

## Amendment No. 457

Assembly Amendment to Assembly Bill No. 413

(BDR 32-1010)

Proposed by: Assembly Committee on Taxation

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

MSN/JWP



Date: 4/19/2013

A.B. No. 413—Revises provisions relating to taxation. (BDR 32-1010)



## 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~~ removing the exemption for 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 for the period beginning on January 1, 2014, and ending on December 31, 2016, 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. Section 1 additionally provides that for the period beginning on January 1, 2017, the increases in these taxes may not be effectuated unless a majority of the voters in the county at the general election in November 2016 authorize the board of county commissioners to continue to provide for the annual increases.

**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~~ Section 11.5 of this bill revises provisions of existing law ~~which exempt~~ to remove the exemption for the sale of revenue bonds that are secured by county fuel taxes from various requirements concerning the sale of bonds by competitive bid or negotiated sale. are applicable to the sale of revenue bonds authorized by this bill. (NRS 250.155)

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

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

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

*(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 product obtained by multiplying 3.6 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) ~~+++~~ Except as otherwise provided in subsection 5, 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 3.6 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.*

*(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 product obtained by multiplying 1.75 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) ~~+++~~ Except as otherwise provided in subsection 5, 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 1.75 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.*

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

6       (2) ~~(4.4)~~ Except as otherwise provided in subsection 5, an annual  
7 *increase in the tax imposed pursuant to subparagraph (1), on the first day of each*  
8 *fiscal year following the fiscal year in which that tax becomes effective, in the*  
9 *amount determined by adding 9 cents per gallon to the amount of the tax imposed*  
10 *pursuant to subparagraph (1) during the immediately preceding fiscal year, then*  
11 *multiplying that sum by the lesser of the applicable percentage or the adjusted*  
12 *average highway and street construction inflation index for the fiscal year in*  
13 *which the increase becomes effective.*

14       (e) *The board may by ordinance impose:*

15       (1) *An excise tax on each gallon of motor vehicle fuel, except aviation*  
16 *fuel, sold in the county in an amount equal to the product obtained by*  
17 *multiplying 18.455 cents per gallon by the lesser of the applicable percentage or*  
18 *the adjusted average highway and street construction inflation index for the*  
19 *fiscal year in which the ordinance becomes effective; and*

20       (2) ~~(4.4)~~ Except as otherwise provided in subsection 5, an annual  
21 *increase in the tax imposed pursuant to subparagraph (1), on the first day of each*  
22 *fiscal year following the fiscal year in which that tax becomes effective, in the*  
23 *amount determined by adding 18.455 cents per gallon to the amount of the tax*  
24 *imposed pursuant to subparagraph (1) during the immediately preceding fiscal*  
25 *year, then multiplying that sum by the lesser of the applicable percentage or the*  
26 *adjusted average highway and street construction inflation index for the fiscal*  
27 *year in which the increase becomes effective.*

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

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

34       (2) ~~(4.4)~~ Except as otherwise provided in subsection 5, an annual  
35 *increase in the tax imposed pursuant to subparagraph (1), on the first day of each*  
36 *fiscal year following the fiscal year in which that tax becomes effective, in the*  
37 *amount determined by adding 18.4 cents per gallon to the amount of the tax*  
38 *imposed pursuant to subparagraph (1) during the immediately preceding fiscal*  
39 *year, then multiplying that sum by the lesser of the applicable percentage or the*  
40 *adjusted average highway and street construction inflation index for the fiscal*  
41 *year in which the increase becomes effective.*

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

43       (1) *An excise tax on each gallon of special fuel that consists of an*  
44 *emulsion of water-phased hydrocarbon fuel sold in the county in an amount*  
45 *equal to the product obtained by multiplying 19 cents per gallon by the lesser of*  
46 *the applicable percentage or the adjusted average highway and street*  
47 *construction inflation index for the fiscal year in which the ordinance becomes*  
48 *effective; and*

49       (2) ~~(4.4)~~ Except as otherwise provided in subsection 5, an annual  
50 *increase in the tax imposed pursuant to subparagraph (1), on the first day of each*  
51 *fiscal year following the fiscal year in which that tax becomes effective, in the*  
52 *amount determined by adding 19 cents per gallon to the amount of the tax*  
53 *imposed pursuant to subparagraph (1) during the immediately preceding fiscal*

1 year, then multiplying that sum by the lesser of the applicable percentage or the  
2 adjusted average highway and street construction inflation index for the fiscal  
3 year in which the increase becomes effective.

