

SENATE BILL NO. 48—COMMITTEE ON REVENUE
AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE NEVADA ASSOCIATION OF COUNTIES)

PREFILED NOVEMBER 19, 2018

Referred to Committee on Revenue and
Economic Development

SUMMARY—Authorizes certain local governments to increase diesel taxes under certain circumstances. (BDR 32-481)

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; authorizing boards of county commissioners in certain smaller counties to impose an additional tax on diesel fuel; authorizing persons who use diesel fuel in motor vehicles operated or intended to operate interstate to request and obtain reimbursement for the tax paid on diesel fuel consumed outside this State under certain circumstances; enacting provisions governing the distribution of the portion of the proceeds of the tax on diesel fuel reserved by the Department of Motor Vehicles to pay reimbursement for the tax; revising provisions governing the projects for which certain smaller counties may use the proceeds of an additional tax on diesel fuel; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes counties to impose taxes on motor vehicle fuel.
2 (Chapter 373 of NRS) Under existing law, the board of county commissioners of a
3 county whose population is 100,000 or more (currently Clark and Washoe
4 Counties) is authorized, under certain circumstances, to impose county taxes on
5 motor vehicle fuel and various special fuels used in motor vehicles. (NRS 373.030,
6 373.066, 373.0663) However, the board of county commissioners of a county
7 whose population is less than 100,000 (currently all counties other than Clark and



8 Washoe Counties) is authorized to impose county taxes on motor vehicle fuel and is
9 not authorized to impose county taxes on special fuel. (NRS 373.030, 373.065)
10 **Section 3** of this bill authorizes the board of county commissioners of a county
11 whose population is less than 100,000 to impose a tax on special fuel that consists
12 of diesel fuel sold in the county in an amount not to exceed 5 cents per gallon.
13 Under **section 3**, an ordinance imposing such a tax must be adopted by a two-thirds
14 majority of the board of county commissioners or by a majority of the registered
15 voters in the county who vote on a question concerning the imposition of the tax
16 which is submitted to the voters at a general election. In addition, under **section 3**,
17 if the tax is imposed in a county, certain sales or uses of diesel fuel which are
18 exempt from the taxes imposed on diesel fuel under existing law, including,
19 without limitation, sales or uses of diesel fuel to which dye has been added in
20 accordance with existing federal and state law, are exempt from the tax imposed
21 pursuant to **section 3**. **Sections 9-14** of this bill provide a tax imposed pursuant to
22 **section 3** would be administered, allocated, disbursed and used in the same manner
23 as the existing county tax imposed on motor vehicle fuel.

24 **Section 5** of this bill includes highway truck parking, as defined in **section 2** of
25 this bill, as a project for which a county whose population is less than 100,000 is
26 authorized to use the proceeds of the county taxes on motor vehicle fuel and diesel
27 fuel. **Section 4** of this bill makes a conforming change related to the definition of
28 "highway truck parking" established by **section 2** of this bill.

29 The Department of Motor Vehicles is a party to the International Fuel Tax
30 Agreement, a multistate agreement which facilitates the calculation and collection
31 of certain fuel taxes from interstate trucking companies and others who use special
32 fuel (primarily diesel fuel) in vehicles operated or intended to operate interstate.
33 (NRS 366.175) Existing law: (1) authorizes certain special fuel users to file with
34 the Department a request for reimbursement of amounts owed to the special fuel
35 user as a result of the Department's entering into the International Fuel Tax
36 Agreement and the imposition of a tax on special fuels consumed outside this State;
37 and (2) requires the Department to adopt regulations establishing a system to
38 provide for the reimbursement of a person who files such a request. (NRS 373.083)
39 **Section 7** of this bill authorizes a person who pays a tax imposed pursuant to
40 **section 3** in a county in which the total number of gallons of diesel fuel sold in the
41 county in the immediately preceding fiscal year is 10,000,000 gallons or more to
42 file such a request and obtain from the Department a reimbursement of the tax on
43 diesel fuel which is consumed outside this State. **Section 8** of this bill makes a
44 conforming change related to such reimbursements.

