

AB 525 - 1997

Versions: [As Introduced](#) [First Reprint](#) [Second Reprint](#) [Third Reprint](#) [As Enrolled](#)

BDR 32-326

Introduced:05/22/97

Introduced By: Carpenter

Summary: Revises provisions relating to certain taxes on motor vehicle fuel and special fuel and use of certain sales and use taxes. (BDR 32-326)

Heard in the the following Committees:

Assembly: TAXATION 6-5 AND TRANSPORTATION 6-17

Senate: TAXATION 6-26

- 05/22/97 Read first time. Referred to Concurrent Committees on Taxation and Transportation. To printer.
- 05/23/97 From printer. To committees.
- 06/13/97 From Concurrent Committee on Taxation: Amend, and do pass as amended.
- 06/16/97 Read second time. Amended. To printer.
- 06/17/97 From printer. To engrossment. Engrossed. First reprint. To Concurrent Committee on Transportation.
- 06/18/97 From Concurrent Committee on Transportation: Do pass, as amended.
- 06/19/97 Read third time. Passed, as amended. Title approved, as amended. To Senate.
- 06/20/97 In Senate. Read first time. Referred to Committee on Taxation. To committee.
- 07/03/97 From committee: Amend, and do pass as amended. Placed on Second Reading File.
- 07/03/97 Read second time. Amended. To printer.
- 07/04/97 From printer. To re-engrossment. Re-engrossed. Second reprint. Placed on General File.
- 07/04/97 Read third time. Passed, as amended. Title approved, as amended. To Assembly.
- 07/05/97 In Assembly.
- 07/05/97 Senate amendment concurred in. Action of concurrence rescinded. Placed on Chief Clerk's desk.
- 07/05/97 Taken from Chief Clerk's desk.
- 07/05/97 Senate amendment not concurred in. To Senate.
- 07/06/97 In Senate.
- 07/06/97 Senate amendment not receded from. Conference requested.
- 07/06/97 First Committee on Conference appointed by Senate. To Assembly.
- 07/06/97 In Assembly.
- 07/06/97 First Committee on Conference appointed by Assembly. To committee.
- 07/07/97 From committee: Concur in Senate amendment and further amend.
- 07/07/97 First Conference report adopted by Assembly.
- 07/07/97 First Conference report adopted by Senate.
- 07/07/97 To printer.
- 07/10/97 From printer. To re-engrossment. Re-engrossed. Third reprint.
- 07/11/97 To enrollment.
- 07/14/97 Enrolled and delivered to Governor.
- 07/16/97 Approved by the Governor.
- 07/17/97 Chapter 588.
- 07/23/97 Effective July 1, 1997.

BILL SUMMARY
69th REGULAR SESSION
OF THE NEVADA STATE LEGISLATURE

PREPARED BY
RESEARCH DIVISION
LEGISLATIVE COUNSEL BUREAU
Nonpartisan Staff of the Nevada State Legislature

ASSEMBLY BILL 525
(Enrolled)

Assembly Bill 525 allows counties with fewer than 35,000 inhabitants to use the revenue from the county motor fuel tax for the maintenance and repair, as well as the construction and improvement, of roads. The bill also defines the purposes for which cities and counties may use state motor fuel tax revenues that are distributed to them. To aid in this distribution, cities and counties are required to submit annually to the Department of Transportation a list of roads and streets that they maintain. This list must include the beginning and ending points of those roads and streets and their mileage. In addition, the bill defines more precisely the types of projects for which counties may use revenues from the county option sales tax for mass transit and the construction of roads.

Finally, the bill authorizes the state to increase its excise taxes on fuel by the full amount of any decrease in the federal excise taxes. Previously, the amount of this state “pick-up” was limited to 4 cents per gallon.

This measure is effective on July 1, 1997.

Background Information

Assembly Bill 525 was introduced in response to the growing need for the for the maintenance and repair of local roads. Testimony indicated that rural areas in Nevada need additional funding for road maintenance and repair because long stretches of roadway are in disrepair. Further testimony indicated that insufficient funding is currently available for the necessary maintenance and repair of these roads.

ASSEMBLY BILL NO. 525-ASSEMBLYMAN CARPENTER

MAY 22, 1997

Referred to Concurrent Committees on
Taxation and Transportation

SUMMARY—Revises provisions governing use of proceeds from county motor vehicle fuel tax and certain sales and use taxes. (BDR 32-326)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

EXPLANATION - Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to taxation; revising the provisions governing the use of the proceeds from the county motor vehicle fuel tax and certain sales and use taxes to allow use for maintenance and repair of roads; and providing other matters properly relating thereto.

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 thereto
2 the provisions set forth as sections 2 to 10, inclusive, of this act.
- 3 **Sec. 2.** *"Acquisition" or "acquire" means the opening, laying out,*
4 *establishment, purchase, construction, securing, installation, reconstruction,*
5 *lease, gift, grant from the United States of America, any agency,*
6 *instrumentality or corporation thereof, the State of Nevada, any body*
7 *corporate and politic therein, any corporation, or any person, the*
8 *endowment, bequest, devise, condemnation, transfer, assignment, option to*
9 *purchase, other contract, or other acquirement, or any combination thereof,*
10 *of any project, or an interest therein, authorized by this chapter.*
- 11 **Sec. 3.** *"Board" means the board of county commissioners.*
- 12 **Sec. 4.** *"City" means an incorporated city.*
- 13 **Sec. 5.** *"Commission" means the regional transportation commission.*
- 14 **Sec. 6.** *"Cost of the project," or any phrase of similar import, means all*
15 *or any part designated by the board of the cost of any project, or interest*
16 *therein, being acquired, which cost, at the option of the board may include*
17 *all or any part of the incidental costs pertaining to the project, including,*
18 *without limitation, preliminary expenses advanced by the county from money*
19 *available for use therefor or any other source, or advanced by any city with*

1 the approval of the county from money available therefor or from any other
2 source, or advanced by the State of Nevada or the Federal Government, or
3 any corporation, agency or instrumentality thereof, with the approval of the
4 county, or any combination thereof, in the making of surveys, preliminary
5 plans, estimates of costs, other preliminaries, the costs of appraising,
6 printing, estimates, advice, contracting for the services of engineers,
7 architects, financial consultants, attorneys at law, clerical help, other agents
8 or employees, the costs of making, publishing, posting, mailing and
9 otherwise giving any notice in connection with the project, the taking of
10 options, the issuance of bonds and other securities, contingencies, the
11 capitalization with bond proceeds of any interest on the bonds for any period
12 not exceeding 1 year and of any reserves for the payment of the principal of
13 an interest on the bonds, the filing or recordation of instruments, the costs of
14 medium-term obligations, construction loans and other temporary loans of
15 not exceeding 10 years appertaining to the project and of the incidental
16 expenses incurred in connection with such financing or loans, and all other
17 expenses necessary or desirable and appertaining to any project, as
18 estimated or otherwise ascertained by the board.

19 Sec. 7. "Federal securities" means bills, certificates of indebtedness,
20 notes, bonds or similar securities which are direct obligations of, or the
21 principal and interest of which securities are unconditionally guaranteed by,
22 the United States of America.

23 Sec. 8. "Improvement" or "improve" means the extension, widening,
24 lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or
25 other major improvement, or any combination thereof, of any project, or an
26 interest therein, authorized by this chapter. The term includes renovation,
27 reconditioning, patching, general maintenance and other minor repairs.

28 Sec. 9. "Project" means street and highway construction, maintenance
29 or repair, or any combination thereof, including, without limitation, the
30 acquisition, maintenance, repair and improvement of any street, avenue,
31 boulevard, alley, highway or other public right of way used for any vehicular
32 traffic, and including a sidewalk designed primarily for use by pedestrians,
33 and also, including, without limitation, grades, regrades, gravel, oiling,
34 surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian rights of
35 way, driveway approaches, curb cuts, curbs, gutters, culverts, catch basins,
36 drains, sewers, manholes, inlets, outlets, retaining walls, bridges,
37 overpasses, tunnels, underpasses, approaches, sprinkling facilities, artificial
38 lights and lighting equipment, parkways, grade separators, traffic
39 separators, and traffic control equipment, and all appurtenances and
40 incidentals, or any combination thereof, including, without limitation, the
41 acquisition, maintenance, repair and improvement of all types of property
42 therefor.

43 Sec. 10. "Town" means an unincorporated town.

44 Sec. 11. NRS 373.020 is hereby amended to read as follows:



- 1 373.020 As used in this chapter, unless the context otherwise requires [:
- 2 1. "Acquisition" or "acquire" means the opening, laying out,
- 3 establishment, purchase, construction, securing, installation, reconstruction,
- 4 lease, gift, grant from the United States of America, any agency,
- 5 instrumentality or corporation thereof, the State of Nevada, any body
- 6 corporate and politic therein, any corporation, or any person, the
- 7 endowment, bequest, devise, condemnation, transfer, assignment, option to
- 8 purchase, other contract, or other acquirement (or any combination thereof)
- 9 of any project, or an interest therein, authorized by this chapter.
- 10 2. "Board" means the board of county commissioners.
- 11 3. "City" means an incorporated city.
- 12 4. "Commission" means the regional transportation commission.
- 13 5. "Cost of the project," or any phrase of similar import, means all or
- 14 any part designated by the board of the cost of any project, or interest
- 15 therein, being acquired, which cost, at the option of the board may include
- 16 all or any part of the incidental costs pertaining to the project, including,
- 17 without limitation, preliminary expenses advanced by the county from
- 18 money available for use therefor or any other source, or advanced by any
- 19 city with the approval of the county from money available therefor or from
- 20 any other source, or advanced by the State of Nevada or the Federal
- 21 Government, or any corporation, agency or instrumentality thereof, with the
- 22 approval of the county (or any combination thereof), in the making of
- 23 surveys, preliminary plans, estimates of costs, other preliminaries, the costs
- 24 of appraising, printing, estimates, advice, contracting for the services of
- 25 engineers, architects, financial consultants, attorneys at law, clerical help,
- 26 other agents or employees, the costs of making, publishing, posting, mailing
- 27 and otherwise giving any notice in connection with the project, the taking of
- 28 options, the issuance of bonds and other securities, contingencies, the
- 29 capitalization with bond proceeds of any interest on the bonds for any period
- 30 not exceeding 1 year and of any reserves for the payment of the principal of
- 31 an interest on the bonds, the filing or recordation of instruments, the costs of
- 32 medium-term obligations, construction loans and other temporary loans of
- 33 not exceeding 10 years appertaining to the project and of the incidental
- 34 expenses incurred in connection with such financing or loans, and all other
- 35 expenses necessary or desirable and appertaining to any project, as estimated
- 36 or otherwise ascertained by the board.
- 37 6. "Federal securities" means bills, certificates of indebtedness, notes,
- 38 bonds or similar securities which are direct obligations of, or the principal
- 39 and interest of which securities are unconditionally guaranteed by, the
- 40 United States of America.
- 41 7. "Improvement" or "improve" means the extension, widening,
- 42 lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or
- 43 other major improvement (or any combination thereof) of any project, or an
- 44 interest therein, authorized by this chapter. The term does not include



1 renovation, reconditioning, patching, general maintenance or other minor
2 repair.

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

16 9. "Town" means an unincorporated town.] , *the words and terms*
17 *defined in sections 2 to 10, inclusive, of this act have the meanings ascribed*
18 *to them in those sections.*

19 Sec. 12. Chapter 377A of NRS is hereby amended by adding thereto the
20 provisions set forth as sections 13 to 18, inclusive, of this act.

21 Sec. 13. "Board" means the board of county commissioners.

22 Sec. 14. "Construction" means the use of the resources of material and
23 labor to produce a facility or structure, including, but not limited to,
24 assembling, building or erecting.

25 Sec. 15. "Maintenance" means activities to preserve the useful life of a
26 facility or structure, including, but not limited to, grading, oiling, patching,
27 painting, resurfacing, removal of ice, foreign objects and snow, sanding,
28 sweeping and washing.

29 Sec. 16. "Public road" means any alley, avenue, boulevard, highway,
30 street or other public right of way for vehicular traffic and appurtenant
31 facilities and structures, including, but not limited to, bridges, curbs,
32 driveway entrances, gutters, lighting, overpasses, underpasses, retaining
33 walls, roadside emergency telephones, security walls or fences, separation
34 medians, sidewalks, signs and traffic control lights.

35 Sec. 17. "Public transit system" means a system employing any method
36 of conveyance that is operated for public use and transports persons within a
37 county.

38 Sec. 18. "Repair" means activities of construction or maintenance to
39 restore the useful function of a facility or structure.

40 Sec. 19. NRS 377A.010 is hereby amended to read as follows:

41 377A.010 As used in this chapter, unless the context otherwise requires
42 [:

43 1. "Board" means the board of county commissioners.



1 2. "Construction" of public roads includes repair and maintenance of
2 public roads.

3 3. "Public roads" means paved roads which are constructed and
4 maintained by a city or county to which access is not limited, and other
5 projects related to the construction and maintenance of sidewalks, streets,
6 avenues, boulevards, highways and other public rights of way used primarily
7 for vehicular traffic, including, without limitation, overpass projects, street
8 projects and underpass projects, as defined in NRS 244A.037, 244A.053 and
9 244A.055.

10 4. "Public transit system" means a system employing motor buses, rails
11 or any other means of conveyance, by whatever type of power, operated for
12 public use in the conveyance of persons, providing local transportation
13 within a county.] , *the words and terms defined in sections 13 to 18,*
14 *inclusive, of this act have the meanings ascribed to them in those sections.*

15 Sec. 20. NRS 377A.020 is hereby amended to read as follows:

16 377A.020 1. The board of county commissioners of any county may
17 enact an ordinance imposing a tax for [public mass transportation and
18 construction] *a public transit system or for the construction, maintenance*
19 *and repair of public roads , or both,* pursuant to NRS 377A.030. The board
20 of county commissioners of any county whose population is less than
21 400,000 may enact an ordinance imposing a tax to promote tourism pursuant
22 to NRS 377A.030.

