

Senate Bill No. 237—Senators Raggio and Titus

Joint Sponsors: Assemblymen Perkins and Hettrick

CHAPTER.....

AN ACT relating to taxation; carrying out certain advisory questions relating to funding for regional transportation; revising the maximum rate, allocation or use of certain taxes for regional transportation; authorizing certain counties to impose additional taxes on motor vehicle fuel and to increase certain impact fees for new development; 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 365.190 is hereby amended to read as follows:

365.190 1. ~~[Subject to the provisions of subsection 3, in]~~ *In* addition to any other tax provided for in this chapter, there is hereby levied an excise tax of 1.75 cents per gallon on all motor vehicle fuel, except aviation fuel.

2. The tax imposed pursuant to this section must be collected by the supplier in the manner provided in this chapter. Upon the collection of the tax by the supplier, the purchaser of the fuel shall provide to the supplier a statement that sets forth the number of gallons of fuel that will be sold to retailers in each county in this state. The tax must be paid to the Department and delivered by the Department to the State Treasurer. When the tax is paid to the Department, the supplier shall provide to the Department a copy of the statement provided to the supplier by the purchaser pursuant to this subsection.

~~[3. The provisions of this section shall be deemed to be optional. The board of county commissioners of any county may decline to accept the additional tax levied pursuant to this section by the adoption of a resolution passed before July 1, 1947, which must be reconsidered and passed once each year within 60 days before July 1 of each year as long as the board of county commissioners desires so to act. Upon the adoption of such a resolution no tax may be collected.]~~

**Sec. 2.** NRS 365.545 is hereby amended to read as follows:

365.545 1. The proceeds of all taxes on fuel for jet or turbine-powered aircraft imposed pursuant to the provisions of NRS 365.170 or 365.203 must be deposited in the Account for Taxes on Fuel for Jet or Turbine-Powered Aircraft in the State General Fund and must be allocated monthly by the Department to the governmental entity which owns the airport at which the tax was

collected ~~[(a)]~~ or , if the airport is privately owned, to the county in which the airport is located.

2. ~~[(The money so received must)]~~ *Except as otherwise provided in subsection 3, the money allocated pursuant to subsection 1:*

(a) *Must* be used by the governmental entity receiving it to pay the cost of:

~~[(a)]~~ (1) Transportation projects related to airports, including access on the ground to airports;

~~[(b) Payment]~~

(2) *The payment* of principal and interest on notes, bonds or other obligations incurred to fund projects described in ~~[(paragraph (a))]~~;

~~—(c)]~~ *subparagraph (1);*

(3) Promoting the use of an airport, including, without limitation, increasing the number and availability of flights at the airport;

~~[(d)]~~ (4) Contributing money to the Trust Fund for Aviation created by NRS 494.048; or

~~[(e)]~~ (5) Any combination of those purposes ~~[-~~

~~3. Money so received may]~~ ; and

(b) *May* also be pledged for the payment of general or special obligations issued to fund projects described in paragraph (a) . ~~[(of subsection 2.)~~

~~—4.]~~ Any money pledged pursuant to ~~[(the provisions of subsection 3)]~~ *this paragraph* may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

3. *Any money allocated pursuant to subsection 1 to a county whose population is 400,000 or more and in which a regional transportation commission has been created pursuant to chapter 373 of NRS, from the proceeds of the tax imposed pursuant to subparagraph (1) of paragraph (b) of subsection 1 of NRS 365.170 on fuel for jet or turbine-powered aircraft sold, distributed or used in that county, excluding the proceeds of any tax imposed pursuant to NRS 365.203, may, in addition to the uses authorized pursuant to subsection 2, be allocated by the county to that regional transportation commission. The money allocated pursuant to this subsection to a regional transportation commission:*

(a) *Must be used by the regional transportation commission:*

(1) *To pay the cost of transportation projects described in a regional plan for transportation established by that regional transportation commission pursuant to NRS 373.1161;*

(2) *For the payment of principal and interest on notes, bonds or other obligations incurred to fund projects described in subparagraph (1); or*

(3) *For any combination of those purposes; and*

*(b) May also be pledged for the payment of general or special obligations issued by the county at the request of the regional transportation commission to fund projects described in paragraph (a). Any money pledged pursuant to this paragraph may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.*

**Sec. 3.** Chapter 373 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. In a county whose population is 100,000 or more but less than 400,000:*

*(a) The board may by ordinance impose:*

*(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel, sold in the county in an amount equal to the sum obtained by multiplying the amount of the tax imposed pursuant to NRS 365.180 by the lesser of 4.5 percent or the average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years; and*

