



## STAFF REPORT

**Report To:** Board of Supervisors **Meeting Date:** July 2, 2020

**Staff Contact:** Darren Schulz, Public Works Director

**Agenda Title:** For Possible Action: Discussion and possible action regarding proposed Amendment #01 to include diesel fuel in the fuel tax collection Interlocal Agreement between the State of Nevada, Department of Motor Vehicles ("DMV") and Carson City, dated October 8, 2003 and effective until termination. (Darren Schulz, DSchulz@carson.org; Lucia Maloney, LMaloney@carson.org)

Staff Summary: NRS Chapter 373 authorizes Carson City to collect a tax per gallon sold of motor vehicle fuel and diesel fuel. The City is mandated to contract with the DMV for the collection of both the motor vehicle fuel tax and the diesel fuel tax. The existing Interlocal Agreement entered into in 2002 sets forth the DMV's responsibilities to perform all functions incident to the administration, collection, and distribution of the Carson City motor vehicle fuel tax. This amendment adds Carson City Ordinance No. 2020-7 and the diesel fuel tax to the DMV's scope of work to allow the DMV to collect and distribute that tax.

**Agenda Action:** Formal Action / Motion **Time Requested:** 10 minutes

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### Proposed Motion

I move to authorize the Mayor to sign the amended agreement.

### Board's Strategic Goal

Efficient Government

### Previous Action

N/A

### Background/Issues & Analysis

The existing Interlocal Agreement was executed October 8, 2003, and provides that the DMV will administer, collect, and distribute the Carson City motor vehicle fuel tax. The Board of Supervisors enacted Ordinance 2020-7 at their June 4, 2020 meeting, imposing a 5-cent per gallon tax on diesel fuel sold in Carson City. This amendment is mandated by NRS 373.070 and permits the DMV to collect the diesel fuel tax. All other provisions of the original Contract will remain in full force and effect.

### Applicable Statute, Code, Policy, Rule or Regulation

NRS 277.110, 277.180 and 373.070

### Financial Information

Is there a fiscal impact? No

If yes, account name/number: N/A

**Is it currently budgeted? No**

**Explanation of Fiscal Impact: N/A**

**Alternatives**

Do not approve the amendment and provide alternate direction to staff.

**Attachments:**

[Carson City Fuel Tax Amendment #1.pdf](#)

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

<b>CETS #:</b>	
<b>Agency Reference #:</b>	

**AMENDMENT # 01**

**TO INTERLOCAL CONTRACT BETWEEN PUBLIC AGENCIES**

Between the State of Nevada  
Acting By and Through Its

Public Entity #1:	<b>Department of Motor Vehicles</b>
Address:	<b>555 Wright Way</b>
City, State, Zip Code:	<b>Carson City, Nevada, 89711</b>
Contact:	<b>Teri Baltisberger</b>
Phone:	<b>775-684-4570</b>
Email:	<b>Tbaltisberger@dmv.nv.gov</b>

Public Entity #2:	<b>Carson City, A Consolidated Municipality</b>
Address:	<b>201 N. Carson Street, Suite 2</b>
City, State, Zip Code:	<b>Carson City, Nevada 89701</b>
Contact:	<b>Robert Crowell, Mayor</b>
Phone:	<b>775-887-2100</b>
Email:	<b>cceo@carson.org</b>

1. **AMENDMENTS.** For and in consideration of mutual promises and other valuable consideration, all provisions of the original Contract dated 10/08/03, attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

**A. Provide a brief explanation for contract amendment.**

This contract amendment will add Ordinance No. 2020-7 to the Scope of Work to include a County Diesel Fuel Tax. Senate Bill 48 (2019) authorizes the collection of a five cent (\$0.05) tax on Diesel Fuel.

**B. Current Contract Language:**

6. **INCORPORATED DOCUMENTS.** The parties agree that the services to be performed shall be specifically described; this Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT A: SCOPE OF WORK

**C. Amended Contract Language:**

6. **INCORPORATED DOCUMENTS.** The parties agree that the services to be performed shall be specifically described; this Contract incorporates the following attachments in descending order of constructive precedence:

**ATTACHMENT B: REVISED SCOPE OF WORK & DELIVERABLES**

<b>CETS #:</b>	
<b>Agency Reference #:</b>	

2. **INCORPORATED DOCUMENTS.** Exhibit A (original Contract) is attached hereto, incorporated by reference herein and made a part of this amended contract.
3. **REQUIRED APPROVAL.** This amendment to the original Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.