23 2. An ordinance enacted pursuant to this chapter may not become
24 effective before a question concerning the imposition of the tax is approved
25 by a majority of the registered voters of the county voting upon the question
26 which the board may submit to the voters at any general election. A county
27 may combine the [question for mass transportation and] *questions for a*
28 *public transit system and for the construction, maintenance and repair of*
29 public roads with questions submitted pursuant to NRS 244.3351, 278.710,
30 365.203 or 371.045, or any combination thereof. The board shall also
31 submit to the voters at a general election any proposal to increase the rate of
32 the tax or change the previously approved uses for the proceeds of the tax.

33 3. Any ordinance enacted pursuant to this section must specify the date
34 on which the tax must first be imposed or on which an increase in the rate of
35 the tax becomes effective, which must not be earlier than the first day of the
36 second calendar month following the approval of the question by the voters.

37 Sec. 21. NRS 377A.030 is hereby amended to read as follows:

38 377A.030 Except as otherwise provided in NRS 377A.110, any
39 ordinance enacted under this chapter must include provisions in substance as
40 follows:

41 1. A provision imposing a tax upon retailers at the rate of not more
42 than:

43 (a) For a tax to promote tourism, one-quarter of 1 percent; or

(b) For a tax [for public mass transportation and construction] *to establish and maintain a public transit system or for the construction, maintenance and repair* of public roads, *or both*, one-half of 1 percent, of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed, in a county.

2. Provisions substantially identical to those contained in chapter 374 of NRS, insofar as applicable.

3. A provision that all amendments to chapter 374 of NRS after the date of enactment of the ordinance, not inconsistent with this chapter, automatically become a part of an ordinance imposing the tax for public mass transportation and construction of public roads or the tax to promote tourism in the county.

4. A provision that the county shall contract before the effective date of the ordinance with the department to perform all functions incident to the administration or operation of the tax in the county.

5. A provision that exempts from the tax or any increase in the tax the gross receipts from the sale of, and the storage, use or other consumption in a county of, tangible personal property used for the performance of a written contract for the construction of an improvement to real property, entered into on or before the effective date of the tax or the increase in the tax, or for which a binding bid was submitted before that date if the bid was afterward accepted, if under the terms of the contract or bid the contract price or bid amount cannot be adjusted to reflect the imposition of the tax or the increase in the tax.

Sec. 22. NRS 377A.070 is hereby amended to read as follows:

377A.070 1. The county treasurer shall deposit the money received from the state controller pursuant to NRS 377A.050 for [public mass transportation and construction] *a public transit system or for the construction, maintenance and repair* of public roads, *or both*, in the county treasury for credit to a fund to be known as the public transit fund.

2. The public transit fund must be accounted for as a separate fund and not as a part of any other fund.

Sec. 23. NRS 377A.080 is hereby amended to read as follows:

377A.080 1. In any county in which a tax for [public mass transportation and construction of public roads] *a public transit system or for the construction, maintenance and repair of public roads, or both*, has been imposed, the board shall by ordinance create a regional transportation commission pursuant to chapter 373 of NRS if one has not already been created under that chapter. Where a regional transportation commission has already been created under that chapter, that commission may also exercise the powers conferred by this section.

2. The regional transportation commission may:

(a) Appropriate money in the public transit fund accumulated by a county to provide a public transit system for that county if the system is included in

1 a regional transportation plan adopted by the regional transportation
2 commission;

3 (b) Appropriate money to provide transportation or to support agencies
4 which are providing transportation for the elderly and persons with
5 disabilities, if the services are consistent with the regional transportation
6 plan;

7 (c) Provide for or perform all functions incident to the administration and
8 operation of the public transit system, including the establishment of fares
9 for the system; and

10 (d) Adopt regulations for the operation of systems or services provided by
11 the commission and for systems or services financed by the commission and
12 provided by an agency or a private contractor.

13 3. The commission may draw money out of the public transit fund only
14 for:

15 (a) [Establishing and maintaining] *The establishment and maintenance of*
16 a public transit system for the county and [supporting] *for the support of*
17 other activities, services and programs related to transportation which are
18 included in a regional transportation plan adopted by the commission;

19 (b) [Constructing, repairing and maintaining] *The construction,*
20 *maintenance and repair of* public roads;

21 (c) [Payment] *The payment* of principal and interest on notes, bonds or
22 other securities issued to provide funds for the cost of projects described in
23 paragraphs (a) and (b); or

24 (d) Any combination of those purposes.

25 **Sec. 24.** NRS 377A.090 is hereby amended to read as follows:

26 377A.090 1. Money for the payment of the cost of establishing and
27 maintaining a public transit system or for [constructing] *the construction,*
28 *maintenance and repair of* public roads , *or both*, may be obtained by the
29 issuance of bonds and other securities as provided in subsection 2 , [of this
30 section,] or, subject to any pledges, liens and other contractual limitations
31 made pursuant to this chapter, may be obtained by direct distribution from
32 the public transit fund, or may be obtained both by the issuance of such
33 securities and by such direct distribution as the board may determine.

34 2. The board may, after the enactment of an ordinance imposing a tax
35 for [public mass transportation and construction] *a public transit system or*
36 *for the construction, maintenance and repair of* public roads , *or both*, as
37 authorized by NRS 377A.020, from time to time issue bonds and other
38 securities, which are general or special obligations of the county and which
39 may be secured as to principal and interest by a pledge authorized by this
40 chapter of the receipts from the tax for [public mass transportation and
41 construction] *a public transit system or for the construction, maintenance*
42 *and repair of* public roads [.] , *or both*.

43 3. The ordinance authorizing the issuance of any bond or other security
44 must describe the purpose for which it is issued.



1 **Sec. 25.** NRS 377A.100 is hereby amended to read as follows:

2 377A.100 1. Each ordinance providing for the issuance of any bond or
3 security issued under this chapter payable from the receipts of the tax for
4 [public mass transportation and construction] *a public transit system or for*
5 *the construction, maintenance and repair* of public roads , *or both*, may, in
6 addition to covenants and other provisions authorized in the Local
7 Government Securities Law, contain a covenant or other provision to pledge
8 and create a lien upon the receipts of the tax or upon the proceeds of any
9 bond or security pending their application to defray the cost of establishing
10 or operating a public transit system, or both tax proceeds and security
11 proceeds, to secure the payment of any bond or security issued under this
12 chapter.

13 2. Any money pledged to the payment of bonds or other securities
14 pursuant to subsection 1 may be treated as pledged revenues of the project
15 for the purposes of subsection 3 of NRS 350.020.

16 **Sec. 26.** NRS 377A.110 is hereby amended to read as follows:

17 377A.110 1. Subject to the provisions of subsection 2, the board may
18 gradually reduce the amount of tax imposed pursuant to this chapter for
19 [public mass transportation and construction] *a public transit system or for*
20 *the construction, maintenance and repair* of public roads , *or both*, as
21 revenue from the operation of the public transit system permits.

22 2. No such taxing ordinance may be repealed or amended or otherwise
23 directly or indirectly modified in such a manner as to impair any outstanding
24 bonds issued under this chapter, or other obligations incurred under this
25 chapter, until all obligations, for which revenues from the ordinance have
26 been pledged or otherwise made payable from such revenues pursuant to this
27 chapter, have been discharged in full, but the board may at any time dissolve
28 the regional transportation commission and provide that no further
29 obligations be incurred thereafter.

30 **Sec. 27.** NRS 377A.140 is hereby amended to read as follows:

31 377A.140 1. Except as otherwise provided in subsection 2, a public
32 transit system in a county whose population is 400,000 or more may, in
33 addition to providing local transportation within the county and the services
34 described in NRS 377A.130, provide:

35 (a) Programs to reduce or manage motor vehicle traffic; and

36 (b) Any other services for [public mass transportation] *a public transit*
37 *system* which are requested by the general public,
38 if those additional services are included and described in a long-range plan
39 adopted pursuant to 23 U.S.C. § 134 and 49 U.S.C. § 5303.

40 2. Before a regional transportation commission may provide for *an* on-
41 call public [mass transportation] *transit system* in an area of the county, the
42 commission must receive a determination from the public service
43 commission of Nevada and the taxicab authority that:

1 (a) There are no common motor carriers of passengers who are
2 authorized to provide on-call operations for transporting passengers in that
3 area; or

4 (b) Although there are common motor carriers of passengers who are
5 authorized to provide on-call operations for transporting passengers in the
6 area, the common motor carriers of passengers do not wish to provide, or
7 are not capable of providing, those operations.

8 3. As used in this section:

9 (a) "Common motor carrier of passengers" has the meaning ascribed to it
10 in NRS 706.041.

11 (b) "On-call public [mass transportation] *transit system*" means a system
12 established to transport [by vehicle passengers who request such
13 transportation on demand.] *passengers only upon the request of a person*
14 *who needs transportation.*

15 Sec. 28. This act becomes effective on July 1, 1997.

(30)



MAY 22, 1997

813

THE ONE HUNDRED AND TWENTY-THIRD DAY

CARSON CITY (Thursday), May 22, 1997

Assembly called to order at 11:19 a.m.

Mr. Speaker presiding.

Roll called.

All present except Assemblyman Ernaut, who was excused.

Prayer by the Chaplain, Pastor W. Duane Geyer.

Our Father, and our God, we come with anticipation to You today because Your word clearly teaches us that "whosoever will, may come." Teach us to be observant of all that is around us, so that our hearts will overflow with gratefulness for the many blessings we enjoy every day. Father, may we be mindful of how powerful our encouragement and support to each other can be. Help us be like the little boy who was asked what loving kindness was, who said, "Well, if I was hungry and someone gave me a piece of bread, that would be kindness. But if they put a little jam on it, that would be loving kindness!" Help us add a little sweetness to those we deal with today...a smile, a little respect, a kind response, is an excellent investment in others, that will net a wonderful return. May we be empowered to do this in Your strong and Holy Name.

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Perkins moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Judiciary, to which was referred Assembly Bill No. 421, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

BERNIE ANDERSON, *Chairman*

Mr. Speaker:

Your Committee on Natural Resources, Agriculture, and Mining, to which were referred Assembly Bills Nos. 47, 54, 322, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARCIA DE BRAGA, *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which were re-referred Assembly Bills Nos. 126, 176, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MORSE ARBERRY, JR., *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which was referred Assembly Bill No. 263, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MORSE ARBERRY, JR., *Chairman*

By the Committee on Ways and Means:

Assembly Bill No. 524—An Act relating to state financial administration; requiring the development of criteria for a business plan for use in future state budget processes; and providing other matters properly relating thereto.

Assemblywoman Evans moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

By Assemblyman Carpenter:

Assembly Bill No. 525—An Act relating to taxation; revising the provisions governing the use of the proceeds from the county motor vehicle fuel tax and certain sales and use taxes to allow use for maintenance and repair of roads; and providing other matters properly relating thereto.

Assemblyman Carpenter moved that the bill be referred to the Concurrent Committees on Taxation and Transportation.

Motion carried.

Senate Bill No. 274.

Assemblywoman Buckley moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Senate Bill No. 285.

Assemblywoman Buckley moved that the bill be referred to the Concurrent Committees on Judiciary and Ways and Means.

Motion carried.

Senate Bill No. 337.

Assemblywoman Buckley moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 223.

Bill read second time.

The following amendment was proposed by the Committee on Ways and Means:

Amendment No. 407.

Amend section 1, page 1, line 2, by deleting "\$1,015,383" and inserting "\$560,105".

Amend section 1, page 1, line 3, by deleting "costs." and inserting: "costs and costs associated with related litigation.".

**MINUTES OF THE
ASSEMBLY COMMITTEE ON TAXATION**

**Sixty-ninth Session
June 5, 1997**

The Committee on Taxation was called to order at 1:50 p.m., on Thursday, June 5, 1997. Chairman Robert (Bob) Price presided in Room 3161 of the Legislative Building, Carson City, Nevada. Exhibit A is the Agenda. Exhibit B is the A Guest List.

COMMITTEE MEMBERS PRESENT:

Mr. Robert (Bob) Price, Chairman
Mr. Roy Neighbors, Vice Chairman
Mr. David Goldwater
Mrs. Joan Lambert
Mr. Mark Manendo
Mr. John Marvel
Mr. Harry Mortenson
Mr. Brian Sandoval
Ms. Sandra Tiffany

COMMITTEE MEMBERS ABSENT:

Mr. Morse Arberry, Jr. (Excused)
Mr. Peter (Pete) Ernaut (Excused)

GUEST LEGISLATORS PRESENT:

Mr. Jack Close, Assembly District #15
Mr. John Carpenter, Assembly District #33

STAFF MEMBERS PRESENT:

Ted Zuend, Fiscal Analyst
Nykki Kinsley, Committee Secretary

OTHERS PRESENT:

ASSEMBLY BILL 525 - **Revises provisions governing use of proceeds from county motor vehicle fuel tax and certain sales and use taxes.**

A bill explanation, prepared by Fiscal Analyst Ted Zuend, had been made part of the minutes and included as Exhibit D.

Speaking in behalf of A.B. 525 was Assemblyman John Carpenter who explained he wanted to offer an amendment to the bill which would make it apply to counties of less than 35,000. According to the information he had received from the Legislative Counsel Bureau, with the amendment the bill would not apply to Clark, Washoe or Carson City County.

Mr. Carpenter pointed out this legislation would enable certain counties to use the County Motor Vehicle Fuel Tax for repair and maintenance of the roads and streets. The county officials could also impose an extra sales tax and use those funds for construction and maintenance, if approved by a vote of the people. That revenue was needed in the rural counties as some of them did not collect enough money to pay for major construction projects. Most of the county's money went into maintenance and repairs. The county commissioners in his county put a question on the ballot to raise an extra 5 cents on the County Motor Vehicle Fuel Tax but was voted down. One of the comments he and the commissioners heard was, "Well, if you can't use this money for repairs and maintenance, we don't feel we really need it because that is our crying need out here."

