

ASSEMBLY BILL NO. 413—COMMITTEE ON TAXATION

MARCH 20, 2013

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to taxation.
(BDR 32-1010)

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

~

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

AN ACT relating to taxation; authorizing certain larger counties to impose additional taxes on fuels for motor vehicles; providing for the administration, allocation, disbursement and use of the additional taxes; exempting the sale of revenue bonds secured by county fuel taxes from certain requirements; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes counties to impose certain taxes on motor vehicle fuels and special fuels used in motor vehicles. (Chapter 373 of NRS) **Section 1** of this bill authorizes the board of county commissioners of a county whose population is 700,000 or more and in which a regional transportation commission has been created and a county tax is imposed on motor vehicle fuel (currently Clark County) to impose additional county taxes on motor vehicle fuel and various special fuels used in motor vehicles. **Section 1** also authorizes the board of county commissioners to provide for annual increases in these taxes in an amount equal to the lesser of: (1) a percentage established by the ordinance imposing the tax; or (2) a percentage based on historical increases in the cost of highway and street construction. **Sections 2 and 4-11** of this bill require the administration, allocation, disbursement and use of these taxes in the same manner as certain existing fuel taxes. Additionally, **section 2** requires the annual review of these taxes by the regional transportation commission.

Section 3 of this bill applies the current exemptions from fuel taxes to the taxes authorized by this bill, other than the exemption for certain undyed special fuel which is sold or used for any purpose other than to propel a motor vehicle upon the public highways.

The provisions of existing law which exempt the sale of revenue bonds that are secured by county fuel taxes from various requirements concerning the sale of



* A B 4 1 3 *

21 bonds by competitive bid or negotiated sale are applicable to the sale of revenue
22 bonds authorized by this bill. (NRS 350.155)

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

1 **Section 1.** Chapter 373 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 ***1. Except as otherwise provided in this section, in a county***
4 ***whose population is 700,000 or more and in which a commission***
5 ***has been created and a tax is imposed pursuant to NRS 373.030:***

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

7 ***(1) An excise tax on each gallon of motor vehicle fuel,***
8 ***except aviation fuel, sold in the county in an amount equal to the***
9 ***product obtained by multiplying 3.6 cents per gallon by the lesser***
10 ***of the applicable percentage or the adjusted average highway and***
11 ***street construction inflation index for the fiscal year in which the***
12 ***ordinance becomes effective; and***

13 ***(2) An annual increase in the tax imposed pursuant to***
14 ***subparagraph (1), on the first day of each fiscal year following the***
15 ***fiscal year in which that tax becomes effective, in the amount***
16 ***determined by adding 3.6 cents per gallon to the amount of the tax***
17 ***imposed pursuant to subparagraph (1) during the immediately***
18 ***preceding fiscal year, then multiplying that sum by the lesser of***
19 ***the applicable percentage or the adjusted average highway and***
20 ***street construction inflation index for the fiscal year in which the***
21 ***increase becomes effective.***

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

23 ***(1) An excise tax on each gallon of motor vehicle fuel,***
24 ***except aviation fuel, sold in the county in an amount equal to the***
25 ***product obtained by multiplying 1.75 cents per gallon by the lesser***
26 ***of the applicable percentage or the adjusted average highway and***
27 ***street construction inflation index for the fiscal year in which the***
28 ***ordinance becomes effective; and***

29 ***(2) An annual increase in the tax imposed pursuant to***
30 ***subparagraph (1), on the first day of each fiscal year following the***
31 ***fiscal year in which that tax becomes effective, in the amount***
32 ***determined by adding 1.75 cents per gallon to the amount of the***
33 ***tax imposed pursuant to subparagraph (1) during the immediately***
34 ***preceding fiscal year, then multiplying that sum by the lesser of***
35 ***the applicable percentage or the adjusted average highway and***
36 ***street construction inflation index for the fiscal year in which the***
37 ***increase becomes effective.***

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



* A B 4 1 3 *

(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel, sold in the county in an amount equal to the product obtained by multiplying 1 cent per gallon by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which the ordinance becomes effective; 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 the amount determined by adding 1 cent per gallon to the amount of the tax imposed pursuant to subparagraph (1) during the immediately preceding fiscal year, then multiplying that sum by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which the increase becomes effective.

(d) 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 product obtained by multiplying 9 cents per gallon by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which the ordinance becomes effective; 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 the amount determined by adding 9 cents per gallon to the amount of the tax imposed pursuant to subparagraph (1) during the immediately preceding fiscal year, then multiplying that sum by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which the increase becomes effective.

