

SENATE BILL NO. 490—COMMITTEE ON REVENUE

MARCH 28, 2011

Referred to Committee on Revenue

SUMMARY—Authorizes certain counties to impose additional taxes on fuels for motor vehicles. (BDR 32-798)

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

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

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

Legislative Counsel’s Digest:

1 Under existing law, the board of county commissioners of any county in which
2 the planning commission has adopted a streets and highways plan is authorized to
3 impose a county tax on motor vehicle fuel. (NRS 373.030) **Section 1** of this bill
4 authorizes the board of county commissioners of a county whose population is
5 400,000 or more and in which a regional transportation commission has been
6 created and such a county tax is imposed (currently Clark County) to impose
7 additional county taxes on motor vehicle fuel and various special fuels used in
8 motor vehicles. These additional taxes would cause annual increases in the current
9 amount of taxes imposed on such fuels based upon increases in the Producer Price
10 Index for Inputs to Construction Industries, an index published by the United States
11 Department of Labor which measures inflation in the costs of construction.
12 **Sections 2-11** of this bill require the administration, allocation, disbursement and
13 use of these tax increases in the same manner as similar fuel taxes that are currently
14 being imposed in Washoe County.

15 Existing law imposes various requirements upon the sale of municipal bonds by
16 competitive bid or negotiated sale, and exempts the sale of revenue bonds which
17 are secured by county fuel taxes from those requirements. (NRS 350.105-350.195)
18 **Section 12** of this bill repeals that exemption.



* S B 4 9 0 *

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

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

3 1. *In a county whose population is 400,000 or more and in*
4 *which a commission has been created and a tax is imposed*
5 *pursuant to NRS 373.030:*

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

7 (1) *An excise tax on each gallon of motor vehicle fuel,*
8 *except aviation fuel, sold in the county in an amount equal to the*
9 *product obtained by multiplying 3.6 cents per gallon by the lesser*
10 *of 7.8 percent or the adjusted average street and highway*
11 *construction inflation index for the fiscal year in which the*
12 *ordinance becomes effective; and*

13 (2) *An annual increase in the tax imposed pursuant to this*
14 *paragraph, on the first day of each fiscal year following the fiscal*
15 *year in which that tax becomes effective, in the amount*
16 *determined by adding 3.6 cents per gallon to the amount of the tax*
17 *imposed pursuant to this paragraph during the preceding fiscal*
18 *year, then multiplying that sum by the lesser of 7.8 percent or the*
19 *adjusted average street and highway construction inflation index*
20 *for the fiscal year in which the increase becomes effective.*

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

22 (1) *An excise tax on each gallon of motor vehicle fuel,*
23 *except aviation fuel, sold in the county in an amount equal to the*
24 *product obtained by multiplying 1.75 cents per gallon by the lesser*
25 *of 7.8 percent or the adjusted average street and highway*
26 *construction inflation index for the fiscal year in which the*
27 *ordinance becomes effective; and*

28 (2) *An annual increase in the tax imposed pursuant to this*
29 *paragraph, on the first day of each fiscal year following the fiscal*
30 *year in which that tax becomes effective, in the amount*
31 *determined by adding 1.75 cents per gallon to the amount of the*
32 *tax imposed pursuant to this paragraph during the preceding*
33 *fiscal year, then multiplying that sum by the lesser of 7.8 percent*
34 *or the adjusted average street and highway construction inflation*
35 *index for the fiscal year in which the increase becomes effective.*

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

37 (1) *An excise tax on each gallon of motor vehicle fuel,*
38 *except aviation fuel, sold in the county in an amount equal to the*
39 *product obtained by multiplying 1 cent per gallon by the lesser of*
40 *7.8 percent or the adjusted average street and highway*
41 *construction inflation index for the fiscal year in which the*
42 *ordinance becomes effective; and*