Mr. Carpenter pointed out that was very true, especially on the county roads where they were gravel. They desperately needed those funds for repairs and maintenance and that was basically what the bill would do. He volunteered to answer any questions.

Mr. Neighbors concurred with the concept of the bill and the statements of Mr. Carpenter. He pointed out one of the counties he represented had 4,000 miles of dirt roads and under the current law the Motor Vehicle Fuel Tax could not be used for construction. He agreed the bill was good legislation.

Mr. Carpenter pointed out that according to the NRS the bill would be rereferred to at least two committees, so if the Taxation Committee passed it, it would be referred to Transportation. Chairman Price suggested due to the shortness of the session the chairman of the Transportation Committee may be agreeable to sending the bill over to the Senate.

Speaking in opposition to A.B. 525 was Mr. Daryl Capurro, representing the Nevada Motor Transport Association (NMTA). Mr. Capurro stated he

appreciated the problem the small counties had and acknowledged that similar bills had been before the legislature during prior sessions. The problem for those small counties was tax money collected in those areas did not amount to much unless it was accumulated over a period of time. It had been difficult to design projects that fit within the definition of improvements, as specified in the current law. The original intent of the Regional Transportation Commission (RTC), was basically for major projects, i.e., for building or reconstructing highways, with local general funds used for general maintenance, patching, pothole repair et cetera. At one time money coming from Personal Property Tax and Privilege Taxes collected at the time of registration of an automobile went to the county road funds. That was changed many years ago and placed the money directly into the county's General Fund. The distinction became lost as to the fact that it had been generated from the use and maintenance of motor vehicles and was logically used for repair of highways. The problem his group anticipated was once the RTC tax was used by the small counties for general repair, pothole filling et cetera, there would be no new construction or reconstruction of roads done within the RTC's area of influence. Those same counties would be back before the legislature indicating they did not have money to build new roads, or reconstruct old roads, and they would be asking to increase the taxes we had.

He reiterated the NMTA was opposed to the bill because when the tax was originally imposed it was to be used for new construction or major reconstruction of highways. He appreciated the problems some of the smaller counties had in not being able to accumulate enough money to address a project for two or three years. Washoe County found out the last time they went to a vote of the people to increase the RTC tax, they had to have a project list that appealed to the general public with a confirmation that the money would be used for projects they could see. The public apparently did not believe pothole filling and general maintenance fit into that category.

Mr. Neighbors pointed out the bill specified counties with a population of 35,000 or under. He asked Mr. Capurro how his group felt about that amendment. Mr. Capurro replied he understood the reason for the amendment was to eliminate the larger counties but it would be anticipated that next session someone would be back with a bill to increase the population figure.

Mr. Neighbors emphasized Nye County was almost 300 plus miles across and if you do not have the money for the maintenance of those roads they would lose them which eventually would require reconstructing the entire road. This legislation was simply enabling legislation, allowed the small counties to use the funds as they felt necessary so they did not lose the roads they had. He explained, in the large counties, especially in Clark County, there was almost

500 miles of road in downtown Clark County maintained by the Department of Transportation and probably more there than all the other counties put together. The Department of Transportation not only built them, but also maintained them which was an opportunity the rural counties did not have.

Mr. Capurro reminded those present there had been a one cent county tax that went for maintenance and was imposed several years back for that specific reason. The argument made sense in some counties that there was a need for additional road maintenance funds which was why the separate county option of one cent was allowed. Mr. Capurro believed most of the counties had picked up that one cent but, he understood that would have been in a separate category aside from the RTC tax. Mr. Neighbors agreed, adding there were about seven formulas but they had not always been fair.

Mr. Goldwater, addressing his comments to Mr. Capurro, stated Clark County had the highest local excise tax on fuel for road construction - eight cents with an option in the sales tax for each county of a quarter cent for purposes of roads. He asked if any of the rural areas took advantage of those taxes. Were they already maxed out or could they raise their local excise tax as Clark County had or take advantage of the additional one quarter cent that was already available to them. Mr. Capurro responded the original quarter cent sales tax was for transit purposes, then a session or two after passage, the tax was extended to roads so it could be used for either project. In directly answering Mr. Goldwater's question many of the counties had not imposed the one quarter cent. If they did, that would, in his opinion, fall within the same definition of use, i.e., major projects, construction, and reconstruction that was applied to the RTC gasoline tax. There were quite a few counties that had not imposed the quarter cent sales. There were still several counties that had not imposed the maximum RTC tax. Elko County, for example, as well as several others had not imposed all of what would be available for them to impose. Mr. Neighbors interjected at this time, Nye County was the third county in the state to vote in the quarter cent sales tax.

Chairman Price asked for further testimony either in support or opposition and called on Ms. Carole Vilardo.

Ms. Carole Vilardo, representing the Nevada Taxpayers Association, testified next in opposition to the bill. The opposition from NTPA had been removed with the amendment suggested by Assemblyman Carpenter to reduce the population to 35,000.

There being no further testimony, the following action was taken:

ASSEMBLYMAN NEIGHBORS MADE A MOTION TO AMEND
AND DO PASS A.B. 525 WITH AN AMENDMENT
SETTING THE POPULATION LIMIT TO 35,000

ASSEMBLYWOMAN LAMBERT SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY BY THOSE PRESENT.

Chairman Price volunteered to speak with Assemblywoman Chowning regarding sending the bill to the Transportation Committee or directly to the Senate.

Acting Chairman Neighbors assumed the chair at this time during the absence of Chairman Price.

ASSEMBLY BILL NO. 536 - Provides exemption from certain sales and use taxes and property tax for certain publicly displayed works of art.

Speaking in support of the bill was Mr. Tom Ayres, representing Speaker Dini, who had been detained in another meeting. Mr. Ayres read a statement from Speaker Dini enthusiastically supporting A.B. 536 (Exhibit E). Included in his statement was a definition of what would be required to qualify for the personal property tax exemption. That definition included in subsection 2 of section 1 of the bill would also mandate if the art was removed from public display, the exemption would no longer apply. Mr. Ayers concluded by relaying a message from Mr. Dini indicating his high level of support as he felt it was a meritorious piece of legislation.

Mr. Marvel asked Mr. Pitlock, Executive Director of the Department of Taxation if a fiscal note had been developed and was advised that although the department had not received an official request for one, they had been working with the sponsors of this bill in an attempt to come up with the figures. It appeared to Mr. Pitlock, during discussions with supporters of the legislation that the fiscal impact would be in the area of \$25,000 to \$30,000 per year. That fiscal impact would be on local governments because they were not requesting an exemption from the two percent.

Mr. Goldwater called attention to the verbiage in the bill where it stated the sales would be an "arms length" sale and asked if that was a term of art or was it a statutory term. He added, the Department of Taxation could be in court determining the originality of paintings, oils and different pieces of art.

ASSEMBLY BILL NO. 525
Assembly Committee on Taxation
Hearing: June 4, 1997

This bill allows revenue from the county motor vehicle fuel tax to be used for the maintenance and repair of roads. The key to this change is in section 9, which revises the definition of "project" to include maintenance and repair. The existing definition of "project" covers only construction, which includes the acquisition and "improvement" of the roads. The definition of "improvement" only includes such things as the lengthening, reconstruction and resurfacing of roads and does not encompass maintenance and repair.

Sections 1 to 8: Relocates various definitions now included in NRS 373.020 (see section 11) to individual sections of chapter 373 of the NRS.

Section 9: Expands the definition of a "project," for which county motor vehicle fuel tax revenue can be used, to include the maintenance and repair of various types of roads and other certain other public use rights-of-way for vehicles and pedestrians.

Section 10: Relocates the definition of "town" now included in NRS 373.020 (see section 11) to its own section of chapter 373 of the NRS.

Section 11: Removes all definitions in NRS 373.020 that have been relocated by sections 1 to 10 of this act and uses this section to apply the definitions in sections 2 to 10 to all of chapter 373.

Section 12: Amends chapter 377A to include various definitions as provided in sections 13 to 18 of this act.

Section 13: Relocates the definition of "board" now included in NRS 377A.010 (see section 19) to its own section of chapter 377A.

Section 14: Relocates the definition of "construction" now included in NRS 373.020 (see section 11) to its own section of chapter 377A. Revises the definition to cover only the production of a facility or structure.

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Section 15: Defines “maintenance” as activities which preserve the useful life of a facility or structure.

Section 16: Relocates the definition of “public road” now included in NRS 377A.010 (see section 19) to its own section of chapter 377A. Revises the definition to include various public rights-of-way for vehicular traffic and appurtenant facilities and structures.

Section 17: Relocates the definition of “public transit system” now included in NRS 377A.010 (see section 19) to its own section of chapter 377A. Revises the definition to eliminate certain redundancies in the existing definition.

Section 18: Defines “repair” as construction and maintenance activities which restore the useful function of a facility or structure.

Section 19: Removes all definitions in NRS 377A.010 that have been relocated by sections 12, 13, 14, 16 and 17 and uses this section to apply the definitions in sections 13 to 18 to all of chapter 377A.

Sections 20 to 27: Changes various references in chapter 377A from “public mass transportation” to “public transit system” and from “construction” to “construction, maintenance and repair,” respectively.

Section 28: Makes the act effective on July 1, 1997.

THE ONE HUNDRED AND FORTY-FIFTH DAY

CARSON CITY (Friday), June 13, 1997

Assembly called to order at 11:21 a.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, The Reverend Dr. Alicia Matsunaga.

By the grace of the Other Power, which is both transcendent and dwelling within us, may we receive the wisdom and compassion to preserve and improve our environment, to protect all forms of sentient life, and to realize the potential of this beautiful State of Nevada. In gassho.

Pledge of allegiance to the Flag.

Assemblyman Perkins moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Elections, Procedures, and Ethics, to which was referred Assembly Joint Resolution No. 15, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

CHRISTINA R. GIUNCHIGLIANI, *Chairman*

Mr. Speaker:

Your Committee on Government Affairs, to which were referred Assembly Bills Nos. 184, 527, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DOUGLAS A. BACHE, *Chairman*

Mr. Speaker:

Your Committee on Government Affairs, to which was re-referred Assembly Bill No. 254, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DOUGLAS A. BACHE, *Chairman*

Mr. Speaker:

Your Committee on Health and Human Services, to which was referred Assembly Bill No. 13, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

VIVIAN L. FREEMAN, *Chairman*

Mr. Speaker:

Your Concurrent Committee on Health and Human Services, to which was referred Assembly Bill No. 375, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

VIVIAN L. FREEMAN, *Chairman*

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ONE HUNDRED AND FORTY-FIFTH DAY

Mr. Speaker:

Your Committee on Health and Human Services, to which was referred Assembly Bill No. 489, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and re-refer to the Committee on Ways and Means.

VIVIAN L. FREEMAN, *Chairman*

Mr. Speaker:

Your Committee on Infrastructure, to which was referred Assembly Bill No. 490, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DAVID GOLDWATER, *Chairman*

Mr. Speaker:

Your Committee on Judiciary, to which was referred Assembly Bill No. 411, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

BERNIE ANDERSON, *Chairman*

Mr. Speaker:

Your Committee on Judiciary, to which was referred Senate Bill No. 344, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

BERNIE ANDERSON, *Chairman*

Mr. Speaker:

Your Concurrent Committee on Judiciary, to which were referred Senate Bills Nos. 5, 99, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

BERNIE ANDERSON, *Chairman*

Mr. Speaker:

Your Committee on Labor and Management, to which was referred Assembly Bill No. 548, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

SAUNDRA KRENZER, *Chairman*

Mr. Speaker:

Your Concurrent Committee on Taxation, to which was referred Assembly Bill No. 525, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

ROBERT E. PRICE, *Chairman*

Mr. Speaker:

Your Committee on Taxation, to which was referred Senate Bill No. 353, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

ROBERT E. PRICE, *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which was referred Assembly Bill No. 227, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MORSE ARBERRY, JR., *Chairman*

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, June 12, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day passed Assembly Bills Nos. 223, 263, 509.

Also, I have the honor to inform your honorable body that the Senate on this day adopted Assembly Concurrent Resolution No. 36.

THE ONE HUNDRED AND FORTY-EIGHTH DAY

CARSON CITY (Monday), June 16, 1997

Assembly called to order at 11:11 a.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, The Reverend Dr. Ken Haskins.

Our loving Heavenly Father, You have given to us a magnificent and beautiful day. We are reminded that every good and perfect gift comes from You. We beseech You to provide for us every gift, talent and ability necessary to perform well the important tasks set before us this day.

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Perkins moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Commerce, to which was referred Assembly Bill No. 472, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and re-refer to the Committee on Ways and Means.

RICHARD PERKINS, *Chairman*

Mr. Speaker:

Your Committee on Government Affairs, to which was referred Assembly Bill No. 501, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and re-refer to the Committee on Government Affairs.

DOUGLAS A. BACHE, *Chairman*

Mr. Speaker:

Your Committee on Judiciary, to which were referred Assembly Bills Nos. 294, 485, 497; Senate Bill No. 297, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

BERNIE ANDERSON, *Chairman*

Mr. Speaker:

Your Concurrent Committee on Judiciary, to which were referred Assembly Bill No. 416; Senate Bill No. 377, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

BERNIE ANDERSON, *Chairman*

Mr. Speaker:

Your Committee on Judiciary, to which was referred Senate Bill No. 265, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

BERNIE ANDERSON, *Chairman*

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ONE HUNDRED AND FORTY-EIGHTH DAY

limitation, information contained in a report required by another federal or state law or local ordinance.

5. As used in this section, "project of significant impact" means a project that would create:

- (a) Tentative maps or planned unit developments of 300 units or more;
- (b) Tourist accommodations of 300 units or more;
- (c) Commercial facilities having more than 50,000 square feet of floor space;
- (d) A commercial or industrial facility having more than 500 employees or generating more than 3,000 average daily vehicle trips; or
- (e) A nonresidential development encompassing more than 160 acres."