*(2) An annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in an amount equal to the sum of the tax imposed pursuant to NRS 365.180 and the tax imposed pursuant to subparagraph (1) during the preceding fiscal year, multiplied by the lesser of 4.5 percent or the average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years.*

*(b) The board may by ordinance impose:*

*(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel, sold in the county in an amount equal to the sum obtained by multiplying the amount of the tax imposed pursuant to NRS 365.190 by the lesser of 4.5 percent or the average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years; and*

*(2) An annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in an amount equal to the sum of the tax imposed pursuant to NRS 365.190 and the tax imposed pursuant to subparagraph (1) during the preceding fiscal year, multiplied by the lesser of 4.5 percent or the average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years.*

*(c) The board may by ordinance impose:*

*(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel, sold in the county in an amount equal to the sum obtained by multiplying the amount of the tax imposed pursuant to NRS 365.192 by the lesser of 4.5 percent or the*

*average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years; and*

*(2) An annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in an amount equal to the sum of the tax imposed pursuant to NRS 365.192 and the tax imposed pursuant to subparagraph (1) during the preceding fiscal year, multiplied by the lesser of 4.5 percent or the average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years.*

*(d) If the board imposes a tax pursuant to paragraph (b) of subsection 1 of NRS 373.030, the board may by ordinance impose:*

*(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel and leaded racing fuel, sold in the county in an amount equal to the sum obtained by multiplying the amount of the tax imposed pursuant to paragraph (b) of subsection 1 of NRS 373.030 by the lesser of 4.5 percent or the average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years; and*

*(2) An annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in an amount equal to the sum of the tax imposed pursuant to paragraph (b) of subsection 1 of NRS 373.030 and the tax imposed pursuant to subparagraph (1) during the preceding fiscal year, multiplied by the lesser of 4.5 percent or the average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years.*

*2. Any ordinance authorized by this section may be adopted in combination with any other ordinance authorized by this section. Each tax imposed pursuant to this section is in addition to any other motor vehicle fuel taxes imposed pursuant to the provisions of this chapter and chapter 365 of NRS. Upon adoption of an ordinance authorized by this section, no further action by the board is necessary to effectuate the annual increases.*

*3. Any ordinance adopted pursuant to this section must:*

*(a) Become effective on the first day of the first calendar quarter beginning not less than 90 days after the adoption of the ordinance; and*

*(b) If the board has created a regional transportation commission in the county, require the commission:*

*(1) To review, at a public meeting conducted after the provision of public notice and before the effective date of each annual increase imposed by the ordinance:*

*(I) The amount of that increase and the accuracy of its calculation;*

*(II) The amounts of any annual increases imposed by the ordinance in previous years and the revenue collected pursuant to those increases;*

*(III) Any improvements to the regional system of transportation resulting from revenue collected pursuant to any annual increases imposed by the ordinance in previous years; and*

*(IV) Any other information relevant to the effect of the annual increases on the public; and*

*(2) To submit to the board any information the commission receives suggesting that the annual increase should be adjusted.*

*4. Any ordinance adopted pursuant to:*

*(a) Paragraph (a) of subsection 1 must:*

*(1) Require the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to that ordinance in the same proportions and manner as the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to NRS 365.180; and*

*(2) Expire by limitation on the effective date of any increase or decrease in the amount of the tax imposed pursuant to NRS 365.180 which becomes effective after the adoption of that ordinance.*

*(b) Paragraph (b) of subsection 1 must:*

*(1) Require the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to that ordinance in the same proportions and manner as the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to NRS 365.190; and*

*(2) Expire by limitation on the effective date of any increase or decrease in the amount of the tax imposed pursuant to NRS 365.190 which becomes effective after the adoption of that ordinance.*

*(c) Paragraph (c) of subsection 1 must:*

*(1) Require the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to that ordinance in the same proportions and manner as the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to NRS 365.192; and*

*(2) Expire by limitation on the effective date of any increase or decrease in the amount of the tax imposed pursuant to NRS 365.192 which becomes effective after the adoption of that ordinance.*

*(d) Paragraph (d) of subsection 1 must:*

*(1) Require the allocation, disbursement and use in the county of the proceeds of the tax imposed pursuant to that ordinance in the same proportions and manner as the allocation, disbursement and use in the county of the proceeds of the tax*

*imposed pursuant to paragraph (b) of subsection 1 of NRS 373.030; and*

*(2) Expire by limitation on the effective date of any subsequent ordinance increasing or decreasing the amount of the tax imposed in that county pursuant to paragraph (b) of subsection 1 of NRS 373.030.*

**Sec. 4.** NRS 373.070 is hereby amended to read as follows:

373.070 Any motor vehicle fuel tax ordinance enacted under this chapter must include provisions in substance as follows:

1. A provision imposing the additional excise tax and stating the amount of the tax per gallon of fuel.

2. Provisions identical to those contained in chapter 365 of NRS on the date of enactment of the ordinance, insofar as applicable, except that the name of the county as taxing agency must be substituted for that of the State and that an additional supplier's license is not required.