45 Under existing regulations, for the purpose of paying reimbursements to special
46 fuel users who file requests for reimbursement with the Department, the
47 Department establishes a trust account for a county for which reimbursements are
48 paid and deposits 20 percent of the amount of taxes collected for the county in that
49 trust account. Money in the trust account of a county must be used to pay requests
50 for reimbursement of the tax imposed in the county which are approved by the
51 Department, and any money remaining in the trust account after the payment of
52 such reimbursements, including all accrued interest, must be distributed to the
53 county for which the trust account was created. (NAC 373.160) **Section 7** requires
54 the Department to establish a trust account for a county which imposes the tax on
55 diesel fuel authorized by **section 3** and in which the total number of gallons of
56 diesel fuel sold in the county in the immediately preceding fiscal year is 10,000,000
57 gallons or more. **Section 7** also provides that under certain circumstances, a portion
58 of the money in the trust account for such a county may be distributed to the
59 Department of Transportation for use to construct, maintain or repair, or any
60 combination thereof, highway truck parking, as defined in **section 2**, in the county.
61 **Section 6** of this bill makes a conforming change to enable the money in the trust
62 account to be distributed to the Department of Transportation.



63 Existing law requires the regional transportation commission in a county whose
64 population is less than 100,000 to submit an annual report to the Department of
65 Motor Vehicles showing for the fiscal year the amount of receipts from county
66 motor vehicle fuel taxes and the nature of the expenditures for each project. (NRS
67 277A.360) **Section 15** of this bill requires this annual report to show the amount of
68 receipts from any tax imposed pursuant to **section 3**.
69 **Section 16** of this bill provides that the authority to impose any tax pursuant to
70 **section 3** and the other provisions of this bill become effective on July 1, 2019.

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 the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2.** *“Highway truck parking” means a parking area with*
4 *easy access to or from a highway which is designated for a truck*
5 *having a gross weight of more than 10,000 pounds, in the course*
6 *of the operation of the truck or during periods of mandated rest*
7 *for the operator of the truck.*

8 **Sec. 3. 1.** *In a county whose population is less than*
9 *100,000 and for all or part of which a streets and highways plan*
10 *has been adopted as a part of the master plan by the county or*
11 *regional planning commission pursuant to NRS 278.150, the*
12 *board may by ordinance impose a tax on special fuel that consists*
13 *of diesel fuel sold in the county in an amount not to exceed 5 cents*
14 *per gallon.*

15 **2.** *A board may not adopt an ordinance authorized by this*
16 *section unless:*

17 *(a) The ordinance is approved by at least a two-thirds majority*
18 *of the members of the board; or*

19 *(b) A question concerning the imposition of the tax pursuant*
20 *to this section is first approved by a majority of the registered*
21 *voters of the county voting upon the question, which the board*
22 *may submit to the voters at any general election. The Committee*
23 *on Local Government Finance shall annually provide to each city*
24 *clerk, county clerk and district attorney in a county whose*
25 *population is less than 100,000 forms for submitting a question to*
26 *the registered voters of a county pursuant to this paragraph. Any*
27 *question submitted to the registered voters of a county pursuant to*
28 *this paragraph must be in the form most recently provided by the*
29 *Committee on Local Government Finance.*

30 **3.** *A tax imposed pursuant to this section is in addition to*
31 *other special fuel taxes imposed pursuant to the provisions of*
32 *chapters 366 and 445C of NRS.*

33 **4.** *If an ordinance adopted pursuant to this section imposes*
34 *the tax in an amount that is less than 5 cents per gallon, any*



1 *increase in the amount of the tax must be approved in the manner*
2 *set forth in subsection 2. Any such increase must not cause the*
3 *amount of the tax authorized by this section to exceed 5 cents per*
4 *gallon.*

5 *5. Any ordinance enacted pursuant to this section must*
6 *provide that the tax authorized by this section, or any change in*
7 *the amount of the tax, will become effective on the first day of the*
8 *second calendar month following enactment of the ordinance*
9 *imposing, or changing the amount of, the tax.*

10 *6. Any tax imposed pursuant to the provisions of this section*
11 *does not apply to any sales or uses described in NRS 366.200,*
12 *except to any sales or uses described in subsection 1 of that section*
13 *of any diesel fuel to which dye has not been added pursuant to*
14 *federal law or the law of this State, of a type which is lawfully sold*
15 *in this State both:*

16 *(a) As diesel fuel to which dye has been added pursuant to*
17 *such law; and*

18 *(b) As diesel fuel to which dye has not been added pursuant to*
19 *such law.*

20 **Sec. 4.** NRS 373.020 is hereby amended to read as follows:

21 373.020 As used in this chapter, unless the context otherwise
22 requires, the words and terms defined in NRS 373.0205 to 373.029,
23 inclusive, *and section 2 of this act* have the meanings ascribed to
24 them in those sections.