Revised Scope of Work & Deliverables

Carson City, a consolidated municipality Fuel Option Tax Collection per Chapter 373 of Nevada Revised Statutes (NRS)

NRS 373.070 provides that **Carson City, a consolidated municipality** has a duty to contract with the State of Nevada, Department of Motor Vehicles (DMV) to perform all functions incident to the administration, collection and distribution of any county motor vehicle fuel and special fuel taxes imposed pursuant to NRS 373.070.

**Carson City, a consolidated municipality** enacted Ordinance No. **1986-28**, pursuant to the authorization contained in NRS 373.030, allowing counties in the State of Nevada for all or a part of which a street and highway plan has been adopted, to impose an additional tax on motor vehicle fuel (hereinafter “motor vehicle fuel tax”).

**Carson City, a consolidated municipality** enacted Ordinance No. **2020-7** pursuant to the authorization contained in NRS 373.062, which allows certain counties in the State of Nevada for all or a part of which a street and highway plan has been adopted, to impose an additional tax on diesel fuel.

The parties desire to set forth the terms and conditions upon which the DMV will administer and operate the County motor vehicle fuel and diesel fuel tax imposed by Ordinance No. **1986-28** and **2020-7**, for **Carson City, a consolidated municipality**, Nevada and agree as follows:

1. The DMV is empowered to administer and enforce all provisions of **Carson City, a consolidated municipality** Ordinance No. **1986-28** and **2020-7**, pertaining to the collection of taxes provided for in said Ordinances.
2. **Carson City, a consolidated municipality** agrees to pay to the DMV for their services, pursuant to NRS 373.080, in the collection of the County motor vehicle fuel and diesel fuel taxes an amount equal to one-half of one percent of the gross tax collected in **Carson City, a consolidated municipality** pursuant to Ordinance No. **1986-28** and **2020-7**. It is agreed between both parties that the DMV will deduct from the gross revenue derived from the tax imposed in payment for said services the amount of one-half of one percent of the gross tax collected in **Carson City, a consolidated municipality**.
3. The DMV agrees to transfer to **Carson City, a consolidated municipality** each month the net revenue (the gross tax less any reimbursements distributed pursuant to NRS 373.083 and fees for services contemplated herein), derived from the County motor vehicle fuel and diesel fuel tax imposed by **Carson City, a consolidated municipality**. The DMV further agrees to provide **Carson City, a consolidated municipality** with monthly reports setting forth the amount of gross tax collected in **Carson City, a consolidated municipality** pursuant to Ordinance No. **1986-28** and **2020-7** less any reimbursements and the fees for services from the County motor vehicle fuel and diesel fuel tax.
4. **Carson City, a consolidated municipality** agrees that the DMV will have all the powers, duties and responsibilities as provided by Chapter 373, 365 and 366 of the Nevada Revised Statutes and all amendments thereto, and all other State laws pertaining to the collection of a County motor vehicle fuel and diesel fuel tax.

## INTERLOCAL CONTRACT BETWEEN PUBLIC AGENCIES

A Contract Between the State of Nevada  
Acting By and Through Its  
**Department of Motor Vehicles and Public Safety**  
**555 Wright Way, Carson City, NV 89711**

and

Carson City County, 201 North Carson Street Suite 5, Carson City, NV 89701

WHEREAS, NRS 277.180 authorizes any one or more public agencies to contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform; and