3. A provision that all amendments to chapter 365 of NRS subsequent to the date of enactment of the ordinance, not inconsistent with this chapter, automatically become a part of the motor vehicle fuel tax ordinance of the county.

4. A provision that the county shall contract ~~prior to~~ *before* the effective date of the county motor vehicle fuel tax ordinance with the Department to perform all functions incident to the administration or operation of the motor vehicle fuel tax ordinance of the county ~~and~~, *including, if the ordinance is enacted pursuant to section 3 of this act, the calculation of each annual increase in the tax imposed pursuant to the ordinance.*

**Sec. 5.** NRS 373.075 is hereby amended to read as follows:

373.075 Any ordinance amending ~~the~~ *a* motor fuel tax ordinance *enacted pursuant to this chapter* shall include a provision in substance that the county shall amend the contract made under subsection 4 of NRS 373.070 by a contract made between the county and the State acting by and through the Department ~~prior to~~ *before* the effective date of such amendatory ordinance, unless the county determines with the written concurrence of the commission that no such amendment of the contract is necessary or desirable.

**Sec. 6.** NRS 373.090 is hereby amended to read as follows:

373.090 1. For the purpose of ~~the~~ *each* tax imposed by an ordinance enacted pursuant to this chapter, motor vehicle fuel is sold at the place where it is distributed from a terminal.

2. As used in this section, "terminal" has the meaning ascribed to it in NRS 365.088.

**Sec. 7.** NRS 373.110 is hereby amended to read as follows:

373.110 ~~1. Except as provided in NRS 373.119, all~~ *All the* net proceeds of the county motor vehicle fuel tax :

*1. Imposed pursuant to paragraph (b) of subsection 1 of NRS 373.030 or paragraph (d) of subsection 1 of section 3 of this act which are received by the county pursuant to NRS 373.080 ~~[shall]~~ must, except as otherwise provided in NRS 373.119, be deposited by the county treasurer in a fund to be known as the regional street and highway fund in the county treasury, and disbursed only in accordance with the provisions of this chapter.*

~~[2.]~~ After July 1, 1975, the regional street and highway fund must be accounted for as a separate fund and not as a part of any other fund.

*2. Imposed pursuant to paragraph (a), (b) or (c) of subsection 1 of section 3 of this act which are received by the county pursuant to NRS 373.080 must be allocated, disbursed and used as provided in the ordinance imposing the tax.*

**Sec. 8.** NRS 373.119 is hereby amended to read as follows:

373.119 1. Except to the extent pledged before July 1, 1985, the board may use that portion of the revenue collected pursuant to the provisions of this chapter *from any taxes imposed pursuant to paragraph (b) of subsection 1 of NRS 373.030 or paragraph (d) of subsection 1 of section 3 of this act* that represents collections from the sale of fuel for use in boats at marinas in the county to make capital improvements or to conduct programs to encourage safety in boating. If the county does not control a body of water, where an improvement or program is appropriate, the board may contract with an appropriate person or governmental organization for the improvement or program.

2. Each marina shall report monthly to the Department the number of gallons of motor vehicle fuel sold for use in boats. The report must be made on or before the 25th day of each month for sales during the preceding month.

**Sec. 9.** 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, 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 *paragraph (b) of subsection 1 of NRS 373.030* ~~or~~ *paragraph (d) of subsection 1 of section 3 of this act*, 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~~ *taxes* imposed pursuant to the provisions of *paragraph (b) of subsection 1 of NRS 373.030* ~~;~~ *and paragraph (d) of subsection 1 of section 3 of this act*;

(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~~ *those* 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 pursuant to paragraphs (a) and (b) of subsection 1 of section 3 of this act* 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. 10.** NRS 373.140 is hereby amended to read as follows:

373.140 1. After the enactment of an ordinance as authorized in NRS 373.030, all street and highway construction, surfacing or resurfacing projects in the county which are proposed to be financed from ~~the~~ a county motor vehicle fuel tax *imposed pursuant to paragraph (b) of subsection 1 of NRS 373.030 or paragraph (d) of subsection 1 of section 3 of this act* must first be submitted to the regional transportation commission.

