

ASSEMBLY BILL NO. 191—ASSEMBLYMEN PAUL ANDERSON
AND KIRKPATRICK

FEBRUARY 23, 2015

JOINT SPONSORS: SENATORS HAMMOND AND ROBERSON

Referred to Committee on Taxation

SUMMARY—Revises provisions governing taxes on fuels for motor vehicles. (BDR 32-667)

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

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

AN ACT relating to taxation; revising provisions relating to the imposition by certain counties of additional taxes on fuels for motor vehicles; providing that the boards of county commissioners of certain larger counties may continue the imposition of certain additional taxes on fuels for motor vehicles if a ballot question authorizing such additional taxes is approved by a majority of the voters in the county; providing for the imposition by the boards of county commissioners of certain counties of additional taxes on fuels for motor vehicles if a ballot question authorizing such additional taxes is approved by a majority of the voters in the county; requiring the approval by voters of additional ballot measures to continue the imposition of the additional taxes; providing that money collected from certain of the additional taxes must be deposited with the State Treasurer to the credit of the State Highway Fund, accounted for separately in the State Highway Fund and used by the Department of Transportation only to finance projects for the construction, maintenance and repair of state highways in the county in which the tax is collected; repealing certain provisions relating to a ballot question providing for the imposition by the State of certain additional taxes on fuels for motor vehicles; 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) Existing law 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, upon approval by a two-thirds majority of the members of the board, additional taxes on motor vehicle fuel and various special fuels used in motor vehicles. Existing law 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. Existing law provides that for the period beginning on January 1, 2017: (1) the board of county commissioners must not impose any additional increases in certain taxes authorized by that provision of existing law; and (2) increases in the remainder of the taxes authorized by that provision 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. (NRS 373.0663) **Section 2** of this bill removes the prohibition on the continued imposition of additional increases in certain taxes, subject to the existing provisions which provide that the additional increases 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. **Section 2** additionally provides that for the period beginning on January 1, 2027, additional annual increases in the taxes on motor vehicle fuel and various special fuels used in motor vehicles may not be effectuated unless a majority of the voters in the county at the general election in November 2026 authorize the board of county commissioners to continue to provide for the annual increases. Regardless of the outcome of those elections, **section 1** of this bill provides that any money collected from certain additional taxes imposed on motor vehicle fuel and various special fuels used in motor vehicles after November 8, 2016, must be deposited with the State Treasurer to the credit of the State Highway Fund, accounted for separately in the State Highway Fund and used by the Department of Transportation only to finance projects for the construction, maintenance and repair of state highways in the county in which the tax is collected. **Sections 4, 7, 9 and 12** of this bill make conforming changes.

Upon approval by a majority of the voters in any county, other than Clark or Washoe County, at the general election in November 2016, existing law requires the board of county commissioners of the county to impose additional county taxes on motor vehicle fuel and various special fuels used in motor vehicles. Existing law also authorizes the board of county commissioners to provide for annual increases in these taxes, for the period beginning on January 1, 2017, and ending on December 31, 2026. Additionally, existing law provides that, for the period beginning on January 1, 2027, the increases in these taxes may not be effectuated unless a majority of the voters in the county at the general election in November 2026 authorize the board of county commissioners to continue to provide for the annual increases. (NRS 373.0667) Existing law also provides for a statewide ballot measure, approval of which by a majority of the voters in the State at the general election in November 2016 would require the State to impose additional state taxes on motor vehicle fuel and various special fuels used in motor vehicles and to impose annual increases on those taxes. (Section 12 of chapter 540, Statutes of Nevada 2013, p. 3586) **Section 18** of this bill repeals the provisions of existing law relating to the statewide ballot measure concerning the imposition by the State of additional state taxes on motor vehicle fuel and various special fuels used in motor vehicles. **Sections 3 and 17** of this bill instead require the board of county commissioners of a county other than Clark or Washoe County, upon approval by a



majority of the voters in the county at the general election in November 2016, to impose such additional taxes on motor vehicle fuel and various special fuels used in motor vehicles in the same manner as the board is required under existing law to impose the additional county taxes on motor vehicle fuel and various special fuels used in motor vehicles. **Section 15** of this bill provides that money collected from certain additional taxes imposed on motor vehicle fuel and various special fuels used in motor vehicles on or after January 1, 2017, must be deposited with the State Treasurer to the credit of the State Highway Fund, accounted for separately in the State Highway Fund and used by the Department of Transportation only to finance projects for the construction, maintenance and repair of state highways in the county in which the tax is collected. **Sections 5, 6, 8, 10, 11, 13, 14 and 18** of this bill make conforming changes.

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:

Notwithstanding any other provision of law, money collected after November 8, 2016, from the annual increases in the taxes authorized by paragraphs (e) and (g) to (j), inclusive, of subsection 1 of NRS 373.0663 and imposed by the ordinance must be deposited with the State Treasurer to the credit of the State Highway Fund, accounted for separately in the State Highway Fund and used by the Department of Transportation only to finance projects for the construction, maintenance and repair of state highways in the county in which the tax is collected.