WHEREAS, it is deemed that the services of the Department of Motor Vehicles and Public Safety hereinafter set forth are both necessary to the Department of Motor Vehicles and Public Safety and in the best interests of the State of Nevada;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This Contract shall not become effective until and unless approved by appropriate official action of the governing body of each party.
2. DEFINITIONS. "State" means the State of Nevada and any state agency identified herein, its officers, employees and immune contractors as defined in NRS 41.0307.
3. CONTRACT TERM. This Contract shall be effective January 1, 2002 until terminated, unless sooner terminated by either party as set forth in this Contract.
4. TERMINATION. This Contract may be terminated by either party prior to the date set forth in paragraph (3), provided that a termination shall not be effective until 60 days after a party has served written notice upon the other party. This Contract may be terminated by mutual consent of both parties or unilaterally by either party without cause. The parties expressly agree that this Contract shall be terminated immediately if for any reason the Department of Motor Vehicles and Public Safety, federal and/or State Legislature funding ability to satisfy this Contract is withdrawn, limited, or impaired.
5. NOTICE. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth above.
6. INCORPORATED DOCUMENTS. The parties agree that the services to be performed shall be specifically described; this Contract incorporates the following attachments in descending order of constructive precedence:  
ATTACHMENT A: SCOPE OF WORK
7. CONSIDERATION. The Department of Motor Vehicles and Public Safety agrees to provide the services set forth in paragraph (6) at a cost of \$ .5% of the gross tax collected with the total Contract or installments payable: as specified in Scope of Work. Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the results of legislative appropriation may require.
8. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations expressly provided.
9. INSPECTION & AUDIT.
  - a. Books and Records. Each party agrees to keep and maintain under general accepted accounting principles full, true and complete records, agreements, books, and documents as are necessary to fully disclose to the Department of Motor Vehicles and Public Safety, the State, or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.
  - b. Inspection & Audit. Each party agrees that the relevant books, records (written, electronic, computer related or

otherwise), including but not limited to relevant accounting procedures and practices of the party, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location where such records may be found, with or without notice by the Department of Motor Vehicles and Public Safety, the State Auditor, Employment Security, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives.

c. Period of Retention. All books, records, reports, and statements relevant to this Contract must be retained a minimum three years and for five years if any federal funds are used in this Contract. The retention period runs from the date of termination of this Contract. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

10. BREACH; REMEDIES. Failure of either party to perform any obligation of this Contract shall be deemed a breach. Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including but not limited to actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation \$125 per hour for State-employed attorneys.

11. LIMITED LIABILITY. The parties will not waive and intend to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. To the extent applicable, actual contract damages for any breach shall be limited by NRS 353.260 and NRS 354.626.

12. FORCE MAJEURE. Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

13. INDEMNIFICATION.

a. To the fullest extent of limited liability as set forth in paragraph (11) of this Contract, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of the party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this paragraph.

b. The indemnification obligation under this paragraph is conditioned upon receipt of written notice by the indemnifying party within 30 days of the indemnified party's actual notice of any actual or pending claim or cause of action. . The indemnifying party shall not be liable to hold harmless any attorneys' fees and costs for the indemnified party's chosen right to participate with legal counsel.

14. INDEPENDENT PUBLIC AGENCIES. The parties are associated with each other only for the purposes and to the extent set forth in this Contract, and in respect to performance of services pursuant to this Contract, each party is and shall be a public agency separate and distinct from the other party and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other party.

15. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

16. SEVERABILITY. If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

17. ASSIGNMENT. Neither party shall assign, transfer or delegate any rights, obligations or duties under this Contract without the prior written consent of the other party.

18. OWNERSHIP OF PROPRIETARY INFORMATION. Unless otherwise provided by law any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by either party in performance of its obligations under this Contract shall be the joint property of both parties.

19. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents may be open to public inspection and copying. The parties will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests.

20. CONFIDENTIALITY. Each party shall keep confidential all information, in whatever form, produced, prepared, observed or received by that party to the extent that such information is confidential by law or otherwise required by this Contract.

21. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract and that the parties are authorized by law to perform the services set forth in paragraph (6).

22. GOVERNING LAW; JURISDICTION. This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the jurisdiction of the Nevada district courts for enforcement of this Contract.

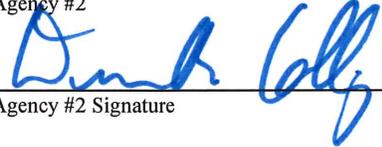
23. ENTIRE AGREEMENT AND MODIFICATION. This Contract and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto, approved by the Office of the Attorney General.