1 (2) *An annual increase in the tax imposed pursuant to this*
2 *paragraph, on the first day of each fiscal year following the fiscal*
3 *year in which that tax becomes effective, in the amount*
4 *determined by adding 1 cent per gallon to the amount of the tax*
5 *imposed pursuant to this paragraph during the preceding fiscal*
6 *year, then multiplying that sum by the lesser of 7.8 percent or the*
7 *adjusted average street and highway construction inflation index*
8 *for the fiscal year in which the increase becomes effective.*

9 (d) *The board may by ordinance impose:*

10 (1) *An excise tax on each gallon of motor vehicle fuel,*
11 *except aviation fuel, sold in the county in an amount equal to the*
12 *product obtained by multiplying 9 cents per gallon by the lesser of*
13 *7.8 percent or the adjusted average street and highway*
14 *construction inflation index for the fiscal year in which the*
15 *ordinance becomes effective; and*

16 (2) *An annual increase in the tax imposed pursuant to this*
17 *paragraph, on the first day of each fiscal year following the fiscal*
18 *year in which that tax becomes effective, in the amount*
19 *determined by adding 9 cents per gallon to the amount of the tax*
20 *imposed pursuant to this paragraph during the preceding fiscal*
21 *year, then multiplying that sum by the lesser of 7.8 percent or the*
22 *adjusted average street and highway construction inflation index*
23 *for the fiscal year in which the increase becomes effective.*

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

25 (1) *An excise tax on each gallon of motor vehicle fuel,*
26 *except aviation fuel, sold in the county in an amount equal to the*
27 *product obtained by multiplying 18.455 cents per gallon by the*
28 *lesser of 7.8 percent or the adjusted average street and highway*
29 *construction inflation index for the fiscal year in which the*
30 *ordinance becomes effective; and*

31 (2) *An annual increase in the tax imposed pursuant to this*
32 *paragraph, on the first day of each fiscal year following the fiscal*
33 *year in which that tax becomes effective, in the amount*
34 *determined by adding 18.455 cents per gallon to the amount of the*
35 *tax imposed pursuant to this paragraph during the preceding*
36 *fiscal year, then multiplying that sum by the lesser of 7.8 percent*
37 *or the adjusted average street and highway construction inflation*
38 *index for the fiscal year in which the increase becomes effective.*

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

40 (1) *An excise tax on each gallon of motor vehicle fuel,*
41 *except aviation fuel, sold in the county in an amount equal to the*
42 *product obtained by multiplying 18.4 cents per gallon by the lesser*
43 *of 7.8 percent or the adjusted average street and highway*
44 *construction inflation index for the fiscal year in which the*
45 *ordinance becomes effective; and*



1 (2) *An annual increase in the tax imposed pursuant to this*
2 *paragraph, on the first day of each fiscal year following the fiscal*
3 *year in which that tax becomes effective, in the amount*
4 *determined by adding 18.4 cents per gallon to the amount of the*
5 *tax imposed pursuant to this paragraph during the preceding*
6 *fiscal year, then multiplying that sum by the lesser of 7.8 percent*
7 *or the adjusted average street and highway construction inflation*
8 *index for the fiscal year in which the increase becomes effective.*

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

10 (1) *An excise tax on each gallon of special fuel that consists*
11 *of an emulsion of water-phased hydrocarbon fuel sold in the*
12 *county in an amount equal to the product obtained by multiplying*
13 *19 cents per gallon by the lesser of 7.8 percent or the adjusted*
14 *average street and highway construction inflation index for the*
15 *fiscal year in which the ordinance becomes effective; and*

16 (2) *An annual increase in the tax imposed pursuant to this*
17 *paragraph, on the first day of each fiscal year following the fiscal*
18 *year in which that tax becomes effective, in the amount*
19 *determined by adding 19 cents per gallon to the amount of the tax*
20 *imposed pursuant to this paragraph during the preceding fiscal*
21 *year, then multiplying that sum by the lesser of 7.8 percent or the*
22 *adjusted average street and highway construction inflation index*
23 *for the fiscal year in which the increase becomes effective.*

