

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:

Existing law authorizes counties with a population of 100,000 or more 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 West 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.

Existing law requires a county that imposes additional excise taxes by ordinance on certain motor vehicle fuels to enter into a contract with the Department of Motor Vehicles to carry out the ordinance. (NRS 373.070) The Department collects the tax on behalf of the county and each month must transmit



the amount collected to the county, but the Department also must charge the county for the costs incurred by the Department in connection with the tax. (NRS 373.080)

This bill specifies that in the case of a motor vehicle fuel tax imposed pursuant to NRS 373.065, the amount to be charged the county for the services provided by the Department in connection with the tax is 1 percent of the tax collected by the Department.

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

Section 1. NRS 373.065 is hereby amended to read as follows:

373.065 1. ~~But~~ *Except as otherwise provided in this section,*
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}~~ *product* 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}~~ *product* 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}~~ **product** 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}~~ **product** 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. A board may not adopt any ordinance authorized by this section unless:

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

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

(2) Submits to the voters of the county at a general or special election the question of whether to impose a tax pursuant



1 *to paragraph (b) of subsection 1 of NRS 373.030 at the maximum*
2 *rate authorized pursuant to that paragraph; and*

3 *(b) A question concerning the imposition of the tax pursuant*
4 *to this section is first approved by a majority of the registered*
5 *voters of the county voting upon the question which the board may*
6 *submit to the voters at any general election. The Committee on*
7 *Local Government Finance shall annually provide to each city*
8 *clerk, county clerk and district attorney in this State forms for*
9 *submitting a question to the registered voters of a county pursuant*
10 *to this paragraph. Any question submitted to the registered voters*
11 *of a county pursuant to this paragraph must be in the form most*
12 *recently provided by the Committee on Local Government*
13 *Finance.*

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

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

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

24 *(1) Approved in accordance with paragraph (b) of*
25 *subsection 2; or*

26 *(2) Most recently reapproved in accordance with this*
27 *subsection,*

28 *↳ whichever occurs later.*

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

36 ~~—3.1~~ *before the ordinance expires by limitation.*

37 *5. Any ordinance adopted pursuant to this section must:*

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

41 *(b) If the board has created a regional transportation commission*
42 *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.

~~4.4~~ 6. 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~~ **no later than** 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~~ **no later than** 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~~ **no later than** the effective date of any increase or decrease in the amount of the tax imposed



1 pursuant to NRS 365.192 which becomes effective after the
2 adoption of that ordinance.

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

4 (1) Require the allocation, disbursement and use in the
5 county of the proceeds of the tax imposed pursuant to that ordinance
6 in the same proportions and manner as the allocation, disbursement
7 and use in the county of the proceeds of the tax imposed pursuant to
8 paragraph (b) of subsection 1 of NRS 373.030; and

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

13 **Sec. 2.** NRS 373.080 is hereby amended to read as follows:

14 373.080 All motor vehicle fuel taxes collected during any
15 month by the Department pursuant to contract with any county shall
16 be transmitted each month by the Department to such county and the
17 Department shall charge the county for the Department's services
18 specified in this section and in NRS 373.070 ~~such~~ :

19 1. **Such** amount as will reimburse the Department for the cost
20 to it of rendering the services ~~it~~ ; or

21 2. ***In the case of a motor vehicle fuel tax imposed pursuant to***
22 ***NRS 373.065, 1 percent of the tax collected by the Department.***

23 **Sec. 3.** 1. Notwithstanding the amendatory provisions of
24 section 1 of this act, the provisions of paragraph (a) of subsection 2
25 of NRS 373.065, as amended by section 1 of this act, do not apply
26 to any ordinances adopted before July 1, 2005, by the Board of
27 County Commissioners of Washoe County.

28 2. The approval by the voters on November 5, 2002, of
29 Advisory Question No. 2, concerning transportation, on the 2002
30 general election ballot for Washoe County shall be deemed to
31 constitute approval by the voters of the imposition of any tax
32 imposed pursuant to NRS 373.065, as amended by section 1 of this
33 act, including the imposition of the annual increase in such tax. No
34 other approval by the voters is required for the imposition of that tax
35 in Washoe County, including its incorporated cities.

36 **Sec. 4.** This act becomes effective on July 1, 2005.