25 **Sec. 5.** NRS 373.028 is hereby amended to read as follows:

26 373.028 "Project" means:

27 1. In a county whose population is 100,000 or more, street and
28 highway construction, including, without limitation, the acquisition
29 and improvement of any street, avenue, boulevard, alley, highway or
30 other public right-of-way used for any vehicular traffic, and
31 including a sidewalk designed primarily for use by pedestrians, and
32 also, including, without limitation, grades, regrades, gravel, oiling,
33 surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian
34 rights-of-way, driveway approaches, curb cuts, curbs, gutters,
35 culverts, catch basins, drains, sewers, manholes, inlets, outlets,
36 retaining walls, bridges, overpasses, tunnels, underpasses,
37 approaches, sprinkling facilities, artificial lights and lighting
38 equipment, parkways, grade separators, traffic separators, and traffic
39 control equipment, and all appurtenances and incidentals, or any
40 combination thereof, including, without limitation, the acquisition
41 and improvement of all types of property therefor.

42 2. In a county whose population is less than 100,000, street and
43 highway construction, maintenance or repair, or any combination
44 thereof, including, without limitation, the acquisition, maintenance,
45 repair and improvement of *highway truck parking or* any street,



1 avenue, boulevard, alley, highway or other public right-of-way used
2 for any vehicular traffic, and including a sidewalk designed
3 primarily for use by pedestrians, and also, including, without
4 limitation, grades, regrades, gravel, oiling, surfacing, macadamizing,
5 paving, crosswalks, sidewalks, pedestrian rights-of-way, driveway
6 approaches, curb cuts, curbs, culverts, catch basins, drains,
7 sewers, manholes, inlets, outlets, retaining walls, bridges,
8 overpasses, tunnels, underpasses, approaches, sprinkling facilities,
9 artificial lights and lighting equipment, parkways, grade separators,
10 traffic separators, and traffic control equipment, and all
11 appurtenances and incidentals, or any combination thereof,
12 including, without limitation, the acquisition, maintenance, repair
13 and improvement of all types of property therefor.

14 **Sec. 6.** NRS 373.080 is hereby amended to read as follows:

15 373.080 ~~[A]~~ *Except as otherwise provided in NRS 373.083,*
16 *all* fuel taxes collected during any month by the Department
17 pursuant to a contract with a county must be transmitted each month
18 by the Department to the county and the Department shall, in
19 accordance with the terms of the contract, charge the county for the
20 Department's services specified in this section and in NRS 373.070,
21 except that in the case of a fuel tax imposed pursuant to NRS
22 373.065, 373.066 or 373.0663, the charge must not exceed 1 percent
23 of the tax collected by the Department.

24 **Sec. 7.** NRS 373.083 is hereby amended to read as follows:

25 373.083 1. A person who uses special fuel in a motor vehicle
26 operated or intended to operate interstate and who pays any tax
27 imposed on ~~[special]~~ :

28 (a) *Special* fuels pursuant to NRS 373.066 or 373.0663 ~~[may]~~ ;
29 *or*

30 (b) *Special fuel that consists of diesel fuel pursuant to section*
31 *3 of this act in a county in which the total number of gallons of*
32 *diesel fuel sold in the county during the immediately preceding*
33 *fiscal year, as determined by the Department, is 10,000,000*
34 *gallons or more,*

35 *↪ may* file with the Department a request for reimbursement of any
36 amounts owed to the person as a result of the Department entering
37 into an agreement pursuant to NRS 366.175 and the imposition,
38 pursuant to NRS 373.066 or 373.0663 ~~[]~~ *or section 3 of this act,* of
39 any tax on special fuels which are consumed outside this State.