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

25 (1) *An excise tax on each gallon of special fuel that consists*
26 *of liquefied petroleum gas sold in the county in an amount equal*
27 *to the product obtained by multiplying 22 cents per gallon by the*
28 *lesser of 7.8 percent or the adjusted average street and highway*
29 *construction inflation index for the fiscal year in which the*
30 *ordinance becomes effective; and*

31 (2) *An annual increase in the tax imposed pursuant to this*
32 *paragraph, on the first day of each fiscal year following the fiscal*
33 *year in which that tax becomes effective, in the amount*
34 *determined by adding 22 cents per gallon to the amount of the tax*
35 *imposed pursuant to this paragraph during the preceding fiscal*
36 *year, then multiplying that sum by the lesser of 7.8 percent or the*
37 *adjusted average street and highway construction inflation index*
38 *for the fiscal year in which the increase becomes effective.*

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

40 (1) *An excise tax on each gallon of special fuel that consists*
41 *of compressed natural gas sold in the county in an amount equal*
42 *to the product obtained by multiplying 21 cents per gallon by the*
43 *lesser of 7.8 percent or the adjusted average street and highway*
44 *construction inflation index for the fiscal year in which the*
45 *ordinance becomes effective; and*



1 (2) *An annual increase in the tax imposed pursuant to this*
2 *paragraph, on the first day of each fiscal year following the fiscal*
3 *year in which that tax becomes effective, in the amount*
4 *determined by adding 21 cents per gallon to the amount of the tax*
5 *imposed pursuant to this paragraph during the preceding fiscal*
6 *year, then multiplying that sum by the lesser of 7.8 percent or the*
7 *adjusted average street and highway construction inflation index*
8 *for the fiscal year in which the increase becomes effective.*

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

10 (1) *An excise tax on each gallon of special fuel sold in the*
11 *county, other than any special fuel described in paragraph (g), (h)*
12 *or (i), in an amount equal to the product obtained by multiplying*
13 *27.75 cents per gallon by the lesser of 7.8 percent or the adjusted*
14 *average street and highway construction inflation index for the*
15 *fiscal year in which the ordinance becomes effective; and*

16 (2) *An annual increase in the tax imposed pursuant to this*
17 *paragraph, on the first day of each fiscal year following the fiscal*
18 *year in which that tax becomes effective, in the amount*
19 *determined by adding 27.75 cents per gallon to the amount of the*
20 *tax imposed pursuant to this paragraph during the preceding*
21 *fiscal year, then multiplying that sum by the lesser of 7.8 percent*
22 *or the adjusted average street and highway construction inflation*
23 *index for the fiscal year in which the increase becomes effective.*

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

25 (1) *An excise tax on each gallon of special fuel that consists*
26 *of liquefied petroleum gas sold in the county in an amount equal*
27 *to the product obtained by multiplying 18.3 cents per gallon by the*
28 *lesser of 7.8 percent or the adjusted average street and highway*
29 *construction inflation index for the fiscal year in which the*
30 *ordinance becomes effective; and*

31 (2) *An annual increase in the tax imposed pursuant to this*
32 *paragraph, on the first day of each fiscal year following the fiscal*
33 *year in which that tax becomes effective, in the amount*
34 *determined by adding 18.3 cents per gallon to the amount of the*
35 *tax imposed pursuant to this paragraph during the preceding*
36 *fiscal year, then multiplying that sum by the lesser of 7.8 percent*
37 *or the adjusted average street and highway construction inflation*
38 *index for the fiscal year in which the increase becomes effective.*

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

40 (1) *An excise tax on each gallon of special fuel that consists*
41 *of compressed natural gas sold in the county in an amount equal*
42 *to the product obtained by multiplying 18.3 cents per gallon by the*
43 *lesser of 7.8 percent or the adjusted average street and highway*
44 *construction inflation index for the fiscal year in which the*
45 *ordinance becomes effective; and*