4 (h) The board may by ordinance impose:

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

10 (2) ~~4.44~~ Except as otherwise provided in subsection 5, an annual  
11 increase in the tax imposed pursuant to subparagraph (1), on the first day of each  
12 fiscal year following the fiscal year in which that tax becomes effective, in the  
13 amount determined by adding 22 cents per gallon to the amount of the tax  
14 imposed pursuant to subparagraph (1) during the immediately preceding fiscal  
15 year, then multiplying that sum by the lesser of the applicable percentage or the  
16 adjusted average highway and street construction inflation index for the fiscal  
17 year in which the increase becomes effective.

18 (i) The board may by ordinance impose:

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

24 (2) ~~4.44~~ Except as otherwise provided in subsection 5, an annual  
25 increase in the tax imposed pursuant to subparagraph (1), on the first day of each  
26 fiscal year following the fiscal year in which that tax becomes effective, in the  
27 amount determined by adding 21 cents per gallon to the amount of the tax  
28 imposed pursuant to subparagraph (1) during the immediately preceding fiscal  
29 year, then multiplying that sum by the lesser of the applicable percentage or the  
30 adjusted average highway and street construction inflation index for the fiscal  
31 year in which the increase becomes effective.

32 (j) The board may by ordinance impose:

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

38 (2) ~~4.44~~ Except as otherwise provided in subsection 5, an annual  
39 increase in the tax imposed pursuant to subparagraph (1), on the first day of each  
40 fiscal year following the fiscal year in which that tax becomes effective, in the  
41 amount determined by adding 27.75 cents per gallon to the amount of the tax  
42 imposed pursuant to subparagraph (1) during the immediately preceding fiscal  
43 year, then multiplying that sum by the lesser of the applicable percentage or the  
44 adjusted average highway and street construction inflation index for the fiscal  
45 year in which the increase becomes effective.

46 (k) The board may by ordinance impose:

47 (1) An excise tax on each gallon of special fuel that consists of liquefied  
48 petroleum gas sold in the county in an amount equal to the product obtained by  
49 multiplying 18.3 cents per gallon by the lesser of the applicable percentage or the  
50 adjusted average highway and street construction inflation index for the fiscal  
51 year in which the ordinance becomes effective; and

52 (2) ~~4.44~~ Except as otherwise provided in subsection 5, an annual  
53 increase in the tax imposed pursuant to subparagraph (1), on the first day of each

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

7 (l) The board may by ordinance impose:

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

13 (2) ~~14.4~~ Except as otherwise provided in subsection 5, an annual  
14 increase in the tax imposed pursuant to subparagraph (1), on the first day of each  
15 fiscal year following the fiscal year in which that tax becomes effective, in the  
16 amount determined by adding 18.3 cents per gallon to the amount of the tax  
17 imposed pursuant to subparagraph (1) during the immediately preceding fiscal  
18 year, then multiplying that sum by the lesser of the applicable percentage or the  
19 adjusted average highway and street construction inflation index for the fiscal  
20 year in which the increase becomes effective.

21 (m) The board may by ordinance impose:

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

29 (2) ~~14.4~~ Except as otherwise provided in subsection 5, an annual  
30 increase in the tax imposed pursuant to subparagraph (1), on the first day of each  
31 fiscal year following the fiscal year in which that tax becomes effective, in the  
32 amount determined by adding 24.4 cents per gallon to the amount of the tax  
33 imposed pursuant to subparagraph (1) during the immediately preceding fiscal  
34 year, then multiplying that sum by the lesser of the applicable percentage or the  
35 adjusted average highway and street construction inflation index for the fiscal  
36 year in which the increase becomes effective.

