

Senate Bill No. 124—Committee on Government Affairs

CHAPTER.....

AN ACT relating to fuel taxes; requiring the allocation and remittance of money collected from certain taxes to be made directly to incorporated cities; and providing other matters properly relating thereto.

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

Section 1. NRS 365.540 is hereby amended to read as follows:

365.540 1. The money collected, as prescribed by NRS 365.170 and 365.185, from the tax on motor vehicle fuels, after the remittances and deposits have first been made pursuant to the provisions of NRS 365.535, must be placed to the credit of the state highway fund by the state treasurer. An amount equal to that part of the tax collected pursuant to subparagraph (3) of paragraph (b) of subsection 1 of NRS 365.170, which represents 5 cents of the tax per gallon must be used exclusively for the construction and maintenance of public highways, and may not be used to purchase equipment related thereto.

2. The money collected, as prescribed by NRS 365.180 and 365.190, after the remittances and deposits have first been made pursuant to the provisions of NRS 365.535, must be allocated by the department ~~to the counties~~ as prescribed in NRS 365.550 and 365.560.

3. The money collected as prescribed by NRS 365.200 must be allocated by the department as prescribed by NRS 365.550 and 365.560.

4. The money collected from the tax on aviation fuel must be deposited by the department with the state treasurer for credit to the account for taxes on aviation fuel, which is hereby created as a revolving account.

Sec. 2. NRS 365.550 is hereby amended to read as follows:

365.550 1. The receipts of the tax levied pursuant to NRS 365.180 must be allocated monthly by the department to the counties using the following formula:

- (a) One-fourth in proportion to total area.
- (b) One-fourth in proportion to population.
- (c) One-fourth in proportion to road mileage and street mileage of nonfederal aid primary roads.
- (d) One-fourth in proportion to vehicle miles of travel on nonfederal aid primary roads.

2. ~~The amount allocated to the counties under the formula must be remitted monthly. The state controller shall draw his warrants payable to the county treasurer of each of the several counties, and the state treasurer shall pay the warrants out of the proceeds of the tax levied pursuant to NRS 365.180.~~

~~—3.—~~ Of the money ~~received by the counties~~ *allocated to each county* pursuant to the provisions of ~~this section~~ *subsection 1*:

(a) An amount equal to that part of the allocation which represents 1.25 cents of the tax per gallon must be used exclusively for the service and redemption of revenue bonds issued pursuant to chapter 373 of NRS, for the construction, maintenance and repair of county roads, and for the purchase of equipment for that construction, maintenance and repair, under

the direction of the boards of county commissioners of the several counties, and must not be used to defray expenses of administration; and

(b) An amount equal to that part of the allocation which represents 2.35 cents of the tax per gallon must be allocated pursuant to the following formula:

(1) If there are no incorporated cities in the county, to the county; and

(2) If there is at least one incorporated city in the county, to the county and any incorporated cities in the county pursuant to the formula set forth for counties in subsection 1. For the purpose of applying the formula, the area of the county excludes the area included in any incorporated city.

3. The amount allocated to the counties and incorporated cities pursuant to subsections 1 and 2 must be remitted monthly. The state controller shall draw his warrants payable to the county treasurer of each of the several counties and the city treasurer of each of the several incorporated cities, as applicable, and the state treasurer shall pay the warrants out of the proceeds of the tax levied pursuant to NRS 365.180.

4. The formula computations must be made as of July 1 of each year by the department, based on estimates which must be furnished by the department of transportation. The determination made by the department is conclusive.

5. Each county and incorporated city shall, not later than January 1 of each year, submit a list to the department of transportation setting forth:

(a) Each road or street that is maintained by the county or city; and

(b) The beginning and ending points and the total mileage of each of those roads or streets.

Each county and incorporated city shall, at least 10 days before the list is submitted to the department of transportation, hold a public hearing to identify and determine the roads and streets maintained by the county or city.

6. As used in this section, "construction, maintenance and repair" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a county or city road and is necessary for the safe and efficient use of that road, including, without limitation:

(a) Grades and regrades;

(b) Graveling, oiling, surfacing, macadamizing and paving;

(c) Sweeping, cleaning and sanding roads and removing snow from a road;

(d) Crosswalks and sidewalks;

(e) Culverts, catch basins, drains, sewers and manholes;

(f) Inlets and outlets;

(g) Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;

(h) Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;

(i) Rights of way;

(j) Grade and traffic separators;

(k) Fences, cattle guards and other devices to control access to a county or city road;

(l) Signs and devices for the control of traffic; and

(m) Facilities for personnel and the storage of equipment used to construct, maintain or repair a county or city road.

Sec. 3. NRS 365.560 is hereby amended to read as follows:

365.560 1. The receipts of the tax levied pursuant to NRS 365.190 must be allocated monthly by the department to the counties in which the payment of the tax originates ~~+~~ *pursuant to the formula set forth in subsection 2.*

2. The receipts must be apportioned *by the department* between the county, towns with town boards as organized under NRS 269.016 to 269.019, inclusive, and incorporated cities within the county ~~from the general road fund of the county~~ in the same ratio as the assessed valuation of property within the boundaries of the towns or incorporated cities within the county bears to the total assessed valuation of property within the county, including property within the towns or incorporated cities.

3. Any money apportioned to a county pursuant to subsection 2 must be expended by the county solely for:

(a) The service and redemption of revenue bonds issued pursuant to chapter 373 of NRS;

(b) The construction, maintenance and repair of the public highways of the county; and

(c) The purchase of equipment for that construction, maintenance and repair.

The money must not be used to defray the expenses of administration.

4. Any money apportioned to towns or incorporated cities pursuant to subsection 2 must be expended only upon the streets, alleys and public highways of the town or city, other than state highways, under the direction and control of the governing body of the town or city.

