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SENATE BILL NO. 470—COMMITTEE ON TAXATION

(ON BEHALF OF THE LEGISLATIVE COMMITTEE ON LOCAL  
GOVERNMENT TAXES AND FINANCE)

MARCH 24, 2003

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Referred to Committee on Taxation

SUMMARY—Makes various changes concerning imposition, distribution and use of certain taxes on aviation fuel and fuel for jet or turbine-powered aircraft. (BDR 32-628)

FISCAL NOTE: Effect on Local Government: Yes.  
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.

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AN ACT relating to taxation; authorizing a city that owns or operates an airport to impose certain taxes on aviation fuel and fuel for jet or turbine-powered aircraft; revising the method for the distribution of the proceeds of certain taxes on aviation fuel and fuel for jet or turbine-powered aircraft; revising certain restrictions on the expenditure of the proceeds of certain taxes on aviation fuel; 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 a new section to read as follows:  
3     ***“Governmental entity” includes, without limitation, an airport***  
4     ***authority created by special legislative act.***  
5     **Sec. 2.** NRS 365.010 is hereby amended to read as follows:  
6     365.010 As used in this chapter, unless the context otherwise  
7     requires, the words and terms defined in NRS 365.015 to 365.088,  
8     inclusive, ***and section 1 of this act*** have the meanings ascribed to  
9     them in those sections.



1       **Sec. 3.** NRS 365.170 is hereby amended to read as follows:  
2       365.170 1. Except as otherwise provided in NRS 365.135,  
3 every dealer shall, not later than the last day of each calendar month:

4       (a) Render to the Department a statement of all aviation fuel and  
5 fuel for jet or turbine-powered aircraft sold, distributed or used by  
6 him in this state, as well as all such fuel sold, distributed or used in  
7 this state by a purchaser thereof upon which sale, distribution or use  
8 the dealer has assumed liability for the tax thereon pursuant to NRS  
9 365.020, during the preceding calendar month; and

10       (b) Pay an excise tax on:

11       (1) All fuel for jet or turbine-powered aircraft in the amount  
12 of 1 cent per gallon, plus any *applicable* amount imposed ~~[by the~~  
13 ~~county in which the fuel is sold, distributed or used]~~ pursuant to  
14 NRS 365.203; and

15       (2) Aviation fuel in the amount of 2 cents per gallon, plus  
16 any *applicable* amount imposed ~~[by the county in which the fuel is~~  
17 ~~sold, distributed or used]~~ pursuant to NRS 365.203,  
18 so sold, distributed or used, in the manner and within the time  
19 prescribed in this chapter.

20       2. A dealer shall hold the amount of all taxes collected  
21 pursuant to this chapter in a separate account in trust for the State.

22       **Sec. 4.** NRS 365.203 is hereby amended to read as follows:

23       365.203 1. *The governing body of a city may by ordinance,*  
24 *but not as in a case of emergency, impose a tax of not more than:*

25       (a) *Four cents per gallon on fuel for jet or turbine-powered*  
26 *aircraft; and*

27       (b) *Eight cents per gallon on aviation fuel,*  
28 *sold, distributed or used at an airport which is owned or operated*  
29 *by the city.*

30       2. A board of county commissioners may by ordinance, but not  
31 as in a case of emergency, impose a tax of not more than:

32       (a) Four cents per gallon on fuel for jet or turbine-powered  
33 aircraft ; ~~[sold, distributed or used in the county;]~~ and

34       (b) Eight cents per gallon on aviation fuel ~~[~~  
35 ~~—2.] ,~~

36 *sold, distributed or used in the county, except at an airport where a*  
37 *tax is imposed pursuant to subsection 1.*

38       3. A tax imposed pursuant to this section must be imposed on  
39 all taxpayers at the same rate. The *city or* county shall not allow any  
40 discounts, exemptions or other variance of the rate of the tax for any  
41 taxpayer except for the State or a political subdivision of the State.

42       ~~[3-]~~ 4. Collection of the tax imposed pursuant to this section  
43 must not commence earlier than the first day of the second calendar  
44 month after adoption of the ordinance imposing the tax.