Amend sec. 16, page 7, line 35, after "person" by inserting "reasonably".

Amend sec. 16, page 7, after line 43, by inserting:

"3. This section does not require the attorney general to proceed with a complaint that the attorney general determines to be frivolous, without merit or filed with a vexatious purpose."

Assemblyman Goldwater moved the adoption of the amendment.

Remarks by Assemblymen Goldwater and Ernaut.

Conflict of interest declared by Assemblyman Ernaut.

Amendment adopted.

Assemblyman Goldwater moved that Assembly Bill No. 490 be re-referred to the Committee on Ways and Means.

Motion carried.

Bill ordered reprinted, engrossed and to the Committee on Ways and Means.

Assembly Bill No. 525.

Bill read second time.

The following amendment was proposed by the Committee on Taxation:

Amendment No. 593.

Amend sec. 9, page 2, by deleting line 28 and inserting:

"Sec. 9. "Project" means:

- 1. *In a county whose population is 35,000 or more, street and highway construction, including, without limitation, the acquisition and improvement of any street, avenue, boulevard, alley, highway or other public right of way used for any vehicular traffic, and including a sidewalk designed primarily for use by pedestrians, and also, including, without limitation, grades, regrades, gravel, oiling, surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian rights of way, driveway approaches, curb cuts, curbs, gutters, culverts, catch basins, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses, approaches, sprinkling facilities, artificial lights and lighting equipment, parkways, grade separators, traffic separators, and traffic control equipment, and all*

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appurtenances and incidentals, or any combination thereof, including, without limitation, the acquisition and improvement of all types of property therefor.

2. In a county whose population is less than 35,000, street and highway construction, maintenance”.

Amend the title of the bill, second line, after “tax” by inserting: “in certain counties”.

Assemblyman Price moved the adoption of the amendment.

Remarks by Assemblyman Price.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 527.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 634.

Amend the bill as a whole by deleting sections 1 through 4, renumbering sec. 5 as sec. 2 and adding a new section designated section 1, following the enacting clause, to read as follows:

“Section 1. Chapter 338 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a public body enters into a contract with a design professional for the provision of services in connection with a public work, the contract:

(a) Must set forth:

(1) The specific period within which the public body must pay the design professional.

(2) The specific period and manner in which the public body may dispute a payment or portion thereof that the design professional alleges is due.

(3) The terms of any penalty that will be imposed upon the public body if the public body fails to pay the design professional within the specific period set forth in the contract pursuant to subparagraph (1).

(4) That the prevailing party in an action to enforce the contract is entitled to reasonable attorney's fees and costs.

(b) May set forth the terms of any discount that the public body will receive if the public body pays the design professional within the specific period set forth in the contract pursuant to subparagraph (1) of paragraph (a).

2. As used in this section, “design professional” means a person with a professional license issued pursuant to chapter 623, 623A or 625 of NRS.”.

Amend the title of the bill, second line, by deleting: “and their subcontractors”.

ASSEMBLY BILL NO. 525-ASSEMBLYMAN CARPENTER

MAY 22, 1997

Referred to Concurrent Committees on
Taxation and Transportation

SUMMARY—Revises provisions governing use of proceeds from county motor vehicle fuel tax and certain sales and use taxes. (BDR 32-326)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.



EXPLANATION - Matter in italics is new; matter in brackets [] is material to be omitted.

AN ACT relating to taxation; revising the provisions governing the use of the proceeds from the county motor vehicle fuel tax in certain counties and certain sales and use taxes to allow use for maintenance and repair of roads; and providing other matters properly relating thereto.

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 thereto
2 the provisions set forth as sections 2 to 10, inclusive, of this act.
- 3 **Sec. 2.** *“Acquisition” or “acquire” means the opening, laying out,*
4 *establishment, purchase, construction, securing, installation, reconstruction,*
5 *lease, gift, grant from the United States of America, any agency,*
6 *instrumentality or corporation thereof, the State of Nevada, any body*
7 *corporate and politic therein, any corporation, or any person, the*
8 *endowment, bequest, devise, condemnation, transfer, assignment, option to*
9 *purchase, other contract, or other acquirement, or any combination thereof,*
10 *of any project, or an interest therein, authorized by this chapter.*
- 11 **Sec. 3.** *“Board” means the board of county commissioners.*
- 12 **Sec. 4.** *“City” means an incorporated city.*
- 13 **Sec. 5.** *“Commission” means the regional transportation commission.*
- 14 **Sec. 6.** *“Cost of the project,” or any phrase of similar import, means all*
15 *or any part designated by the board of the cost of any project, or interest*
16 *therein, being acquired, which cost, at the option of the board may include*
17 *all or any part of the incidental costs pertaining to the project, including,*
18 *without limitation, preliminary expenses advanced by the county from money*
19 *available for use therefor or any other source, or advanced by any city with*



1 the approval of the county from money available therefor or from any other
2 source, or advanced by the State of Nevada or the Federal Government, or
3 any corporation, agency or instrumentality thereof, with the approval of the
4 county, or any combination thereof, in the making of surveys, preliminary
5 plans, estimates of costs, other preliminaries, the costs of appraising,
6 printing, estimates, advice, contracting for the services of engineers,
7 architects, financial consultants, attorneys at law, clerical help, other agents
8 or employees, the costs of making, publishing, posting, mailing and
9 otherwise giving any notice in connection with the project, the taking of
10 options, the issuance of bonds and other securities, contingencies, the
11 capitalization with bond proceeds of any interest on the bonds for any period
12 not exceeding 1 year and of any reserves for the payment of the principal of
13 an interest on the bonds, the filing or recordation of instruments, the costs of
14 medium-term obligations, construction loans and other temporary loans of
15 not exceeding 10 years appertaining to the project and of the incidental
16 expenses incurred in connection with such financing or loans, and all other
17 expenses necessary or desirable and appertaining to any project, as
18 estimated or otherwise ascertained by the board.

19 Sec. 7. "Federal securities" means bills, certificates of indebtedness,
20 notes, bonds or similar securities which are direct obligations of, or the
21 principal and interest of which securities are unconditionally guaranteed by,
22 the United States of America.

23 Sec. 8. "Improvement" or "improve" means the extension, widening,
24 lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or
25 other major improvement, or any combination thereof, of any project, or an
26 interest therein, authorized by this chapter. The term includes renovation,
27 reconditioning, patching, general maintenance and other minor repairs.

28 Sec. 9. "Project" means:

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

43 2. In a county whose population is less than 35,000, street and
44 highway construction, maintenance or repair, or any combination thereof,

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

14 **Sec. 10.** "Town" means an unincorporated town.

15 **Sec. 11.** NRS 373.020 is hereby amended to read as follows:

16 373.020 As used in this chapter, unless the context otherwise requires [:

17 1. "Acquisition" or "acquire" means the opening, laying out,
18 establishment, purchase, construction, securing, installation, reconstruction,
19 lease, gift, grant from the United States of America, any agency,
20 instrumentality or corporation thereof, the State of Nevada, any body
21 corporate and politic therein, any corporation, or any person, the
22 endowment, bequest, devise, condemnation, transfer, assignment, option to
23 purchase, other contract, or other acquirement (or any combination thereof)
24 of any project, or an interest therein, authorized by this chapter.

25 2. "Board" means the board of county commissioners.

26 3. "City" means an incorporated city.

27 4. "Commission" means the regional transportation commission.

28 5. "Cost of the project," or any phrase of similar import, means all or
29 any part designated by the board of the cost of any project, or interest
30 therein, being acquired, which cost, at the option of the board may include
31 all or any part of the incidental costs pertaining to the project, including,
32 without limitation, preliminary expenses advanced by the county from
33 money available for use therefor or any other source, or advanced by any
34 city with the approval of the county from money available therefor or from
35 any other source, or advanced by the State of Nevada or the Federal
36 Government, or any corporation, agency or instrumentality thereof, with the
37 approval of the county (or any combination thereof), in the making of
38 surveys, preliminary plans, estimates of costs, other preliminaries, the costs
39 of appraising, printing, estimates, advice, contracting for the services of
40 engineers, architects, financial consultants, attorneys at law, clerical help,
41 other agents or employees, the costs of making, publishing, posting, mailing
42 and otherwise giving any notice in connection with the project, the taking of
43 options, the issuance of bonds and other securities, contingencies, the
44 capitalization with bond proceeds of any interest on the bonds for any period



1 not exceeding 1 year and of any reserves for the payment of the principal of
2 an interest on the bonds, the filing or recordation of instruments, the costs of
3 medium-term obligations, construction loans and other temporary loans of
4 not exceeding 10 years appertaining to the project and of the incidental
5 expenses incurred in connection with such financing or loans, and all other
6 expenses necessary or desirable and appertaining to any project, as estimated
7 or otherwise ascertained by the board.

8 6. "Federal securities" means bills, certificates of indebtedness, notes,
9 bonds or similar securities which are direct obligations of, or the principal
10 and interest of which securities are unconditionally guaranteed by, the
11 United States of America.

12 7. "Improvement" or "improve" means the extension, widening,
13 lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or
14 other major improvement (or any combination thereof) of any project, or an
15 interest therein, authorized by this chapter. The term does not include
16 renovation, reconditioning, patching, general maintenance or other minor
17 repair.

18 8. "Project" means street and highway construction, including, without
19 limitation, the acquisition and improvement of any street, avenue,
20 boulevard, alley, highway or other public right of way used for any
21 vehicular traffic, and including a sidewalk designed primarily for use by
22 pedestrians, and also including, without limitation, grades, regrades, gravel,
23 oiling, surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian
24 rights of way, driveway approaches, curb cuts, curbs, gutters, culverts,
25 catch basins, drains, sewers, manholes, inlets, outlets, retaining walls,
26 bridges, overpasses, tunnels, underpasses, approaches, sprinkling facilities,
27 artificial lights and lighting equipment, parkways, grade separators, traffic
28 separators, and traffic control equipment, and all appurtenances and
29 incidentals, or any combination thereof, including, without limitation, the
30 acquisition and improvement of all types of property therefor.

31 9. "Town" means an unincorporated town.] , the words and terms
32 defined in sections 2 to 10, inclusive, of this act have the meanings ascribed
33 to them in those sections.

34 Sec. 12. Chapter 377A of NRS is hereby amended by adding thereto the
35 provisions set forth as sections 13 to 18, inclusive, of this act.

36 Sec. 13. "Board" means the board of county commissioners.

37 Sec. 14. "Construction" means the use of the resources of material and
38 labor to produce a facility or structure, including, but not limited to,
39 assembling, building or erecting.

40 Sec. 15. "Maintenance" means activities to preserve the useful life of a
41 facility or structure, including, but not limited to, grading, oiling, patching,
42 painting, resurfacing, removal of ice, foreign objects and snow, sanding,
43 sweeping and washing.

1 **Sec. 16.** *"Public road" means any alley, avenue, boulevard, highway,*
2 *street or other public right of way for vehicular traffic and appurtenant*
3 *facilities and structures, including, but not limited to, bridges, curbs,*
4 *driveway entrances, gutters, lighting, overpasses, underpasses, retaining*
5 *walls, roadside emergency telephones, security walls or fences, separation*
6 *medians, sidewalks, signs and traffic control lights.*

7 **Sec. 17.** *"Public transit system" means a system employing any method*
8 *of conveyance that is operated for public use and transports persons within a*
9 *county.*

10 **Sec. 18.** *"Repair" means activities of construction or maintenance to*
11 *restore the useful function of a facility or structure.*

12 **Sec. 19.** NRS 377A.010 is hereby amended to read as follows:

13 377A.010 As used in this chapter, unless the context otherwise requires
14 [:

15 1. "Board" means the board of county commissioners.

16 2. "Construction" of public roads includes repair and maintenance of
17 public roads.

18 3. "Public roads" means paved roads which are constructed and
19 maintained by a city or county to which access is not limited, and other
20 projects related to the construction and maintenance of sidewalks, streets,
21 avenues, boulevards, highways and other public rights of way used primarily
22 for vehicular traffic, including, without limitation, overpass projects, street
23 projects and underpass projects, as defined in NRS 244A.037, 244A.053 and
24 244A.055.

25 4. "Public transit system" means a system employing motor buses, rails
26 or any other means of conveyance, by whatever type of power, operated for
27 public use in the conveyance of persons, providing local transportation
28 within a county.] , *the words and terms defined in sections 13 to 18,*
29 *inclusive, of this act have the meanings ascribed to them in those sections.*

30 **Sec. 20.** NRS 377A.020 is hereby amended to read as follows:

31 377A.020 1. The board of county commissioners of any county may
32 enact an ordinance imposing a tax for [public mass transportation and
33 construction] *a public transit system or for the construction, maintenance*
34 *and repair of public roads , or both,* pursuant to NRS 377A.030. The board
35 of county commissioners of any county whose population is less than
36 400,000 may enact an ordinance imposing a tax to promote tourism pursuant
37 to NRS 377A.030.

38 2. An ordinance enacted pursuant to this chapter may not become
39 effective before a question concerning the imposition of the tax is approved
40 by a majority of the registered voters of the county voting upon the question
41 which the board may submit to the voters at any general election. A county
42 may combine the [question for mass transportation and] *questions for a*
43 *public transit system and for the construction, maintenance and repair of*
44 *public roads with questions submitted pursuant to NRS 244.3351, 278.710,*

1 365.203 or 371.045, or any combination thereof. The board shall also
2 submit to the voters at a general election any proposal to increase the rate of
3 the tax or change the previously approved uses for the proceeds of the tax.

4 3. Any ordinance enacted pursuant to this section must specify the date
5 on which the tax must first be imposed or on which an increase in the rate of
6 the tax becomes effective, which must not be earlier than the first day of the
7 second calendar month following the approval of the question by the voters.

