

SENATE BILL No. 181—COMMITTEE ON TAXATION

(ON BEHALF OF THE NEVADA ASSOCIATION OF COUNTIES)

MARCH 14, 2005

Referred to Committee on Taxation

SUMMARY—Authorizes certain counties, upon approval of voters, to impose additional taxes on certain motor vehicle fuels. (BDR 32-596)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to taxation; authorizing certain counties, upon approval of the voters, to impose additional taxes on certain motor vehicle fuels; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes counties with a population greater than 100,000 but less
2 than 400,000 (currently Washoe County) to impose additional excise taxes by
3 ordinance on certain motor vehicle fuels. The board of county commissioners is
4 authorized to increase the tax annually by a maximum of 4.5 percent or the 5-year
5 average percent increase in the Consumer Price Index for Western Urban
6 Consumers, whichever is less. (NRS 373.065)

7 This bill expands the counties authorized to impose such additional excise taxes
8 to include any county with a population of less than 400,000 (currently all counties
9 other than Clark County). However, before a county may impose any such excise
10 tax, a majority of the voters in the county must approve the imposition of the tax.

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

1 **Section 1.** NRS 373.065 is hereby amended to read as follows:
2 373.065 1. **[In] Except as otherwise provided in this section,**
3 **in** a county whose population is **[100,000 or more but]** less than
4 400,000:



1 (a) The board may by ordinance impose:

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

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

16 (b) The board may by ordinance impose:

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

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

31 (c) The board may by ordinance impose:

32 (1) An excise tax on each gallon of motor vehicle fuel,
33 except aviation fuel, sold in the county in an amount equal to the
34 ~~sum~~ **product** obtained by multiplying the amount of the tax
35 imposed pursuant to NRS 365.192 by the lesser of 4.5 percent or the
36 average percentage of increase in the Consumer Price Index for
37 West Urban Consumers for the preceding 5 years; and

38 (2) An annual increase in the tax imposed pursuant to
39 subparagraph (1), on the first day of each fiscal year following the
40 fiscal year in which that tax becomes effective, in an amount equal
41 to the sum of the tax imposed pursuant to NRS 365.192 and the tax
42 imposed pursuant to subparagraph (1) during the preceding fiscal
43 year, multiplied by the lesser of 4.5 percent or the average



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1 percentage of increase in the Consumer Price Index for West Urban
2 Consumers for the preceding 5 years.

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

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

12 (2) An annual increase in the tax imposed pursuant to
13 subparagraph (1), on the first day of each fiscal year following the
14 fiscal year in which that tax becomes effective, in an amount equal
15 to the sum of the tax imposed pursuant to paragraph (b) of
16 subsection 1 of NRS 373.030 and the tax imposed pursuant to
17 subparagraph (1) during the preceding fiscal year, multiplied by the
18 lesser of 4.5 percent or the average percentage of increase in the
19 Consumer Price Index for West Urban Consumers for the preceding
20 5 years.

21 ***2. A board may not adopt any ordinance authorized by this
22 section unless a question concerning the imposition of the tax is
23 first approved by a majority of the registered voters of the county
24 voting upon the question which the board may submit to the voters
25 at any general election.***

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

33 **[3.] 4.** Any ordinance adopted pursuant to this section must:
34 (a) Become effective on the first day of the first calendar quarter
35 beginning not less than 90 days after the adoption of the ordinance;
36 and

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

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

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



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

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

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

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

11 **[4.] 5.** Any ordinance adopted pursuant to:

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

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

18 (2) Expire by limitation on the effective date of any increase
19 or decrease in the amount of the tax imposed pursuant to NRS
20 365.180 which becomes effective after the adoption of that
21 ordinance.

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

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

28 (2) Expire by limitation on the effective date of any increase
29 or decrease in the amount of the tax imposed pursuant to NRS
30 365.190 which becomes effective after the adoption of that
31 ordinance.

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

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

38 (2) Expire by limitation on the effective date of any increase
39 or decrease in the amount of the tax imposed pursuant to NRS
40 365.192 which becomes effective after the adoption of that
41 ordinance.

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

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



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1 and use in the county of the proceeds of the tax imposed pursuant to
2 paragraph (b) of subsection 1 of NRS 373.030; and

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

7 **Sec. 2.** The approval by the voters on November 5, 2002, of
8 Advisory Question No. 2, concerning transportation, on the 2002
9 general election ballot for Washoe County shall be deemed to
10 constitute approval by the voters of the imposition of any tax
11 imposed pursuant to NRS 373.065, as amended by section 1 of this
12 act, including the imposition of the annual increase in such tax. No
13 other approval by the voters is required for the imposition of that tax
14 in Washoe County, including its incorporated cities.

15 **Sec. 3.** This act becomes effective on July 1, 2005.

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