1       **Sec. 5.** NRS 365.545 is hereby amended to read as follows:  
 2       365.545 1. The proceeds of all taxes on fuel for jet or  
 3 turbine-powered aircraft imposed pursuant to the provisions of NRS  
 4 365.170 or 365.203 must be deposited in the Account for Taxes on  
 5 Fuel for Jet or Turbine-Powered Aircraft in the State General Fund  
 6 and must be allocated monthly by the Department to the  
 7 ~~governmental~~ :

8       (a) *Governmental entity which operates the airport at which*  
 9 *the tax was collected, if the airport is operated by a governmental*  
 10 *entity;*

11       (b) *Governmental* entity which owns the airport at which the tax  
 12 was collected, ~~for if the airport is privately owned, to the county~~ *if*  
 13 *the airport is owned but not operated by a governmental entity; or*

14       (c) *County* in which *is located* the airport ~~is located~~ *at which*  
 15 *the tax was collected, if the airport is neither owned nor operated*  
 16 *by a governmental entity.*

17       2. The money so received must be used by the governmental  
 18 entity receiving it to pay the cost of:

19       (a) Transportation projects related to airports, including access  
 20 on the ground to airports;

21       (b) Payment of principal and interest on notes, bonds or other  
 22 obligations incurred to fund projects described in paragraph (a);

23       (c) Promoting the use of an airport, including, without  
 24 limitation, increasing the number and availability of flights at the  
 25 airport;

26       (d) Contributing money to the Trust Fund for Aviation created  
 27 by NRS 494.048; or

28       (e) Any combination of those purposes.

29       3. Money so received may also be pledged for the payment of  
 30 general or special obligations issued to fund projects described in  
 31 paragraph (a) of subsection 2.

32       4. Any money pledged pursuant to the provisions of subsection  
 33 3 may be treated as pledged revenues of the project for the purposes  
 34 of subsection 3 of NRS 350.020.

35       **Sec. 6.** NRS 365.565 is hereby amended to read as follows:

36       365.565 **1.** The tax derived from aviation fuel must be  
 37 distributed quarterly from the Account for Taxes on Aviation Fuel  
 38 in the following manner:

39       ~~1. There~~

40       (a) *The amount of any optional tax must be remitted to the:*  
 41       (1) *Governmental entity which operates the airport at*  
 42 *which the optional tax was collected, if the airport is operated by a*  
 43 *governmental entity;*



1           (2) *Governmental entity which owns the airport at which*  
2 *the optional tax was collected, if the airport is owned but not*  
3 *operated by a governmental entity; or*

4           (3) *County in which is located the airport at which the*  
5 *optional tax was collected, if the airport is neither owned nor*  
6 *operated by a governmental entity.*

7           (b) *After deducting the amount allocated pursuant to*  
8 *paragraph (a), there must be transferred to the Civil Air Patrol*  
9 *Account, which is hereby created, ~~[from the Account for Taxes on~~*  
10 *Aviation Fuel,] for the ensuing fiscal year, a sum not to exceed*  
11 *\$130,000 or the total amount remaining in the ~~[Account,]~~ Account*  
12 *for Taxes on Aviation Fuel, whichever is less.*

13           (c) *After deducting the amounts allocated pursuant to*  
14 *paragraphs (a) and (b), any remaining balance in the Account for*  
15 *Taxes on Aviation Fuel must be remitted, in proportion to the*  
16 *amount of the mandatory tax collected at each airport, to the:*

17           (1) *Governmental entity which operates the airport at*  
18 *which the mandatory tax was collected, if the airport is operated*  
19 *by a governmental entity;*

20           (2) *Governmental entity which owns the airport at which*  
21 *the mandatory tax was collected, if the airport is owned but not*  
22 *operated by a governmental entity; or*

23           (3) *County in which is located the airport at which the*  
24 *mandatory tax was collected, if the airport is neither owned nor*  
25 *operated by a governmental entity.*

26           2. *Any money received by a governmental entity pursuant to*  
27 *subsection 1, except for the money transferred to the Civil Air*  
28 *Patrol Account, must be used by that governmental entity in the*  
29 *same manner as money allocated to a governmental entity*  
30 *pursuant to NRS 365.545.*

31           3. The amount ~~[so]~~ transferred *to the Civil Air Patrol Account*  
32 *pursuant to this section* must be expended for the support of the  
33 Nevada Wing of the Civil Air Patrol and is in addition to and  
34 separate from any legislative appropriations made to the Civil Air  
35 Patrol Account for the support of that wing.

