

Senate Bill No. 452–Committee on Finance

CHAPTER.....

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:

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

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

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

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

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

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



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

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

5. An amount equal to any basic governmental services tax distributed to a redevelopment agency in the Fiscal Year 1987-1988 must continue to be distributed to that agency as long as it exists but must not be increased.

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

7. As used in this section:

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

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

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

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



Carson City.....	1.07 percent	Lincoln.....	3.12 percent
Churchill.....	5.21 percent	Lyon.....	2.90 percent
Clark.....	22.54 percent	Mineral.....	2.40 percent
Douglas.....	2.52 percent	Nye	4.09 percent
Elko	13.31 percent	Pershing	7.00 percent
Esmeralda	2.52 percent	Storey.....	0.19 percent
Eureka.....	3.10 percent	Washoe	12.24 percent
Humboldt.....	8.25 percent	White Pine	5.66 percent
Lander.....	3.88 percent		

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

(d) “Special district” has the meaning ascribed to it in NRS 360.650.

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

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

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

~~—(b)~~ State Highway Fund from the proceeds of the basic governmental services tax collected by the Department and its agents during the preceding month, ~~[75 percent of]~~ the amounts indicated pursuant to this section.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. The amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles to which the minimum amount of that tax applies pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum equal to 63 percent of those proceeds.

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

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



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

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