(e) 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 product obtained by multiplying 18.455 cents per gallon by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which the ordinance becomes effective; 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 the amount determined by adding 18.455 cents per gallon to the amount of the tax imposed pursuant to subparagraph (1) during the immediately preceding fiscal year, then multiplying that sum by the lesser of the applicable percentage or the adjusted average highway and



1 *street construction inflation index for the fiscal year in which the*
2 *increase becomes effective.*

3 *(f) The board may by ordinance impose:*

4 *(1) An excise tax on each gallon of motor vehicle fuel,*
5 *except aviation fuel, sold in the county in an amount equal to the*
6 *product obtained by multiplying 18.4 cents per gallon by the lesser*
7 *of the applicable percentage or the adjusted average highway and*
8 *street construction inflation index for the fiscal year in which the*
9 *ordinance becomes effective; and*

10 *(2) An annual increase in the tax imposed pursuant to*
11 *subparagraph (1), on the first day of each fiscal year following the*
12 *fiscal year in which that tax becomes effective, in the amount*
13 *determined by adding 18.4 cents per gallon to the amount of the*
14 *tax imposed pursuant to subparagraph (1) during the immediately*
15 *preceding fiscal year, then multiplying that sum by the lesser of*
16 *the applicable percentage or the adjusted average highway and*
17 *street construction inflation index for the fiscal year in which the*
18 *increase becomes effective.*

19 *(g) The board may by ordinance impose:*

20 *(1) An excise tax on each gallon of special fuel that consists*
21 *of an emulsion of water-phased hydrocarbon fuel sold in the*
22 *county in an amount equal to the product obtained by multiplying*
23 *19 cents per gallon by the lesser of the applicable percentage or*
24 *the adjusted average highway and street construction inflation*
25 *index for the fiscal year in which the ordinance becomes effective;*
26 *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 the amount*
30 *determined by adding 19 cents per gallon to the amount of the tax*
31 *imposed pursuant to subparagraph (1) during the immediately*
32 *preceding fiscal year, then multiplying that sum by the lesser of*
33 *the applicable percentage or the adjusted average highway and*
34 *street construction inflation index for the fiscal year in which the*
35 *increase becomes effective.*

36 *(h) The board may by ordinance impose:*

37 *(1) An excise tax on each gallon of special fuel that consists*
38 *of liquefied petroleum gas sold in the county in an amount equal*
39 *to the product obtained by multiplying 22 cents per gallon by the*
40 *lesser of the applicable percentage or the adjusted average*
41 *highway and street construction inflation index for the fiscal year*
42 *in which the ordinance becomes effective; and*

43 *(2) An annual increase in the tax imposed pursuant to*
44 *subparagraph (1), on the first day of each fiscal year following the*
45 *fiscal year in which that tax becomes effective, in the amount*



1 *determined by adding 22 cents per gallon to the amount of the tax*
2 *imposed pursuant to subparagraph (1) during the immediately*
3 *preceding fiscal year, then multiplying that sum by the lesser of*
4 *the applicable percentage or the adjusted average highway and*
5 *street construction inflation index for the fiscal year in which the*
6 *increase becomes effective.*

7 *(i) The board may by ordinance impose:*

8 *(1) An excise tax on each gallon of special fuel that consists*
9 *of compressed natural gas sold in the county in an amount equal*
10 *to the product obtained by multiplying 21 cents per gallon by the*
11 *lesser of the applicable percentage or the adjusted average*
12 *highway and street construction inflation index for the fiscal year*
13 *in which the ordinance becomes effective; and*

14 *(2) An annual increase in the tax imposed pursuant to*
15 *subparagraph (1), on the first day of each fiscal year following the*
16 *fiscal year in which that tax becomes effective, in the amount*
17 *determined by adding 21 cents per gallon to the amount of the tax*
18 *imposed pursuant to subparagraph (1) during the immediately*
19 *preceding fiscal year, then multiplying that sum by the lesser of*
20 *the applicable percentage or the adjusted average highway and*
21 *street construction inflation index for the fiscal year in which the*
22 *increase becomes effective.*

23 *(j) The board may by ordinance impose:*

24 *(1) An excise tax on each gallon of special fuel sold in the*
25 *county, other than any special fuel described in paragraph (g), (h)*
26 *or (i), in an amount equal to the product obtained by multiplying*
27 *27.75 cents per gallon by the lesser of the applicable percentage or*
28 *the adjusted average highway and street construction inflation*
29 *index for the fiscal year in which the ordinance becomes effective;*
30 *and*

31 *(2) An annual increase in the tax imposed pursuant to*
32 *subparagraph (1), on the first day of each fiscal year following the*
33 *fiscal year in which that tax becomes effective, in the amount*
34 *determined by adding 27.75 cents per gallon to the amount of the*
35 *tax imposed pursuant to subparagraph (1) during the immediately*
36 *preceding fiscal year, then multiplying that sum by the lesser of*
37 *the applicable percentage or the adjusted average highway and*
38 *street construction inflation index for the fiscal year in which the*
39 *increase becomes effective.*