2. ~~Where~~ *If* the project is within the area covered by a regional plan for transportation established pursuant to NRS 373.1161, the commission shall evaluate it in terms of:

- (a) The priorities established by the plan;
- (b) The relation of the proposed work to other projects already constructed or authorized;
- (c) The relative need for the project in comparison with others proposed; and
- (d) The money available.

If the commission approves the project, the board may authorize the project, using all or any part of the proceeds of the county motor vehicle fuel tax authorized ~~[by this chapter,]~~ *pursuant to paragraph (b) of subsection 1 of NRS 373.030 or paragraph (d) of subsection 1 of section 3 of this act*, except to the extent any such use is prevented by the provisions for direct distribution required by NRS 373.150 or is prevented by any pledge to secure the payment of outstanding bonds, other securities or other obligations incurred hereunder, and other contractual limitations appertaining to such obligations as authorized by NRS 373.160, and the proceeds of revenue bonds or other securities issued or to be issued as provided in NRS 373.130. Except as otherwise provided in subsection 3, if the board authorizes the project, the responsibilities for letting construction and other necessary contracts, contract administration, supervision and inspection of work and the performance of other duties related to the acquisition of the project must be specified in written agreements executed by the board and the governing bodies of the cities and towns within the area covered by a regional plan for transportation established pursuant to NRS 373.1161.

3. In a county in which two or more governmental entities are represented on the commission, the governing bodies of those governmental entities may enter into a written master agreement that allows a written agreement described in subsection 2 to be executed by only the commission and the governmental entity that receives funding for the approved project. The provisions of a written master agreement must not be used until the governing body of each governmental entity represented on the commission ratifies the written master agreement.

4. ~~[Where]~~ *If* the project is outside the area covered by a plan, the commission shall evaluate it in terms of:

(a) Its relation to the regional plan for transportation established pursuant to NRS 373.1161 if any;

(b) The relation of the proposed work to other projects constructed or authorized;

(c) The relative need for the proposed work in relation to others proposed by the same city or town; and

(d) The availability of money.

If the commission approves the project, the board shall direct the county treasurer to distribute the sum approved to the city or town requesting the project, in accordance with NRS 373.150.

5. In counties whose population is less than 100,000, the commission shall certify the adoption of the plan in compliance with subsections 2 and 4.

**Sec. 11.** NRS 373.160 is hereby amended to read as follows:

373.160 1. The ordinance or ordinances providing for the issuance of any bonds or other securities issued hereunder payable

from the receipts from the motor vehicle fuel excise taxes herein designated may at the discretion of the board, in addition to covenants and other provisions authorized in the Local Government Securities Law, contain covenants or other provisions as to the pledge of and the creation of a lien upon the receipts of the ~~{tax}~~ *taxes* collected for the county ~~hereunder~~ *pursuant to paragraph (b) of subsection 1 of NRS 373.030 and paragraph (d) of subsection 1 of section 3 of this act*, excluding any tax proceeds to be distributed directly under the provisions of NRS 373.150, ~~{}~~ or the proceeds of the bonds or other securities pending their application to defray the cost of the project, or both such tax proceeds and security proceeds, to secure the payment of revenue bonds or other securities issued hereunder.

2. If the board determines in any ordinance authorizing the issuance of any bonds or other securities hereunder that the proceeds of the ~~{tax}~~ *taxes* levied and collected pursuant to ~~{the County Motor Vehicle Fuel Tax Law}~~ *paragraph (b) of subsection 1 of NRS 373.030 and paragraph (d) of subsection 1 of section 3 of this act* are sufficient to pay all bonds and securities, including the proposed issue, from the proceeds thereof, the board may additionally secure the payment of any bonds or other securities issued pursuant to *the* ordinance hereunder by a pledge of and the creation of a lien upon not only the proceeds of any motor *vehicle* fuel tax authorized at the time of the issuance of such securities to be used for such payment in subsection 6 of NRS 373.130, but also the proceeds of any such tax thereafter authorized to be used or pledged, or used and pledged, for the payment of such securities, whether such tax be levied or collected by the county, the State of Nevada, or otherwise, or be levied in at least an equivalent value in lieu of any such tax existing at the time of the issuance of such securities or be levied in supplementation thereof.

3. The pledges and liens authorized by subsections 1 and 2 ~~{of this section shall}~~ extend to the proceeds of any tax collected for use by the county on any motor vehicle fuel so long as any bonds or other securities issued hereunder remain outstanding and ~~{shall not be}~~ *are not* limited to any type or types of motor vehicle fuel in use when the bonds or other securities ~~{shall be}~~ *are* issued.