8 Sec. 21. NRS 377A.030 is hereby amended to read as follows:

9 377A.030 Except as otherwise provided in NRS 377A.110, any
10 ordinance enacted under this chapter must include provisions in substance as
11 follows:

12 1. A provision imposing a tax upon retailers at the rate of not more
13 than:

14 (a) For a tax to promote tourism, one-quarter of 1 percent; or

15 (b) For a tax [for public mass transportation and construction] *to establish*
16 *and maintain a public transit system or for the construction, maintenance*
17 *and repair of public roads, or both*, one-half of 1 percent,
18 of the gross receipts of any retailer from the sale of all tangible personal
19 property sold at retail, or stored, used or otherwise consumed, in a county.

20 2. Provisions substantially identical to those contained in chapter 374 of
21 NRS, insofar as applicable.

22 3. A provision that all amendments to chapter 374 of NRS after the date
23 of enactment of the ordinance, not inconsistent with this chapter,
24 automatically become a part of an ordinance imposing the tax for public
25 mass transportation and construction of public roads or the tax to promote
26 tourism in the county.

27 4. A provision that the county shall contract before the effective date of
28 the ordinance with the department to perform all functions incident to the
29 administration or operation of the tax in the county.

30 5. A provision that exempts from the tax or any increase in the tax the
31 gross receipts from the sale of, and the storage, use or other consumption in
32 a county of, tangible personal property used for the performance of a written
33 contract for the construction of an improvement to real property, entered
34 into on or before the effective date of the tax or the increase in the tax, or
35 for which a binding bid was submitted before that date if the bid was
36 afterward accepted, if under the terms of the contract or bid the contract
37 price or bid amount cannot be adjusted to reflect the imposition of the tax or
38 the increase in the tax.

39 Sec. 22. NRS 377A.070 is hereby amended to read as follows:

40 377A.070 1. The county treasurer shall deposit the money received
41 from the state controller pursuant to NRS 377A.050 for [public mass
42 transportation and construction] *a public transit system or for the*
43 *construction, maintenance and repair of public roads, or both*, in the county
44 treasury for credit to a fund to be known as the public transit fund.

2. The public transit fund must be accounted for as a separate fund and not as a part of any other fund.

Sec. 23. NRS 377A.080 is hereby amended to read as follows:

377A.080 1. In any county in which a tax for [public mass transportation and construction of public roads] *a public transit system or for the construction, maintenance and repair of public roads, or both*, has been imposed, the board shall by ordinance create a regional transportation commission pursuant to chapter 373 of NRS if one has not already been created under that chapter. Where a regional transportation commission has already been created under that chapter, that commission may also exercise the powers conferred by this section.

2. The regional transportation commission may:

(a) Appropriate money in the public transit fund accumulated by a county to provide a public transit system for that county if the system is included in a regional transportation plan adopted by the regional transportation commission;

(b) Appropriate money to provide transportation or to support agencies which are providing transportation for the elderly and persons with disabilities, if the services are consistent with the regional transportation plan;

(c) Provide for or perform all functions incident to the administration and operation of the public transit system, including the establishment of fares for the system; and

(d) Adopt regulations for the operation of systems or services provided by the commission and for systems or services financed by the commission and provided by an agency or a private contractor.

3. The commission may draw money out of the public transit fund only for:

(a) [Establishing and maintaining] *The establishment and maintenance of* a public transit system for the county and [supporting] *for the support of* other activities, services and programs related to transportation which are included in a regional transportation plan adopted by the commission;

(b) [Constructing, repairing and maintaining] *The construction, maintenance and repair of* public roads;

(c) [Payment] *The payment of* principal and interest on notes, bonds or other securities issued to provide funds for the cost of projects described in paragraphs (a) and (b); or

(d) Any combination of those purposes.

Sec. 24. NRS 377A.090 is hereby amended to read as follows:

377A.090 1. Money for the payment of the cost of establishing and maintaining a public transit system or for [constructing] *the construction, maintenance and repair of* public roads , *or both*, may be obtained by the issuance of bonds and other securities as provided in subsection 2 , [of this section,] or, subject to any pledges, liens and other contractual limitations



1 made pursuant to this chapter, may be obtained by direct distribution from
2 the public transit fund, or may be obtained both by the issuance of such
3 securities and by such direct distribution as the board may determine.

4 2. The board may, after the enactment of an ordinance imposing a tax
5 for [public mass transportation and construction] *a public transit system or*
6 *for the construction, maintenance and repair* of public roads , *or both*, as
7 authorized by NRS 377A.020, from time to time issue bonds and other
8 securities, which are general or special obligations of the county and which
9 may be secured as to principal and interest by a pledge authorized by this
10 chapter of the receipts from the tax for [public mass transportation and
11 construction] *a public transit system or for the construction, maintenance*
12 *and repair* of public roads [.] , *or both*.

13 3. The ordinance authorizing the issuance of any bond or other security
14 must describe the purpose for which it is issued.

15 **Sec. 25.** NRS 377A.100 is hereby amended to read as follows:

16 377A.100 1. Each ordinance providing for the issuance of any bond or
17 security issued under this chapter payable from the receipts of the tax for
18 [public mass transportation and construction] *a public transit system or for*
19 *the construction, maintenance and repair* of public roads , *or both*, may, in
20 addition to covenants and other provisions authorized in the Local
21 Government Securities Law, contain a covenant or other provision to pledge
22 and create a lien upon the receipts of the tax or upon the proceeds of any
23 bond or security pending their application to defray the cost of establishing
24 or operating a public transit system, or both tax proceeds and security
25 proceeds, to secure the payment of any bond or security issued under this
26 chapter.

27 2. Any money pledged to the payment of bonds or other securities
28 pursuant to subsection 1 may be treated as pledged revenues of the project
29 for the purposes of subsection 3 of NRS 350.020.

30 **Sec. 26.** NRS 377A.110 is hereby amended to read as follows:

31 377A.110 1. Subject to the provisions of subsection 2, the board may
32 gradually reduce the amount of tax imposed pursuant to this chapter for
33 [public mass transportation and construction] *a public transit system or for*
34 *the construction, maintenance and repair* of public roads , *or both*, as
35 revenue from the operation of the public transit system permits.

36 2. No such taxing ordinance may be repealed or amended or otherwise
37 directly or indirectly modified in such a manner as to impair any outstanding
38 bonds issued under this chapter, or other obligations incurred under this
39 chapter, until all obligations, for which revenues from the ordinance have
40 been pledged or otherwise made payable from such revenues pursuant to this
41 chapter, have been discharged in full, but the board may at any time dissolve
42 the regional transportation commission and provide that no further
43 obligations be incurred thereafter.

1 **Sec. 27.** NRS 377A.140 is hereby amended to read as follows:

2 377A.140 1. Except as otherwise provided in subsection 2, a public
3 transit system in a county whose population is 400,000 or more may, in
4 addition to providing local transportation within the county and the services
5 described in NRS 377A.130, provide:

6 (a) Programs to reduce or manage motor vehicle traffic; and

7 (b) Any other services for [public mass transportation] *a public transit*
8 *system* which are requested by the general public,
9 if those additional services are included and described in a long-range plan
10 adopted pursuant to 23 U.S.C. § 134 and 49 U.S.C. § 5303.

11 2. Before a regional transportation commission may provide for *an* on-
12 call public [mass transportation] *transit system* in an area of the county, the
13 commission must receive a determination from the public service
14 commission of Nevada and the taxicab authority that:

15 (a) There are no common motor carriers of passengers who are
16 authorized to provide on-call operations for transporting passengers in that
17 area; or

18 (b) Although there are common motor carriers of passengers who are
19 authorized to provide on-call operations for transporting passengers in the
20 area, the common motor carriers of passengers do not wish to provide, or
21 are not capable of providing, those operations.

22 3. As used in this section:

23 (a) "Common motor carrier of passengers" has the meaning ascribed to it
24 in NRS 706.041.

25 (b) "On-call public [mass transportation] *transit system*" means a system
26 established to transport [by vehicle passengers who request such
27 transportation on demand.] *passengers only upon the request of a person*
28 *who needs transportation.*

29 **Sec. 28.** This act becomes effective on July 1, 1997.

**MINUTES OF THE
ASSEMBLY COMMITTEE ON TRANSPORTATION**

**Sixty-ninth Session
June 17, 1997**

The Committee on Transportation was called to order at 2:00 p.m., on Tuesday, June 17, 1997. Chairwoman Vonne Chowning presided in Room 3143 of the Legislative Building, Carson City, Nevada. Exhibit A is the Agenda. Exhibit B is the Guest List.

COMMITTEE MEMBERS PRESENT:

Mrs. Vonne Chowning, Chairwoman
Mr. Tom Collins, Vice Chairman
Mr. Mark Amodei
Mr. Bernie Anderson
Mrs. Barbara Cegavske
Mr. Don Gustavson
Mr. Dennis Nolan
Ms. Genie Ohrenschall
Mr. David Parks

GUEST LEGISLATORS PRESENT:

Assemblyman John Carpenter, Assembly District 33
Assemblyman Wendell Williams, Assembly District 6

STAFF MEMBERS PRESENT:

Michael Stewart, Committee Policy Analyst, Research Division, Legislative
Counsel Bureau
Cynthia Clampitt, Committee Secretary

OTHERS PRESENT:

Jan Capaldi, Chief, Registration Division, Department of Motor Vehicles
and Public Safety
Tamra McDowell, Nevada League of Cities
Barbara McKenzie, City of Reno

Mrs. Capaldi said one local entity had provided DMV with statistics for their area and one license plate holder had 95 parking tickets. Another license plate holder owed a total of \$5,160 in parking violation fees.

Tamra McDowell, Nevada League of Cities, stated everyone had worked very hard on the bill. The league strongly supported the bill and urged the committee's support as well.

The Chair noted Barbara McKenzie, representing the City of Reno was no longer present but had signed in, in support of S.B. 366. The Chair directed the record to reflect her support.

ASSEMBLYMAN COLLINS MOVED TO DO PASS S.B. 366.

ASSEMBLYWOMAN OHRENSCHALL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY BY THOSE PRESENT.
ASSEMBLYMAN ANDERSON WAS NOT PRESENT FOR THE VOTE.

The Chair opened the hearing on A.B. 525.

ASSEMBLY BILL 525 - **Revises provisions governing use of proceeds from county motor vehicle fuel tax and certain sales and use taxes.**

Assemblyman John Carpenter, Assembly District 33, testified A.B. 525 would enable the rural counties to use the sales tax and the nine cent local option tax for maintenance and repair of roadways. He explained in the rural counties they sometimes did not collect enough from the local option gas tax to build even a small segment of road, but it was very important to be able to maintain existing roads. He noted the measure had gone before the voters and passed.

Mr. Carpenter explained in Elko, there was a ballot question to raise the local option gas tax another five cents per gallon and one reason that measure was defeated at the polls was the funds could not be used for repair and maintenance.

Mr. Carpenter noted Elko County had approximately 1,200 miles of roadway and probably 99.9 percent were gravel so maintenance was critical. He added the bill would not pertain to Clark, Washoe, or Carson City Counties.

Chairwoman Chowning asked if the first reprint version of the bill with amendments had passed out of the Taxation Committee. Assemblyman Carpenter said it had.

The Chair stated for the record, "The Nevada Motor Transport Association was in another meeting but wanted to say they voiced their support."

Assemblyman Parks disclosed for the record that as an employee of the Regional Transportation Commission of Clark County, who were the recipients of county optional motor vehicle fuel taxes as well as sales and use tax and while the bill did not directly impact Clark County, he felt it was necessary to disclose his employment. He stated he would be voting on the bill.

ASSEMBLYMAN NOLAN MOVED TO DO PASS A.B. 525.

ASSEMBLYWOMAN OHRENSCHALL SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY BY THOSE PRESENT.
ASSEMBLYMAN ANDERSON WAS NOT PRESENT FOR THE VOTE.

Assemblyman Carpenter requested permission to report to the committee on the status of A.B. 36 which made changes to the Insurance Verification Program of the DMV. He said the amendments might be voted out that date. He noted the bill had been introduced in the first week of the session and had been the subject of several amendments.

Chairwoman Chowning opened the hearing on A.B. 568.

ASSEMBLY BILL 568 - Directs Regional Transportation Commission of Clark County and Nevada Department of Transportation to examine feasibility of constructing elevated fixed guideway system of mass transit in certain parts of Las Vegas Valley.

Assemblywoman Genie Ohrenschall, Assembly District 12, introduced the bill. She said A.B. 568 was designed to encourage the Regional Transportation Commission of Clark County (RTC) when conducting studies to provide better transportation within Clark County, to remember the older areas.

She gave an example of the Charleston and Sahara corridors as areas that needed study toward use of a monorail system. She said the bill seemed to have been drafted to address only those two corridors, so she requested an amendment at line 11, ". . .system, as well as other corridors within Clark

JUNE 18, 1997

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THE ONE HUNDRED AND FIFTIETH DAY

CARSON CITY (Wednesday), June 18, 1997

Assembly called to order at 11:13 a.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by First Reader, Barbara Yochum.

Dear Lord, we come before You today with thanksgiving and praise. We ask Your Spirit and blessing upon the members of this Assembly. We humbly seek Your guidance and wisdom in all matters coming before this body. And if there is a matter that seems perplexing, may this Assembly be reminded to turn to You—each in their own way and in their own words—seeking Your divine direction. May their human footsteps then help to unfold Your supreme plan for this great State of Nevada. We know You as a good and glorious God—and we thank You for all the good that will be accomplished here today. In the Precious Name of Your son.

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Perkins moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Government Affairs, to which was referred Assembly Bill No. 296, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DOUGLAS A. BACHE, *Chairman*

Mr. Speaker:

Your Committee on Judiciary, to which was referred Senate Bill No. 274, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

BERNIE ANDERSON, *Chairman*

Mr. Speaker:

Your Committee on Labor and Management, to which was referred Assembly Bill No. 279, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

SAUNDRA KRENZER, *Chairman*

Mr. Speaker:

Your Committee on Natural Resources, Agriculture, and Mining, to which was referred Senate Bill No. 414, has had the same under consideration, and begs leave to report the same back with the recommendation: Re-refer to the Committee on Government Affairs.

