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SENATE BILL NO. 452—COMMITTEE ON FINANCE

MAY 2, 2023

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Referred to Committee on Finance

**SUMMARY**—Revises provisions governing the allocation of the proceeds of the basic governmental services tax. (BDR 43-1204)

**FISCAL NOTE:** Effect on Local Government: No.  
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.

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**AN ACT** relating to governmental financial administration; revising provisions governing the allocation of a portion of the proceeds of the basic governmental services tax; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law imposes a basic tax for governmental services for the privilege of  
2 operating any vehicle upon the public highways of this State, which is collected by  
3 the Department of Motor Vehicles. (NRS 371.030, 482.260) Under existing law,  
4 the basic governmental services tax is 4 cents on each \$1 of the valuation of the  
5 vehicle, and the valuation of the vehicle is 35 percent of the manufacturer’s  
6 suggested retail price in Nevada with a reduction based on the age of the vehicle  
7 using a depreciation schedule set forth in existing law. (NRS 371.040, 371.050,  
8 371.060) Senate Bill No. 429 of the 2009 Legislative Session (S.B. 429) increased  
9 the amount of governmental services taxes due annually for used vehicles by  
10 reducing the amount of depreciation allowed and increasing the minimum tax.  
11 Existing law allocates the revenue from this portion of the governmental services  
12 tax, with 25 percent of the proceeds allocated to the State General Fund and 75  
13 percent of the proceeds allocated to the State Highway Fund. (NRS 482.182)  
14 **Section 2** of this bill removes the allocation of these proceeds to the General Fund  
15 and, instead, requires the Department to direct that the entire amount of these  
16 proceeds be transferred to the State Highway Fund. **Sections 1 and 3** of this bill  
17 make conforming changes to reflect that the entire amount of these proceeds must  
18 be transferred to the State Highway Fund.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1       **Section 1.** NRS 482.181 is hereby amended to read as follows:

2       482.181 1. Except as otherwise provided in subsection 5,  
3 after deducting the amount withheld by the Department and the  
4 amount credited to the Department pursuant to subsection 6 of NRS  
5 482.180, and the amount transferred to the ~~[State General Fund and~~  
6 ~~the]~~ State Highway Fund pursuant to NRS 482.182, the Department  
7 shall certify monthly to the State Board of Examiners the amount of  
8 the basic and supplemental governmental services taxes collected  
9 for each county by the Department and its agents during the  
10 preceding month, and that money must be distributed monthly as  
11 provided in this section.

12       2. Any supplemental governmental services tax collected for a  
13 county must be distributed only to the county, to be used as  
14 provided in NRS 371.043, 371.045 and 371.047.

15       3. The distribution of the basic governmental services tax  
16 received or collected for each county must be made to the State  
17 Education Fund or the fund for capital projects or debt service fund  
18 of a county school district, as applicable, before any distribution is  
19 made to a local government, special district or enterprise district.  
20 For the purpose of calculating the amount of the basic governmental  
21 services tax to be distributed to the State Education Fund or the fund  
22 for capital projects or debt service fund of a county school district,  
23 as applicable, the taxes levied by each local government, special  
24 district and enterprise district are the product of its certified  
25 valuation, determined pursuant to subsection 2 of NRS 361.405, and  
26 its tax rate, established pursuant to NRS 361.455 for the fiscal year  
27 beginning on July 1, 1980, except that the tax rate for school  
28 districts, including the rate attributable to a district's debt service, is  
29 the rate established pursuant to NRS 361.455 for the fiscal year  
30 beginning on July 1, 1978, but if the rate attributable to a district's  
31 debt service in any fiscal year is greater than its rate for the fiscal  
32 year beginning on July 1, 1978, the higher rate must be used to  
33 determine the amount attributable to debt service.

34       4. After making the distributions set forth in subsection 3, the  
35 remaining money received or collected for each county must be  
36 deposited in the Local Government Tax Distribution Account  
37 created by NRS 360.660 for distribution to local governments,  
38 special districts and enterprise districts within each county pursuant  
39 to the provisions of NRS 360.680 and 360.690.

40       5. An amount equal to any basic governmental services tax  
41 distributed to a redevelopment agency in the Fiscal Year 1987-1988



1 must continue to be distributed to that agency as long as it exists but  
2 must not be increased.

3 6. The Department shall make distributions of the basic  
4 governmental services tax directly to the State Education Fund or  
5 the fund for capital projects or debt service fund of a county school  
6 district, as applicable.

7 7. As used in this section:

8 (a) "Enterprise district" has the meaning ascribed to it in  
9 NRS 360.620.

10 (b) "Local government" has the meaning ascribed to it in  
11 NRS 360.640.