40 2. The Department shall adopt regulations establishing a
41 system to provide for the reimbursement and the auditing of the
42 records of a person who files a request for reimbursement pursuant
43 to subsection 1. The system established by the Department:



1 (a) Must authorize a person who uses special fuel in motor
2 vehicles operated or intended to operate interstate to file a request
3 for reimbursement as provided in subsection 1;

4 (b) Must provide that the Department will determine the
5 eligibility for reimbursement of a person who files a request for
6 reimbursement pursuant to subsection 1 before the Department will
7 authorize the reimbursement;

8 (c) Must provide that any reimbursement authorized by the
9 Department be paid from only money received by a county pursuant
10 to any tax imposed on special fuels pursuant to NRS 373.066 or
11 373.0663 ~~[§]~~ *or section 3 of this act*;

12 (d) Must provide that the total amount of money which must be
13 paid by any county in any fiscal year to reimburse any amounts
14 owed to persons who use special fuel in motor vehicles operated or
15 intended to operate interstate must not exceed 20 percent of the total
16 amount of money collected by that county from any tax imposed on
17 special fuels pursuant to NRS 373.066 or 373.0663 ~~[§]~~ *or section 3*
18 *of this act*; and

19 (e) Must not apply to any tax imposed pursuant to NRS 373.066
20 during the term of any bonds outstanding on June 12, 2013, secured
21 by those taxes or of any bonds that refund such bonds provided that
22 the term of the refunding bonds is not longer than the term of the
23 refunded bonds.

24 3. The Department shall charge and collect a fee in an amount
25 not to exceed \$100 for each request for reimbursement filed by a
26 person pursuant to subsection 1. All money from the fees collected
27 by the Department pursuant to this subsection must be deposited in
28 the Local Fuel Tax ~~[Indexing]~~ Fund created by NRS 373.087.

29 4. The Department and a commission which has been created
30 in a county whose population is 700,000 or more and in which a tax
31 is imposed pursuant to NRS 373.0663 may enter into an
32 intergovernmental agreement or contract pursuant to which:

33 (a) The commission agrees to pay for the costs incurred by the
34 Department to establish the system pursuant to subsection 2 and
35 administer the system until the amount of money received by the
36 Department from the fees collected by the Department pursuant to
37 subsection 3 is sufficient to pay the costs incurred by the
38 Department to administer the system; and

39 (b) The Department agrees to reimburse the commission for any
40 money paid by the commission pursuant to paragraph (a) from a
41 portion of the money received by the Department from the fees
42 collected by the Department pursuant to subsection 3.

43 5. *For each county in which a tax is imposed pursuant to*
44 *section 3 of this act and in which the total number of gallons of*
45 *diesel fuel sold in the county during the immediately preceding*



1 *fiscal year, as determined by the Department, is 10,000,000*
2 *gallons or more, the Department shall establish and administer an*
3 *interest-bearing trust account and deposit into the trust account 20*
4 *percent of the total amount of taxes collected by the county*
5 *pursuant to section 3 of this act each month. Except as otherwise*
6 *provided in this subsection, the Department shall use money*
7 *deposited by the Department into such a trust account for a*
8 *county, excluding the amount of any accrued interest, only to pay*
9 *requests for reimbursement of the tax imposed in the county*
10 *pursuant to section 3 of this act which are submitted to the*
11 *Department pursuant to paragraph (b) of subsection 1. If the*
12 *Department approves requests for reimbursement of the tax*
13 *imposed in a county pursuant to section 3 of this act:*

14 *(a) In an amount which is not more than 50 percent of the*
15 *amount deposited by the Department in the trust account for that*
16 *county during the fiscal year, excluding the amount of any*
17 *accrued interest, the Department must, at the end of the fiscal year*
18 *and after the payment of all requests for reimbursement approved*
19 *by the Department, distribute the balance remaining in the trust*
20 *account, including the amount of any accrued interest, as follows:*

21 *(1) An amount equal to the difference between 50 percent*
22 *of the balance remaining in the trust account before the payment*
23 *of all requests for reimbursement, excluding the amount of any*
24 *accrued interest, and the amount of all requests for*
25 *reimbursement paid by the Department must be distributed to the*
26 *Department of Transportation and used by the Department of*
27 *Transportation only to construct, maintain or repair, or any*
28 *combination thereof, highway truck parking in the county; and*

29 *(2) Any balance remaining in the trust account after the*
30 *payment of all requests for reimbursement approved by the*
31 *Department and the distributions required by subparagraph (1),*
32 *including any accrued interest, must be transmitted to the county*
33 *in accordance with NRS 373.080.*