Sec. 2. NRS 373.0663 is hereby amended to read as follows:

373.0663 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



1 the adjusted average highway and street construction inflation index
2 for the fiscal year in which the increase becomes effective.

3 (b) 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 1.75 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) Except as otherwise provided in subsection 5, an annual
11 increase in the tax imposed pursuant to subparagraph (1), on the first
12 day of each fiscal year following the fiscal year in which that tax
13 becomes effective, in the amount determined by adding 1.75 cents
14 per gallon to the amount of the tax imposed pursuant to
15 subparagraph (1) during the immediately preceding fiscal year, then
16 multiplying that sum by the lesser of the applicable percentage or
17 the adjusted average highway and street construction inflation index
18 for the fiscal year in which the increase becomes effective.

19 (c) The board may by ordinance impose:

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

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

35 (d) The board may by ordinance impose:

36 (1) An excise tax on each gallon of motor vehicle fuel,
37 except aviation fuel, sold in the county in an amount equal to the
38 product obtained by multiplying 9 cents per gallon by the lesser of
39 the applicable percentage or the adjusted average highway and street
40 construction inflation index for the fiscal year in which the
41 ordinance becomes effective; and

42 (2) Except as otherwise provided in subsection 5, an annual
43 increase in the tax imposed pursuant to subparagraph (1), on the first
44 day of each fiscal year following the fiscal year in which that tax
45 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) 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 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 street construction inflation index for the fiscal year in which the increase becomes effective.

(f) 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 18.4 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 18.4 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.

(g) The board may by ordinance impose:

(1) An excise tax on each gallon of special fuel that consists of an emulsion of water-phased hydrocarbon fuel sold in the county in an amount equal to the product obtained by multiplying 19 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 19 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.

(h) The board may by ordinance impose:

(1) An excise tax on each gallon of special fuel that consists of liquefied petroleum gas sold in the county in an amount equal to the product obtained by multiplying 22 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 22 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.

(i) The board may by ordinance impose:

(1) An excise tax on each gallon of special fuel that consists of compressed natural gas sold in the county in an amount equal to the product obtained by multiplying 21 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 21 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.

(j) The board may by ordinance impose:

(1) An excise tax on each gallon of special fuel sold in the county, other than any special fuel described in paragraph (g), (h) or (i), in an amount equal to the product obtained by multiplying 27.75



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 27.75 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.

(k) The board may by ordinance impose:

(1) An excise tax on each gallon of special fuel that consists of liquefied petroleum gas sold in the county in an amount equal to the product obtained by multiplying 18.3 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 18.3 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.

(l) The board may by ordinance impose:

(1) An excise tax on each gallon of special fuel that consists of compressed natural gas sold in the county in an amount equal to the product obtained by multiplying 18.3 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 18.3 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.

(m) The board may by ordinance impose:



(1) An excise tax on each gallon of special fuel sold in the county, other than any special fuel described in paragraph (k) or (l), which is taxed by the Federal Government at a rate per gallon or gallon equivalent of 24.4 cents or more, in an amount equal to the product obtained by multiplying 24.4 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 24.4 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.

2. An ordinance authorized by this section must be approved by a two-thirds majority of the members of the board. If the board adopts an ordinance authorized by this section, the ordinance must impose all of the taxes authorized by this section. Upon the adoption of such an ordinance, and except as otherwise provided in subsection 5, no further action by the board is necessary to effectuate the annual increases in the taxes imposed by the ordinance.

3. If the board adopts an ordinance imposing the taxes authorized by this section, the ordinance:

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

(b) Must become effective on January 1, 2014; and

(c) 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. 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 which are 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 ~~to~~:

~~— (1) The board shall not impose any additional annual increases in the taxes authorized by paragraphs (e) and (g) to (j), inclusive, of subsection 1 and imposed by the ordinance after November 8, 2016, but any annual increases in the taxes authorized by paragraphs (e) and (g) to (j), inclusive, of subsection 1 and imposed by the ordinance 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 that are secured by the taxes authorized by paragraphs (e) and (g) to (j), inclusive, of subsection 1 and imposed by the ordinance.~~

~~— (2) The~~ *, and ending on December 31, 2026, the* annual increases in the taxes authorized by ~~paragraphs (a) to (d), inclusive, (f), (k), (l) and (m) of subsection 1~~ *this section* and 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 ~~paragraphs (a) to (d), inclusive, (f), (k), (l) and (m) of subsection 1~~ *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 authorized by ~~paragraphs (a) to (d), inclusive, (f), (k), (l) and (m) of subsection 1~~ *this section* and 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 authorized by ~~paragraphs (a) to (d), inclusive, (f), (k), (l) and (m) of subsection 1~~ *this section* and imposed by the ordinance after November 8, 2016, but any annual increases in such taxes imposed by the ordinance 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 that are secured by such taxes imposed by the ordinance.

