the*
8 *number of gallons of fuel that are sold to retailers in each county*
9 *and city pursuant to the information contained in the statements*
10 *provided to the Department pursuant to section 2 of this act.*

11 **2.** *The money received by a county or city pursuant to this*
12 *section:*

13 (a) *Must be used solely for the construction and maintenance*
14 *of highways to mitigate the impact of high-volume traffic on*
15 *existing developed areas.*

16 (b) *May only be used in a developed area where residential*
17 *land users abut the right-of-way or are within 300 feet of the right-*
18 *of-way, and where the average daily traffic volume is greater than*
19 *3,000 vehicles per day.*

20 (c) *May only be used for the construction of soundwalls,*
21 *landscape improvements within the highway, lighting*
22 *improvements or pedestrian improvements, including sidewalks,*
23 *accessibility improvements, crossing aids and traffic-calming*
24 *devices.*

25 (d) *By agreement with the State, may be used within a state*
26 *right-of-way.*

27 (e) *May not be used in the construction of new highways in*
28 *undeveloped areas.*

29 **Sec. 4.** NRS 365.324 is hereby amended to read as follows:

30 365.324 1. Except as otherwise provided in subsections 2 and
31 3, each supplier who sells or distributes motor vehicle fuel, other
32 than aviation fuel, shall, at the time the motor vehicle fuel is
33 distributed from a terminal, collect the taxes imposed pursuant to
34 NRS 365.175 to 365.192, inclusive, ~~and~~, *and section 2 of this act.*

35 2. A supplier may sell motor vehicle fuel, other than aviation
36 fuel, to a purchaser without collecting the taxes imposed pursuant to
37 NRS 365.175 to 365.192, inclusive, *and section 2 of this act*, if the
38 purchaser of the motor vehicle fuel:

39 (a) Has been issued a permit by the Department pursuant to
40 NRS 365.328; and

41 (b) Elects to defer payment of the taxes.

42 3. A supplier shall not collect the taxes imposed pursuant to
43 NRS 365.175 to 365.192, inclusive, *and section 2 of this act*, if the
44 purchaser of the motor vehicle fuel is:

45 (a) A supplier; or



- 1 (b) An exporter.
2 4. A supplier who sells motor vehicle fuel, other than aviation
3 fuel, to any other supplier shall keep such records of the transaction
4 as the Department may require. The Department shall adopt
5 regulations setting forth:
6 (a) The records which must be kept by the dealer pursuant to
7 this subsection; and
8 (b) The period for which those records must be kept by the
9 dealer.
10 **Sec. 5.** This act becomes effective on July 1, 2003.