34 *(b) In an amount which exceeds 50 percent, but does not*
35 *exceed 100 percent, of the amount deposited in the trust account*
36 *during the fiscal year, excluding any accrued interest, the balance*
37 *remaining in the trust account after the payment of all requests*
38 *for reimbursement approved by the Department, including the*
39 *amount of any accrued interest, must be transmitted to the county*
40 *in accordance with NRS 373.080.*

41 *(c) In an amount which exceeds the amount of money*
42 *deposited into the trust account of the county during the fiscal*
43 *year, excluding any accrued interest, the Department must pay the*
44 *approved requests for reimbursement on a pro rata basis and*
45 *distribute any accrued interest to the county in accordance with*



1 *NRS 373.080. For the purposes of this paragraph, “pro rata basis”*
2 *means that the amount of each request for reimbursement*
3 *approved by the Department will be proportionally reduced by*
4 *multiplying the amount of reimbursement approved by the ratio of*
5 *the total amount of money deposited into the trust account during*
6 *the fiscal year, exclusive of interest, divided by the total amount of*
7 *requests for reimbursement approved by the Department.*

8 6. As used in this section, “special fuel” has the meaning
9 ascribed to it in NRS 366.060.

10 **Sec. 8.** NRS 373.087 is hereby amended to read as follows:

11 373.087 1. The Local Fuel Tax **[Indexing]** Fund is hereby
12 created as an enterprise fund. The Department shall deposit in the
13 Fund all fees collected by the Department pursuant to subsection 3
14 of NRS 373.083. The Director of the Department shall administer
15 the Fund.

16 2. Money in the Fund must be invested as the money in other
17 state funds is invested. The interest and income earned on the
18 money in the Fund, after deducting any applicable charges, must be
19 credited to the Fund. Claims against the Fund must be paid as other
20 claims against the State are paid.

21 3. Money deposited in the Fund must only be expended:

22 (a) To administer the system established by the Department
23 pursuant to NRS 373.083; and

24 (b) To reimburse a commission for any amounts paid by the
25 commission pursuant to an intergovernmental agreement or contract
26 entered into pursuant to subsection 4 of NRS 373.083.

27 4. The Director may maintain a reserve of not more than
28 \$500,000 in the Fund. The reserve must be accounted for separately
29 in the Fund and must only be expended to administer the system
30 established by the Department pursuant to NRS 373.083.

31 5. Any balance remaining in the Fund at the end of any fiscal
32 year:

33 (a) Does not revert to the State General Fund; and

34 (b) Must be carried forward to the next fiscal year.

35 **Sec. 9.** NRS 373.110 is hereby amended to read as follows:

36 373.110 All the net proceeds of any county fuel tax:

37 1. Imposed pursuant to the provisions of NRS 373.030,
38 paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to
39 (m), inclusive, of subsection 1 of NRS 373.066 or paragraphs (d) to
40 (m), inclusive, of subsection 1 of NRS 373.0663 *or section 3 of this*
41 *act* which are received by the county pursuant to NRS 373.080
42 must, except as otherwise provided in NRS 373.0675 and 373.119,
43 be deposited by the county treasurer in a fund to be known as the
44 regional street and highway fund in the county treasury, and
45 disbursed only in accordance with the provisions of this chapter and



1 chapter 277A of NRS. After July 1, 1975, the regional street and
2 highway fund must be accounted for as a separate fund and not as a
3 part of any other fund.

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

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 NRS 373.0675, the board may
13 use that portion of the revenue collected pursuant to the provisions
14 of this chapter from any taxes imposed pursuant to the provisions of
15 NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065,
16 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 or
17 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663
18 *or section 3 of this act* that represents collections from the sale of
19 fuel for use in boats at marinas in the county to make capital
20 improvements or to conduct programs to encourage safety in
21 boating. If the county does not control a body of water, where an
22 improvement or program is appropriate, the board may contract with
23 an appropriate person or governmental organization for the
24 improvement or program.