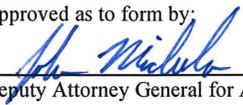
IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

Carson City County  
Agency #1

 1/8/01 Mayor  
Agency #1 Signature Date Title

Department of Motor Vehicles and Public Safety  
Agency #2

 10-8-03 Chief, Administrative Services Division  
Agency #2 Signature Date Title

Approved as to form by:  
  
Deputy Attorney General for Attorney General

On 10/21/2003  
(Date)



AGREEMENT

THIS AGREEMENT, effective January 1, 2002, by and between Carson City County, NEVADA, hereinafter called Carson City County, and the STATE OF NEVADA, DEPARTMENT OF MOTOR VEHICLES AND PUBLIC SAFETY, an agency of the State of Nevada, hereinafter called "DMV & PS."

WITNESSETH

WHEREAS, Carson City County has enacted Ordinance No. 1986-28, pursuant to the authorization contained in Chapter 373 of the Nevada Revised Statutes, allowing counties in the State of Nevada for all or a part of which a street and highway plan has been adopted, to increase the County motor vehicle fuel tax and create a Regional Street and Highway Commission and other matters properly relating thereto; and

WHEREAS, Chapter 373.070(4) of the Nevada Revised Statutes, and Carson City County Ordinance No. 1986-28 provide that Carson City County shall contract with the State of Nevada, DMV & PS to perform all functions incident to the administration and operation of Carson City County Ordinance No. 1986-28 imposing and levying a County motor vehicle fuel tax; and

WHEREAS, the parties hereto, by this Agreement, desire to set forth the terms and conditions upon which the DMV & PS shall administer and operate the County motor vehicle fuel tax imposed by Ordinance No. 1986-28, for Carson City County, Nevada;

NOW, THEREFORE, IN CONSIDERATION of the promises herein contained by the parties hereto, the parties mutually agree as follows:

1. The DMV & PS is hereby empowered to administer and enforce all provisions of Carson City County Ordinance No. 1986-28, pertaining to the collection of all taxes provided for in said Ordinance.

2. Carson City County hereby agrees to pay to the DMV & PS for administrative expenses in the collection of County motor vehicle fuel taxes provided for by Carson City County Ordinance No. 1986-28, an amount equal to one half of one percent of the gross tax collected in Carson City County under Ordinance No 1986-28. It is hereby agreed between the parties that the DMV & PS shall deduct from the gross revenue derived from the tax imposed by Ordinance No. 1986-28, in payment for said administrative expenses the amount of one half of one percent of the gross tax collected in Carson City County.

3. The DMV & PS hereby agrees to transfer to Carson City County each month the net revenue

1 derived from the County motor vehicle fuel tax imposed by Carson City County Ordinance No. 1986-28.  
2 The DMV & PS further agrees to provide Carson City County with a monthly statement setting forth the  
3 amounts derived in the Consolidated Municipality of Carson City County from the County motor vehicle  
4 fuel tax.

5 4. Carson City County agrees that the DMV & PS shall have all the powers, duties and  
6 responsibilities as provided by Chapter 373 and 365 of the Nevada Revised Statutes and all amendments  
7 thereto, all other State laws pertaining to the collection of a County motor vehicles fuel tax, and Carson  
8 City County Ordinance No. 1986-28.

9 5. This Agreement shall take effect on January 1, 2002, and continue in effect until terminated by  
10 mutual agreement of the parties hereto, and shall supersede any previous agreement. Carson City County  
11 hereby agrees to renegotiate this Contract with the DMV & PS with regard to the payment by Carson City  
12 County for the services of the DMV & PS based upon the administrative cost experience of the DMV &  
13 PS.

14 IN WITNESS WHEREOF the parties hereto have set their hands and seals the day and year  
15 first above written.

16 Carson City County, NEVADA

17 BY   
18 TITLE Mayor

19 ATTEST:



20 CLERK OF SAID BOARD

21 STATE OF NEVADA, DEPARTMENT OF MOTOR VEHICLES AND PUBLIC SAFETY

22 BY:   
23 DIRECTOR