40 *(k) The board may by ordinance impose:*

41 *(1) An excise tax on each gallon of special fuel that consists*
42 *of liquefied petroleum gas sold in the county in an amount equal*
43 *to the product obtained by multiplying 18.3 cents per gallon by the*
44 *lesser of the applicable percentage or the adjusted average*



1 *highway and street construction inflation index for the fiscal year*
2 *in which the ordinance becomes effective; and*

3 (2) *An annual increase in the tax imposed pursuant to*
4 *subparagraph (1), on the first day of each fiscal year following the*
5 *fiscal year in which that tax becomes effective, in the amount*
6 *determined by adding 18.3 cents per gallon to the amount of the*
7 *tax imposed pursuant to subparagraph (1) during the immediately*
8 *preceding fiscal year, then multiplying that sum by the lesser of*
9 *the applicable percentage or the adjusted average highway and*
10 *street construction inflation index for the fiscal year in which the*
11 *increase becomes effective.*

12 (l) *The board may by ordinance impose:*

13 (1) *An excise tax on each gallon of special fuel that consists*
14 *of compressed natural gas sold in the county in an amount equal*
15 *to the product obtained by multiplying 18.3 cents per gallon by the*
16 *lesser of the applicable percentage or the adjusted average*
17 *highway and street construction inflation index for the fiscal year*
18 *in which the ordinance becomes effective; and*

19 (2) *An annual increase in the tax imposed pursuant to*
20 *subparagraph (1), on the first day of each fiscal year following the*
21 *fiscal year in which that tax becomes effective, in the amount*
22 *determined by adding 18.3 cents per gallon to the amount of the*
23 *tax imposed pursuant to subparagraph (1) during the immediately*
24 *preceding fiscal year, then multiplying that sum by the lesser of*
25 *the applicable percentage or the adjusted average highway and*
26 *street construction inflation index for the fiscal year in which the*
27 *increase becomes effective.*

28 (m) *The board may by ordinance impose:*

29 (1) *An excise tax on each gallon of special fuel sold in the*
30 *county, other than any special fuel described in paragraph (k) or*
31 *(l), which is taxed by the Federal Government at a rate per gallon*
32 *or gallon equivalent of 24.4 cents or more, in an amount equal to*
33 *the product obtained by multiplying 24.4 cents per gallon by the*
34 *lesser of the applicable percentage or the adjusted average*
35 *highway and street construction inflation index for the fiscal year*
36 *in which the ordinance becomes effective; and*

37 (2) *An annual increase in the tax imposed pursuant to*
38 *subparagraph (1), on the first day of each fiscal year following the*
39 *fiscal year in which that tax becomes effective, in the amount*
40 *determined by adding 24.4 cents per gallon to the amount of the*
41 *tax imposed pursuant to subparagraph (1) during the immediately*
42 *preceding fiscal year, then multiplying that sum by the lesser of*
43 *the applicable percentage or the adjusted average highway and*
44 *street construction inflation index for the fiscal year in which the*
45 *increase becomes effective.*



2. Any ordinance authorized by this section may be adopted in combination with any other ordinance authorized by this section, and a single ordinance may be adopted pursuant to this section which imposes all or any combination of the taxes authorized by this section. Upon the adoption of an ordinance authorized by this section, no further action by the board is necessary to effectuate the annual increases in each tax imposed by the ordinance.

3. Any ordinance adopted pursuant to this section:

(a) Must 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) Is not affected by any changes in the population of the county which occur after the adoption of the ordinance.

4. The applicable percentage specified by the board for the taxes imposed pursuant to this section must be the same percentage for each tax imposed pursuant to this section. The board may amend the applicable percentage by ordinance from time to time, but any such amendment must not become effective earlier than 90 days after the date of the adoption of the ordinance amending the applicable percentage. Except as otherwise provided in subsection 4 of NRS 373.120, the applicable percentage must not be amended to reduce the applicable percentage at any time that bonds are outstanding secured by the taxes imposed pursuant to this section.

5. As used in this section:

(a) "Adjusted average highway and street construction inflation index" means:

(I) For the fiscal year in which an ordinance adopted pursuant to this section becomes effective, the percentage obtained by adding the average highway and street construction inflation index for that fiscal year to:

(I) If the average highway and street construction inflation index for the immediately preceding fiscal year is greater than the applicable percentage, the remainder obtained by subtracting the applicable percentage from the average highway and street construction inflation index for the immediately preceding fiscal year; or

(II) If the average highway and street construction inflation index for the immediately preceding fiscal year is less than or equal to the applicable percentage, zero; and

(2) For each fiscal year following the fiscal year in which the ordinance becomes effective, the percentage obtained by adding the average highway and street construction inflation index for that fiscal year to:



(I) If the adjusted average highway and street construction inflation index for the immediately preceding fiscal year is greater than the applicable percentage, the remainder obtained by subtracting the applicable percentage from the adjusted average highway and street construction inflation index for the immediately preceding fiscal year; or

(II) If the adjusted average highway and street construction inflation index for the immediately preceding fiscal year is less than or equal to the applicable percentage, zero.