36           ~~[2.]~~ 4. Money in the Civil Air Patrol Account may be paid out  
37 only upon claims certified by the Wing Commander and the Wing  
38 Finance Officer and approved by the State Board of Examiners, in  
39 the same manner as other claims against the State are paid.

40           ~~[3.]~~ 5. Money in the Civil Air Patrol Account may be used  
41 only by the wing to:

42           (a) Carry out its search, rescue and emergency operations;

43           (b) Maintain a headquarters; and

44           (c) Purchase, maintain and repair emergency and training  
45 equipment.



- 1 ~~[4.]~~ 6. No money in the Civil Air Patrol Account may be
- 2 expended for:
- 3 (a) The purchase of any aircraft;
- 4 (b) Travel expenses;
- 5 (c) Training expenses; or
- 6 (d) Fuel for vehicles or aircraft used in an official mission of the
- 7 United States Air Force.
- 8 ~~[5.]~~ 7. Any person who makes a claim against the Civil Air
- 9 Patrol Account shall reimburse the Account if payment for the claim
- 10 is also received from another source.
- 11 ~~[6.—There must be remitted to the treasurer of each county such~~
- 12 ~~portion of the remaining balance in the Account for Taxes on~~
- 13 ~~Aviation Fuel as is proportional to the excise taxes remitted by~~
- 14 ~~dealers or users in his county.]~~
- 15 8. *As used in this section:*
- 16 (a) *“Mandatory tax” means the tax on aviation fuel collected*
- 17 *pursuant to NRS 365.170 without regard to any optional tax.*
- 18 (b) *“Optional tax” means a tax on aviation fuel imposed*
- 19 *pursuant to NRS 365.203.*
- 20 **Sec. 7.** NRS 494.046 is hereby repealed.
- 21 **Sec. 8.** The provisions of this act do not apply to the
- 22 administration and use of any money remitted to a county treasurer
- 23 pursuant to NRS 365.565 before July 1, 2003.
- 24 **Sec. 9.** This act becomes effective on July 1, 2003.

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**TEXT OF REPEALED SECTION**

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**494.046 County airport fund: Deposits; administration by board of county commissioners; use of money; apportionment.**

- 1. All money remitted to county treasurers pursuant to NRS 365.565 must be credited by them to the airport fund of the county.
- 2. The county airport fund must be administered by the board of county commissioners.
- 3. The money in the fund must be available for the planning, establishment, development, construction, enlargement, improvement, operation and maintenance of airports, landing areas and air navigation facilities within the county established, owned or controlled, or to be established, owned or controlled, by the county, any incorporated city or any airport authority created by special legislative act as a quasi-municipal corporation within the county.
- 4. The money in the fund must not be used for any purpose other than as specified in subsection 3.



5. If any airport or landing area within a county is owned or controlled by an incorporated city, the money in the county airport fund must be apportioned as follows:

(a) If the airport or landing area owned or controlled by an incorporated city is the only publicly owned or controlled airport or landing area within the county, all of the money in the fund must be allocated to the incorporated city.

(b) If two or more incorporated cities within the county own or control airports or landing areas and the county does not own or control any airport or landing area, all of the money in the fund must be apportioned among those incorporated cities in proportion to the assessed valuation of property within the boundaries of such cities.

(c) If the county and one or more incorporated cities within the county own or control airports or landing areas, all of the money in the fund must be apportioned between the county and incorporated city or cities in the same ratio as the assessed valuation of property within the boundaries of such city or cities bears to the total assessed valuation of property within the county, including property within the incorporated cities.

6. If the only airport or landing area within a county is owned or controlled by an airport authority created by special legislative act as a quasi-municipal corporation, all of the money in the fund must be allocated to the airport authority.

