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April 17, 2003

The Honorable Assemblyman David Parks, Chairman  
Members of the Assembly Taxation Committee  
Legislative Building  
401 S. Carson Street  
Carson City, NV 89701-4747

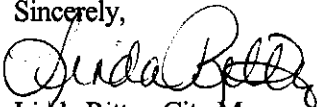
Re: Senate Bill 470  
"Makes various changes concerning imposition, distribution and use of certain taxes on aviation fuel and fuel for jet or turbine-powered aircraft."

Honorable Chairman Parks and Committee Members:

Currently NRS 365 provides that only a board of county commissioners can levy aviation fuel taxes. In some cases, another type of governmental entity may own and operate the airport. In Elko County, the City of Elko operates the Elko Regional Airport, while the County of Elko operates the Jackpot Municipal Airport and the City of Wells operates their own municipal airport. Based on current law, aviation fuel taxes are distributed in Elko County based upon assessed valuation, with Elko County being credited with the all assessed valuation in the county, including that of the cities. Thus, the Jackpot Municipal Airport receives the majority of the aviation fuel taxes. This method of distribution clearly does not reflect aviation activity or need.

Senate Bill 470 provides that the entity that operates an airport can levy the aviation fuel taxes, and those taxes are returned to that entity for use on the airport. Thus, the entity that charges the tax is ultimately responsible for its use. This bill would not impact the operations of McCarran International Airport or the Reno-Tahoe International Airport and is intended to maintain the current limitations on the total amount of tax levy.

Sincerely,

  
Linda Ritter, City Manager  
City of Elko

1751 College Ave. / Elko, Nevada 89801  
PH: (775) 777-7110 / FAX: (775) 777-7119  
Email: citymanager@ci.elko.nv.us

ASSEMBLY COMMITTEE ON TAXATION  
DATE: 04/17/03 ROOM: 3142 EXHIBIT G  
SUBMITTED BY: Linda Ritter