37 2. ~~Any~~ If the board adopts an ordinance authorized by this section  
38 ~~may be adopted in combination with any other ordinance authorized by this section,~~  
39 ~~and a single ordinance may be adopted pursuant to this section which imposes all~~  
40 ~~or any combination,~~ the ordinance must impose all of the taxes authorized by  
41 this section. Upon the adoption of such an ordinance ~~authorized by this section,~~  
42 and except as otherwise provided in subsection 5, no further action by the board  
43 is necessary to effectuate the annual increases in ~~each tax~~ the taxes imposed by  
44 the ordinance.

45 3. ~~Any~~ If the board adopts an ordinance ~~adopted pursuant to~~ imposing  
46 the taxes authorized by this section ~~if~~ the ordinance;

47 (a) Must be adopted on or before October 1, 2013;

48 (b) Must become effective on ~~the first day of the first calendar quarter~~  
49 ~~beginning not less than 90 days after the adoption of the ordinance;~~ January 1,  
50 2014; and

51 ~~(b)~~ (c) Is not affected by any changes in the population of the county  
52 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. ~~That~~ Except as otherwise provided in subsection 5, 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. Upon the adoption of an ordinance authorized by this section:

(a) For the period beginning on January 1, 2014, and ending on December 31, 2016, no further action by the board is necessary to effectuate the annual increases in the taxes imposed by the ordinance.

(b) For the period beginning on January 1, 2017, the annual increases in the taxes imposed by the ordinance may not be effectuated unless a question is placed on the ballot at the general election on November 8, 2016, which asks the voters in the county whether to authorize the board to impose, for the period beginning on January 1, 2017, the increases authorized by this section in the taxes imposed by the ordinance and the question is approved by a majority of the registered voters voting on the question. If the question is approved by a majority of such voters, no further action by the board is necessary to effectuate the annual increases in the taxes imposed by the ordinance. If the question is not approved by a majority of such voters, the board shall not impose any additional annual increases in the taxes imposed by the ordinance after November 8, 2016, but any annual increases in the taxes imposed by the ordinance in effect on or before November 8, 2016, are not affected, amended, reduced or eliminated and must be continued for any period during which bonds are outstanding secured by the taxes imposed by the ordinance.

6. As used in this section:

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

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

(d) Any of the provisions of 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* must, except as otherwise required by subsection 6 of NRS 373.140, 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 373.030.

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

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

(b) 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.

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

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

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

(b) Paragraphs (g) to (m), inclusive, of subsection 1 of NRS 373.066 *or paragraphs (g) to (m), inclusive, of subsection 1 of section 1 of this act* does not apply to any sales or uses described in NRS 366.200, except to any sales or uses described in subsection 1 of that section of any special fuel to which dye has not been added pursuant to federal law or the law of this State, of a type which is lawfully sold in this State both:

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

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

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

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

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

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

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

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

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

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

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

(1) Provisions identical to those contained in chapter 365 of NRS on the date of enactment of the ordinance, insofar as 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 each month by the Department to the county and the Department shall, in accordance with the terms of the contract, charge the county for the Department's services specified in this section and in NRS 373.070, except that in the case of a fuel tax imposed pursuant to NRS 373.065 or 373.066, *or section 1 of this act*, the charge must not exceed 1 percent of the tax collected by the Department.