(c) For the period beginning on January 1, 2027, if the question placed on the ballot pursuant to paragraph (b) is approved by a majority of the registered voters in the county voting on the question, the annual increases in the taxes authorized by this section and imposed by the ordinance may be effectuated if a question is placed on the ballot at the general election on



November 3, 2026, which asks the voters in the county whether to authorize the board to impose, for the period beginning on January 1, 2027, 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 at the general election on November 3, 2026, by a majority of such voters, no further action by the board is necessary to effectuate the annual increases in the taxes authorized by this section and 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 authorized by this section and imposed by the ordinance after November 3, 2026, but any annual increases in such taxes imposed by the ordinance on or before November 3, 2026, are not affected, amended, reduced or eliminated and must be continued for any period during which bonds are outstanding that are secured by such 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. 3. NRS 373.0667 is hereby amended to read as follows:

373.0667 1. In addition to any other tax imposed pursuant to this chapter:

(a) The board shall 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 4, 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 shall 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 4, 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 shall 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 4, 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 shall 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) Except as otherwise provided in subsection 4, 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 shall 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) *Except as otherwise provided in subsection 4, 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 street construction inflation index for the fiscal year in which the increase becomes effective.*

(f) The board shall 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 18.4 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 4, 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 18.4 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.

~~(f)~~ (g) *The board shall by ordinance impose:*

(1) *An excise tax on each gallon of special fuel that consists of an emulsion of water-phased hydrocarbon fuel sold in the county in an amount equal to the product obtained by multiplying 19 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 4, 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 19 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.

(h) The board shall by ordinance impose:

(1) An excise tax on each gallon of special fuel that consists of liquefied petroleum gas sold in the county in an amount equal to the product obtained by multiplying 22 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 4, 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 22 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.

(i) The board shall by ordinance impose:

(1) An excise tax on each gallon of special fuel that consists of compressed natural gas sold in the county in an amount equal to the product obtained by multiplying 21 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 4, 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 21 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.

(j) The board shall by ordinance impose:

(1) An excise tax on each gallon of special fuel sold in the county, other than any special fuel described in paragraph (g), (h) or (i), in an amount equal to the product obtained by multiplying 27.75 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 4, 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 27.75 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.

(k) The board shall by ordinance impose:

(1) An excise tax on each gallon of special fuel that consists of liquefied petroleum gas sold in the county in an amount equal to the product obtained by multiplying 18.3 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 4, 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 18.3 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.

~~**(g)**~~ **(l)** The board shall by ordinance impose:

(1) An excise tax on each gallon of special fuel that consists of compressed natural gas sold in the county in an amount equal to the product obtained by multiplying 18.3 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 4, 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 18.3 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.

~~**(h)**~~ **(m)** The board shall by ordinance impose:



(1) An excise tax on each gallon of special fuel sold in the county, other than any special fuel described in paragraph ~~((f)) or (g))~~ **(k) or (l)**, which is taxed by the Federal Government at a rate per gallon or gallon equivalent of 24.4 cents or more, in an amount equal to the product obtained by multiplying 24.4 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 4, 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 24.4 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.

2. Upon the adoption of the ordinance required by subsection 1, and except as otherwise provided in subsection 4, no further action by the board is necessary to effectuate the annual increases in the taxes imposed by the ordinance.

3. The applicable percentage specified by the board for the taxes imposed pursuant to this section must be the same percentage for each tax imposed by the board pursuant to this section. Except as otherwise provided in subsection 4, 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 which are secured by the taxes imposed pursuant to this section.

4. Upon the adoption of an ordinance authorized by this section:

(a) For the period beginning on January 1, 2017, and ending on December 31, 2026, 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, 2027, the annual increases in the taxes **authorized by this section and** imposed by the ordinance may ~~not~~ be effectuated ~~unless~~ **if** a question is placed on the ballot at the general election on November 3, 2026, which asks the voters in the county whether to authorize the board to impose, for the period beginning on January 1, 2027, 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 in the county 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 3, 2026, but any annual increases in the taxes imposed by the ordinance in effect on or before November 3, 2026, are not affected, amended, reduced or eliminated and must be continued for any period during which bonds are outstanding that are secured by the taxes imposed by the ordinance.

5. 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. 4. 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 NRS 373.0663 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 NRS 373.0663 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 NRS 373.0663 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 NRS 373.0663 must, except as otherwise required by subsection 6 of NRS 373.140, **and section 1 of this act**, 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 373.0663 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 373.0663, 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. 5. 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, paragraph (a) of subsection 1 of NRS 373.0663 or paragraph (a) of subsection 1 of NRS 373.0667 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, paragraph (b) of subsection 1 of NRS 373.0663 or paragraph (b) of subsection 1 of NRS 373.0667 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, paragraph (c) of subsection 1 of NRS 373.0663 or paragraph (c) of subsection 1 of NRS 373.0667 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, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d) to ~~(h)~~ (m), inclusive, of subsection 1 of NRS 373.0667 must, except as otherwise required by subsection 6 of NRS 373.140, **and section 15 of this act**, 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, 373.0663 or 373.0667 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, 373.0663 or 373.0667 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. 6. 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, paragraphs (a) to (f), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (a) to ~~(e)~~ (f), inclusive, of subsection 1 of NRS 373.0667, 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, paragraphs (g) to (m), inclusive, of subsection 1 of