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

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

30 373.120 1. No county fuel tax ordinance may be repealed or
31 amended or otherwise directly or indirectly modified in such a
32 manner as to impair adversely any outstanding bonds issued under
33 this chapter or other obligations incurred under this chapter, until all
34 obligations for which revenues from such ordinance have been
35 pledged or otherwise made payable from such revenues pursuant to
36 this chapter have been discharged in full, but the board, with the
37 approval of the governing body of each participating city, may at
38 any time dissolve the commission and provide that no further
39 obligations may be incurred thereafter.

40 2. The faith of the State of Nevada is hereby pledged that this
41 chapter, NRS 365.180 to 365.200, inclusive, and 365.562, and any
42 law supplemental thereto, including without limitation, provisions
43 for the distribution to any county designated in NRS 373.030,
44 373.065, 373.066 or 373.0663, *or section 3 of this act*, of the
45 proceeds of the fuel taxes collected thereunder will not be repealed,



1 amended or otherwise directly or indirectly modified in such a
2 manner as to impair adversely any outstanding bonds issued under
3 this chapter or other obligations incurred under this chapter, until all
4 obligations for which any such tax proceeds have been pledged or
5 otherwise made payable from such tax proceeds pursuant to this
6 chapter have been discharged in full, but the State of Nevada may at
7 any time provide by act that no further obligations may be incurred
8 thereafter.

9 3. Except as otherwise provided in subsection 4, any
10 continuing increases in any taxes imposed pursuant to NRS
11 373.0663 must not be pledged beyond June 30 of the fiscal year that
12 is 5 full fiscal years after bonds or other obligations secured by the
13 taxes imposed pursuant to NRS 373.0663 are issued or incurred, but
14 the taxes imposed pursuant to NRS 373.0663 that are in effect on
15 that June 30 must continue to be pledged to those bonds or other
16 obligations until they are paid in full.

17 4. At any time after bonds are issued or other obligations
18 incurred with a pledge of the taxes imposed pursuant to NRS
19 373.0663, the board may, except as otherwise provided in
20 subsection 5 of NRS 373.0663, by ordinance:

21 (a) Continue the pledge of the increase in taxes imposed
22 pursuant to NRS 373.0663 beyond June 30 of the fiscal year that is
23 5 full fiscal years after bonds or other obligations secured by the
24 taxes imposed pursuant to NRS 373.0663 are issued or incurred, but
25 not beyond June 30 of the fiscal year that is 5 full fiscal years after
26 the adoption of the ordinance pursuant to this paragraph. The
27 process set forth in this paragraph may be repeated until all bonds or
28 other obligations secured by the taxes imposed pursuant to NRS
29 373.0663 have been paid in full.

30 (b) Amend the ordinance imposing the tax to specify a different
31 applicable percentage, including an applicable percentage of zero,
32 but:

33 (1) The applicable percentage must not exceed 7.8 percent;
34 (2) The applicable percentage must not be reduced with
35 respect to any fiscal year preceding the fiscal year following the
36 effective date of an ordinance adopted pursuant to this subsection;
37 and

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

40 (I) June 30 of the fiscal year that is 5 full fiscal years after
41 bonds or other obligations secured by the taxes imposed pursuant to
42 NRS 373.0663 are issued or incurred; or

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



1 5. As used in this section, “applicable percentage” has the
2 meaning ascribed to it in paragraph (b) of subsection 6 of
3 NRS 373.0663.

4 **Sec. 12.** NRS 373.131 is hereby amended to read as follows:

5 373.131 1. Money for the payment of the cost of a project
6 within the area embraced by a regional plan for transportation
7 established pursuant to NRS 277A.210 may be obtained by the
8 issuance of revenue bonds and other revenue securities as provided
9 in subsection 2 or, subject to any pledges, liens and other contractual
10 limitations made pursuant to the provisions of this chapter and
11 chapter 277A of NRS, may be obtained by direct distribution from
12 the regional street and highway fund, except to the extent any such
13 use is prevented by the provisions of NRS 373.150, or may be
14 obtained both by the issuance of such securities and by such direct
15 distribution, as the board may determine. Money for street and
16 highway construction outside the area embraced by the plan may be
17 distributed directly from the regional street and highway fund as
18 provided in NRS 373.150.

