
SENATE BILL NO. 464—COMMITTEE ON TAXATION

MARCH 24, 2003

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to vessels.
(BDR 32-1240)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

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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 vessels; revising the provisions governing the administration of the exemption from certain taxes on the sale of tangible personal property to be shipped outside this state to include the sale of a vessel to a nonresident under certain circumstances; providing for the computation of certain taxes on certain sales of used vessels; excluding the value of a vessel taken in trade from the sales price of a vessel for the purposes of certain taxes; requiring the Department of Motor Vehicles to issue a special permit for the movement of a vessel under certain circumstances; exempting a motorboat that has been documented pursuant to federal law from the requirement of obtaining a title pursuant to the provisions governing watercraft; requiring the Division of Wildlife of the State Department of Conservation and Natural Resources to collect certain taxes upon the sale or use of motorboats under certain circumstances; 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 372.7263 is hereby amended to read as
2 follows:
3 372.7263 In administering the provisions of NRS 372.335, the
4 Department shall apply the exemption for the sale of tangible



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1 personal property delivered by the vendor to a forwarding agent for
2 shipment out of state to include:

3 1. The sale of a vehicle *or vessel* to a nonresident to whom a
4 special movement permit has been issued by the Department of
5 Motor Vehicles pursuant to subsection 1 of NRS 482.3955; and

6 2. The sale of farm machinery and equipment, as defined in
7 NRS 374.286, to a nonresident who submits proof to the vendor that
8 the farm machinery and equipment will be delivered out of state not
9 later than 15 days after the sale.

10 **Sec. 2.** Chapter 374 of NRS is hereby amended by adding
11 thereto the provisions set forth as sections 3 and 4 of this act.

12 **Sec. 3.** *“Vessel” has the meaning ascribed to it in*
13 *NRS 488.035.*

14 **Sec. 4.** *1. In computing the tax on the sale of a vessel by a*
15 *seller who is not required to be registered with the Department of*
16 *Taxation, the Division shall, if an authorized appraisal is*
17 *submitted:*

18 (a) *Require the submission of a copy of the bill of sale that is:*

19 (1) *Notarized; or*

20 (2) *Witnessed by an employee of the Division.*

21 (b) *Use as the sales price of the vessel the greater of:*

22 (1) *The amount stated on the authorized appraisal;*

23 (2) *The cost of the vessel as evidenced by the copy of the bill*
24 *of sale; or*

25 (3) *One hundred dollars.*

26 2. *The Division shall prepare and make available a form for*
27 *an authorized appraisal.*

28 3. *The Division shall retain a copy of each appraisal and bill*
29 *of sale submitted pursuant to subsection 1 with its record of the*
30 *collection of the tax.*

31 4. *A fee of not more than \$10 may be charged and collected*
32 *for each authorized appraisal made.*

33 5. *The Board of Wildlife Commissioners shall adopt*
34 *regulations establishing an appropriate schedule of depreciation*
35 *for vessels.*

36 6. *If an authorized appraisal is not submitted, the Division*
37 *shall establish the sales price of the vessel as its depreciated value*
38 *as determined in accordance with the schedule of depreciation*
39 *adopted pursuant to subsection 5. To determine the original price*
40 *from which depreciation is calculated, the Division shall use:*

41 (a) *The manufacturer’s suggested retail price in this state,*
42 *excluding options and extras, as of the time the particular model*
43 *of vessel is first offered for sale in this state;*



1 (b) *If the vessel is specially constructed, the original retail*
2 *price to the original purchaser of the vessel as evidenced by such*
3 *document or documents as the Division may require; or*

4 (c) *If the provisions of paragraph (a) or (b) do not apply, its*
5 *own estimate from any available information.*

6 7. *As used in this section:*

7 (a) *“Authorized appraisal” means an appraisal of the value of*
8 *a vessel that:*