1 (2) *An annual increase in the tax imposed pursuant to this*
2 *paragraph, on the first day of each fiscal year following the fiscal*
3 *year in which that tax becomes effective, in the amount*
4 *determined by adding 18.3 cents per gallon to the amount of the*
5 *tax imposed pursuant to this paragraph during the preceding*
6 *fiscal year, then multiplying that sum by the lesser of 7.8 percent*
7 *or the adjusted average street and highway construction inflation*
8 *index for the fiscal year in which the increase becomes effective.*

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

10 (1) *An excise tax on each gallon of special fuel sold in the*
11 *county, other than any special fuel described in paragraph (k) or*
12 *(l), which is taxed by the Federal Government at a rate per gallon*
13 *or gallon equivalent of 24.4 cents or more, in an amount equal to*
14 *the product obtained by multiplying 24.4 cents per gallon by the*
15 *lesser of 7.8 percent or the adjusted average street and highway*
16 *construction inflation index for the fiscal year in which the*
17 *ordinance becomes effective; and*

18 (2) *An annual increase in the tax imposed pursuant to this*
19 *paragraph, on the first day of each fiscal year following the fiscal*
20 *year in which that tax becomes effective, in the amount*
21 *determined by adding 24.4 cents per gallon to the amount of the*
22 *tax imposed pursuant to this paragraph during the preceding*
23 *fiscal year, then multiplying that sum by the lesser of 7.8 percent*
24 *or the adjusted average street and highway construction inflation*
25 *index for the fiscal year in which the increase becomes effective.*

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

34 3. *Any ordinance adopted pursuant to this section:*

35 (a) *Must become effective on:*

36 (1) *The first day of the first calendar quarter beginning not*
37 *less than 90 days after the adoption of the ordinance; or*

38 (2) *January 1, 2012,*

39 ↪ *whichever occurs later; and*

40 (b) *Is not affected by any changes in the population of the*
41 *county which occur after the adoption of the ordinance.*

42 4. *For the purposes of this section:*

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



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

5 (I) *If the average street and highway construction*
6 *inflation index for the preceding fiscal year is greater than 7.8*
7 *percent, the remainder obtained by subtracting 7.8 percent from*
8 *the average street and highway construction inflation index for*
9 *the preceding fiscal year; or*

10 (II) *If the average street and highway construction*
11 *inflation index for the preceding fiscal year is less than or equal to*
12 *7.8 percent, zero; and*

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

17 (I) *If the adjusted average street and highway*
18 *construction inflation index for the preceding fiscal year is greater*
19 *than 7.8 percent, the remainder obtained by subtracting 7.8*
20 *percent from the adjusted average street and highway construction*
21 *inflation index for the preceding fiscal year; or*

22 (II) *If the adjusted average street and highway*
23 *construction inflation index for the preceding fiscal year is less*
24 *than or equal to 7.8 percent, zero.*

25 (b) *“Average street and highway construction inflation index”*
26 *for a fiscal year means the average percentage increase in the*
27 *street and highway construction inflation index for the 10*
28 *calendar years preceding the beginning of that fiscal year.*

29 (c) *“Special fuel” has the meaning ascribed to it in*
30 *NRS 366.060.*

31 (d) *“Street and highway construction inflation index” means*
32 *the Producer Price Index for Inputs to Construction Industries or,*
33 *if that index ceases to be published by the United States*
34 *Department of Labor, the published index that most closely*
35 *measures inflation in the costs of street and highway construction,*
36 *as determined by the commission.*

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

38 373.067 1. Any ordinance that imposes a tax pursuant to:

39 (a) The provisions of paragraph (a) of subsection 1 of NRS
40 373.066 *or paragraph (a) of subsection 1 of section 1 of this act*
41 *must require the allocation, disbursement and use in the county of*
42 *the proceeds of that tax in the same proportions and manner as the*
43 *allocation, disbursement and use in the county of the proceeds of the*
44 *tax imposed pursuant to NRS 365.180.*



1 (b) The provisions of paragraph (b) of subsection 1 of NRS
2 373.066 *or paragraph (b) of subsection 1 of section 1 of this act*
3 must require the allocation, disbursement and use in the county of
4 the proceeds of that tax in the same proportions and manner as the
5 allocation, disbursement and use in the county of the proceeds of the
6 tax imposed pursuant to NRS 365.190.