NRS 373.0663 or paragraphs ~~[(f), (g) and (h)]~~ (g) to (m), inclusive, of subsection 1 of NRS 373.0667, 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, 373.0663 or 373.0667 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. 7. 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, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 which are received



1 by the county pursuant to NRS 373.080 must, except as otherwise
2 provided in NRS 373.119, *and section 1 of this act*, be deposited by
3 the county treasurer in a fund to be known as the regional street and
4 highway fund in the county treasury, and disbursed only in
5 accordance with the provisions of this chapter and chapter 277A of
6 NRS. After July 1, 1975, the regional street and highway fund must
7 be accounted for as a separate fund and not as a part of any other
8 fund.

9 2. Imposed pursuant to the provisions of paragraph (a), (b) or
10 (c) of subsection 1 of NRS 373.065, paragraph (a), (b) or (c) of
11 subsection 1 of NRS 373.066 or paragraph (a), (b) or (c) of
12 subsection 1 of NRS 373.0663 which are received by the county
13 pursuant to NRS 373.080 must be allocated, disbursed and used as
14 provided in the ordinance imposing the tax.

15 **Sec. 8.** NRS 373.110 is hereby amended to read as follows:

16 373.110 All the net proceeds of any county fuel tax:

17 1. Imposed pursuant to the provisions of NRS 373.030,
18 paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to
19 (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to
20 (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d)
21 to ~~(h)~~ *(m)*, inclusive, of subsection 1 of NRS 373.0667 which are
22 received by the county pursuant to NRS 373.080 must, except as
23 otherwise provided in NRS 373.119, *and section 15 of this act*, be
24 deposited by the county treasurer in a fund to be known as the
25 regional street and highway fund in the county treasury, and
26 disbursed only in accordance with the provisions of this chapter
27 and chapter 277A of NRS. After July 1, 1975, the regional street and
28 highway fund must be accounted for as a separate fund and not as a
29 part of any other fund.

30 2. Imposed pursuant to the provisions of paragraph (a), (b) or
31 (c) of subsection 1 of NRS 373.065, paragraph (a), (b) or (c) of
32 subsection 1 of NRS 373.066, paragraph (a), (b) or (c) of subsection
33 1 of NRS 373.0663 or paragraph (a), (b) or (c) of subsection 1 of
34 NRS 373.0667 which are received by the county pursuant to NRS
35 373.080 must be allocated, disbursed and used as provided in the
36 ordinance imposing the tax.

37 **Sec. 9.** NRS 373.119 is hereby amended to read as follows:

38 373.119 1. Except to the extent pledged before July 1, 1985,
39 *and except as otherwise provided in section 1 of this act*, the board
40 may use that portion of the revenue collected pursuant to the
41 provisions of this chapter from any taxes imposed pursuant to the
42 provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS
43 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS
44 373.066 or paragraphs (d) to (m), inclusive, of subsection 1 of
45 NRS 373.0663, that represents collections from the sale of fuel for



1 use in boats at marinas in the county to make capital improvements
2 or to conduct programs to encourage safety in boating. If the county
3 does not control a body of water, where an improvement or program
4 is appropriate, the board may contract with an appropriate person or
5 governmental organization for the improvement or program.

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

10 **Sec. 10.** NRS 373.119 is hereby amended to read as follows:

11 373.119 1. Except to the extent pledged before July 1, 1985,
12 *and except as otherwise provided in section 15 of this act*, the
13 board may use that portion of the revenue collected pursuant to the
14 provisions of this chapter from any taxes imposed pursuant to
15 the provisions of NRS 373.030, paragraph (d) of subsection 1 of
16 NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of
17 NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1
18 of NRS 373.0663 or paragraphs (d) to ~~(h)~~ *(m)*, inclusive, of
19 subsection 1 of NRS 373.0667 that represents collections from the
20 sale of fuel for use in boats at marinas in the county to make capital
21 improvements or to conduct programs to encourage safety in
22 boating. If the county does not control a body of water, where an
23 improvement or program is appropriate, the board may contract with
24 an appropriate person or governmental organization for the
25 improvement or program.