19 2. The board or, in a county whose population is 100,000 or
20 more, a commission, may, after the enactment of any ordinance
21 authorized or required by the provisions of NRS 373.030, paragraph
22 (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m),
23 inclusive, of subsection 1 of NRS 373.066 or paragraphs (d) to (m),
24 inclusive, of subsection 1 of NRS 373.0663 ~~§~~ **or section 3 of this**
25 **act**, issue revenue bonds and other revenue securities, on the behalf
26 and in the name of the county or the commission, as the case may
27 be:

28 (a) The total of all of which, issued and outstanding at any one
29 time, must not be in an amount requiring a total debt service in
30 excess of the estimated receipts to be derived from the taxes
31 imposed pursuant to the provisions of NRS 373.030, paragraph (d)
32 of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of
33 subsection 1 of NRS 373.066 and paragraphs (d) to (m), inclusive,
34 of subsection 1 of NRS 373.0663 **and section 3 of this act** and, with
35 respect to notes, warrants or interim debentures described in
36 paragraphs (a) and (b) of subsection 6, the proceeds of bonds or
37 interim debentures;

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

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

44 3. A county or a commission as provided in subsection 2 is
45 authorized to issue bonds or other securities without the necessity of



1 their being authorized at any election in such manner and with such
2 terms as provided in this chapter.

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

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

18 6. Except for:

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

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

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

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

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

29 ↪ all bonds and other securities issued pursuant to the provisions of
30 this chapter must be payable solely from the proceeds of fuel taxes
31 collected by or remitted to the county pursuant to chapter 365 of
32 NRS, as supplemented by this chapter. Receipts of the taxes levied
33 in NRS 365.180 and 365.190 and pursuant to the provisions of
34 paragraphs (a) and (b) of subsection 1 of NRS 373.065, paragraphs
35 (a) and (b) of subsection 1 of NRS 373.066 and paragraphs (a) and
36 (b) of subsection 1 of NRS 373.0663 may be used by the county for
37 the payment of securities issued pursuant to the provisions of this
38 chapter and may be pledged therefor. Such taxes may also be used
39 by a commission in a county whose population is 100,000 or more
40 for the payment of bonds or other securities issued pursuant to the
41 provisions of this chapter and may be pledged therefor if the board
42 of the county consents to such use. If during any period any
43 securities payable from these tax proceeds are outstanding, the tax
44 receipts must not be used directly for the construction, maintenance
45 and repair of any streets, roads or other highways nor for any



1 purchase of equipment therefor, and the receipts of the tax levied in
2 NRS 365.190 must not be apportioned pursuant to subsection 2 of
3 NRS 365.560 unless, at any time the tax receipts are so apportioned,
4 provision has been made in a timely manner for the payment of such
5 outstanding securities as to the principal of, any prior redemption
6 premiums due in connection with, and the interest on the securities
7 as they become due, as provided in the securities, the ordinance, in
8 the case of securities issued by a county, or the resolution, in the
9 case of securities issued by a commission, authorizing their issuance
10 and any other instrument appertaining to the securities.

11 7. The ordinance, in the case of securities issued by a county,
12 or the resolution, in the case of securities issued by a commission,
13 authorizing the issuance of any bond or other revenue security under
14 this section must describe the purpose for which it is issued at least
15 in general terms and may describe the purpose in detail. This section
16 does not require the purpose so stated to be set forth in the detail in
17 which the project approved by the commission pursuant to
18 subsection 2 of NRS 373.140 is stated, or prevent the modification
19 by the board or commission, as the case may be, of details as to the
20 purpose stated in the ordinance authorizing the issuance of any bond
21 or other security after its issuance, subject to approval by the
22 commission of the project as so modified, if such bond or other
23 security is issued by the county and not the commission.

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

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

35 373.140 1. After the enactment of ordinances as authorized in
36 NRS 277A.170 and 373.030 **[§]** *and section 3 of this act*, all street
37 and highway construction, surfacing or resurfacing projects in the
38 county which are proposed to be financed from any county fuel tax
39 imposed pursuant to the provisions of NRS 373.030, paragraph (d)
40 of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of
41 subsection 1 of NRS 373.066 or paragraphs (d) to (m), inclusive, of
42 subsection 1 of NRS 373.0663 *or section 3 of this act* must first be
43 submitted to the commission.



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

4 (a) The priorities established by the plan;

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

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

9 (d) The money available.