9 (1) *Is determined by an employee of the Division based on*
10 *the lowest value of comparable vessels as estimated in the most*
11 *recent edition of the National Automobile Dealers Association*
12 *Consumer Marine Appraisal Guide; or*

13 (2) *If the value of the vessel is not set forth in the National*
14 *Automobile Dealers Association Consumer Marine Appraisal*
15 *Guide, is made by a dealer or manufacturer who has been issued a*
16 *dealer’s certificate of number by the Division.*

17 (b) *“Division” means the Division of Wildlife of the State*
18 *Department of Conservation and Natural Resources.*

19 **Sec. 5.** NRS 374.020 is hereby amended to read as follows:

20 374.020 ~~[Except where] As used in this chapter, unless~~ the
21 context otherwise requires, the ~~[definitions given] words and terms~~
22 *defined* in NRS 374.025 to 374.107, inclusive, ~~[govern the~~
23 ~~construction of this chapter.] and section 3 of this act have the~~
24 *meanings ascribed to them in those sections.*

25 **Sec. 6.** NRS 374.040 is hereby amended to read as follows:

26 374.040 1. “Occasional sale,” except as otherwise provided
27 in subsection 2, includes:

28 (a) A sale of property not held or used by a seller in the course
29 of an activity for which he is required to hold a seller’s permit,
30 provided ~~[such] the~~ sale is not one of a series of sales sufficient in
31 number, scope and character to constitute an activity requiring the
32 holding of a seller’s permit.

33 (b) Any transfer of all or substantially all the property held or
34 used by a person in the course of such an activity when after ~~[such]~~
35 *the* transfer the real or ultimate ownership of ~~[such] the~~ property is
36 substantially similar to that which existed before ~~[such] the~~ transfer.

37 2. The term does not include the sale of a vehicle *or vessel*
38 other than the sale or transfer of a used vehicle *or vessel* to the
39 seller’s spouse, child, grandchild, parent, grandparent, brother or
40 sister. For the purposes of this section, the relation of parent and
41 child includes adoptive and illegitimate children and stepchildren.

42 3. For the purposes of this section, stockholders, bondholders,
43 partners or other persons holding an interest in a corporation or
44 other entity are regarded as having the “real or ultimate ownership”
45 of the property of ~~[such] the~~ corporation or other entity.



1 **Sec. 7.** NRS 374.070 is hereby amended to read as follows:
2 374.070 1. “Sales price” means the total amount for which
3 tangible property is sold, valued in money, whether paid in money
4 or otherwise, without any deduction on account of any of the
5 following:
6 (a) The cost of the property sold.
7 (b) The cost of the materials used, labor or service cost, interest
8 charged, losses, or any other expenses.
9 (c) The cost of transportation of the property before its purchase.
10 2. The total amount for which property is sold includes all of
11 the following:
12 (a) Any services that are a part of the sale.
13 (b) Any amount for which credit is given to the purchaser by the
14 seller.
15 3. “Sales price” does not include any of the following:
16 (a) Cash discounts allowed and taken on sales.
17 (b) The amount charged for property returned by customers
18 when the entire amount charged therefor is refunded ~~either~~ in cash
19 or credit ~~[-but]~~, *except that* this exclusion does not apply in any
20 instance when the customer, in order to obtain the refund, is
21 required to purchase other property at a price greater than the
22 amount charged for the property that is returned.
23 (c) The amount charged for labor or services rendered in
24 installing or applying the property sold.
25 (d) The amount of any tax, ~~[-]~~ not including ~~[-however]~~ any
26 manufacturers’ or importers’ excise tax, ~~[-]~~ imposed by the United
27 States upon or with respect to retail sales, whether imposed upon the
28 retailer or the consumer.
29 (e) The amount of any tax imposed by the State of Nevada upon
30 or with respect to the storage, use or other consumption of tangible
31 personal property purchased from any retailer.
32 (f) The amount of any allowance against the selling price given
33 by a retailer for the value of a used vehicle *or vessel* which is taken
34 in trade on the purchase of another vehicle ~~[-]~~ *or vessel*.
35 4. For the purpose of a sale of a vehicle *or vessel* by a seller
36 who is not required to be registered with the Department of
37 Taxation, the sales price is the value established in the manner set
38 forth in NRS 374.112 ~~[-]~~ *or section 4 of this act*.
39 **Sec. 8.** NRS 374.7273 is hereby amended to read as follows:
40 374.7273 In administering the provisions of NRS 374.340, the
41 Department shall apply the exemption for the sale of tangible
42 personal property delivered by the vendor to a forwarding agent for
43 shipment out of state to include:



1 1. The sale of a vehicle *or vessel* to a nonresident to whom a
2 special movement permit has been issued by the Department of
3 Motor Vehicles pursuant to subsection 1 of NRS 482.3955; and

4 2. The sale of farm machinery and equipment, as defined in
5 NRS 374.286, to a nonresident who submits proof to the vendor that
6 the farm machinery and equipment will be delivered out of state not
7 later than 15 days after the sale.

8 **Sec. 9.** NRS 482.3955 is hereby amended to read as follows:

9 482.3955 1. The Department shall issue to any dealer,
10 distributor, rebuilder or other person, upon request, and upon
11 payment of a fee of \$8.25, a special permit, in a form to be
12 determined by the Department, for the movement of any vehicle *or*
13 *vessel* to sell outside the State of Nevada, or for the movement
14 outside the State of any vehicle *or vessel* purchased by a
15 nonresident. The permit must be affixed to the vehicle *or vessel* to
16 be so moved in a manner and position to be determined by the
17 Department, and expires 15 days after its issuance.

18 2. The Department may issue a permit to a resident of this state
19 who desires to move an unregistered vehicle within the State upon
20 the payment of a fee of \$8.25. The permit is valid for 24 hours.

21 3. The Department shall, upon the request of a charitable
22 organization which intends to sell a vehicle which has been donated
23 to the organization, issue to the organization a permit for the
24 operation of the vehicle until the vehicle is sold by the organization.
25 The Department shall not charge a fee for the issuance of the permit.

26 4. *As used in this section, "vessel" has the meaning ascribed*
27 *to it in NRS 488.035.*

28 **Sec. 10.** NRS 488.065 is hereby amended to read as follows:

29 488.065 1. Every motorboat on the waters of this state must
30 be numbered and titled, except as otherwise provided in subsection
31 4 and NRS 488.175.

32 2. Upon receipt of an original application for a certificate of
33 ownership or for transfer of a certificate of ownership on an
34 undocumented motorboat, the Division of Wildlife of the State
35 Department of Conservation and Natural Resources may assign an
36 appropriate builder's hull number to the motorboat whenever there
37 is no builder's number thereon, or when the builder's number has
38 been destroyed or obliterated. The builder's number must be
39 permanently marked on an integral part of the hull which is
40 accessible for inspection.

41 3. A person shall not operate or give permission for the
42 operation of any motorboat on the waters of this state unless:

43 (a) The motorboat is numbered in accordance with the
44 provisions of this chapter ~~[, with applicable federal law]~~ or with the
45 federally approved numbering system of another state;



1 (b) The certificate of number awarded to the motorboat is in
2 effect;

3 (c) The identifying number set forth in the certificate of number
4 is displayed on each side of the bow of the motorboat; and

5 (d) A valid certificate of ownership has been issued to the owner
6 of any motorboat required to be numbered under this chapter.

7 4. Any person who purchases or otherwise owns a motorboat
8 before January 1, 1972, is not required to obtain title for the
9 motorboat until he transfers any portion of his ownership in the
10 motorboat to another person.