(b) "Applicable percentage" means the lesser of 7.8 percent or the percentage specified by the board in any ordinance imposing a tax pursuant to this section.

(c) "Average highway and street construction inflation index" means for a fiscal year the average percentage increase in the highway and street construction inflation index for the 10 calendar years immediately preceding the beginning of that fiscal year.

(d) "Highway and street construction inflation index" means:

(1) The Producer Price Index for Highway and Street Construction until that index ceased to be published; and

(2) The Producer Price Index for Other Nonresidential Construction thereafter or, if that index ceases to be published by the United States Department of Labor, the published index that most closely measures inflation in the costs of highway and street construction, as determined by the commission.

(e) "Special fuel" has the meaning ascribed to it in NRS 366.060.

Sec. 2. NRS 373.067 is hereby amended to read as follows:

373.067 1. Any ordinance that imposes a tax pursuant to:

(a) The provisions of paragraph (a) of subsection 1 of NRS 373.066 *or paragraph (a) of subsection 1 of section 1 of this act* must require the allocation, disbursement and use in the county of the proceeds of that tax 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.

(b) The provisions of paragraph (b) of subsection 1 of NRS 373.066 *or paragraph (b) of subsection 1 of section 1 of this act* must require the allocation, disbursement and use in the county of the proceeds of that tax 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.

(c) The provisions of paragraph (c) of subsection 1 of NRS 373.066 *or paragraph (c) of subsection 1 of section 1 of this act* must require the allocation, disbursement and use in the county of the proceeds of that tax in the same proportions and manner as the



1 allocation, disbursement and use in the county of the proceeds of the
2 tax imposed pursuant to NRS 365.192.

3 (d) Any of the provisions of paragraphs (d) to (m), inclusive, of
4 subsection 1 of NRS 373.066 *or paragraphs (d) to (m), inclusive, of*
5 *subsection 1 of section 1 of this act* must, except as otherwise
6 required by subsection 6 of NRS 373.140, require the allocation,
7 disbursement and use in the county of the proceeds of that tax in the
8 same proportions and manner as the allocation, disbursement and
9 use in the county of the proceeds of the tax imposed pursuant to
10 NRS 373.030.

11 2. Any ordinance adopted pursuant to NRS 373.066 *or section*
12 *1 of this act* must:

13 (a) Include a provision prohibiting the imposition of any
14 penalties and interest for the failure to make any payments of any
15 tax imposed by the ordinance which become due within the initial 6
16 months after the ordinance becomes effective. This provision must
17 apply only to taxes imposed pursuant to NRS 373.066 *or section 1*
18 *of this act* and must not apply to any tax imposed pursuant to any
19 other ordinance.

20 (b) Require the commission:

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

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

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

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

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

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

36 **Sec. 3.** NRS 373.068 is hereby amended to read as follows:

37 373.068 1. Any tax imposed pursuant to the provisions of:

38 (a) Paragraphs (a) to (f), inclusive, of subsection 1 of NRS
39 373.066 *or paragraphs (a) to (f), inclusive, of subsection 1 of*
40 *section 1 of this act* does not apply to any fuel described in NRS
41 365.220 or 365.230.

42 (b) Paragraphs (g) to (m), inclusive, of subsection 1 of NRS
43 373.066 *or paragraphs (g) to (m), inclusive, of subsection 1 of*
44 *section 1 of this act* does not apply to any sales or uses described in
45 NRS 366.200, except to any sales or uses described in subsection 1



1 of that section of any special fuel to which dye has not been added
2 pursuant to federal law or the law of this State, of a type which is
3 lawfully sold in this State both:

4 (1) As special fuel to which dye has been added pursuant to
5 such law; and

6 (2) As special fuel to which dye has not been added pursuant
7 to such law.

8 2. Each tax imposed pursuant to NRS 373.066 *or section 1 of*
9 *this act* is in addition to any other motor vehicle fuel taxes and
10 special fuel taxes imposed pursuant to the provisions of this chapter
11 and chapters 365, 366 and 590 of NRS, except that on the effective
12 date of an ordinance adopted pursuant to:

13 (a) Paragraph (a) of subsection 1 of NRS 373.066, any tax
14 increase imposed in that county pursuant to subparagraph (2) of
15 paragraph (a) of subsection 1 of NRS 373.065 on the first day of the
16 current fiscal year, and the authority to impose any additional tax
17 increases in that county pursuant to that subparagraph on the first
18 day of each subsequent fiscal year, expire by limitation.