7 (c) The provisions of paragraph (c) of subsection 1 of NRS
8 373.066 *or paragraph (c) of subsection 1 of section 1 of this act*
9 must require the allocation, disbursement and use in the county of
10 the proceeds of that tax in the same proportions and manner as the
11 allocation, disbursement and use in the county of the proceeds of the
12 tax imposed pursuant to NRS 365.192.

13 (d) Any of the provisions of paragraphs (d) to (m), inclusive, of
14 subsection 1 of NRS 373.066 *or paragraphs (d) to (m), inclusive, of*
15 *subsection 1 of section 1 of this act* must, except as otherwise
16 required by subsection 6 of NRS 373.140, require the allocation,
17 disbursement and use in the county of the proceeds of that tax in the
18 same proportions and manner as the allocation, disbursement and
19 use in the county of the proceeds of the tax imposed pursuant to
20 NRS 373.030.

21 2. Any ordinance adopted pursuant to NRS 373.066 *or section*
22 *1 of this act* must:

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

30 (b) Require the commission:

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

34 (I) The amount of that increase and the accuracy of its
35 calculation;

36 (II) The amounts of any annual increases imposed by the
37 ordinance in previous years and the revenue collected pursuant to
38 those increases;

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

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

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



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

2 373.068 1. Any tax imposed pursuant to the provisions of:

3 (a) Paragraphs (a) to (f), inclusive, of subsection 1 of NRS
4 373.066 *or paragraphs (a) to (f), inclusive, of subsection 1 of*
5 *section 1 of this act* does not apply to any fuel described in NRS
6 365.220 or 365.230.

7 (b) Paragraphs (g) to (m), inclusive, of subsection 1 of NRS
8 373.066 *or paragraphs (g) to (m), inclusive, of subsection 1 of*
9 *section 1 of this act* does not apply to any sales or uses described in
10 NRS 366.200, except to any sales or uses described in subsection 1
11 of that section of any special fuel to which dye has not been added
12 pursuant to federal law or the law of this State, of a type which is
13 lawfully sold in this State both:

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

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

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

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

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

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

41 (d) Paragraph (d) of subsection 1 of NRS 373.066, any tax
42 increase imposed in that county pursuant to subparagraph (2) of
43 paragraph (d) of subsection 1 of NRS 373.065 on the first day of the
44 current fiscal year, and the authority to impose any additional tax



1 increases in that county pursuant to that subparagraph on the first
2 day of each subsequent fiscal year, expire by limitation.

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

4 373.070 1. Any fuel tax ordinance enacted under this chapter
5 must include provisions in substance as follows:

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

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

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

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

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

15 (2) A provision that all amendments to chapter 365 of NRS
16 subsequent to the date of enactment of the ordinance, not
17 inconsistent with this chapter, automatically become a part of the
18 motor vehicle fuel tax ordinance of the county.

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

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

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

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

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

30 (IV) The ordinance must include provisions which carry
31 out the requirements of paragraph (b) of subsection 1 of NRS
32 373.068 and which prohibit the refund of any tax paid on any
33 taxable sales or uses described in that paragraph.

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

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



1 2. The provisions of this section do not subject any county fuel
2 taxes imposed pursuant to this chapter to the provisions of NRS
3 366.175 or any agreement made pursuant thereto, except for those
4 provisions of NRS 366.175 and any agreement made pursuant
5 thereto which relate to auditing. The administration, collection and
6 distribution of any county fuel taxes imposed pursuant to this
7 chapter do not affect, and are not affected by, the administration,
8 collection and distribution of any fuel taxes under any agreement
9 made pursuant to NRS 366.175.