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

373.110 All the net proceeds of any county fuel tax:

1. Imposed pursuant to 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* which are received by the county pursuant to NRS 373.080 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 and chapter 277A of NRS. 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 the provisions of paragraph (a), (b) or (c) of subsection 1 of NRS 373.065 or paragraph (a), (b) or (c) of subsection 1 of NRS 373.066 *or paragraph (a), (b) or (c) of subsection 1 of section 1 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. 7.** 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 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* 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. 8.** NRS 373.120 is hereby amended to read as follows:

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

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

3. *Except as otherwise provided in subsection 4, ~~that~~ any continuing increases in any taxes imposed pursuant to section 1 of this act must not be pledged beyond 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, but the taxes imposed pursuant to section 1 of this act that are in effect on that June 30 must continue to be pledged to those bonds or other obligations until they are paid in full.*

4. *At any time after bonds are issued or other obligations incurred with a pledge of the taxes imposed pursuant to section 1 of this act, the board may, except as otherwise provided in subsection 5 of section 1 of this act, by ordinance:*

*(a) Continue the pledge of the increase in taxes imposed pursuant to section 1 of this act beyond 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, but not beyond June 30 of the fiscal year that is 5 full*

1 *fiscal years after the adoption of the ordinance pursuant to this paragraph. The*  
 2 *process set forth in this paragraph may be repeated until all bonds or other*  
 3 *obligations secured by the taxes imposed pursuant to section 1 of this act have*  
 4 *been paid in full.*

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

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

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

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

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

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

18 *5. As used in this section, "applicable percentage" has the meaning*  
 19 *ascribed to it in paragraph (b) of subsection ~~4~~ 6 of section 1 of this act.*

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

21 373.131 1. Money for the payment of the cost of a project within the area  
 22 embraced by a regional plan for transportation established pursuant to NRS  
 23 277A.210 may be obtained by the issuance of revenue bonds and other revenue  
 24 securities as provided in subsection 2 or, subject to any pledges, liens and other  
 25 contractual limitations made pursuant to the provisions of this chapter and chapter  
 26 277A of NRS, may be obtained by direct distribution from the regional street and  
 27 highway fund, except to the extent any such use is prevented by the provisions of  
 28 NRS 373.150, or may be obtained both by the issuance of such securities and by  
 29 such direct distribution, as the board may determine. Money for street and highway  
 30 construction outside the area embraced by the plan may be distributed directly from  
 31 the regional street and highway fund as provided in NRS 373.150.

32 2. The board or, in a county whose population is 100,000 or more, a  
 33 commission, may, after the enactment of any ordinance authorized by the  
 34 provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065 or  
 35 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, *or paragraphs*  
 36 *(d) to (m), inclusive, of subsection 1 of section 1 of this act ~~4~~ and, with respect to notes,*  
 37 *and other revenue securities, on the behalf and in the name of the county or the*  
 38 *commission, as the case may be:*

39 (a) The total of all of which, issued and outstanding at any one time, must not  
 40 be in an amount requiring a total debt service in excess of the estimated receipts to  
 41 be derived from the taxes imposed pursuant to the provisions of NRS 373.030,  
 42 paragraph (d) of subsection 1 of NRS 373.065, ~~and~~ paragraphs (d) to (m),  
 43 inclusive, of subsection 1 of NRS 373.066, ~~and~~ *paragraphs (d) to (m),*  
 44 *inclusive, of subsection 1 of section 1 of this act ~~4~~ and, with respect to notes,*  
 45 *warrants or interim debentures described in paragraphs (a) and (b) of subsection*  
 46 *6, the proceeds of bonds or interim debentures;*

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

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

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

4        4. Subject to the provisions of this chapter and chapter 277A of NRS, for any  
5 project authorized therein, the board of any county may, on the behalf and in the  
6 name of the county, or, in a county whose population is 100,000 or more, a  
7 commission may, on behalf and in the name of the commission, borrow money,  
8 otherwise become obligated, and evidence obligations by the issuance of bonds and  
9 other county or commission securities, and in connection with the undertaking or  
10 project, the board or the commission, as the case may be, may otherwise proceed as  
11 provided in the Local Government Securities Law.