MARCIA DE BRAGA, *Chairman*

Mr. Speaker:

Your Committee on Taxation, to which was referred Assembly Bill No. 513, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

ROBERT E. PRICE, *Chairman*

Mr. Speaker:

Your Committee on Taxation, to which was referred Assembly Bill No. 535, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

ROBERT E. PRICE, *Chairman*

Mr. Speaker:

Your Committee on Taxation, to which was referred Assembly Bill No. 462, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and re-refer to the Committee on Taxation.

ROBERT E. PRICE, *Chairman*

Mr. Speaker:

Your Concurrent Committee on Transportation, to which was referred Assembly Bill No. 525, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass, as amended.

VONNE CHOWNING, *Chairman*

Mr. Speaker:

Your Committee on Transportation, to which were referred Senate Bills Nos. 335, 366, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

VONNE CHOWNING, *Chairman*

Mr. Speaker:

Your Committee on Transportation, to which were referred Assembly Bills Nos. 404, 494, 495, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

VONNE CHOWNING, *Chairman*

Mr. Speaker:

Your Concurrent Committee on Ways and Means, to which was re-referred Assembly Bill No. 401, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MORSE ARBERRY, JR., *Chairman*

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, June 17, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate amended, and on this day passed, as amended, Assembly Bills Nos. 84, 99, 125, 128, 427 and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 27.

MARY JO MONGELLI

Assistant Secretary of the Senate

MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman de Braga moved that Senate Bill No. 414 be re-referred to the Committee on Government Affairs.

Motion carried.

THE ONE HUNDRED AND FIFTY-FIRST DAY

CARSON CITY (Thursday), June 19, 1997

Assembly called to order at 11:15 a.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, The Reverend Monte C. Fast.

Assembled here are good women and good men. Not perfect, but essentially good. Good citizens of this state have chosen them as their representatives. Partisan philosophies were the definers that guided the choice of Nevada voters, but when the selection process completed, all citizens wanted good women and good men to do the representative work that was needed. Let us renew our commitment to do that good work, for those of all philosophies, for those who desperately need help and change.

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Perkins moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Concurrent Committee on Commerce, to which was referred Assembly Bill No. 375, has had the same under consideration, and begs leave to report the same back with the recommendation: Without recommendation.

RICHARD PERKINS, *Chairman*

Mr. Speaker:

Your Committee on Commerce, to which were referred Senate Bills Nos. 244, 351, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

RICHARD PERKINS, *Chairman*

Mr. Speaker:

Your Concurrent Committee on Education, to which was referred Assembly Bill No. 559, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WENDELL P. WILLIAMS, *Chairman*

Mr. Speaker:

Your Committee on Education, to which was referred Assembly Bill No. 486, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WENDELL P. WILLIAMS, *Chairman*

Mr. Speaker:

Your Committee on Government Affairs, to which was referred Assembly Bill No. 483, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and re-refer to the Committee on Ways and Means.

DOUGLAS A. BACHE, *Chairman*

JUNE 19, 1997

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Assembly Bill No. 510 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 515.

Bill read third time.

Remarks by Assemblywoman Koivisto.

Roll call on Assembly Bill No. 515:

YEAS — 42.

NAYS — None.

Assembly Bill No. 515 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 522.

Bill read third time.

Remarks by Assemblywoman Buckley.

Roll call on Assembly Bill No. 522:

YEAS — 41.

NAYS — None.

Not voting — Carpenter.

Assembly Bill No. 522 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Giunchigliani moved that Assembly Bill No. 414 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblyman Perkins moved that all rules be suspended, reading so far had considered second reading, rules further suspended, Senate Bill No. 274 declared an emergency measure under the Constitution and placed on third reading and final passage.

Motion carried unanimously.

GENERAL FILE AND THIRD READING

Assembly Bill No. 525.

Bill read third time.

Remarks by Assemblyman Carpenter.

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ONE HUNDRED AND FIFTY-FIRST DAY

Roll call on Assembly Bill No. 525:

YEAS — 42.

NAYS — None.

Assembly Bill No. 525 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 573.

Bill read third time.

Remarks by Assemblyman Lee.

Roll call on Assembly Bill No. 573:

YEAS — 42.

NAYS — None.

Assembly Bill No. 573 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 576.

Bill read third time.

Remarks by Assemblymen Tiffany and Goldwater.

Conflict of interest declared by Assemblyman Goldwater.

Roll call on Assembly Bill No. 576:

YEAS — 41.

NAYS — None.

Not voting — Goldwater.

Assembly Bill No. 576 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Joint Resolution No. 17.

Resolution read third time.

Remarks by Assemblywoman Giunchigliani.

Roll call on Assembly Joint Resolution No. 17:

YEAS — 35.

NAYS — Amodei, Collins, Evans, Gustavson, Lee, Ohrenschall, Price — 7.

Assembly Joint Resolution No. 17 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Resolution ordered transmitted to the Senate.

Assembly Bill No. 497.

Bill read third time.

The following amendment was proposed by Assemblyman Carpenter:

THE ONE HUNDRED AND FIFTY-SECOND DAY

CARSON CITY (Friday), June 20, 1997

Senate called to order at 10:52 a.m.

President Hammargren presiding.

Roll called.

All present.

Prayer by the Chaplain, the Reverend Dr. Daigan Lee Matsunaga.

Guided by the power of the ultimate truth, and illuminated by the infinite wisdom and compassion of the enlightenment, let us cross the vast ocean of this turbulent world with all other sentient beings to reach the realm of true awakening. May the other power lead the people of Nevada to the shore of perfect liberation and peace.

In Gassho.

Pledge of allegiance to the Flag.

Senator Raggio moved that further reading of the Journal be dispensed with, and the President and Secretary be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Natural Resources, to which were referred Senate Bills Nos. 310, 412, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DEAN A. RHOADS, *Chairman*

Mr. President:

Your Committee on Taxation, to which was referred Senate Bill No. 365, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MIKE MCGINNESS, *Chairman*

Mr. President:

Your Committee on Transportation, to which was referred Senate Bill No. 340, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WILLIAM R. O'DONNELL, *Chairman*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 18, 1997

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 265, 344, 353.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bills Nos. 230, 294 and 297, and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to concur in the Senate amendment to Assembly Bill No. 99.

JACQUELINE SNEDDON

Assistant Chief Clerk of the Assembly

ASSEMBLY CHAMBER, Carson City, June 19, 1997

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 274, 348, 358, 359.

Also, I have the honor to inform your honorable body that the Assembly on this day passed Assembly Bills Nos. 573, 576.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 204, 216, 264, 299, 477, 510, 515, 522, 525.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Joint Resolution No. 17.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate amendment to Assembly Bill No. 128.

Also, I have the honor to inform your honorable body that the Assembly on this day amended, and passed, as amended, Senate Bills Nos. 29, 129, 260, and respectfully requests your honorable body to concur in said amendments.

JACQUELINE SNEDDON

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

By Senators Raggio, Adler, Augustine, Coffin, Jacobsen, James, Mathews, McGinness, Neal, O'Connell, O'Donnell, Porter, Rawson, Regan, Rhoads, Schneider, Shaffer, Titus, Townsend, Washington and Wiener:

Senate Concurrent Resolution No. 52—Commending Dean Frank D. Meyers upon his retirement from the University of Nevada, Reno.

WHEREAS, Dr. Frank Meyers was born in the small town of McClusky, North Dakota, in 1934; and

WHEREAS, Dr. Meyers earned his Bachelor's Degree in business and his Master's Degree in counseling psychology from North Dakota State University, and his Doctorate Degree in counseling psychology from Northern Colorado State University; and

WHEREAS, Dr. Meyers began his educational career in North Dakota where he was a high school teacher who also served as a guidance counselor for the school district; and

WHEREAS, After marrying his college sweetheart, Margie Kunz, Dr. Meyers was employed by the University of Nevada, Reno, and served for several productive years on the faculty, and in 1983 he was selected to be the Dean of the College of Education; and

WHEREAS, Dr. Meyers has demonstrated his concern for the future of the education of our youth by participating in numerous local, state and national educational committees; and

WHEREAS, Dr. Meyers was a member of the Board of Directors of the Holmes Group, a prestigious national educational reform committee for kindergarten through grade 12; and

WHEREAS, Dr. Meyers was also a member of the Board of Directors of the American Association of Colleges for Teacher Education, the largest teacher organization in the United States; and

WHEREAS, During Dr. Meyers' tenure at the University of Nevada, Reno, the College of Education became the fastest growing college on campus, graduating approximately 400 teachers each year; and

Assembly Bill No. 216.

Senator Rawson moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 264.

Senator Rawson moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 299.

Senator Rawson moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 477.

Senator Rawson moved that Senate Standing Rule No. 40 be suspended and that the bill be referred to the Committee on Commerce and Labor.

Remarks by Senator Rawson.

Motion carried.

Assembly Bill No. 510.

Senator Rawson moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 515.

Senator Rawson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 522.

Senator Rawson moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Assembly Bill No. 525.

Senator Rawson moved that the bill be referred to the Committee on Taxation.

Motion carried.

**MINUTES OF THE
SENATE COMMITTEE ON TAXATION**

**Sixty-ninth Session
June 26, 1997**

The Senate Committee on Taxation was called to order by Chairman Mike McGinness, at 2:00 p.m., on Thursday, June 26, 1997, in Room 2135 of the Legislative Building, Carson City, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Mike McGinness, Chairman
Senator Dean A. Rhoads, Vice Chairman
Senator Randolph J. Townsend
Senator Ann O'Connell
Senator Bob Coffin
Senator John B. (Jack) Regan
Senator Ernest E. Adler

GUEST LEGISLATORS PRESENT:

Assemblyman John C. Carpenter, Elko County Assembly District No. 33
Assemblywoman Christine R. Giunchigliani, Clark County Assembly District
No. 9
Assemblyman P. M. "Roy" Neighbors, Esmeralda/Lincoln/Mineral/Nye County
Assembly District No. 36

STAFF MEMBERS PRESENT:

Kevin Welsh, Deputy Fiscal Analyst
Deanne Runacres, Committee Secretary

OTHERS PRESENT:

Mary Walker, Director, Finance/Redevelopment, Carson City
Lester Dunn, Road Supervisor, Lyon County
Martin D. Hefner, Lobbyist, Nevada Taxpayers Association

Dino DiCianno, Deputy Executive Director, Department of Taxation
Daryl E. Capurro, Lobbyist, Executive Director, Nevada Franchised Auto
Dealers Association, and Nevada Motor Transport
Charles Van Geel, Research Manager, Division of Economic Development,
Commission on Economic Development
David L. Howard, Lobbyist, Greater Reno/Sparks Chamber of Commerce
Douglas L. Dickerson, Lobbyist, City of Las Vegas
Robert S. Hadfield, Lobbyist, Nevada Association of Counties
Samuel P. McMullen, Lobbyist, Retail Association of Nevada
Mary Lau, Lobbyist, Retail Association of Nevada
Tom Ayres, Intern, representing Assembly Speaker, Joseph E. Dini, Jr.,
Lyon/Storey County/Carson City Assembly District No. 38
Michael D. Hillerby, Lobbyist, Alliance for the Arts
Maureen Barrett, Barrett and Associates
Mark Masuoka, Director, Nevada Institute for Contemporary Art
Carol Spiegel, Corporate Art Dealer and Consultant
Robert Tracy, Ph.D., Associate Professor of Art History, Associate Director of
Honor College, University of Nevada, Las Vegas, and Curator, Parkinson
Archives

Senator McGinness opened the hearing on Assembly Bill (A.B.) 525.

ASSEMBLY BILL 525: Revises provisions governing use of proceeds from
county motor vehicle fuel tax and certain sales and
use taxes. (BDR 32-326)

Assemblyman John C. Carpenter, Elko County Assembly District No. 33,
testified in favor of A.B. 525. He stated this bill allows the rural counties in
Nevada to use the 9-cent gas tax for road maintenance and repair; right now the
gas-tax proceeds can only be used for road construction. In the rural areas not
enough money is received to do large road construction jobs. It is important to
rural counties to be able use the gas tax for road repairs. Elko County has
approximately 1,200 miles of mostly gravel road to maintain. Mr. Carpenter
stated it is very important for Elko County to be able to use that money for
repair and maintenance. There is a statute which enables the counties, if they
choose, to put a half-cent sales tax increase on the ballot for use on their roads.
This bill allows the counties to also use the gas tax for repairs and maintenance,
he continued. The bill contains a population cap which exempts Carson City,
Clark County and Washoe County. The bill applies only to the other 14 "cow"
counties.

Mr. Carpenter explained there are a couple of friendly amendments which could be attached to A.B. 525. Mary Walker will explain the genesis of Carson City's amendment; Carole Vilardo, also present, has another amendment which she can present to the committee. The only amendment coming out of the Nevada State Assembly is the description of what a road is. Mr. Carpenter expressed his desire to use the description in the amendment Mary Walker will be putting forth.

Senator McGinness asked for clarification on the road description to be included in the amendment. Mr. Carpenter said the new definition is not currently in the bill; it will be in the amendment presented by Mary Walker.

Senator Adler referred to section 6 relating to the "cost of the project." The funds would be available for appraisals and advice, but also for such things as clerical help, attorneys, consultants, publishing, posting, and mailing. The description of costs allowable does not sound as if the funds are going to be used for roads.

Mr. Carpenter explained A.B. 525 simply amends the laundry list referred to by Senator Adler to add road repair and maintenance. The bill drafter, for reasons unknown, took all the language from current legislation and amended it to include the words "maintenance and repairs."

Senator Adler was concerned there is no breakdown specifying how much can be spent on administration and how much actually ends up in the roadway.

Mr. Carpenter said there is no intent to spend money on attorneys, but sometimes there is no alternative. Other cost items objected to by Senator Adler, explained Mr. Carpenter, would be necessary if the project was for major road construction, but he reiterated the bill was drafted only to amend the statute to allow gas-tax funds for maintenance and repair.