**Sec. 12.** NRS 377A.020 is hereby amended to read as follows:  
377A.020 1. The board of county commissioners of ~~{any}~~ :

*(a) Any* county may enact an ordinance imposing a tax for a public transit system, ~~{or}~~ for the construction, maintenance and repair of public roads, *for the improvement of air quality* or ~~{both,}~~ *for any combination of those purposes* pursuant to NRS 377A.030.  
~~{The board of county commissioners of any}~~

(b) *Any* county whose population is less than 400,000 may enact an ordinance imposing a tax to promote tourism pursuant to NRS 377A.030.

2. An ordinance enacted pursuant to this chapter may not become effective before a question concerning the imposition of the tax is approved by a majority of the registered voters of the county voting upon the question which the board may submit to the voters at any general election. A county may combine the questions for a public transit system , ~~and~~ for the construction, maintenance and repair of public roads *and for the improvement of air quality* with questions submitted pursuant to NRS 244.3351, 278.710 or 371.045, or any combination thereof. The board shall also submit to the voters at a general election any proposal to increase the rate of the tax or change the previously approved uses for the proceeds of the tax.

3. Any ordinance enacted pursuant to this section must specify the date on which the tax must first be imposed or on which an increase in the rate of the tax becomes effective, which must not be earlier than the first day of the second calendar month following the approval of the question by the voters.

**Sec. 13.** NRS 377A.030 is hereby amended to read as follows:

377A.030 Except as otherwise provided in NRS 377A.110, any ordinance enacted under this chapter must include provisions in substance as follows:

1. A provision imposing a tax upon retailers at the rate of not more than:

(a) For a tax to promote tourism, one-quarter of 1 percent; or

(b) For a tax to establish and maintain a public transit system , ~~or~~ for the construction, maintenance and repair of public roads, *for the improvement of air quality* or ~~both,~~ *for any combination of those purposes*, one-half of 1 percent, of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed, in a county.

2. Provisions substantially identical to those contained in chapter 374 of NRS, insofar as applicable.

3. A provision that all amendments to chapter 374 of NRS after the date of enactment of the ordinance, not inconsistent with this chapter, automatically become a part of ~~[an ordinance imposing the tax for public mass transportation and construction of public roads or the tax to promote tourism in the county.]~~ *the ordinance.*

4. A provision that the county shall contract before the effective date of the ordinance with the Department to perform all functions incident to the administration or operation of the tax in the county.

5. A provision that exempts from the tax or any increase in the tax the gross receipts from the sale of, and the storage, use or other consumption in a county of, tangible personal property used for the performance of a written contract for the construction of an improvement to real property, entered into on or before the effective date of the tax or the increase in the tax, or for which a binding bid was submitted before that date if the bid was afterward accepted, if under the terms of the contract or bid the contract price or bid amount cannot be adjusted to reflect the imposition of the tax or the increase in the tax.

**Sec. 14.** NRS 377A.070 is hereby amended to read as follows:

377A.070 1. The county treasurer shall deposit the money received from the State Controller pursuant to NRS 377A.050 for a public transit system , ~~for~~ for the construction, maintenance and repair of public roads, *for the improvement or air quality* or ~~both,~~ *for any combination of those purposes* in the county treasury for credit to a fund to be known as the public transit fund.

2. The public transit fund must be accounted for as a separate fund and not as a part of any other fund.

**Sec. 15.** NRS 377A.080 is hereby amended to read as follows:

377A.080 1. In any county in which a tax for a public transit system , ~~for~~ for the construction, maintenance and repair of public roads, *for the improvement of air quality* or ~~both,~~ *for any combination of those purposes* has been imposed, the board shall by ordinance create a regional transportation commission pursuant to chapter 373 of NRS if one has not already been created under that chapter. ~~Where~~ *If* a regional transportation commission has already been created under that chapter, that commission may also exercise the powers conferred by this section.

2. The regional transportation commission may:

(a) Appropriate money in the public transit fund accumulated by a county to provide a public transit system for that county if the system is included in a regional transportation plan adopted by the regional transportation commission;

(b) Appropriate money to provide transportation or to support agencies which are providing transportation for the elderly and persons with disabilities, if the services are consistent with the regional transportation plan;

(c) Provide for or perform all functions incident to the administration and operation of the public transit system, including the establishment of fares for the system; and

(d) Adopt regulations for the operation of systems or services provided by the commission and for systems or services financed by the commission and provided by an agency or a private contractor.