11 **Sec. 11.** NRS 488.085 is hereby amended to read as follows:

12 488.085 The owner of any motorboat already covered by a
13 number in ~~{full force and}~~ effect which has been awarded to it
14 pursuant to ~~{then operative federal law or}~~ a federally approved
15 numbering system of another state ~~{shall}~~ **must** record the number
16 ~~{prior to}~~ **before** operating the motorboat on the waters of this state
17 in excess of the 90-day reciprocity period provided for in NRS
18 488.175. ~~{Such recordation shall}~~ **The recordation must** be in the
19 manner and pursuant to the procedure required for the award of a
20 number under NRS 488.075, but no additional or substitute number
21 ~~{shall}~~ **may** be issued.

22 **Sec. 12.** NRS 488.175 is hereby amended to read as follows:

23 488.175 1. Except as otherwise provided in subsection 2, a
24 motorboat need not be numbered pursuant to the provisions of this
25 chapter if it is:

26 (a) Already covered by a number in effect which has been
27 awarded or issued to it pursuant to ~~{federal law or}~~ a federally
28 approved numbering system of another state if the boat has not been
29 on the waters of this state for a period in excess of 90 consecutive
30 days.

31 (b) A motorboat from a country other than the United States
32 temporarily using the waters of this state.

33 (c) A public vessel of the United States, a state or a political
34 subdivision of a state.

35 (d) A ship's lifeboat.

36 (e) A motorboat belonging to a class of boats which has been
37 exempted from numbering by the Division of Wildlife of the State
38 Department of Conservation and Natural Resources after the
39 Division has found:

40 (1) That the numbering of motorboats of that class will not
41 materially aid in their identification; and

42 (2) If an agency of the Federal Government has a numbering
43 system applicable to the class of motorboats to which the motorboat
44 in question belongs, that the motorboat would also be exempt from
45 numbering if it were subject to the federal law.



1 2. The Division of Wildlife may, by regulation, provide for the
2 issuance of exempt numbers for motorboats not required to be
3 registered under the provisions of this chapter.

4 3. A motorboat need not be titled pursuant to the provisions of
5 this chapter, if it is ~~already covered~~:

6 (a) Covered by a certificate of ownership which has been
7 awarded or issued to it pursuant to the title system of another state

8 ~~it~~; or

9 (b) Documented pursuant to Chapter 121 of Title 46 of the
10 United States Code.

11 **Sec. 13.** NRS 488.1797 is hereby amended to read as follows:

12 488.1797 1. Before the issuance of any certificate of
13 ownership, the Division of Wildlife of the State Department of
14 Conservation and Natural Resources shall obtain a statement in
15 writing signed by the transferee or transferor, showing:

16 (a) The date of the sale or other transfer of ownership of the
17 motorboat.

18 (b) The name and address of the seller or transferor.

19 (c) The name and address of the buyer or transferee.

20 2. *If the seller is not a retailer registered with the Department
21 of Taxation, the Division of Wildlife shall collect the taxes
22 imposed by or pursuant to title 32 of NRS upon the sale or use of
23 the motorboat. The Division of Wildlife may retain 6 percent of the
24 amount collected to cover its administrative costs of collecting
25 the taxes and shall remit the remaining amount collected to the
26 Department of Taxation.*

27 3. Upon receipt of the properly endorsed certificate of
28 ownership, the certificate of number and the required fee ~~and~~, the
29 statement of information, *and the taxes payable, if any*, the
30 Division of Wildlife shall issue a new certificate of ownership and a
31 new certificate of number to the transferee. The previous number
32 may be reassigned to the transferee.

33 **Sec. 14.** 1. This section and sections 2, 10, 11 and 12 of this
34 act become effective upon passage and approval.

35 2. Section 4 of this act becomes effective upon passage and
36 approval for the purpose of adopting regulations and on July 1,
37 2004, for all other purposes.

38 3. Sections 1, 3, 5 to 9, inclusive, and 13 of this act become
39 effective on January 1, 2004.