19 (b) Paragraph (b) of subsection 1 of NRS 373.066, any tax
20 increase imposed in that county pursuant to subparagraph (2) of
21 paragraph (b) of subsection 1 of NRS 373.065 on the first day of the
22 current fiscal year, and the authority to impose any additional tax
23 increases in that county pursuant to that subparagraph on the first
24 day of each subsequent fiscal year, expire by limitation.

25 (c) Paragraph (c) of subsection 1 of NRS 373.066, any tax
26 increase imposed in that county pursuant to subparagraph (2) of
27 paragraph (c) of subsection 1 of NRS 373.065 on the first day of the
28 current fiscal year, and the authority to impose any additional tax
29 increases in that county pursuant to that subparagraph on the first
30 day of each subsequent fiscal year, expire by limitation.

31 (d) Paragraph (d) of subsection 1 of NRS 373.066, any tax
32 increase imposed in that county pursuant to subparagraph (2) of
33 paragraph (d) of subsection 1 of NRS 373.065 on the first day of the
34 current fiscal year, and the authority to impose any additional tax
35 increases in that county pursuant to that subparagraph on the first
36 day of each subsequent fiscal year, expire by limitation.

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

38 373.070 1. Any fuel tax ordinance enacted under this chapter
39 must include provisions in substance as follows:

40 (a) A provision imposing the additional excise tax and stating
41 the amount of the tax per gallon of fuel.

42 (b) If the ordinance imposes a tax on motor vehicle fuel:

43 (1) Provisions identical to those contained in chapter 365 of
44 NRS on the date of enactment of the ordinance, insofar as
45 applicable, except that:



(I) The name of the county as taxing agency must be substituted for that of the State; and

(II) An additional supplier's license is not required.

(2) 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.

(c) If the ordinance imposes a tax on special fuel:

(1) Provisions identical to those contained in chapter 366 of NRS on the date of enactment of the ordinance, insofar as applicable and not inconsistent with this chapter, except that:

(I) The name of the county as taxing agency must be substituted for that of the State;

(II) An additional special fuel supplier's license is not required;

(III) The ordinance must not include any provisions identical to NRS 366.175 other than the provisions relating to auditing; and

(IV) The ordinance must include provisions which carry out the requirements of paragraph (b) of subsection 1 of NRS 373.068 and which prohibit the refund of any tax paid on any taxable sales or uses described in that paragraph.

(2) A provision that all amendments to chapter 366 of NRS subsequent to the date of enactment of the ordinance, not inconsistent with this chapter, automatically become a part of the special fuel tax ordinance of the county.

(d) A provision that the county shall contract before the effective date of the county fuel tax ordinance with the Department to perform all functions incident to the administration or operation of the fuel tax ordinance of the county, including, if the ordinance is enacted pursuant to NRS 373.065 or 373.066, *or section 1 of this act*, the calculation of each annual increase in the tax imposed pursuant to the ordinance.

2. The provisions of this section do not subject any county fuel taxes imposed pursuant to this chapter to the provisions of NRS 366.175 or any agreement made pursuant thereto, except for those provisions of NRS 366.175 and any agreement made pursuant thereto which relate to auditing. The administration, collection and distribution of any county fuel taxes imposed pursuant to this chapter do not affect, and are not affected by, the administration, collection and distribution of any fuel taxes under any agreement made pursuant to NRS 366.175.

Sec. 5. NRS 373.080 is hereby amended to read as follows:

373.080 All fuel taxes collected during any month by the Department pursuant to a contract with a county must be transmitted



1 each month by the Department to the county and the Department
2 shall, in accordance with the terms of the contract, charge the county
3 for the Department's services specified in this section and in NRS
4 373.070, except that in the case of a fuel tax imposed pursuant to
5 NRS 373.065 or 373.066, *or section 1 of this act*, the charge must
6 not exceed 1 percent of the tax collected by the Department.

7 **Sec. 6.** NRS 373.110 is hereby amended to read as follows:

8 373.110 All the net proceeds of any county fuel tax:

9 1. Imposed pursuant to the provisions of NRS 373.030,
10 paragraph (d) of subsection 1 of NRS 373.065 or paragraphs (d) to
11 (m), inclusive, of subsection 1 of NRS 373.066 *or paragraphs (d) to*
12 *(m), inclusive, of subsection 1 of section 1 of this act* which are
13 received by the county pursuant to NRS 373.080 must, except as
14 otherwise provided in NRS 373.119, be deposited by the county
15 treasurer in a fund to be known as the regional street and highway
16 fund in the county treasury, and disbursed only in accordance with
17 the provisions of this chapter and chapter 277A of NRS. After
18 July 1, 1975, the regional street and highway fund must be
19 accounted for as a separate fund and not as a part of any other fund.