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

11 373.080 All fuel taxes collected during any month by the
12 Department pursuant to a contract with a county must be transmitted
13 each month by the Department to the county and the Department
14 shall, in accordance with the terms of the contract, charge the county
15 for the Department's services specified in this section and in NRS
16 373.070, except that in the case of a fuel tax imposed pursuant to
17 NRS 373.065 or 373.066 ~~or~~ *or section 1 of this act*, the charge must
18 not exceed 1 percent of the tax collected by the Department.

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

20 373.110 All the net proceeds of any county fuel tax:

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

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

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

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



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

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

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

12 373.120 1. No county fuel tax ordinance may be repealed or
13 amended or otherwise directly or indirectly modified in such a
14 manner as to impair adversely any outstanding bonds issued under
15 this chapter or other obligations incurred under this chapter, until all
16 obligations for which revenues from such ordinance have been
17 pledged or otherwise made payable from such revenues pursuant to
18 this chapter have been discharged in full, but the board, with the
19 approval of the governing body of each participating city, may at
20 any time dissolve the commission and provide that no further
21 obligations may be incurred thereafter.

22 2. The faith of the State of Nevada is hereby pledged that this
23 chapter, NRS 365.180 to 365.200, inclusive, and 365.562, and any
24 law supplemental thereto, including without limitation, provisions
25 for the distribution to any county designated in NRS 373.030,
26 373.065 or 373.066 ~~§~~ *or section 1 of this act*, of the proceeds of the
27 fuel taxes collected thereunder will not be repealed, amended or
28 otherwise directly or indirectly modified in such a manner as to
29 impair adversely any outstanding bonds issued under this chapter or
30 other obligations incurred under this chapter, until all obligations for
31 which any such tax proceeds have been pledged or otherwise made
32 payable from such tax proceeds pursuant to this chapter have been
33 discharged in full, but the State of Nevada may at any time provide
34 by act that no further obligations may be incurred thereafter.

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

36 373.131 1. Money for the payment of the cost of a project
37 within the area embraced by a regional plan for transportation
38 established pursuant to NRS 277A.210 may be obtained by the
39 issuance of revenue bonds and other revenue securities as provided
40 in subsection 2 or, subject to any pledges, liens and other contractual
41 limitations made pursuant to the provisions this chapter and chapter
42 277A of NRS, may be obtained by direct distribution from the
43 regional street and highway fund, except to the extent any such use
44 is prevented by the provisions of NRS 373.150, or may be obtained
45 both by the issuance of such securities and by such direct



1 distribution, as the board may determine. Money for street and
2 highway construction outside the area embraced by the plan may be
3 distributed directly from the regional street and highway fund as
4 provided in NRS 373.150.

5 2. The board may, after the enactment of any ordinance
6 authorized by the provisions of NRS 373.030, paragraph (d) of
7 subsection 1 of NRS 373.065 , ~~for~~ paragraphs (d) to (m), inclusive,
8 of subsection 1 of NRS 373.066 ~~;~~ *or paragraphs (d) to (m),*
9 *inclusive, of subsection 1 of section 1 of this act*, issue revenue
10 bonds and other revenue securities, on the behalf and in the name of
11 the county:

12 (a) The total of all of which, issued and outstanding at any one
13 time, must not be in an amount requiring a total debt service in
14 excess of the estimated receipts to be derived from the taxes
15 imposed pursuant to the provisions of NRS 373.030, paragraph (d)
16 of subsection 1 of NRS 373.065 , ~~and~~ paragraphs (d) to (m),
17 inclusive, of subsection 1 of NRS 373.066 ~~;~~ *and paragraphs (d) to*
18 *(m), inclusive, of subsection 1 of section 1 of this act;*

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

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

25 3. A county is authorized to issue bonds without the necessity
26 of their being authorized at any election in such manner and with
27 such terms as provided in this chapter.