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

16        6. Except for:

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

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

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

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

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

25        ➤ all bonds and other securities issued pursuant to the provisions of this chapter  
26 must be payable solely from the proceeds of fuel taxes collected by or remitted to  
27 the county pursuant to chapter 365 of NRS, as supplemented by this chapter.  
28 Receipts of the taxes levied in NRS 365.180 and 365.190 and pursuant to the  
29 provisions of paragraphs (a) and (b) of subsection 1 of NRS 373.065 and  
30 paragraphs (a) and (b) of subsection 1 of NRS 373.066 *and paragraphs (a) and (b)*  
31 *of subsection 1 of section 1 of this act* may be used by the county for the payment  
32 of securities issued pursuant to the provisions of this chapter and may be pledged  
33 therefor. Such taxes may also be used by a commission in a county whose  
34 population is 100,000 or more for the payment of bonds or other securities issued  
35 pursuant to the provisions of this chapter and may be pledged therefor if the board  
36 of the county consents to such use. If during any period any securities payable from  
37 these tax proceeds are outstanding, the tax receipts must not be used directly for the  
38 construction, maintenance and repair of any streets, roads or other highways nor for  
39 any purchase of equipment therefor, and the receipts of the tax levied in NRS  
40 365.190 must not be apportioned pursuant to subsection 2 of NRS 365.560 unless,  
41 at any time the tax receipts are so apportioned, provision has been made in a timely  
42 manner for the payment of such outstanding securities as to the principal of, any  
43 prior redemption premiums due in connection with, and the interest on the  
44 securities as they become due, as provided in the securities, the ordinance, in the  
45 case of securities issued by a county, or the resolution, in the case of securities  
46 issued by a commission, authorizing their issuance and any other instrument  
47 appertaining to the securities.

48        7. The ordinance, in the case of securities issued by a county, or the  
49 resolution, in the case of securities issued by a commission, authorizing the  
50 issuance of any bond or other revenue security under this section must describe the  
51 purpose for which it is issued at least in general terms and may describe the purpose  
52 in detail. This section does not require the purpose so stated to be set forth in the  
53 detail in which the project approved by the commission pursuant to subsection 2 of

1 NRS 373.140 is stated, or prevent the modification by the board or commission, as  
2 the case may be, of details as to the purpose stated in the ordinance authorizing the  
3 issuance of any bond or other security after its issuance, subject to approval by the  
4 commission of the project as so modified, if such bond or other security is issued by  
5 the county and not the commission.

6 8. Notwithstanding any other provision of this chapter, no commission has  
7 authority to issue bonds or other securities pursuant to this chapter unless the  
8 commission has executed an interlocal agreement with the county relating to the  
9 issuance of bonds or other securities by the commission. Any such interlocal  
10 agreement must include an acknowledgment of the authority of the commission to  
11 issue bonds and other securities and contain provisions relating to the pledge of  
12 revenues for the repayment of the bonds or other securities, the lien priority of the  
13 pledge of revenues securing the bonds or other securities, and related matters.

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

15 373.140 1. After the enactment of ordinances as authorized in NRS  
16 277A.170 and 373.030, all street and highway construction, surfacing or  
17 resurfacing projects in the county which are proposed to be financed from any  
18 county fuel tax imposed pursuant to the provisions of NRS 373.030, paragraph (d)  
19 of subsection 1 of NRS 373.065 or paragraphs (d) to (m), inclusive, of subsection 1  
20 of NRS 373.066 *or paragraphs (d) to (m), inclusive, of subsection 1 of section 1 of*  
21 *this act* must first be submitted to the commission.

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

25 (a) The priorities established by the plan;

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

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

29 (d) The money available.

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

48 3. In a county in which two or more governmental entities are represented on  
49 the commission, the governing bodies of those governmental entities may enter into  
50 a written master agreement that allows a written agreement described in subsection  
51 2 to be executed by only the commission and the governmental entity that receives  
52 funding for the approved project. The provisions of a written master agreement

1 must not be used until the governing body of each governmental entity represented  
2 on the commission ratifies the written master agreement.