20 2. Imposed pursuant to the provisions of paragraph (a), (b) or
21 (c) of subsection 1 of NRS 373.065 or paragraph (a), (b) or (c) of
22 subsection 1 of NRS 373.066 *or paragraph (a), (b) or (c) of*
23 *subsection 1 of section 1 of this act* which are received by the
24 county pursuant to NRS 373.080 must be allocated, disbursed and
25 used as provided in the ordinance imposing the tax.

26 **Sec. 7.** NRS 373.119 is hereby amended to read as follows:

27 373.119 1. Except to the extent pledged before July 1, 1985,
28 the board may use that portion of the revenue collected pursuant to
29 the provisions of this chapter from any taxes imposed pursuant
30 to the provisions of NRS 373.030, paragraph (d) of subsection 1 of
31 NRS 373.065 or paragraphs (d) to (m), inclusive, of subsection 1 of
32 NRS 373.066 *or paragraphs (d) to (m), inclusive, of subsection 1*
33 *of section 1 of this act* that represents collections from the sale of
34 fuel for use in boats at marinas in the county to make capital
35 improvements or to conduct programs to encourage safety in
36 boating. If the county does not control a body of water, where an
37 improvement or program is appropriate, the board may contract with
38 an appropriate person or governmental organization for the
39 improvement or program.

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



1 **Sec. 8.** NRS 373.120 is hereby amended to read as follows:

2 373.120 1. No county fuel tax ordinance may be repealed or
3 amended or otherwise directly or indirectly modified in such a
4 manner as to impair adversely any outstanding bonds issued under
5 this chapter or other obligations incurred under this chapter, until all
6 obligations for which revenues from such ordinance have been
7 pledged or otherwise made payable from such revenues pursuant to
8 this chapter have been discharged in full, but the board, with the
9 approval of the governing body of each participating city, may at
10 any time dissolve the commission and provide that no further
11 obligations may be incurred thereafter.

12 2. The faith of the State of Nevada is hereby pledged that this
13 chapter, NRS 365.180 to 365.200, inclusive, and 365.562, and any
14 law supplemental thereto, including without limitation, provisions
15 for the distribution to any county designated in NRS 373.030,
16 373.065 or 373.066, *or section 1 of this act*, of the proceeds of the
17 fuel taxes collected thereunder will not be repealed, amended or
18 otherwise directly or indirectly modified in such a manner as to
19 impair adversely any outstanding bonds issued under this chapter or
20 other obligations incurred under this chapter, until all obligations for
21 which any such tax proceeds have been pledged or otherwise made
22 payable from such tax proceeds pursuant to this chapter have been
23 discharged in full, but the State of Nevada may at any time provide
24 by act that no further obligations may be incurred thereafter.

25 3. *Except as otherwise provided in subsection 4, the*
26 *continuing increases in any taxes imposed pursuant to section 1 of*
27 *this act must not be pledged beyond June 30 of the fiscal year that*
28 *is 5 full fiscal years after bonds or other obligations secured by the*
29 *taxes imposed pursuant to section 1 of this act are issued or*
30 *incurred, but the taxes imposed pursuant to section 1 of this act*
31 *that are in effect on that June 30 must continue to be pledged to*
32 *those bonds or other obligations until they are paid in full.*

33 4. *At any time after bonds are issued or other obligations*
34 *incurred with a pledge of the taxes imposed pursuant to section 1*
35 *of this act, the board may, by ordinance:*

36 (a) *Continue the pledge of the increase in taxes imposed*
37 *pursuant to section 1 of this act beyond June 30 of the fiscal year*
38 *that is 5 full fiscal years after bonds or other obligations secured*
39 *by the taxes imposed pursuant to section 1 of this act are issued or*
40 *incurred, but not beyond June 30 of the fiscal year that is 5 full*
41 *fiscal years after the adoption of the ordinance pursuant to this*
42 *paragraph. The process set forth in this paragraph may be*
43 *repeated until all bonds or other obligations secured by the taxes*
44 *imposed pursuant to section 1 of this act have been paid in full.*



(b) Amend the ordinance imposing the tax to specify a different applicable percentage, including an applicable percentage of zero, but:

(1) The applicable percentage must not exceed 7.8 percent;

(2) The applicable percentage must not be reduced with respect to any fiscal year preceding the fiscal year following the effective date of an ordinance adopted pursuant to this subsection; and

(3) The effective date of any ordinance reducing the applicable percentage must not be sooner than the later of:

(I) June 30 of the fiscal year that is 5 full fiscal years after bonds or other obligations secured by the taxes imposed pursuant to section 1 of this act are issued or incurred; or

(II) June 30 of the fiscal year that is 5 full fiscal years after the date of adoption of any ordinance pursuant to paragraph (a).

5. As used in this section, "applicable percentage" has the meaning ascribed to it in paragraph (b) of subsection 5 of section 1 of this act.