5. As used in this section, “construction, maintenance and repair” has the meaning ascribed to it in NRS 365.550.

Sec. 4. NRS 373.130 is hereby amended to read as follows:

373.130 1. Money for the payment of the cost of a project within the area embraced by a regional plan for transportation established pursuant to NRS 373.1161 may be obtained by the issuance of revenue bonds and other revenue securities as provided in subsection 2, ~~of this section,~~ or, subject to any pledges, liens and other contractual limitations made pursuant to the provisions of this chapter, may be obtained by direct distribution from the regional street and highway fund, except to the extent any such use is prevented by the provisions of NRS 373.150, or may be obtained both by the issuance of such securities and by such direct distribution, as the board may determine. Money for street and highway construction outside the area embraced by the plan may be distributed directly from the regional street and highway fund as provided in NRS 373.150.

2. The board may, after the enactment of an ordinance as authorized by NRS 373.030, issue revenue bonds and other revenue securities, on the behalf and in the name of the county:

(a) The total of all of which, issued and outstanding at any one time, must not be in an amount requiring a total debt service in excess of the estimated receipts to be derived from the tax imposed pursuant to the provisions of NRS 373.030;

(b) Which must not be general obligations of the county or a charge on any real estate therein; and

(c) Which may be secured as to principal and interest by a pledge authorized by this chapter of the receipts from the motor vehicle fuel taxes designated in this chapter, except such portion of the receipts as may be required for the direct distributions authorized by NRS 373.150.

3. A county is authorized to issue bonds without the necessity of their being authorized at any election in such manner and with such terms as provided in this chapter.

4. Subject to the provisions of this chapter, for any project authorized therein the board of any county may, on the behalf and in the name of the county, borrow money, otherwise become obligated, and evidence obligations by the issuance of bonds and other county securities, and in connection with the undertaking or project, the board may otherwise proceed as provided in the Local Government Securities Law.

5. All such securities constitute special obligations payable from the net receipts of the motor vehicle fuel taxes designated in this chapter except as otherwise provided in NRS 373.150, and the pledge of revenues to secure the payment of the securities must be limited to the net receipts.

6. Except for:

(a) Any notes or warrants which are funded with the proceeds of interim debentures or bonds;

(b) Any interim debentures which are funded with the proceeds of bonds;

(c) Any temporary bonds which are exchanged for definitive bonds;

(d) Any bonds which are reissued or which are refunded; and

(e) The use of any profit from any investment and reinvestment for the payment of any bonds or other securities issued pursuant to the provisions of this chapter,

all bonds and other securities issued pursuant to the provisions of this chapter ~~+~~ must be payable solely from the proceeds of motor vehicle fuel taxes collected by or remitted to the county pursuant to chapter 365 of NRS, as supplemented by this chapter. Receipts of the taxes levied in NRS 365.180 and 365.190 ~~and accounted for in the general road fund of the county~~ may be used by the county for the payment of securities issued pursuant to the provisions of this chapter and may be pledged therefor. If during any period any securities payable from these tax proceeds are outstanding, the tax receipts must not be used directly for the construction, maintenance and repair of any streets, roads or other highways nor for any purchase of equipment therefor, and the receipts of the tax levied in NRS 365.190 must not be apportioned pursuant to subsection 2 of NRS 365.560 unless, at any time the tax receipts are so apportioned, provision has been made in a timely manner for the payment of such outstanding securities as to the principal of, any prior redemption premiums due in connection with, and the interest on the securities as they become due, as provided in the securities, the ordinance authorizing their issuance, and any other instrument appertaining to the securities.

7. The ordinance authorizing the issuance of any bond or other revenue security hereunder must describe the purpose for which it is issued at least in general terms and may describe the purpose in detail. This section does

not require the purpose so stated to be set forth in the detail in which the project approved by the commission pursuant to subsection 2 of NRS 373.140 is stated, or prevent the modification by the board of details as to the purpose stated in the ordinance authorizing the issuance of any bond or other security after its issuance, subject to approval by the commission of the project as so modified.

Sec. 5. Section 98 of chapter 224, Statutes of Nevada 1999, at page 1018, is hereby amended to read as follows:

Sec. 98. NRS 365.540 is hereby amended to read as follows:

365.540 1. The money collected, as prescribed by NRS ~~[365.170 and 365.185,]~~ *365.185 and section 59 of this act*, from the tax on motor vehicle fuels, *other than aviation fuel*, after the remittances and deposits have first been made pursuant to the provisions of NRS 365.535, must be placed to the credit of the state highway fund by the state treasurer. An amount equal to that part of the tax collected pursuant to ~~[subparagraph (3) of paragraph (b) of subsection 1 of NRS 365.170,]~~ *section 59 of this act*, which represents 5 cents of the tax per gallon must be used exclusively for the construction and maintenance of public highways, and may not be used to purchase equipment related thereto.

2. The money collected, as prescribed by NRS 365.180 and 365.190, after the remittances and deposits have first been made pursuant to the provisions of NRS 365.535, must be allocated by the department as prescribed in NRS 365.550 and 365.560.

3. The money collected as prescribed by NRS 365.200 must be allocated by the department as prescribed by NRS 365.550 and 365.560.

4. The money collected from the tax on aviation fuel must be deposited by the department with the state treasurer for credit to the account for taxes on aviation fuel, which is hereby created as a revolving account.

Sec. 6. The amendatory provisions of this act must not be applied to modify, directly or indirectly, any taxes levied or revenues pledged in such a manner as to impair adversely any outstanding obligations of a county or city, including, without limitation, bonds, medium-term financing, letters of credit and any other financial obligation, until all such obligations have been discharged in full or provision for their payment and redemption has been fully made.

Sec. 7. This act becomes effective on July 1, 2001.