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

30 **Sec. 11.** NRS 373.131 is hereby amended to read as follows:

31 373.131 1. Money for the payment of the cost of a project
32 within the area embraced by a regional plan for transportation
33 established pursuant to NRS 277A.210 may be obtained by the
34 issuance of revenue bonds and other revenue securities as provided
35 in subsection 2 or, subject to any pledges, liens and other contractual
36 limitations made pursuant to the provisions of this chapter and
37 chapter 277A of NRS, may be obtained by direct distribution from
38 the regional street and highway fund, except to the extent any such
39 use is prevented by the provisions of NRS 373.150, or may be
40 obtained both by the issuance of such securities and by such direct
41 distribution, as the board may determine. Money for street and
42 highway construction outside the area embraced by the plan may be
43 distributed directly from the regional street and highway fund as
44 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 or required by the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d) to ~~(h)~~ (m), inclusive, of subsection 1 of NRS 373.0667, 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 imposed pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 and paragraphs (d) to ~~(h)~~ (m), inclusive, of subsection 1 of NRS 373.0667 and, with respect to notes, warrants or interim debentures described in paragraphs (a) and (b) of subsection 6, the proceeds of bonds or interim debentures;

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

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

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

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

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

6. Except for:



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

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

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

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

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

➤ all bonds and other securities issued pursuant to the provisions of this chapter must be payable solely from the proceeds of fuel taxes collected by or remitted to the county pursuant to chapter 365 of NRS, as supplemented by this chapter. Receipts of the taxes levied in NRS 365.180 and 365.190 and pursuant to the provisions of paragraphs (a) and (b) of subsection 1 of NRS 373.065, paragraphs (a) and (b) of subsection 1 of NRS 373.066, paragraphs (a) and (b) of subsection 1 of NRS 373.0663 and paragraphs (a) and (b) of subsection 1 of NRS 373.0667 may be used by the county for the payment of securities issued pursuant to the provisions of this chapter and may be pledged therefor. Such taxes may also be used by a commission in a county whose population is 100,000 or more for the payment of bonds or other securities issued pursuant to the provisions of this chapter and may be pledged therefor if the board of the county consents to such use. If during any period any securities payable from these tax proceeds are outstanding, the tax receipts must not be used directly for the construction, maintenance and repair of any streets, roads or other highways nor for any purchase of equipment therefor, and the receipts of the tax levied in NRS 365.190 must not be apportioned pursuant to subsection 2 of NRS 365.560 unless, at any time the tax receipts are so apportioned, provision has been made in a timely manner for the payment of such outstanding securities as to the principal of, any prior redemption premiums due in connection with, and the interest on the securities as they become due, as provided in the securities, the ordinance, in the case of securities issued by a county, or the resolution, in the case of securities issued by a commission, authorizing their issuance and any other instrument appertaining to the securities.

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



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

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

Sec. 12. NRS 373.140 is hereby amended to read as follows:

373.140 1. After the enactment of ordinances as authorized in NRS 277A.170 and 373.030, all street and highway construction, surfacing or resurfacing projects in the county which are proposed to be financed from any county fuel tax imposed pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 must first be submitted to the commission.

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

(a) The priorities established by the plan;

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

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

(d) The money available.

➡ If the commission approves the project, the board may authorize the project, using all or any part of the proceeds of any county fuel tax authorized pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663, except as otherwise *provided in section 1 of this act, otherwise* required by subsection 6 or to the extent any such use is prevented by the provisions for direct distribution required by NRS 373.150 or is prevented by any pledge to secure the payment of outstanding bonds, other securities or other obligations incurred under this



chapter, and other contractual limitations appertaining to such obligations as authorized by NRS 373.160, and the proceeds of revenue bonds or other securities issued or to be issued as provided in NRS 373.131. Except as otherwise provided in subsection 3, if the board authorizes the project, the responsibilities for letting construction and other necessary contracts, contract administration, supervision and inspection of work and the performance of other duties related to the acquisition of the project must be specified in written agreements executed by the board and the governing bodies of the cities and towns within the area covered by a regional plan for transportation established pursuant to NRS 277A.210.

3. In a county in which two or more governmental entities are represented on the commission, the governing bodies of those governmental entities may enter into a written master agreement that allows a written agreement described in subsection 2 to be executed by only the commission and the governmental entity that receives funding for the approved project. The provisions of a written master agreement must not be used until the governing body of each governmental entity represented on the commission ratifies the written master agreement.

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

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

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

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

(d) The availability of money.

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

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

6. The proceeds of a tax imposed pursuant to 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 NRS 373.0663 must be expended in accordance with priorities for projects established in coordination and cooperation with the Department of Transportation.

Sec. 13. NRS 373.140 is hereby amended to read as follows:

373.140 1. After the enactment of ordinances as authorized in NRS 277A.170 and 373.030, all street and highway construction, surfacing or resurfacing projects in the county which are proposed



1 to be financed from any county fuel tax imposed pursuant to the
2 provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS
3 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS
4 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of
5 NRS 373.0663 or paragraphs (d) to ~~[(h)]~~ (m), inclusive, of
6 subsection 1 of NRS 373.0667 must first be submitted to the
7 commission.

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

11 (a) The priorities established by the plan;

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

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

16 (d) The money available.