12 (c) "Received or collected for each county" means:

13 (1) For the basic governmental services tax collected on  
14 vehicles subject to the provisions of chapter 706 of NRS, the  
15 amount determined for each county based on the following  
16 percentages:

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18	Carson City.....	1.07 percent Lincoln.....	3.12 percent
19	Churchill.....	5.21 percent Lyon.....	2.90 percent
20	Clark.....	22.54 percent Mineral.....	2.40 percent
21	Douglas.....	2.52 percent Nye .....	4.09 percent
22	Elko .....	13.31 percent Pershing .....	7.00 percent
23	Esmeralda .....	2.52 percent Storey.....	0.19 percent
24	Eureka.....	3.10 percent Washoe .....	12.24 percent
25	Humboldt.....	8.25 percent White Pine .....	5.66 percent
26	Lander.....	3.88 percent	
27			

28 (2) For all other basic and supplemental governmental  
29 services tax received or collected by the Department, the amount  
30 attributable to each county based on the county of registration of the  
31 vehicle for which the tax was paid.

32 (d) "Special district" has the meaning ascribed to it in  
33 NRS 360.650.

34 **Sec. 2.** NRS 482.182 is hereby amended to read as follows:

35 482.182 1. After deducting the amount withheld by the  
36 Department and the amount credited to the Department pursuant to  
37 subsection 6 of NRS 482.180 and before carrying out the provisions  
38 of NRS 482.181 each month, the Department shall direct the State  
39 Controller to transfer to the ~~F~~:

40 ~~—(a) State General Fund from the proceeds of the basic~~  
41 ~~governmental services tax collected by the Department and its~~  
42 ~~agents during the preceding month, 25 percent of the amounts~~  
43 ~~indicated pursuant to this section.~~

44 ~~—(b)}~~ State Highway Fund from the proceeds of the basic  
45 governmental services tax collected by the Department and its



1 agents during the preceding month, ~~[75 percent of]~~ the amounts  
2 indicated pursuant to this section.

3 2. Except as otherwise provided in subsection 3, the amount  
4 required to be transferred pursuant to subsection 1 from the  
5 proceeds of the basic governmental services tax imposed on vehicles  
6 depreciated in accordance with:

7 (a) Subsection 1 of NRS 371.060 based upon an age of:

8 (1) One year, is a sum equal to 11 percent of those proceeds;

9 (2) Two years, is a sum equal to 12 percent of those  
10 proceeds;

11 (3) Three years, is a sum equal to 13 percent of those  
12 proceeds;

13 (4) Four years, is a sum equal to 15 percent of those  
14 proceeds;

15 (5) Five years, is a sum equal to 18 percent of those  
16 proceeds;

17 (6) Six years, is a sum equal to 22 percent of those proceeds;

18 (7) Seven years, is a sum equal to 29 percent of those  
19 proceeds;

20 (8) Eight years, is a sum equal to 40 percent of those  
21 proceeds; and

22 (9) Nine years or more, is a sum equal to 67 percent of those  
23 proceeds; and

24 (b) Subsection 2 of NRS 371.060 based upon an age of:

25 (1) One year, is a sum equal to 12 percent of those proceeds;

26 (2) Two years, is a sum equal to 14 percent of those  
27 proceeds;

28 (3) Three years, is a sum equal to 18 percent of those  
29 proceeds;

30 (4) Four years, is a sum equal to 21 percent of those  
31 proceeds;

32 (5) Five years, is a sum equal to 26 percent of those  
33 proceeds;

34 (6) Six years, is a sum equal to 30 percent of those proceeds;

35 (7) Seven years, is a sum equal to 33 percent of those  
36 proceeds;

37 (8) Eight years, is a sum equal to 37 percent of those  
38 proceeds;

39 (9) Nine years, is a sum equal to 40 percent of those  
40 proceeds; and

41 (10) Ten years or more, is a sum equal to 43 percent of those  
42 proceeds.

43 3. The amount required to be transferred pursuant to subsection  
44 1 from the proceeds of the basic governmental services tax imposed  
45 on vehicles to which the minimum amount of that tax applies



1 pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum  
2 equal to 63 percent of those proceeds.

3 **Sec. 3.** NRS 706.211 is hereby amended to read as follows:

4 706.211 All money collected by the Department under the  
5 provisions of NRS 706.011 to 706.861, inclusive, must be deposited  
6 in the State Treasury for credit to the Motor Vehicle Fund. Except as  
7 otherwise provided in this chapter and NRS 482.180 and 482.181,  
8 ~~[and except for any money transferred to the State General Fund~~  
9 ~~pursuant to NRS 482.182,]~~ all money collected under the provisions  
10 of NRS 706.011 to 706.861, inclusive, must be used for the  
11 construction, maintenance and repair of the public highways of this  
12 State.

13 **Sec. 4.** Notwithstanding the provisions of NRS 218D.430 and  
14 218D.435, a committee may vote in this act before the expiration of  
15 the period prescribed for the return of a fiscal note in NRS  
16 218D.475. This section applies retroactively from and after May 2,  
17 2023.

18 **Sec. 5.** This act becomes effective on July 1, 2023.