Sec. 9. NRS 373.131 is hereby amended to read as follows:

373.131 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 277A.210 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 and chapter 277A of NRS, 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 or, in a county whose population is 100,000 or more, a commission, may, after the enactment of any ordinance authorized by the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, *or paragraphs (d) to (m), inclusive, of subsection 1 of section 1 of this act*, issue revenue bonds and other revenue securities, on the behalf and in the name of the county or the commission, as the case may be:

(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 taxes



* A B 4 1 3 *

1 imposed pursuant to the provisions of NRS 373.030, paragraph (d)
2 of subsection 1 of NRS 373.065 and paragraphs (d) to (m),
3 inclusive, of subsection 1 of NRS 373.066 ~~and~~ *and paragraphs (d) to*
4 *(m), inclusive, of subsection 1 of section 1 of this act;*

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

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

11 3. A county or a commission as provided in subsection 2 is
12 authorized to issue bonds or other securities without the necessity of
13 their being authorized at any election in such manner and with such
14 terms as provided in this chapter.

15 4. Subject to the provisions of this chapter and chapter 277A of
16 NRS, for any project authorized therein, the board of any county
17 may, on the behalf and in the name of the county, or, in a county
18 whose population is 100,000 or more, a commission may, on behalf
19 and in the name of the commission, borrow money, otherwise
20 become obligated, and evidence obligations by the issuance of
21 bonds and other county or commission securities, and in connection
22 with the undertaking or project, the board or the commission, as the
23 case may be, may otherwise proceed as provided in the Local
24 Government Securities Law.

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

30 6. Except for:

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

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

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

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

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

41 ➔ all bonds and other securities issued pursuant to the provisions of
42 this chapter must be payable solely from the proceeds of fuel taxes
43 collected by or remitted to the county pursuant to chapter 365 of
44 NRS, as supplemented by this chapter. Receipts of the taxes levied
45 in NRS 365.180 and 365.190 and pursuant to the provisions of



1 paragraphs (a) and (b) of subsection 1 of NRS 373.065 and
2 paragraphs (a) and (b) of subsection 1 of NRS 373.066 *and*
3 *paragraphs (a) and (b) of subsection 1 of section 1 of this act* may
4 be used by the county for the payment of securities issued pursuant
5 to the provisions of this chapter and may be pledged therefor. Such
6 taxes may also be used by a commission in a county whose
7 population is 100,000 or more for the payment of bonds or other
8 securities issued pursuant to the provisions of this chapter and may
9 be pledged therefor if the board of the county consents to such use.
10 If during any period any securities payable from these tax proceeds
11 are outstanding, the tax receipts must not be used directly for the
12 construction, maintenance and repair of any streets, roads or other
13 highways nor for any purchase of equipment therefor, and the
14 receipts of the tax levied in NRS 365.190 must not be apportioned
15 pursuant to subsection 2 of NRS 365.560 unless, at any time the tax
16 receipts are so apportioned, provision has been made in a timely
17 manner for the payment of such outstanding securities as to the
18 principal of, any prior redemption premiums due in connection with,
19 and the interest on the securities as they become due, as provided in
20 the securities, the ordinance, in the case of securities issued by a
21 county, or the resolution, in the case of securities issued by a
22 commission, authorizing their issuance and any other instrument
23 appertaining to the securities.

24 7. The ordinance, in the case of securities issued by a county,
25 or the resolution, in the case of securities issued by a commission,
26 authorizing the issuance of any bond or other revenue security under
27 this section must describe the purpose for which it is issued at least
28 in general terms and may describe the purpose in detail. This section
29 does not require the purpose so stated to be set forth in the detail in
30 which the project approved by the commission pursuant to
31 subsection 2 of NRS 373.140 is stated, or prevent the modification
32 by the board or commission, as the case may be, of details as to the
33 purpose stated in the ordinance authorizing the issuance of any bond
34 or other security after its issuance, subject to approval by the
35 commission of the project as so modified, if such bond or other
36 security is issued by the county and not the commission.

37 8. Notwithstanding any other provision of this chapter, no
38 commission has authority to issue bonds or other securities pursuant
39 to this chapter unless the commission has executed an interlocal
40 agreement with the county relating to the issuance of bonds or other
41 securities by the commission. Any such interlocal agreement must
42 include an acknowledgment of the authority of the commission to
43 issue bonds and other securities and contain provisions relating to
44 the pledge of revenues for the repayment of the bonds or other



1 securities, the lien priority of the pledge of revenues securing the
2 bonds or other securities, and related matters.

3 **Sec. 10.** NRS 373.140 is hereby amended to read as follows:

4 373.140 1. After the enactment of ordinances as authorized in
5 NRS 277A.170 and 373.030, all street and highway construction,
6 surfacing or resurfacing projects in the county which are proposed
7 to be financed from any county fuel tax imposed pursuant to the
8 provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS
9 373.065 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS
10 373.066 *or paragraphs (d) to (m), inclusive, of subsection 1 of*
11 *section 1 of this act* must first be submitted to the commission.