17 ➤ If the commission approves the project, the board may authorize
18 the project, using all or any part of the proceeds of any county fuel
19 tax authorized pursuant to the provisions of NRS 373.030,
20 paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to
21 (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to
22 (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d)
23 to ~~[(h)]~~ (m), inclusive, of subsection 1 of NRS 373.0667, except as
24 otherwise **provided in section 15 of this act, otherwise** required by
25 subsection 6 or to the extent any such use is prevented by the
26 provisions for direct distribution required by NRS 373.150 or is
27 prevented by any pledge to secure the payment of outstanding
28 bonds, other securities or other obligations incurred under this
29 chapter, and other contractual limitations appertaining to such
30 obligations as authorized by NRS 373.160, and the proceeds of
31 revenue bonds or other securities issued or to be issued as provided
32 in NRS 373.131. Except as otherwise provided in subsection 3, if
33 the board authorizes the project, the responsibilities for letting
34 construction and other necessary contracts, contract administration,
35 supervision and inspection of work and the performance of other
36 duties related to the acquisition of the project must be specified in
37 written agreements executed by the board and the governing bodies
38 of the cities and towns within the area covered by a regional plan for
39 transportation established pursuant to NRS 277A.210.

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



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

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

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

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

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

12 (d) The availability of money.

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

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

19 6. The proceeds of a tax imposed pursuant to any of the
20 provisions of paragraphs (d) to (m), inclusive, of subsection 1 of
21 NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of
22 NRS 373.0663 or paragraphs (d) to ~~(h)~~ (m), inclusive,
23 of subsection 1 of NRS 373.0667 must be expended in accordance
24 with priorities for projects established in coordination and
25 cooperation with the Department of Transportation.

26 **Sec. 14.** NRS 373.160 is hereby amended to read as follows:

27 373.160 1. The ordinance or ordinances, or the resolution or
28 resolutions, providing for the issuance of any bonds or other
29 securities issued under this chapter payable from the receipts from
30 the fuel excise taxes designated in this chapter may at the discretion
31 of the board or, in the case of bonds or other securities issued by a
32 commission, the commission, in addition to covenants and other
33 provisions authorized in the Local Government Securities Law,
34 contain covenants or other provisions as to the pledge of and the
35 creation of a lien upon the receipts of the taxes collected for the
36 county pursuant to the provisions of NRS 373.030, paragraph (d) of
37 subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of
38 subsection 1 of NRS 373.066, paragraphs (d) to (m), inclusive,
39 of subsection 1 of NRS 373.0663 and paragraphs (d) to ~~(h)~~ (m),
40 inclusive, of subsection 1 of NRS 373.0667, 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, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 and paragraphs (d) to ~~[(h);]~~ *(m)*, inclusive, of subsection 1 of NRS 373.0667 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. 15. Section 1 of this act is hereby amended to read as follows:

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

Notwithstanding any other provision of law, money collected after :

1. November 8, 2016, from the annual increases in the taxes authorized by paragraphs (e) and (g) to (j), inclusive, of subsection 1 of NRS 373.0663 ; **or**

2. *January 1, 2017, from the annual increases in the taxes authorized by paragraphs (e) and (g) to (j), inclusive, of subsection 1 of NRS 373.0667,*

➡ and imposed by the ordinance must be deposited with the State Treasurer to the credit of the State Highway Fund, accounted for separately in the State Highway Fund and used by the Department of Transportation only to finance projects



for the construction, maintenance and repair of state highways in the county in which the tax is collected.

Sec. 16. Section 14 of chapter 540, Statutes of Nevada 2013, at page 3587, is hereby amended to read as follows:

Sec. 14. ~~{1.}~~ This section and sections 1, 1.1, 1.7, 1.75, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 11.5 of this act become effective upon passage and approval.

~~{2. Section 12 of this act becomes effective on October 1, 2013, if and only if a board of county commissioners does not adopt an ordinance authorized by section 1.1 of this act before October 1, 2013.~~

~~—3. Section 13 of this act becomes effective on October 1, 2013, if and only if a board of county commissioners adopts an ordinance authorized by section 1.1 of this act before October 1, 2013.~~

~~—4. Sections 1.2, 1.5, 3.2 and 8.2 of this act become effective on January 1, 2017, if:~~

~~—(a) A board of county commissioners adopts an ordinance authorized by section 1.1 of this act before October 1, 2013;~~

~~—(b) The question placed on the ballot at the general election on November 8, 2016, pursuant to subsection 1 of section 13 of this act is approved by a majority of the registered voters in this State voting on the question; and~~

~~—(c) The question placed on the ballot at the general election on November 8, 2016, pursuant to subsection 2 of section 13 of this act is not approved by a majority of the registered voters in every county in this State voting on the question.~~

~~—5. Sections 1.2, 1.3, 1.5, 1.8, 1.85, 2.3, 3.1, 4.3, 5.3, 6.3, 7.3, 8.1, 9.3, 10.3 and 11.1 of this act become effective on January 1, 2017, if:~~

~~—(a) A board of county commissioners adopts an ordinance authorized by section 1.1 of this act before October 1, 2013;~~

~~—(b) The question placed on the ballot at the general election on November 8, 2016, pursuant to subsection 1 of section 13 of this act is approved by a majority of the registered voters in this State voting on the question; and~~

~~—(c) The question placed on the ballot at the general election on November 8, 2016, pursuant to subsection 2 of section 13 of this act is approved by a majority of the registered voters in any county in this State voting on the question.~~