28 4. Subject to the provisions of this chapter and chapter 277A of
29 NRS, for any project authorized therein, the board of any county
30 may, on the behalf and in the name of the county, borrow money,
31 otherwise become obligated, and evidence obligations by the
32 issuance of bonds and other county securities, and in connection
33 with the undertaking or project, the board may otherwise proceed as
34 provided in the Local Government Securities Law.

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

40 6. Except for:

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

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



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

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

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

7 ↪ all bonds and other securities issued pursuant to the provisions of
8 this chapter must be payable solely from the proceeds of fuel taxes
9 collected by or remitted to the county pursuant to chapter 365 of
10 NRS, as supplemented by this chapter. Receipts of the taxes levied
11 in NRS 365.180 and 365.190 and pursuant to the provisions of
12 paragraphs (a) and (b) of subsection 1 of NRS 373.065 , ~~and~~
13 paragraphs (a) and (b) of subsection 1 of NRS 373.066 *and*
14 *paragraphs (a) and (b) of subsection 1 of section 1 of this act* may
15 be used by the county for the payment of securities issued pursuant
16 to the provisions of this chapter and may be pledged therefor. If
17 during any period any securities payable from these tax proceeds are
18 outstanding, the tax receipts must not be used directly for the
19 construction, maintenance and repair of any streets, roads or other
20 highways nor for any purchase of equipment therefor, and the
21 receipts of the tax levied in NRS 365.190 must not be apportioned
22 pursuant to subsection 2 of NRS 365.560 unless, at any time the tax
23 receipts are so apportioned, provision has been made in a timely
24 manner for the payment of such outstanding securities as to the
25 principal of, any prior redemption premiums due in connection with,
26 and the interest on the securities as they become due, as provided in
27 the securities, the ordinance authorizing their issuance and any other
28 instrument appertaining to the securities.

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

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

40 373.140 1. After the enactment of ordinances as authorized in
41 NRS 277A.170 and 373.030, all street and highway construction,
42 surfacing or resurfacing projects in the county which are proposed
43 to be financed from any county fuel tax imposed pursuant to the
44 provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS
45 373.065 , ~~or~~ paragraphs (d) to (m), inclusive, of subsection 1 of



1 NRS 373.066 *or paragraphs (d) to (m), inclusive, of subsection 1*
2 *of section 1 of this act* must first be submitted to the commission.

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

6 (a) The priorities established by the plan;

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

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

11 (d) The money available.

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

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

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

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



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

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

5 (d) The availability of money.

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

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

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

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

19 373.160 1. The ordinance or ordinances providing for the
20 issuance of any bonds or other securities issued under this chapter
21 payable from the receipts from the fuel excise taxes designated in
22 this chapter may at the discretion of the board, in addition to
23 covenants and other provisions authorized in the Local Government
24 Securities Law, contain covenants or other provisions as to the
25 pledge of and the creation of a lien upon the receipts of the taxes
26 collected for the county pursuant to the provisions of NRS 373.030,
27 paragraph (d) of subsection 1 of NRS 373.065 , ~~and~~ paragraphs (d)
28 to (m), inclusive, of subsection 1 of NRS 373.066 ~~and~~ *and*
29 *paragraphs (d) to (m), inclusive, of subsection 1 of section 1 of this*
30 *act*, excluding any tax proceeds to be distributed directly under the
31 provisions of NRS 373.150, or the proceeds of the bonds or other
32 securities pending their application to defray the cost of the project,
33 or both such tax proceeds and security proceeds, to secure the
34 payment of revenue bonds or other securities issued under this
35 chapter.