10 ↪ If the commission approves the project, the board may authorize
11 the project, using all or any part of the proceeds of any county fuel
12 tax authorized pursuant to the provisions of NRS 373.030,
13 paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to
14 (m), inclusive, of subsection 1 of NRS 373.066 or paragraphs (d) to
15 (m), inclusive, of subsection 1 of NRS 373.0663 ~~§~~ **or section 3 of**
16 **this act**, except as otherwise provided in NRS 373.0675, otherwise
17 required by subsection 6 or to the extent any such use is prevented
18 by the provisions for direct distribution required by NRS 373.150 or
19 is prevented by any pledge to secure the payment of outstanding
20 bonds, other securities or other obligations incurred under this
21 chapter, and other contractual limitations appertaining to such
22 obligations as authorized by NRS 373.160, and the proceeds of
23 revenue bonds or other securities issued or to be issued as provided
24 in NRS 373.131. Except as otherwise provided in subsection 3, if
25 the board authorizes the project, the responsibilities for letting
26 construction and other necessary contracts, contract administration,
27 supervision and inspection of work and the performance of other
28 duties related to the acquisition of the project must be specified in
29 written agreements executed by the board and the governing bodies
30 of the cities and towns within the area covered by a regional plan for
31 transportation established pursuant to NRS 277A.210.

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

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

43 (a) Its relation to the regional plan for transportation established
44 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 of
15 NRS 373.0663 must be expended in accordance with priorities for
16 projects established in coordination and cooperation with the
17 Department of Transportation.

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

19 373.160 1. The ordinance or ordinances, or the resolution or
20 resolutions, providing for the issuance of any bonds or other
21 securities issued under this chapter payable from the receipts from
22 the fuel excise taxes designated in this chapter may at the discretion
23 of the board or, in the case of bonds or other securities issued by a
24 commission, the commission, in addition to covenants and other
25 provisions authorized in the Local Government Securities Law,
26 contain covenants or other provisions as to the pledge of and the
27 creation of a lien upon the receipts of the taxes collected for the
28 county pursuant to the provisions of NRS 373.030, paragraph (d) of
29 subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of
30 subsection 1 of NRS 373.066 and paragraphs (d) to (m), inclusive,
31 of subsection 1 of NRS 373.0663 ~~§~~ *and section 3 of this act*,
32 excluding any tax proceeds to be distributed directly under the
33 provisions of NRS 373.150, or the proceeds of the bonds or other
34 securities pending their application to defray the cost of the project,
35 or both such tax proceeds and security proceeds, to secure the
36 payment of revenue bonds or other securities issued under this
37 chapter.

38 2. If the board or, in the case of bonds or other securities issued
39 by a commission, the commission, determines in any ordinance or
40 resolution authorizing the issuance of any bonds or other securities
41 under this chapter that the proceeds of the taxes levied and collected
42 pursuant to the provisions of NRS 373.030, paragraph (d) of
43 subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of
44 subsection 1 of NRS 373.066 and paragraphs (d) to (m), inclusive,
45 of subsection 1 of NRS 373.0663 *or section 3 of this act* are



1 sufficient to pay all bonds and securities, including the proposed
2 issue, from the proceeds thereof, the board or, in the case of bonds
3 or other securities issued by a commission, the commission with the
4 consent of the board as provided in subsection 6 of NRS 373.131,
5 may additionally secure the payment of any bonds or other
6 securities issued pursuant to the ordinance or resolution under this
7 chapter by a pledge of and the creation of a lien upon not only the
8 proceeds of any fuel tax authorized at the time of the issuance of
9 such securities to be used for such payment in subsection 6 of NRS
10 373.131, but also the proceeds of any such tax thereafter authorized
11 to be used or pledged, or used and pledged, for the payment of such
12 securities, whether such tax be levied or collected by the county, the
13 State of Nevada, or otherwise, or be levied in at least an equivalent
14 value in lieu of any such tax existing at the time of the issuance of
15 such securities or be levied in supplementation thereof.

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

21 **Sec. 15.** NRS 277A.360 is hereby amended to read as follows:
22 277A.360 In counties having a population of less than 100,000,
23 the commission shall submit an annual report to the Department for
24 the fiscal year showing the amount of receipts from the county
25 ~~motor vehicle~~ fuel ~~tax~~ taxes imposed pursuant to chapter 373 of
26 NRS and the nature of the expenditures for each project.

27 **Sec. 16.** This act becomes effective on July 1, 2019.