3. The commission may draw money out of the public transit fund only for:

(a) The establishment and maintenance of a public transit system for the county and for the support of other activities, services and programs related to transportation which are included in a regional transportation plan adopted by the commission;

(b) The construction, maintenance and repair of public roads;

(c) *The distribution of money to the local air pollution control agency which administers the program established in the county pursuant to NRS 445B.500, to support activities, services and programs related to the improvement of air quality;*

(d) The payment of principal and interest on notes, bonds or other securities issued to provide ~~[[funds]]~~ *money* for the cost of projects described in paragraphs (a) ~~and (b); or~~

~~—(d)]~~, *(b) and (c); or*

(e) Any combination of those purposes.

**Sec. 16.** NRS 377A.090 is hereby amended to read as follows:

377A.090 1. Money for the payment of the cost of establishing and maintaining a public transit system, ~~for~~ for the construction, maintenance and repair of public roads, *for the improvement of air quality* or ~~both,~~ *for any combination of those purposes* may be obtained by the issuance of bonds and other securities as provided in subsection 2, or, subject to any pledges, liens and other contractual limitations made pursuant to this chapter, may be obtained by direct distribution from the public transit fund, or may be obtained both by the issuance of such securities and by such direct distribution as the board may determine.

2. The board may, after the enactment of an ordinance ~~[[imposing a tax for a public transit system or for the construction, maintenance and repair of public roads, or both, as]]~~ authorized by *paragraph (a) of subsection 1 of NRS 377A.020*, from time to time issue bonds and other securities, which are general or special obligations of the county and which may be secured as to principal and interest by a pledge authorized by this chapter of the receipts from the tax ~~[[for a public transit system or for the construction, maintenance and repair of public roads, or both.]]~~ *imposed by that ordinance.*

3. The ordinance authorizing the issuance of any bond or other security must describe the purpose for which it is issued.

**Sec. 17.** NRS 377A.100 is hereby amended to read as follows:

377A.100 1. Each ordinance providing for the issuance of any bond or security issued under this chapter payable from the receipts of the tax ~~[[for a public transit system or for the construction, maintenance and repair of public roads, or both.]]~~ *imposed pursuant to paragraph (b) of subsection 1 of NRS 377A.030* may, in addition to covenants and other provisions authorized in the Local Government Securities Law, contain a covenant or other provision to pledge and create a lien upon the receipts of the tax or upon the

proceeds of any bond or security pending their application to defray the cost of establishing or operating a public transit system, *constructing, maintaining or repairing public roads or improving air quality*, or both tax proceeds and security proceeds, to secure the payment of any bond or security issued under this chapter.

2. Any money pledged to the payment of bonds or other securities pursuant to subsection 1 may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

**Sec. 18.** NRS 377A.110 is hereby amended to read as follows:

377A.110 1. Subject to the provisions of subsection 2, the board may gradually reduce the amount of *any* tax imposed pursuant to this chapter for a public transit system, ~~for~~ for the construction, maintenance and repair of public roads, *for the improvement of air quality* or ~~both,~~ *for any combination of those purposes* as revenue from the operation of ~~the public transit system~~ *those projects* permits.

2. No such taxing ordinance may be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair any outstanding bonds issued under this chapter, or other obligations incurred under this chapter, until all obligations, for which revenues from the ordinance have been pledged or otherwise made payable from such revenues pursuant to this chapter, have been discharged in full, but the board may at any time dissolve the regional transportation commission and provide that no further obligations be incurred thereafter.

**Sec. 19.** NRS 278.710 is hereby amended to read as follows:

278.710 1. A board of county commissioners may by ordinance, but not as in a case of emergency, impose a tax for the improvement of transportation on the privilege of new residential, commercial, industrial and other development pursuant to paragraph (a) or (b) as follows:

(a) After receiving the approval of a majority of the registered voters of the county voting on the question at a special election or the next primary or general election, the board of county commissioners may impose the tax throughout the county, including any such development in incorporated cities in the county. A county may combine this question with a question submitted pursuant to NRS 244.3351, 371.045 or 377A.020, or any combination thereof.

(b) After receiving the approval of a majority of the registered voters who reside within the boundaries of a transportation district created pursuant to NRS 244A.252, voting on the question at a special or general district election or primary or general state election, the board of county commissioners may impose the tax within the boundaries of the district. A county may combine this question with a question submitted pursuant to NRS 244.3351.

2. A special election may be held only if the board of county commissioners determines, by a unanimous vote, that an emergency exists. The determination made by the board of county commissioners is conclusive unless it is shown that the board acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the board must be commenced within 15 days after the board's determination is final. As used in this subsection, "emergency" means any unexpected occurrence or combination of occurrences which requires immediate action by the board of county commissioners to prevent or mitigate a substantial financial loss to the county or to enable the board of county commissioners to provide an essential service to the residents of the county.