~~—6. Sections 1.3, 1.8, 1.85, 2.3, 3.3, 4.3, 5.3, 6.3, 7.3, 8.3, 9.3, 10.3 and 11.1 of this act become effective on January 1, 2017, if:~~



1 —(a) A board of county commissioners adopts an ordinance
2 authorized by section 1.1 of this act before October 1, 2013;

3 —(b) The question placed on the ballot at the general
4 election on November 8, 2016, pursuant to subsection 1 of
5 section 13 of this act is not approved by a majority of the
6 registered voters in this State voting on the question; and

7 —(c) The question placed on the ballot at the general
8 election on November 8, 2016, pursuant to subsection 2 of
9 section 13 of this act is approved by a majority of the
10 registered voters in any county in this State voting on the
11 question;

12 —7. Sections 1.2, 1.5, 3.7 and 8.7 of this act become
13 effective on January 1, 2017, if:

14 —(a) A board of county commissioners does not adopt an
15 ordinance authorized by section 1.1 of this act before
16 October 1, 2013;

17 —(b) The question placed on the ballot at the general
18 election on November 8, 2016, pursuant to subsection 1 of
19 section 12 of this act is approved by a majority of the
20 registered voters in this State voting on the question; and

21 —(c) The question placed on the ballot at the general
22 election on November 8, 2016, pursuant to subsection 2 of
23 section 12 of this act is not approved by a majority of the
24 registered voters in every county in this State voting on the
25 question;

26 —8. Sections 1.2, 1.3, 1.5, 1.9, 1.95, 2.7, 3.5, 4.7, 5.7, 6.7,
27 7.7, 8.5, 9.7, 10.7 and 11.3 of this act become effective on
28 January 1, 2017, if:

29 —(a) A board of county commissioners does not adopt an
30 ordinance authorized by section 1.1 of this act before
31 October 1, 2013;

32 —(b) The question placed on the ballot at the general
33 election on November 8, 2016, pursuant to subsection 1 of
34 section 12 of this act is approved by a majority of the
35 registered voters in this State voting on the question; and

36 —(c) The question placed on the ballot at the general
37 election on November 8, 2016, pursuant to subsection 2 of
38 section 12 of this act is approved by a majority of the
39 registered voters in any county in this State voting on the
40 question;

41 —9. Sections 1.3, 1.9, 1.95, 2.7, 3.9, 4.7, 5.7, 6.7, 7.7, 8.9,
42 9.7, 10.7 and 11.3 of this act become effective on January 1,
43 2017, if:



~~—(a) A board of county commissioners does not adopt an ordinance authorized by section 1.1 of this act before October 1, 2013;~~

~~—(b) The question placed on the ballot at the general election on November 8, 2016, pursuant to subsection 1 of section 12 of this act is not approved by a majority of the registered voters in this State voting on the question; and~~

~~—(c) The question placed on the ballot at the general election on November 8, 2016, pursuant to subsection 2 of section 12 of this act is approved by a majority of the registered voters in any county in this State voting on the question.~~

~~10. Sections 1.1, 1.7, 1.75, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 of this act expire by limitation on October 1, 2013, if a board of county commissioners does not adopt an ordinance authorized by section 1.1 of this act before October 1, 2013.]~~

Sec. 17. A question must be placed on the ballot at the general election on November 8, 2016, in each county in this State other than Clark County and Washoe County, which asks the voters in the county whether to authorize the board of county commissioners of the county to impose, for the period beginning on January 1, 2017, and ending on December 31, 2026, the taxes authorized by NRS 373.0667, as amended by section 3 of this act, and the additional annual increases in those taxes authorized by that section.

Sec. 18. 1. NRS 373.0665 and 373.165 are hereby repealed.

2. Sections 1.9, 1.95, 2.7, 3.1, 3.2, 3.5, 3.7, 3.9, 4.7, 5.7, 6.7, 7.7, 8.1, 8.2, 8.5, 8.7, 8.9, 9.7, 10.7, 11.3, 12 and 13 of chapter 540, Statutes of Nevada 2013, at pages 3549, 3550, 3552, 3554, 3555, 3557, 3558, 3561, 3562, 3563, 3564, 3565, 3567, 3569, 3570, 3571, 3576, 3581, 3584 and 3586, are hereby repealed.

Sec. 19. Sections 1.3, 1.8, 1.85, 2.3, 3.3, 4.3, 5.3, 6.3, 7.3, 8.3, 9.3, 10.3 and 11.1 of chapter 540, Statutes of Nevada 2013, become effective on January 1, 2017, if the question placed on the ballot at the general election on November 8, 2016, pursuant to section 17 of this act is approved by a majority of the registered voters in any county in this State voting on the question.

Sec. 20. 1. This section and sections 1, 2, 4, 7, 9, 12 and 16 to 19, inclusive, of this act become effective upon passage and approval.

