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SENATE BILL No. 181—COMMITTEE ON TAXATION

(ON BEHALF OF THE NEVADA ASSOCIATION OF COUNTIES)

MARCH 14, 2005

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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.

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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:**

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

This bill expands the counties authorized to impose such additional excise taxes to include any county with a population of less than 400,000 (currently all counties other than Clark County). However, before a county may impose any such additional excise tax, a majority of the voters in the county must approve the imposition of the additional tax and the county must either impose the optional tax on motor vehicle fuel authorized by NRS 373.030 at the maximum allowed rate or submit to the voters the question of whether to impose that tax at that rate.

This bill mandates the expiration of such additional excise taxes in a county with a population of less than 100,000 (currently all counties other than Clark County and Washoe County) unless a majority of the voters in the county reapprove the imposition of the additional taxes every 8 years.

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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:  
5          (a) The board may by ordinance impose:  
6              (1) An excise tax on each gallon of motor vehicle fuel,  
7              except aviation fuel, sold in the county in an amount equal to the  
8              ~~[sum]~~ **product** obtained by multiplying the amount of the tax  
9              imposed pursuant to NRS 365.180 by the lesser of 4.5 percent or the  
10             average percentage of increase in the Consumer Price Index for  
11             West Urban 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 NRS 365.180 and the tax  
16              imposed pursuant to subparagraph (1) during the preceding fiscal  
17              year, multiplied by the lesser of 4.5 percent or the average  
18              percentage of increase in the Consumer Price Index for West Urban  
19              Consumers for the preceding 5 years.  
20          (b) The board may by ordinance impose:  
21              (1) An excise tax on each gallon of motor vehicle fuel,  
22              except aviation fuel, sold in the county in an amount equal to the  
23              ~~[sum]~~ **product** obtained by multiplying the amount of the tax  
24              imposed pursuant to NRS 365.190 by the lesser of 4.5 percent or the  
25              average percentage of increase in the Consumer Price Index for  
26              West Urban Consumers for the preceding 5 years; and  
27              (2) An annual increase in the tax imposed pursuant to  
28              subparagraph (1), on the first day of each fiscal year following the  
29              fiscal year in which that tax becomes effective, in an amount equal  
30              to the sum of the tax imposed pursuant to NRS 365.190 and the tax  
31              imposed pursuant to subparagraph (1) during the preceding fiscal  
32              year, multiplied by the lesser of 4.5 percent or the average  
33              percentage of increase in the Consumer Price Index for West Urban  
34              Consumers for the preceding 5 years.  
35          (c) The board may by ordinance impose:  
36              (1) An excise tax on each gallon of motor vehicle fuel,  
37              except aviation fuel, sold in the county in an amount equal to the  
38              ~~[sum]~~ **product** obtained by multiplying the amount of the tax  
39              imposed pursuant to NRS 365.192 by the lesser of 4.5 percent or the  
40              average percentage of increase in the Consumer Price Index for  
41              West Urban Consumers for the preceding 5 years; and



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

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

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

18       (2) An annual increase in the tax imposed pursuant to  
19 subparagraph (1), on the first day of each fiscal year following the  
20 fiscal year in which that tax becomes effective, in an amount equal  
21 to the sum of the tax imposed pursuant to paragraph (b) of  
22 subsection 1 of NRS 373.030 and the tax imposed pursuant to  
23 subparagraph (1) during the preceding fiscal year, multiplied by the  
24 lesser of 4.5 percent or the average percentage of increase in the  
25 Consumer Price Index for West Urban Consumers for the preceding  
26 5 years.

27       **2. A board may not adopt any ordinance authorized by this  
28 section unless:**

29       **(a) In a county for all or part of which a streets and highways  
30 plan has been adopted as a part of the master plan by the county  
31 or regional planning commission pursuant to NRS 278.150, the  
32 board first:**

33       **(1) Imposes a tax pursuant to paragraph (b) of subsection 1  
34 of NRS 373.030 at the maximum rate authorized pursuant to that  
35 paragraph; or**

36       **(2) Submits to the voters of the county at a general or  
37 special election the question of whether to impose a tax pursuant  
38 to paragraph (b) of subsection 1 of NRS 373.030 at the maximum  
39 rate authorized pursuant to that paragraph; and**

40       **(b) A question concerning the imposition of the tax pursuant  
41 to this section is first approved by a majority of the registered  
42 voters of the county voting upon the question which the board may  
43 submit to the voters at any general election. The Committee on  
44 Local Government Finance shall annually provide to each city**



1    *clerk, county clerk and district attorney in this State forms for*  
2    *submitting a question to the registered voters of a county pursuant*  
3    *to this paragraph. Any question submitted to the registered voters*  
4    *of a county pursuant to this paragraph must be in the form most*  
5    *recently provided by the Committee on Local Government*  
6    *Finance.*

7    *3. An ordinance adopted pursuant to this section in a county*  
8    *whose population is less than 100,000:*

9       *(a) Must be reapproved, in addition to the approval required by*  
10    *paragraph (b) of subsection 2, at least once every 8 years by a*  
11    *majority of the registered voters of the county voting on the*  
12    *question which the board may submit to the voters at any general*  
13    *election; and*

14       *(b) Expires by limitation no later than the last day of the 8th*  
15    *calendar year following the calendar year in which the ordinance*  
16    *was:*

17          *(1) Approved in accordance with paragraph (b) of*  
18    *subsection 2; or*

19          *(2) Most recently reapproved in accordance with this*  
20    *subsection,*

21       *whichever occurs later.*

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

29    ~~—3.] before the ordinance expires by limitation.~~

30    5. Any ordinance adopted pursuant to this section must:

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

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

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

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

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



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

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

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

8                  **4.6.** Any ordinance adopted pursuant to:

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

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

15                 (2) Expire by limitation ~~on~~ **no later than** the effective date  
16 of any increase or decrease in the amount of the tax imposed  
17 pursuant to NRS 365.180 which becomes effective after the  
18 adoption of that ordinance.

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

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

25                 (2) Expire by limitation ~~on~~ **no later than** the effective date  
26 of any increase or decrease in the amount of the tax imposed  
27 pursuant to NRS 365.190 which becomes effective after the  
28 adoption of that ordinance.

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

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

35                 (2) Expire by limitation ~~on~~ **no later than** the effective date  
36 of any increase or decrease in the amount of the tax imposed  
37 pursuant to NRS 365.192 which becomes effective after the  
38 adoption of that ordinance.

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

40                 (1) Require the allocation, disbursement and use in the  
41 county of the proceeds of the tax imposed pursuant to that ordinance  
42 in the same proportions and manner as the allocation, disbursement  
43 and use in the county of the proceeds of the tax imposed pursuant to  
44 paragraph (b) of subsection 1 of NRS 373.030; and



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1       (2) Expire by limitation ~~on~~ **no later than** the effective date  
2 of any subsequent ordinance increasing or decreasing the amount of  
3 the tax imposed in that county pursuant to paragraph (b) of  
4 subsection 1 of NRS 373.030.

5       **Sec. 2.** 1. Notwithstanding the amendatory provisions of  
6 section 1 of this act, the provisions of paragraph (a) of subsection 2  
7 of NRS 373.065, as amended by section 1 of this act, do not apply  
8 to any ordinances adopted before July 1, 2005, by the Board of  
9 County Commissioners of Washoe County.

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

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

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