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

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

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

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

11 (d) The availability of money.

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

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

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

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

23 373.160 1. The ordinance or ordinances, or the resolution or resolutions,  
24 providing for the issuance of any bonds or other securities issued under this chapter  
25 payable from the receipts from the fuel excise taxes designated in this chapter may  
26 at the discretion of the board or, in the case of bonds or other securities issued by a  
27 commission, the commission, in addition to covenants and other provisions  
28 authorized in the Local Government Securities Law, contain covenants or other  
29 provisions as to the pledge of and the creation of a lien upon the receipts of the  
30 taxes collected for the county pursuant to the provisions of NRS 373.030, paragraph  
31 (d) of subsection 1 of NRS 373.065 and paragraphs (d) to (m), inclusive, of  
32 subsection 1 of NRS 373.066, *and paragraphs (d) to (m), inclusive, of subsection*  
33 *1 of section 1 of this act*, excluding any tax proceeds to be distributed directly  
34 under the provisions of NRS 373.150, or the proceeds of the bonds or other  
35 securities pending their application to defray the cost of the project, or both such  
36 tax proceeds and security proceeds, to secure the payment of revenue bonds or  
37 other securities issued under this chapter.

38 2. If the board or, in the case of bonds or other securities issued by a  
39 commission, the commission, determines in any ordinance or resolution authorizing  
40 the issuance of any bonds or other securities under this chapter that the proceeds of  
41 the taxes levied and collected pursuant to the provisions of NRS 373.030, paragraph  
42 (d) of subsection 1 of NRS 373.065 and paragraphs (d) to (m), inclusive, of  
43 subsection 1 of NRS 373.066 *and paragraphs (d) to (m), inclusive, of subsection 1*  
44 *of section 1 of this act* are sufficient to pay all bonds and securities, including the  
45 proposed issue, from the proceeds thereof, the board or, in the case of bonds or  
46 other securities issued by a commission, the commission with the consent of the  
47 board as provided in subsection 6 of NRS 373.131, may additionally secure the  
48 payment of any bonds or other securities issued pursuant to the ordinance or  
49 resolution under this chapter by a pledge of and the creation of a lien upon not only  
50 the proceeds of any fuel tax authorized at the time of the issuance of such securities  
51 to be used for such payment in subsection 6 of NRS 373.131, but also the proceeds  
52 of any such tax thereafter authorized to be used or pledged, or used and pledged, for  
53 the payment of such securities, whether such tax be levied or collected by the

1 county, the State of Nevada, or otherwise, or be levied in at least an equivalent  
2 value in lieu of any such tax existing at the time of the issuance of such securities or  
3 be levied in supplementation thereof.

4 3. The pledges and liens authorized by subsections 1 and 2 extend to the  
5 proceeds of any tax collected for use by the county on any fuel so long as any  
6 bonds or other securities issued under this chapter remain outstanding and are not  
7 limited to any type or types of fuel in use when the bonds or other securities are  
8 issued.

9 **Sec. 11.5. NRS 350.155 is hereby amended to read as follows:**

10 350.155 1. Except as otherwise provided in subsection 2, a municipality  
11 shall sell the bonds it issues by competitive bid if the credit rating for the bonds or  
12 any other bonds of the municipality with the same security, determined without  
13 regard to insurance for the bonds or any other independent enhancement of credit,  
14 is rated by a nationally recognized rating service as "A-," "A," "AA," "AAA," or  
15 their equivalents, 90 days before and on the day the bonds are sold and:

- 16 (a) The bonds are general obligation bonds;  
17 (b) The primary security for the bonds is an excise tax; or  
18 (c) The bonds are issued pursuant to chapter 271 of NRS and are secured by a  
19 pledge of the taxing power and the general fund of the municipality.