36 2. If the board determines in any ordinance authorizing the
37 issuance of any bonds or other securities under this chapter that the
38 proceeds of the taxes levied and collected pursuant to the provisions
39 of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065 ,
40 ~~and~~ paragraphs (d) to (m), inclusive, of subsection 1 of NRS
41 373.066 *and paragraphs (d) to (m), inclusive, of subsection 1 of*
42 *section 1 of this act* are sufficient to pay all bonds and securities,
43 including the proposed issue, from the proceeds thereof, the board
44 may additionally secure the payment of any bonds or other
45 securities issued pursuant to the ordinance under this chapter by a



1 pledge of and the creation of a lien upon not only the proceeds of
2 any fuel tax authorized at the time of the issuance of such securities
3 to be used for such payment in subsection 6 of NRS 373.131, but
4 also the proceeds of any such tax thereafter authorized to be used or
5 pledged, or used and pledged, for the payment of such securities,
6 whether such tax be levied or collected by the county, the State of
7 Nevada, or otherwise, or be levied in at least an equivalent value in
8 lieu of any such tax existing at the time of the issuance of such
9 securities or be levied in supplementation thereof.

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

15 **Sec. 12.** NRS 350.155 is hereby amended to read as follows:

16 350.155 1. Except as otherwise provided in subsection 2, a
17 municipality shall sell the bonds it issues by competitive bid if the
18 credit rating for the bonds or any other bonds of the municipality
19 with the same security, determined without regard to insurance for
20 the bonds or any other independent enhancement of credit, is rated
21 by a nationally recognized rating service as "A-," "A," "AA,"
22 "AAA," or their equivalents, 90 days before and on the day the
23 bonds are sold and:

24 (a) The bonds are general obligation bonds;

25 (b) The primary security for the bonds is an excise tax; or

26 (c) The bonds are issued pursuant to chapter 271 of NRS and are
27 secured by a pledge of the taxing power and the general fund of the
28 municipality.

29 2. The provisions of subsection 1 and NRS 350.175 and
30 350.185 do not apply to:

31 (a) Any bond which is issued with a variable rate of interest.

32 (b) A bond issue whose principal amount is \$1,000,000 or less.

33 (c) A bond issue with a term of 3 years or less.

34 (d) A bond issue for which an invitation for competitive bids
35 was issued and for which no bids were received or all bids were
36 rejected.

37 (e) Leases, contracts for purchase by installment and certificates
38 of participation if the obligations of the municipality thereunder will
39 terminate when the municipality fails to appropriate money to pay
40 that obligation for the next fiscal year.

41 (f) Economic development revenue bonds issued pursuant to the
42 city economic development revenue bond law or the county
43 economic development revenue bond law.

44 (g) Bonds sold by the municipality to:



1 (1) The United States or any agency or instrumentality
2 thereof;

3 (2) The State of Nevada;

4 (3) Any other municipality; or

5 (4) Not more than 10 investors, each of whom certifies that
6 he or she:

7 (I) Has a net worth of \$500,000 or more; and

8 (II) Is purchasing for investment and not for resale.

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

12 (1) Has not been used previously by any municipality in this
13 state; and

14 (2) May provide a substantial benefit to the municipality.

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

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

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

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

30 ~~[(m) Revenue bonds which are sold pursuant to chapter 373 of~~
31 ~~NRS.]~~

32 3. The certificate required by paragraph (h) of subsection 2
33 must specifically describe the proposed method of financing. The
34 certificate required by paragraph (i) of subsection 2 must
35 specifically describe the circumstances that may provide a
36 substantial benefit if the refunding bonds are negotiated. The
37 certificate required by paragraph (j) of subsection 2 must
38 specifically describe the particular conditions in the market which
39 indicate that a negotiated sale of the bonds may provide a benefit to
40 the municipality. Each certificate required pursuant to subsection 2
41 must be submitted to the governing body of the municipality at a
42 regularly scheduled meeting of that body and include:

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



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

4 4. A copy of:

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

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

8 ➔ must be filed with the debt management commission of the
9 county where the municipality is located, the county clerk and the
10 Department of Taxation. Before entering into a contract to sell
11 bonds, at least two-thirds of the members of the governing body of
12 the municipality must approve the certificate.

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

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

24 **Sec. 13.** This act becomes effective upon passage and
25 approval.