Senator Regan asked for an estimated amount the 9-cent gas tax would provide on an annual basis to a county with a population of less than 35,000. Mr. Carpenter said he had those figures, but not with him, and he preferred not to make a wild guess. He offered to get the information for the committee.

Mary Walker, Director, Finance/Redevelopment, Carson City, testified currently the local governments do have the ability to levy the entire 9 cents. One of the

things which occurred during the interim study mandated by Senate Concurrent Resolution (S.C.R.) 40 of the Sixty-eighth Session was rural counties were actually criticized for not increasing taxes in order to provide services to the public.

SENATE CONCURRENT
RESOLUTION 40 OF THE
SIXTY-EIGHTH SESSION:

Directs Legislative Commission to conduct interim study of laws relating to distribution among local governments of revenue from state and local taxes.

Ms. Walker continued the reason why many rural counties have not levied the full 9 cents is because they cannot afford to maintain new roads; they cannot afford to maintain the roads they have right now. The rural counties sincerely appreciate Mr. Carpenter's efforts to help them get the funds needed to maintain and repair their roads. Rural counties are not growing; they do not need new roads. Rural counties most pressing needs are to be able to maintain existing county roads. This bill gives the rural counties the ability to meet the needs of their communities.

Senator O'Connell expounded there is a situation wherein one county there is only one gas station. Needless to say the county is not going to generate the funds needed, even with the entire 9-cent gas tax.

Les Dunn, Road Superintendent, Lyon County, reported Lyon County generates approximately \$1 million per year with the full 9-cent levy of the gas tax. In reference to the laundry list of costs in the bill, Mr. Dunn expressed his belief there are some projects which do warrant many of the costs listed.

Discussion ensued on how all the possible costs listed could be limited or controlled. Ms. Walker remarked there are some amendments which will define repair and maintenance much more specifically. In the amendments, it is stated repair and maintenance do not include administrative costs. Once the amendments are introduced Senator Adler will be better satisfied about how the funds can be spent. Copies of the proposed amendments were given to the committee (Exhibit C).

It was ascertained by Senator McGinness that Mr. Carpenter considered the amendments "friendly."

Ms. Walker gave the committee an overview of the amendments (Exhibit C). She said, with Mr. Carpenter's permission, the amendments to A.B. 525, generated by the technical committee and the legislative committee of S.C.R. 40 of the Sixty-eighth Session, working in conjunction and under the excellent leadership of Senator O'Connell, are recommended for inclusion into the bill. Over the past 18 months the S.C.R. 40 of the Sixty-eighth Session committee has studied local government tax distribution of many taxes. Fuel taxes were one of the areas of study. It became apparent during the committee and local governments' workshops much more work needs to be accomplished in the fuel tax area. Ms. Walker continued the amendments directly reflect the recommendations of the local governments, Nevada Association of Counties (NACO) and the Nevada League of Cities. She then went through each of the amendments with the committee members.

Mr. Dunn agreed the interim study recommended in section 8 of the amendment will give counties a better basis to determine how many road miles are out there. Right now it is not certain if the road miles being turned in to the state using the formula are certified miles. The study would provide a cost breakdown of different types of maintenance allowing for a new formula to be reapplied to insure all road miles would be certified. Roads actually in the system but not maintained would not be added to the formula. This would make it fairer to all the government entities involved.

Senator Rhoads asked whether the Nevada Department of Transportation (NDOT) has agreed to the \$250,000 for the study. Mr. Dunn replied the cost for the study has been discussed and it was decided the \$250,000 could be taken off the top of the gas-tax revenues of each county before it was distributed so the cost would be shared proportionately by the counties.

Senator Rhoads inquired about the type of subcommittee involved. Ms. Walker answered it would be the same subcommittee chaired by Senator O'Connell.

Ms. Walker further stated it was a very inclusionary process. The rural counties were invited to each one of the meetings. It was a very good process as far as learning about the counties' needs, and how to address those needs.

Senator Rhoads questioned if the taxpayer amendment was included in the amendment presented by Ms. Walker. She replied it is a separate amendment

which will be presented by others in the audience. She stated the rural counties concur with the taxpayer amendment and vice versa.

Martin D. Hefner, Lobbyist, Nevada Taxpayers Association, supplied the committee with an amendment (Exhibit D) to A.B. 525, first reprint. He said the amendment will amend two sections of the current statute, Nevada Revised Statutes (NRS) 365.185 and 365.195. With the Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization, the amendment will insure the counties will be able to pick up any or all of the gas-tax levy which might be lost through federal legislation. NDOT has concurred with this amendment, also.

Senator McGinness sought to clarify whether this was a prospective amendment for something the federal government may enact after the Legislature is out of session. Mr. Hefner confirmed this; if the amendment is not passed, the rural counties will not be able to pick up those gas taxes.

Senator O'Connell interjected the gas tax is only 4 cents. She also had a question on the United States Codes (U.S.C.). She inquired whether the U.S.C. numbers listed in the amendment referred to the ISTEA. Mr. Hefner explained the codes listed are the sections which refer to the Federal Highway Tax and the deficit section.

SENATOR RHOADS MOVED TO AMEND AND DO PASS ASSEMBLY BILL 525 WITH THE AMENDMENTS PRESENTED BY MARY WALKER AND THE NEVADA TAXPAYERS ASSOCIATION.

SENATOR O'CONNELL SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Senator McGinness opened the hearing on A.B. 204.

ASSEMBLY BILL 204: Provides for study of feasibility of consolidating collection of taxes and fees within Department of Taxation and of actual cost of collecting taxes and fees on behalf of local governments. (BDR S-297)

In order to merge AB 525 and BDR 32-1023, the following is recommended:

1) BDR 32-1023 Section 1. Provides Accountability and Defines Repair and Maintenance for the 1.25 and 2.35 Fuel Tax for Road Maintenance.

This provision provides accountability from the local governments by requiring a public hearing to determine the roads and streets maintained. It also requires the local governments to submit to the Department of Transportation the list of roads maintained by January 1 in order for the Department of Transportation to coordinate with the Department of Taxation to provide local governments updated revenue projections for the local government annual budget process.

The section also clearly defines repair and maintenance. Through the SCR 40 public hearings it was discussed that many attorneys in the various local governments provide differing opinions as to the definition of repair and maintenance. The definition provided in section 1 clarifies the definition to eliminate the differing legal opinions statewide.

Recommendation: Add Section 1 of BDR 32-1023 to AB 525.

2) BDR 32-1023 Section 2. Defines Repair and Maintenance for the 1.75 Fuel Tax for Road Maintenance.

Section 2 defines the 1.75 fuel tax terms "construction, maintenance and repair" as the same meaning used by the 1.25 and 2.35 fuel tax noted in section 1 above.

Recommendation: Add Section 2 of BDR 32-1023 to AB 525.

3) BDR 32-1023 Section 8. Provides for a Study of Local Government Cost to Provide Road Maintenance Services.

Section 8 provides for a study to be performed of the cost of maintaining local roads in Nevada. It also identifies practices and procedures and develops a data base for a uniform system of maintenance of local roads. The cost of the study will be paid by the local governments through the fuel tax collection process.

Recommendation: Add Section 8 of BDR 32-1023 to AB 525.

4) BDR 32-1023 Section 10. Provides NRS 354.599 Does Not Apply.

This is the unfunded mandate provision which does not apply in this case since local governments will be paying for the cost of the study.

Recommendation: Add Section 10 of BDR 32-1023 to AB 525.

5) AB 525 Section 15 and 18. Definition of Maintenance and Repair.

In order to delete any conflicts between BDR 32-1023 and AB 525, AB 525 Sections 15 and 18 should be restated to reflect the new definition as provided in BDR 32-1023 Section 1 above.

Recommendation: Restate AB 525 Section 15 and 18 as follows: "As used in this section, maintenance and repair has the meaning ascribed to it in NRS 365.550".

SUMMARY—Revises provisions governing use of proceeds of certain taxes on motor vehicle fuel. (BDR 32-1023)

FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State or on Industrial Insurance: No.

AN ACT relating to taxes on motor vehicle fuels; requiring each county and incorporated city to submit a list to the department of transportation setting forth each road or street maintained by the county or city; defining "construction, maintenance and repair" for the purposes of using the proceeds of certain taxes on motor vehicle fuel; requiring the legislative commission to conduct an interim study relating to the maintenance of highways, roads and streets by counties and cities; and providing other matters properly relating thereto.

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

Section 1. NRS 365.550 is hereby amended to read as follows:

COMMITTEE INTRODUCTION REQUIRED



365.550 1. The receipts of the tax [as levied in] *levied pursuant to* NRS 365.180 must be allocated monthly by the department to the counties [upon] *using* the following formula:

(a) One-fourth in proportion to total area.

(b) One-fourth in proportion to population.

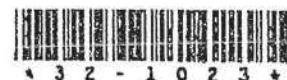
(c) One-fourth in proportion to road mileage and street mileage [(] *of* nonfederal aid primary roads . [).]

(d) One-fourth in proportion to vehicle miles of travel on [roads (] nonfederal aid primary roads . [).]

2. The amount [due] *allocated* to the counties under the formula must be remitted monthly. The state controller shall draw his warrants payable to the county treasurer of each of the several counties, and the state treasurer shall pay the warrants out of the proceeds of the tax levied [in] *pursuant to* NRS 365.180.

3. Of the money received by the counties [by reason of] *pursuant to* the provisions of this section:

(a) An amount equal to that part of the allocation which represents 1.25 cents of the tax per gallon must be used exclusively for the service and redemption of revenue bonds issued pursuant to chapter 373 of NRS, for the construction, maintenance and repair of county roads, and for the purchase of equipment for that [work,] *construction, maintenance and*



repair, under the direction of the boards of county commissioners of the several counties, and must not be used to defray expenses of administration; and

(b) An amount equal to that part of the allocation which represents 2.35 cents of the tax per gallon must be allocated pursuant to the following formula:

(1) If there are no incorporated cities in the county, to the county; and

(2) If there is [one or more incorporated cities] *at least one incorporated city* in the county, to the county and any incorporated cities in the county pursuant to the formula set [out] *forth* for counties in subsection 1. For the purpose of applying the formula, the area of the county excludes the area included in any incorporated city.

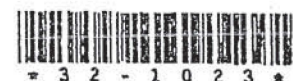
4. The formula computations must be made as of July 1 of each year by the department, based on estimates which must be furnished by the department of transportation. The determination [so] made by the department is conclusive.

5. *Each county and incorporated city shall, not later than January 1 of each year, submit a list to the department of transportation setting forth:*

(a) *Each road or street that is maintained by the county or city; and*

(b) *The beginning and ending points and the total mileage of each of those roads or streets.*

Each county and incorporated city shall, at least 10 days before the list is submitted to the department of transportation, hold a public hearing to identify and determine the roads and streets maintained by the county or city.



6. As used in this section, "construction, maintenance and repair" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a road and is necessary for the safe and efficient use of the road, including, without limitation:

- (a) Grades and regrades;
- (b) Graveling, oiling, surfacing, macadamizing and paving;
- (c) Sweeping, cleaning and sanding roads and removing snow from roads;
- (d) Crosswalks and sidewalks;
- (e) Culverts, catch basins, drains, sewers and manholes;
- (f) Inlets and outlets;
- (g) Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;
- (h) Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;
- (i) Rights of way;
- (j) Grade and traffic separators;
- (k) Fences, cattle guards and other devices to control access to a county road;
- (l) Signs and devices for the control of traffic; and
- (m) Facilities for personnel and the storage of equipment used to construct, maintain or repair a county road.

Sec. 2. NRS 365.560 is hereby amended to read as follows:



365.560 1. The receipts of the tax [as levied in NRS 365.190 shall] *levied pursuant to NRS 365.190 must* be allocated monthly by the department to the counties in which the [tax] payment *of the tax* originates.

2. [Such receipts shall] *The receipts must* be apportioned between the county, towns with town boards as organized under NRS 269.016 to 269.019, inclusive, and incorporated cities within the county from the general road fund of the county in the same ratio as the assessed valuation of property within the boundaries of [such] *the* towns or incorporated cities within the county bears to the total assessed valuation of property within the county, including property within the towns or incorporated cities.

3. [All such money so] *Any money* apportioned to a county [shall] *pursuant to subsection 2 must* be expended by the county solely for [the] :

(a) *The service and redemption of revenue bonds issued pursuant to chapter 373 of NRS* [, for the] ;

(b) *The construction, maintenance and repair of the public highways of the county* [and for the] ; *and*

(c) *The purchase of equipment for* [such work, and shall] *that construction, maintenance and repair.*

U.S.H. *The money must* not be used to defray the expenses of administration.

4. [All such money so] *Any money* apportioned to towns or incorporated cities [shall] *pursuant to subsection 2 must* be expended only upon the streets, alleys and public



highways of [such] the town or city, other than state highways, under the direction and control of the governing body of the town or city.

5. As used in this section, "construction, maintenance and repair" has the meaning ascribed to it in NRS 365.550.

~~Sec. 3. NRS 373.020 is hereby amended to read as follows:~~

~~373.020 As used in this chapter, unless the context otherwise requires:~~

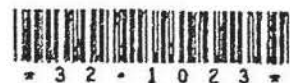
~~1. "Acquisition" or "acquire" means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the United States of America, any agency, instrumentality or corporation thereof, the State of Nevada, any body corporate and politic therein, any corporation, or any person, the endowment, bequest, devise, condemnation, transfer, assignment, option to purchase, other contract, or other acquirement, [C] or any combination thereof, [D] of any project, or an interest therein, authorized by this chapter.~~

~~2. "Board" means the board of county commissioners.~~

~~3. "City" means an incorporated city.~~

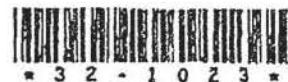
~~4. "Commission" means the regional transportation commission.~~

~~5. "Cost of the project," or any phrase of similar import, means all or any part designated by the board of the cost of any project, or interest therein, being acquired, which cost, at the option of the board may include all or any part of the incidental costs pertaining to the project, including, without limitation, preliminary expenses advanced by the county~~



from money available for use therefor or any other source, or advanced by any city with the approval of the county from money available therefor or from any other source, or advanced by the State of Nevada or the Federal Government, or any corporation, agency or instrumentality thereof, with the approval of the county, [(C] or any combination thereof, [D,] in the making of surveys, preliminary plans, estimates of costs, other preliminaries, the costs of appraising, printing, estimates, advice, contracting for the services of engineers, architects, financial consultants, attorneys at law, clerical help, other agents or employees, the costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the project, the taking of options, the issuance of bonds and other securities, contingencies, the capitalization with bond proceeds of any interest on the bonds for any period not exceeding 1 year and of any reserves for the payment of the principal of an interest on the bonds, the filing or recordation of instruments, the costs of medium-term obligations, construction loans and other temporary loans of not exceeding 10 years appertaining to the project and of the incidental expenses incurred in connection with such financing or loans, and all other expenses necessary or desirable and appertaining to any project, as estimated or otherwise ascertained by the board.