3. The tax imposed pursuant to this section must be at such a rate and based on such criteria and classifications as the board of county commissioners determines to be appropriate. Each such determination is conclusive unless it constitutes an arbitrary and capricious abuse of discretion, but the tax imposed must not :

*(a) For any fiscal year beginning:*

*(1) Before July 1, 2003, exceed \$500 ;*

*(2) On or after July 1, 2003, and before July 1, 2005, exceed \$650;*

*(3) On or after July 1, 2005, and before July 1, 2010, exceed \$700;*

*(4) On or after July 1, 2010, and before July 1, 2015, exceed \$800;*

*(5) On or after July 1, 2015, and before July 1, 2020, exceed \$900; or*

*(6) On or after July 1, 2020, exceed \$1,000,*

per single-family dwelling unit of new residential development, or the equivalent thereof as determined by the board of county commissioners ~~[-, or 50 cents]~~ ; or

*(b) For any fiscal year beginning:*

*(1) Before July 1, 2003, \$0.50;*

*(2) On or after July 1, 2003, and before July 1, 2005, exceed \$0.65;*

*(3) On or after July 1, 2005, and before July 1, 2010, exceed \$0.75;*

*(4) On or after July 1, 2010, and before July 1, 2015, exceed \$0.80;*

*(5) On or after July 1, 2015, and before July 1, 2020, exceed \$0.90; or*

*(6) On or after July 1, 2020, exceed \$1.00,*

per square foot on other new development.

4. If so provided in ~~[the ordinance,]~~ *an ordinance adopted pursuant to this section,* a newly developed lot for a mobile home

must be considered a single-family dwelling unit of new residential development.

~~[4-]~~ 5. The tax imposed pursuant to this section must be collected before the time a certificate of occupancy for a building or other structure constituting new development is issued, or at such other time as is specified in the ordinance imposing the tax. If so provided in the ordinance, no certificate of occupancy may be issued by any local government unless proof of payment of the tax is filed with the person authorized to issue the certificate of occupancy. Collection of the tax imposed pursuant to this section must not commence earlier than the first day of the second calendar month after adoption of the ordinance imposing the tax.

~~[5-]~~ 6. In a county in which a tax has been imposed pursuant to paragraph (a) of subsection 1, the revenue derived from the tax must be used exclusively to pay the cost of:

(a) Projects related to the construction and maintenance of sidewalks, streets, avenues, boulevards, highways and other public rights-of-way used primarily for vehicular traffic, including, without limitation, overpass projects, street projects and underpass projects, as defined in NRS 244A.037, 244A.053 and 244A.055, respectively:

(1) Within the boundaries of the county;

(2) Within 1 mile outside the boundaries of the county if the board of county commissioners finds that such projects outside the boundaries of the county will facilitate transportation within the county; or

(3) Within 30 miles outside the boundaries of the county and the boundaries of this state, where those boundaries are coterminous, if:

(I) The projects consist of improvements to a highway which is located wholly or partially outside the boundaries of this state and which connects this state to an interstate highway; and

(II) The board of county commissioners finds that such projects will provide a significant economic benefit to the county;

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

(c) Any combination of those uses.

~~[6-]~~ 7. In a transportation district in which a tax has been imposed pursuant to paragraph (b) of subsection 1, the revenue derived from the tax must be used exclusively to pay the cost of:

(a) Projects related to the construction and maintenance of sidewalks, streets, avenues, boulevards, highways and other public rights-of-way used primarily for vehicular traffic, including, without limitation, overpass projects, street projects and underpass projects, as defined in NRS 244A.037, 244A.053 and 244A.055, respectively, within the boundaries of the district or within such a distance

outside those boundaries as is stated in the ordinance imposing the tax, if the board of county commissioners finds that such projects outside the boundaries of the district will facilitate transportation within the district;

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

(c) Any combination of those uses.

~~[7-]~~ **8.** The county may expend the proceeds of the tax authorized by this section, or any borrowing in anticipation of the tax, pursuant to an interlocal agreement between the county and the regional transportation commission of the county with respect to the projects to be financed with the proceeds of the tax.

~~[8-]~~ **9.** The provisions of chapter 278B of NRS and any action taken pursuant to that chapter do not limit or in any other way apply to any tax imposed pursuant to this section.