2. Sections 3, 5, 6, 8, 10, 11, 13, 14 and 15 of this act become effective on January 1, 2017, if the question placed on the ballot at the general election on November 8, 2016, pursuant to section 17 of this act is approved by a majority of the registered voters in any county in this State voting on the question.



TEXT OF REPEALED SECTIONS

373.0665 Additional taxes in all counties: Impositions; rates and annual increases; money received credited to State Highway Fund.

1. In addition to any other tax imposed pursuant to chapter 365 or 366 of NRS:

(a) There is hereby imposed:

(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel, sold in this State 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 this section becomes effective; and

(2) Except as otherwise provided in subsection 3, 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 street construction inflation index for the fiscal year in which the increase becomes effective.

(b) There is hereby imposed:

(1) An excise tax on each gallon of special fuel that consists of an emulsion of water-phased hydrocarbon fuel sold in this State in an amount equal to the product obtained by multiplying 19 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 this section becomes effective; and

(2) Except as otherwise provided in subsection 3, 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 19 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) There is hereby imposed:



(1) An excise tax on each gallon of special fuel that consists of liquefied petroleum gas sold in this State in an amount equal to the product obtained by multiplying 22 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 this section becomes effective; and

(2) Except as otherwise provided in subsection 3, 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 22 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.

(d) There is hereby imposed:

(1) An excise tax on each gallon of special fuel that consists of compressed natural gas sold in this State in an amount equal to the product obtained by multiplying 21 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 this section becomes effective; and

(2) Except as otherwise provided in subsection 3, 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 21 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) There is hereby imposed:

(1) An excise tax on each gallon of special fuel sold in this State, other than any special fuel described in paragraph (b), (c) or (d), in an amount equal to the product obtained by multiplying 27.75 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 this section becomes effective; and

(2) Except as otherwise provided in subsection 3, 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 27.75 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.

2. The applicable percentage for the taxes imposed pursuant to this section must be the same percentage for each tax imposed pursuant to this section. Except as otherwise provided in subsection 3, the Legislature may amend the applicable percentage from time to time, but any such amendment must not become effective earlier than 90 days after the date of the action by the Legislature amending the applicable percentage. Except as otherwise provided in NRS 373.165, the applicable percentage must not be amended to reduce the applicable percentage at any time that bonds are outstanding which are secured by the taxes imposed pursuant to this section.

3. For the period:

(a) Beginning on January 1, 2017, and ending on December 31, 2026, no further action by the Legislature is necessary to effectuate the annual increases in the taxes imposed by this section.

(b) Beginning on January 1, 2027, the annual increases in the taxes imposed by this section must not be effectuated unless a question is placed on the ballot at the general election on November 3, 2026, which asks the voters in this State whether to authorize the Legislature to impose, for the period beginning on January 1, 2027, the increases authorized by this section in the taxes imposed by this section and the question is approved by a majority of the registered voters in this State voting on the question. If the question is approved by a majority of such voters, no further action by the Legislature is necessary to effectuate the annual increases in the taxes imposed by this section. If the question is not approved by a majority of such voters, the Legislature shall not impose any additional annual increases in the taxes imposed by this section after November 3, 2026, but any annual increases in the taxes imposed by this section in effect on or before November 3, 2026, are not affected, amended, reduced or eliminated and must be continued for any period during which bonds are outstanding that are secured by the taxes imposed by this section.

4. All money received from the taxes imposed pursuant to this section must be deposited with the State Treasurer to the credit of the State Highway Fund.

5. As used in this section:

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

(1) For the fiscal year in which 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 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 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 Legislature in any act amending the applicable percentage of a tax imposed 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 Legislature.

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

373.165 Pledge of continuing increases in taxes imposed pursuant to NRS 373.0665.

1. Except as otherwise provided in subsection 2, any continuing increases in any taxes imposed pursuant to NRS 373.0665 must not be pledged beyond June 30 of the fiscal year that is 5 full fiscal years after bonds or other obligations which are secured by the taxes imposed pursuant to NRS 373.0665 are issued or incurred, but the taxes imposed pursuant to NRS 373.0665 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.

2. At any time after bonds are issued or other obligations incurred with a pledge of the taxes imposed pursuant to NRS 373.0665, the Legislature may, except as otherwise provided in paragraph (b) of subsection 3 of NRS 373.0665:

(a) Continue the pledge of the increase in taxes imposed pursuant to NRS 373.0665 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 NRS 373.0665 are issued or incurred, but not beyond June 30 of the fiscal year that is 5 full fiscal years after the action by the Legislature authorized by this paragraph. The process set forth in this paragraph may be repeated until all bonds or other obligations secured by the taxes imposed pursuant to NRS 373.0665 have been paid in full.

(b) 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 any action of the Legislature authorized by this subsection; and

(3) The effective date of any action by the Legislature 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 NRS 373.0665 are issued or incurred; or

(II) June 30 of the fiscal year that is 5 full fiscal years after the date of any action by the Legislature authorized by paragraph (a).

3. As used in this section, “applicable percentage” has the meaning ascribed to it in paragraph (b) of subsection 5 of NRS 373.0665.

