

ASSEMBLY BILL NO. 359—ASSEMBLYMEN MONROE-MORENO,
WATTS, THOMAS AND C.H. MILLER

MARCH 21, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to the imposition by certain counties of additional taxes on fuels for motor vehicles. (BDR 32-801)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 governing the effectuation of additional annual increases in certain taxes imposed on fuels for motor vehicles in certain larger counties; 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 (currently only 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 and to provide for annual increases in those taxes based on a certain measure of increases in the cost of highway and street construction. Existing law provides that, for the period beginning on January 1, 2027, additional annual 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 373.0663)

Instead of requiring the approval of a majority of the voters in the county to continue to provide for the annual increases on and after January 1, 2027, this bill authorizes the continued imposition of additional increases in these taxes if the board of county commissioners, on or before December 31, 2026, adopts an ordinance authorizing the effectuation of such annual increases. This bill provides that, if the board of county commissioners does not adopt such an ordinance on or before December 31, 2026, the board is prohibited from imposing any additional annual increases in those taxes.



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

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

(b) The board may by ordinance impose:

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

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

(c) The board may by ordinance impose:

(1) An excise tax on each gallon of motor vehicle fuel, except aviation fuel, sold in the county in an amount equal to the product obtained by multiplying 1 cent per gallon by the lesser of



1 the applicable percentage or the adjusted average highway and street
2 construction inflation index for the fiscal year in which the
3 ordinance becomes effective; and

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

13 (d) The board may by ordinance impose:

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

20 (2) Except as otherwise provided in subsection 5, an annual
21 increase in the tax imposed pursuant to subparagraph (1), on the first
22 day of each fiscal year following the fiscal year in which that tax
23 becomes effective, in the amount determined by adding 9 cents per
24 gallon to the amount of the tax imposed pursuant to subparagraph
25 (1) during the immediately preceding fiscal year, then multiplying
26 that sum by the lesser of the applicable percentage or the adjusted
27 average highway and street construction inflation index for the fiscal
28 year in which the increase becomes effective.

29 (e) The board may by ordinance impose:

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

36 (2) Except as otherwise provided in subsection 5, an annual
37 increase in the tax imposed pursuant to subparagraph (1), on the first
38 day of each fiscal year following the fiscal year in which that tax
39 becomes effective, in the amount determined by adding 18.455 cents
40 per gallon to the amount of the tax imposed pursuant to
41 subparagraph (1) during the immediately preceding fiscal year, then
42 multiplying that sum by the lesser of the applicable percentage or
43 the adjusted average highway and street construction inflation index
44 for the fiscal year in which the increase becomes effective.

45 (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



1 effectuate the annual increases in the taxes imposed by the
2 ordinance.

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

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

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

7 (c) Is not affected by any changes in the population of the
8 county which occur after the adoption of the ordinance.

9 4. The applicable percentage specified by the board for the
10 taxes imposed pursuant to this section must be the same percentage
11 for each tax imposed pursuant to this section. Except as otherwise
12 provided in subsection 5, the board may amend the applicable
13 percentage by ordinance from time to time, but any such amendment
14 must not become effective earlier than 90 days after the date of the
15 adoption of the ordinance amending the applicable percentage.
16 Except as otherwise provided in subsection 4 of NRS 373.120, the
17 applicable percentage must not be amended to reduce the applicable
18 percentage at any time that bonds are outstanding which are secured
19 by the taxes imposed pursuant to this section.

20 5. Upon the adoption of an ordinance authorized by this
21 section:

22 (a) For the period beginning on January 1, 2014, and ending on
23 December 31, ~~[2016,]~~ **2026**, no further action by the board is
24 necessary to effectuate the annual increases in the taxes imposed by
25 the ordinance.

26 (b) For the period beginning on January 1, ~~[2017, and ending on~~
27 ~~December 31, 2026,]~~ **2027**, the annual increases in the taxes
28 authorized by this section and imposed by the ordinance may not be
29 effectuated unless ~~[a question is placed on the ballot at the general~~
30 ~~election on November 8, 2016, which asks the voters in the county~~
31 ~~whether to authorize the board to impose, for the period beginning~~
32 ~~on January 1, 2017, the increases authorized by this section in the~~
33 ~~taxes imposed by the ordinance and the question is approved by a~~
34 ~~majority of the registered voters voting on the question. If the~~
35 ~~question is approved by a majority of such voters, no further action~~
36 ~~by the board is necessary to effectuate the annual increases in the~~
37 ~~taxes authorized by this section and imposed by the ordinance.]~~, **on**
38 **or before December 31, 2026, the board adopts an ordinance**
39 **authorizing the effectuation of the annual increases.** If ~~[the~~
40 ~~question is not approved by a majority of such voters,]~~ **such an**
41 **ordinance is not adopted by the board on or before December 31,**
42 **2026,** the board shall not impose any additional annual increases in
43 the taxes authorized by this section and imposed by the ordinance
44 after ~~[November 8, 2016,]~~ **December 31, 2026,** but any annual
45 increases in such taxes imposed by the ordinance on or before



~~[November 8, 2016,]~~ **December 31, 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.

~~[(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. 2. This act becomes effective upon passage and approval.