20 2. The provisions of subsection 1 and NRS 350.175 and 350.185 do not apply  
21 to:

- 22 (a) Any bond which is issued with a variable rate of interest.  
23 (b) A bond issue whose principal amount is \$1,000,000 or less.  
24 (c) A bond issue with a term of 3 years or less.  
25 (d) A bond issue for which an invitation for competitive bids was issued and  
26 for which no bids were received or all bids were rejected.  
27 (e) Leases, contracts for purchase by installment and certificates of  
28 participation if the obligations of the municipality thereunder will terminate when  
29 the municipality fails to appropriate money to pay that obligation for the next fiscal  
30 year.

31 (f) Economic development revenue bonds issued pursuant to the city economic  
32 development revenue bond law or the county economic development revenue bond  
33 law.

34 (g) Bonds sold by the municipality to:

- 35 (1) The United States or any agency or instrumentality thereof;  
36 (2) The State of Nevada;  
37 (3) Any other municipality; or  
38 (4) Not more than 10 investors, each of whom certifies that he or she:  
39 (I) Has a net worth of \$500,000 or more; and  
40 (II) Is purchasing for investment and not for resale.

41 (h) Bonds which require unusual methods of financing, if the chief  
42 administrative officer of the municipality certifies in writing that the proposed  
43 method of financing:

- 44 (1) Has not been used previously by any municipality in this state; and  
45 (2) May provide a substantial benefit to the municipality.

46 (i) Refunding bonds, if the chief administrative officer of the municipality  
47 certifies in writing that the use of a negotiated sale may provide a substantial  
48 benefit to the municipality which would not be available if the bonds were sold by  
49 competitive bid.

50 (j) Bonds which are sold at a time when, because of particular conditions in the  
51 market, a negotiated sale may provide a benefit to the municipality which would  
52 not be available if the bonds were sold by competitive bid, if the chief  
53 administrative officer of the municipality so certifies in writing.

1 (k) Bonds which are issued pursuant to chapter 271 of NRS and are not secured  
2 by a pledge of the taxing power and general fund of the municipality.

3 (l) Revenue bonds which are issued pursuant to chapter 350A of NRS and are  
4 secured by a pledge of the allocable local revenues of the municipality.

5 ~~[(m) Revenue bonds which are sold pursuant to chapter 272 of NRS.]~~

6 3. The certificate required by paragraph (h) of subsection 2 must specifically  
7 describe the proposed method of financing. The certificate required by paragraph (i)  
8 of subsection 2 must specifically describe the circumstances that may provide a  
9 substantial benefit if the refunding bonds are negotiated. The certificate required by  
10 paragraph (j) of subsection 2 must specifically describe the particular conditions in  
11 the market which indicate that a negotiated sale of the bonds may provide a benefit  
12 to the municipality. Each certificate required pursuant to subsection 2 must be  
13 submitted to the governing body of the municipality at a regularly scheduled  
14 meeting of that body and include:

15 (a) The estimated amount of the benefit which will accrue to the municipality.

16 (b) If the municipality has a financial adviser, a written report prepared by that  
17 financial adviser which specifically describes the method of sale which will be used  
18 for the proposed financing.

19 4. A copy of:

20 (a) The certificate required by paragraph (h), (i) or (j) of subsection 2; and

21 (b) The report required pursuant to subsection 3,

22 ➤ must be filed with the debt management commission of the county where the  
23 municipality is located, the county clerk and the Department of Taxation. Before  
24 entering into a contract to sell bonds, at least two-thirds of the members of the  
25 governing body of the municipality must approve the certificate.

26 5. If a municipality is required to sell the bonds it issues by competitive bid  
27 pursuant to the provisions of this section, it must cause an invitation for competitive  
28 bids, or notice thereof, to be published before the date of the sale in the daily or  
29 weekly version of the Bond Buyer, published at One State Street Plaza in New  
30 York City, New York, or any successor publication.

31 6. As used in this section, "invitation for competitive bids" means a process  
32 by which sealed bids or the reasonable equivalent thereof, as approved by the  
33 governing body of a municipality, are solicited, received and publicly opened at a  
34 specified time, place and date.

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