**Sec. 20.** Chapter 278B of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The governing body of a local government which imposes an impact fee to pay the cost of constructing a street project may include a provision in the ordinance imposing the impact fee or adopt a separate ordinance providing that each year in which the governing body does not adopt any revisions to the land use assumptions or capital improvements plan or otherwise increase the impact fee, the current amount of the impact fee is cumulatively increased:*

*(a) By a percentage equal to the average percentage of increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years; or*

*(b) By 4.5 percent,*  
*whichever is less.*

*2. Upon inclusion of a provision in the ordinance imposing the impact fee or the adoption of a separate ordinance authorized by subsection 1, no further action by the governing body is necessary to effectuate the annual increases.*

*3. Each increase authorized pursuant to this section becomes effective 1 year after:*

*(a) The date upon which the impact fee initially becomes effective;*

*(b) The date the governing body adopts a revised capital improvements plan; or*

*(c) The effective date of any previous increase in the impact fee pursuant to this section,*  
*whichever occurs last.*

**Sec. 21.** NRS 278B.230 is hereby amended to read as follows:

278B.230 1. The impact fee per service unit , *excluding the amount of any increase authorized pursuant to section 20 of this*

*act*, must not exceed the amount determined by dividing the costs of the capital improvements described in subsection 3 of NRS 278B.170 by the total number of projected service units described in subsection 6 of NRS 278B.170.

2. If the number of new service units projected over a period is less than the total number of new service units shown by the approved land use assumptions at full development of the service area, the maximum impact fee which may be charged per service unit, *excluding the amount of any increase authorized pursuant to section 20 of this act*, must be calculated by dividing the costs of the part of the capital improvements required by the new service units described in subsection 7 of NRS 278B.170 by the projected new service units described in that subsection.

3. The impact fee may be collected at the same time as the fee for issuance of a building permit for the service unit or at the time a certificate of occupancy is issued for the service unit, as specified in the ordinance.

**Sec. 22.** 1. The approval by the voters on November 5, 2002, of Advisory Question No. 10, concerning transportation, on the 2002 general election ballot for Clark County shall be deemed to constitute approval by the voters of the taxes authorized by the provisions of NRS 278.710, as amended by this act, and paragraph (b) of subsection 1 of NRS 377A.030, as amended by this act. No other approval by the voters is required for the imposition of those taxes in Clark County, including its incorporated cities, at the following rates:

(a) Pursuant to NRS 278.710:

(1) For each fiscal year beginning:

(I) On or after July 1, 2003, and before July 1, 2005,  
\$650;

(II) On or after July 1, 2005, and before July 1, 2010,  
\$700;

(III) On or after July 1, 2010, and before July 1, 2015,  
\$800;

(IV) On or after July 1, 2015, and before July 1, 2020,  
\$900; and

(V) On or after July 1, 2020, \$1,000,  
per single-family dwelling of new residential development, or the equivalent thereof as determined by the board of county commissioners; and

(2) For each fiscal year beginning:

(I) On or after July 1, 2003, and before July 1, 2005,  
\$0.65;

(II) On or after July 1, 2005, and before July 1, 2010,  
\$0.75;

(III) On or after July 1, 2010, and before July 1, 2015, \$0.80;

(IV) On or after July 1, 2015, and before July 1, 2020, \$0.90; and

(V) On or after July 1, 2020, \$1.00, per square foot on other new development; and

(b) Pursuant to paragraph (b) of subsection 1 of NRS 377A.030:

(1) One-half of 1 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the county, until:

(I) The last day of the fiscal year during which the Department of Taxation determines that the cumulative total proceeds of the tax imposed at that rate equal or exceed \$1.7 billion; or

(II) June 30, 2028, whichever occurs earlier; and

(2) Three-eighths of 1 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the county, during each subsequent fiscal year.

2. The approval by the voters on November 5, 2002, of Advisory Question No. 2, concerning transportation, on the 2002 general election ballot for Washoe County shall be deemed to constitute approval by the voters of an increase in the rate of the tax imposed pursuant to paragraph (b) of subsection 1 of NRS 377A.030, as amended by this act, to three-eighths of 1 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the county. No other approval by the voters is required for the imposition of that increase in the rate of that tax in Washoe County, including its incorporated cities.

3. If at any time after November 5, 2002, and before the effective date of this act, another county obtains approval by the voters of a measure which complies with the provisions of NRS 278.710 for the tax authorized by that section, as amended by this act, that approval shall be deemed to constitute approval of the tax specified on the ballot and no other approval by the voters is required for imposition of that tax at the rate or rates specified on that ballot.

**Sec. 23.** If any provision of this act, or the application thereof to any person, thing or circumstance is held invalid, such invalidity does not affect the provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are hereby declared to be severable.

**Sec. 24.** This act becomes effective upon passage and approval.