12 2. If the project is within the area covered by a regional plan
13 for transportation established pursuant to NRS 277A.210, the
14 commission shall evaluate it in terms of:

15 (a) The priorities established by the plan;

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

18 (c) The relative need for the project in comparison with others
19 proposed; and

20 (d) The money available.

21 ➔ If the commission approves the project, the board may authorize
22 the project, using all or any part of the proceeds of any county fuel
23 tax authorized pursuant to the provisions of NRS 373.030,
24 paragraph (d) of subsection 1 of NRS 373.065 or paragraphs (d) to
25 (m), inclusive, of subsection 1 of NRS 373.066, *or paragraphs (d)*
26 *to (m), inclusive, of subsection 1 of section 1 of this act*, except as
27 otherwise required by subsection 6 or to the extent any such use is
28 prevented by the provisions for direct distribution required by NRS
29 373.150 or is prevented by any pledge to secure the payment of
30 outstanding bonds, other securities or other obligations incurred
31 under this chapter, and other contractual limitations appertaining to
32 such obligations as authorized by NRS 373.160, and the proceeds of
33 revenue bonds or other securities issued or to be issued as provided
34 in NRS 373.131. Except as otherwise provided in subsection 3, if
35 the board authorizes the project, the responsibilities for letting
36 construction and other necessary contracts, contract administration,
37 supervision and inspection of work and the performance of other
38 duties related to the acquisition of the project must be specified in
39 written agreements executed by the board and the governing bodies
40 of the cities and towns within the area covered by a regional plan for
41 transportation established pursuant to NRS 277A.210.

42 3. In a county in which two or more governmental entities are
43 represented on the commission, the governing bodies of those
44 governmental entities may enter into a written master agreement that
45 allows a written agreement described in subsection 2 to be executed



1 by only the commission and the governmental entity that receives
2 funding for the approved project. The provisions of a written master
3 agreement must not be used until the governing body of each
4 governmental entity represented on the commission ratifies the
5 written master agreement.

6 4. If the project is outside the area covered by a plan, the
7 commission shall evaluate it in terms of:

8 (a) Its relation to the regional plan for transportation established
9 pursuant to NRS 277A.210, if any;

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

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

14 (d) The availability of money.

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

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

21 6. The proceeds of a tax imposed pursuant to any of the
22 provisions of paragraphs (d) to (m), inclusive, of subsection 1 of
23 NRS 373.066 *or paragraphs (d) to (m), inclusive, of subsection 1*
24 *of section 1 of this act* must be expended in accordance with
25 priorities for projects established in coordination and cooperation
26 with the Department of Transportation.

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

28 373.160 1. The ordinance or ordinances, or the resolution or
29 resolutions, providing for the issuance of any bonds or other
30 securities issued under this chapter payable from the receipts from
31 the fuel excise taxes designated in this chapter may at the discretion
32 of the board or, in the case of bonds or other securities issued by a
33 commission, the commission, in addition to covenants and other
34 provisions authorized in the Local Government Securities Law,
35 contain covenants or other provisions as to the pledge of and the
36 creation of a lien upon the receipts of the taxes collected for the
37 county pursuant to the provisions of NRS 373.030, paragraph (d) of
38 subsection 1 of NRS 373.065 and paragraphs (d) to (m), inclusive,
39 of subsection 1 of NRS 373.066, *and paragraphs (d) to (m),*
40 *inclusive, of subsection 1 of section 1 of this act*, excluding any tax
41 proceeds to be distributed directly under the provisions of NRS
42 373.150, or the proceeds of the bonds or other securities pending
43 their application to defray the cost of the project, or both such tax
44 proceeds and security proceeds, to secure the payment of revenue
45 bonds or other securities issued under this chapter.



2. If the board or, in the case of bonds or other securities issued by a commission, the commission, determines in any ordinance or resolution authorizing the issuance of any bonds or other securities under this chapter that the proceeds of the taxes levied and collected pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065 and paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 *and paragraphs (d) to (m), inclusive, of subsection 1 of section 1 of this act* are sufficient to pay all bonds and securities, including the proposed issue, from the proceeds thereof, the board or, in the case of bonds or other securities issued by a commission, the commission with the consent of the board as provided in subsection 6 of NRS 373.131, may additionally secure the payment of any bonds or other securities issued pursuant to the ordinance or resolution under this chapter by a pledge of and the creation of a lien upon not only the proceeds of any fuel tax authorized at the time of the issuance of such securities to be used for such payment in subsection 6 of NRS 373.131, 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 extend to the proceeds of any tax collected for use by the county on any fuel so long as any bonds or other securities issued under this chapter remain outstanding and are not limited to any type or types of fuel in use when the bonds or other securities are issued.

Sec. 12. This act becomes effective upon passage and approval.