6. "Federal securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States of America.

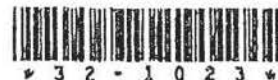


7. "Improvement" or "improve" means the extension, widening, lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or other major improvement, [(] or any combination thereof, [)] of any project, or an interest therein, authorized by this chapter. [The] *Except as otherwise provided in this subsection, the term does not include renovation, reconditioning, patching, general maintenance or other minor repair. The term includes construction, maintenance and repair as defined in NRS 365.550 in a county whose population is less than 35,000.*

8. "Project" means street and highway construction, including, without limitation, the acquisition and improvement of any street, avenue, boulevard, alley, highway or other public right of way used for any vehicular traffic, and including a sidewalk designed primarily for use by pedestrians, and also including, without limitation, grades, regrades, gravel, oiling, surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian rights of way, driveway approaches, curb cuts, curbs, gutters, culverts, catch basins, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses, approaches, sprinkling facilities, artificial lights and lighting equipment, parkways, grade separators, traffic separators, and traffic control equipment, and all appurtenances and incidentals, or any combination thereof, including, without limitation, the acquisition and improvement of all types of property therefor.

9. "Town" means an unincorporated town.

Sec. 4. NRS 373.030 is hereby amended to read as follows:



373.030 1. In any county for all or part of which a streets and highways plan has been adopted as a part of the master plan by the county or regional planning commission pursuant to NRS 278.150, the board may by ordinance:

- (a) Create a regional transportation commission; and
- (b) Impose a tax on motor vehicle fuel, except aviation fuel and leaded racing fuel, sold in the county in an amount not to exceed 9 cents per gallon.

2. *The first 4 cents of the tax imposed pursuant to paragraph (b) of subsection 1 by a board in a county whose population is less than 35,000 may be used only for a project for the construction of a new road, street or highway in that county.*

3. A tax imposed pursuant to this section is in addition to other motor vehicle fuel taxes imposed pursuant to the provisions of chapter 365 of NRS.

[3.] 4. As used in this section:

- (a) "Aviation fuel" has the meaning ascribed to it in NRS 365.015.
- (b) "Leaded racing fuel" means motor vehicle fuel that contains lead and is produced for motor vehicles that are designed and built for racing and not for operation on a public highway.

Sec. 5. NRS 373.130 is hereby amended to read as follows:

373.130 1. [Money] *Except as otherwise provided in NRS 373.030 and 373.150, money for the payment of the cost of a project within the area embraced by a regional plan for transportation established pursuant to NRS 373.1161 may be obtained [by the] :*



(a) ~~By the~~ issuance of revenue bonds and other revenue securities as provided in subsection 2 ~~[of this section, or, subject] ;~~

(b) ~~Subject~~ to any pledges, liens and other contractual limitations made pursuant to the provisions of this chapter, ~~[may be obtained]~~ by direct distribution from the regional street and highway fund ~~[, except to the extent any such use is prevented by the provisions of NRS 373.150, or may be obtained both by] ; or~~

(c) ~~By the issuance of [such] those securities and by [such] direct distribution [,] from that fund, as the board may determine.~~

USH) Money for street and highway construction outside the area embraced by the plan may be distributed directly from the regional street and highway fund as provided in NRS 373.150.

2. The board may, after the enactment of an ordinance ~~[as authorized by]~~ *pursuant to* NRS 373.030, issue revenue bonds and other revenue securities, on the behalf *of* and in the name of the county:

(a) The total of all of which, issued and outstanding at any one time, must not be in an amount requiring a total debt service in excess of the estimated receipts to be derived from the tax imposed pursuant to the provisions of NRS 373.030;

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

(c) Which may be secured as to principal and interest by a pledge authorized by this chapter of the receipts from the motor vehicle fuel taxes designated in this chapter, except



[such] *the* portion of the receipts [as may be] *that is* required for the direct distributions authorized [by] *pursuant to* NRS 373.150.

3. A county [is authorized to] *may* issue bonds without [the necessity of their] *the* bonds being authorized at any election in [such] *the* manner and [with] *upon* such terms as provided in this chapter.

4. Subject to the provisions of this chapter, for any project authorized [therein] *pursuant to this chapter*, the board of any county may, on [the] *behalf of* and in the name of the county, borrow money, otherwise become obligated, and evidence obligations by the issuance of bonds and other county securities, and in connection with the undertaking or project, the board may otherwise proceed as provided in the Local Government Securities Law.

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

6. Except for:

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

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

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



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

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

FLUSH all bonds and other securities issued pursuant to the provisions of this chapter [,] must be payable solely from the proceeds of motor vehicle fuel taxes collected by or remitted to the county pursuant to chapter 365 of NRS, as supplemented by this chapter. Receipts of the taxes levied [in] *pursuant to* NRS 365.180 and 365.190 and accounted for in the general road fund of the county may be used by the county for the payment of securities issued pursuant to the provisions of this chapter and may be pledged [therefor,] *for the securities*. If, during any period any securities payable from these tax proceeds are outstanding, the tax receipts must not be used directly for the construction, maintenance and repair of any streets, roads or other highways [nor] *or* for any purchase of equipment [therefor,] *for that construction, maintenance and repair*, and the receipts of the tax levied [in] *pursuant to* NRS 365.190 must not be apportioned pursuant to subsection 2 of NRS 365.560 unless, at any time the tax receipts are so apportioned, *a* provision has been made in a timely manner for the payment of [such] *the* outstanding securities as to the principal of, any prior redemption premiums due in connection with, and the interest on the securities as they become due, as provided in the securities, the ordinance authorizing their issuance, and any other instrument appertaining to the securities.



7. The ordinance authorizing the issuance of any bond or other revenue security [hereunder] *pursuant to the provisions of this chapter* must describe the purpose for which it is issued at least in general terms and may describe the purpose in detail. This section does not require the purpose so stated to be set forth in the detail in which the project approved by the commission pursuant to subsection 2 of NRS 373.140 is stated, or prevent the modification by the board of details as to the purpose stated in the ordinance authorizing the issuance of any bond or other security after its issuance, subject to approval by the commission of the project as so modified.

Sec. 6. NRS 373.140 is hereby amended to read as follows:

373.140 1. After the enactment of an ordinance [as authorized in] *pursuant to* NRS 373.030, all street and highway construction, surfacing or resurfacing projects in the county which are proposed to be financed from the county motor vehicle fuel tax must first be submitted to the [regional transportation] commission.

2. [Where] *If* the project is within the area covered by a regional plan for transportation established pursuant to NRS 373.1161, the commission shall evaluate it in terms of:

(a) The priorities established by the plan;

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

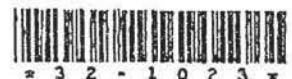


(c) The relative need for the project in comparison with [others proposed;] *other proposed projects*; and

(d) The money available.

FLUSH [If] *Except as otherwise provided in NRS 373.030, if* the commission approves the project, the board may authorize the project, using all or any part of the proceeds of the county motor vehicle fuel tax authorized by this chapter, except to the extent [any such] *the* use is [prevented] *prohibited* by the provisions for direct distribution required by NRS 373.150 or is prevented by any pledge to secure the payment of outstanding bonds, other securities or other obligations incurred [hereunder,] *pursuant to the provisions of this chapter*, and other contractual limitations appertaining to [such] *those* obligations as authorized by NRS 373.160, and the proceeds of revenue bonds or other securities issued or to be issued as provided in NRS 373.130. If the board authorizes the project, the responsibilities for letting construction and other necessary contracts, contract administration, supervision and inspection of work and the performance of other duties related to the acquisition of the project must be specified in written agreements executed by the board and the governing bodies of the cities and towns within the area covered by a regional plan for transportation established pursuant to NRS 373.1161.

3. [Where] *If* the project is outside the area covered by a plan, the commission shall evaluate it in terms of:



(a) Its relation to the regional plan for transportation established pursuant to NRS 373.1161, if any;

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

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

(d) The availability of money.

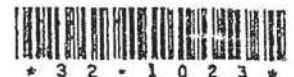
FLUSH [If] *Except as otherwise provided in NRS 373.030, if the commission approves the project, the board shall direct the county treasurer to distribute the sum approved to the city or town requesting the project. [,] The distribution must be made in accordance with the provisions of NRS 373.150.*

4. In counties whose population is less than 100,000, the commission shall certify the adoption of the plan in compliance with subsections 2 and 3.

Sec. 7. NRS 373.150 is hereby amended to read as follows:

373.150 1. [Any] *Except as otherwise provided in NRS 373.030, any city or town whose territory is not included wholly or in part in a regional plan for transportation established pursuant to NRS 373.1161 may receive a distribution in aid of an approved construction project from the regional street and highway fund. [, which] The distribution must not exceed the amount allocated to [such] the city or town pursuant to subsection 2.*

2. The share of revenue from the county motor vehicle fuel tax allocated to a city or town pursuant to subsection 1 must be in the proportion which its total assessed valuation



bears to the total assessed valuation of the entire county. Any amount so allocated which is not distributed currently in aid of an approved project must remain in the fund to the credit of that city or town.

Sec. 8. 1. The legislative commission shall appoint a subcommittee to conduct an interim study of the cost to the counties and incorporated cities in this state of maintaining highways, roads and streets and the practices of the counties and incorporated cities in maintaining those highways, roads and streets. The subcommittee may contract with one or more consultants to obtain technical advice concerning the study.

2. The subcommittee shall:

(a) Identify the practices and procedures used to maintain the highways, roads and streets in this state or in any other state;

(b) Develop a data base for a uniform system of maintenance of highways, roads and streets by counties and incorporated cities;

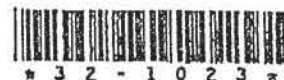
(c) Identify procedures for developing that data base;

(d) Develop computer software for use in support of those procedures;

(e) Prepare a manual that sets forth those procedures; and

(f) Determine the average cost per mile of the highways, roads and streets maintained by the counties and incorporated cities in this state.

3. As soon as practicable after July 1, 1997, the director of the legislative counsel bureau shall determine the cost of the study and notify the executive director of the



department of taxation of the cost of the study. The cost of the study must not exceed \$250,000.

4. Upon receipt of the notice required pursuant to subsection 3, the executive director shall prorate the cost of the study for each month of the 1997-98 fiscal year among each of the counties and cities in the proportion that the amount allocated to a county or city each month pursuant to NRS 365.550 bears to the total amount allocated to all the counties and cities for that month. After determining each month the prorated cost for each county and city, the executive director shall:

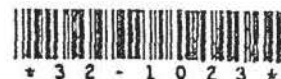
(a) Withhold the prorated amount from the amount allocated to the county or city for that month pursuant to NRS 365.550; and

(b) Notify the state controller, in writing, of the amount withheld.

5. Upon receipt of the notice required pursuant to subsection 4, the state controller shall transfer the amount specified in the notice to the legislative fund.

6. The money transferred to the legislative fund pursuant to subsection 5 is hereby authorized for expenditure by the director of the legislative counsel bureau to pay the cost of the study conducted pursuant to this section.

7. The legislative commission shall, not later than November 1, 1998, submit a report of the findings of the subcommittee, including any recommended legislation, to the director of the legislative counsel bureau for transmittal to the 70th session of the Nevada legislature.

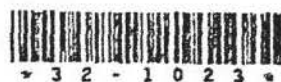


Sec. 9. The provisions of NRS 373.030, as amended by section 4 of this act, do not apply to a project for which any revenue from the first 4 cents of the tax imposed pursuant to NRS 373.030 has been pledged before July 1, 1997.

Sec. 10. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 11. 1. This section and sections 1 to 3, inclusive, 5, 6, 8 and 9 of this act become effective on July 1, 1997.

2. Sections 4 and 7 of this act becomes effective at 12:01 a.m. on July 1, 1997.



PROPOSED AMENDMENTS TO AB 525 FIRST REPRINT

Amend NRS 365.185, section 2 as follows:

2- This tax shall be imposed and shall increase if the tax collected by the Federal Government pursuant to the provisions of 26 U.S.C. 4081, 9503F and 9601 is diminished or discontinued in whole or in part. The amount of the tax so imposed by this state shall be equal to the amount by which the federal tax is reduced.

Amend NRS 366.195, section 2 as follows:

2- This tax shall be imposed and shall increase if the tax collected by the Federal Government pursuant to the provisions of 26 U.S.C. 4041, 9503F and 9601 is diminished or discontinued in whole or in part. The amount of the tax so imposed by this state shall be equal to the amount by which the federal tax is reduced.

June 26, 1997

THE ONE HUNDRED AND SIXTY-FIFTH DAY

CARSON CITY (Thursday), July 3, 1997

Senate called to order at 12:06 p.m.

President Hammargren presiding.

Roll called.

All present.

Prayer by the Chaplain, the Reverend Bruce Kochsmeier.

Ever Faithful God,

As we gather on this eve of celebrating our nation's declaration of independence, we pray that we will never take for granted the freedom provided for us with the ultimate sacrifice of life. Open our eyes and hearts Lord, to the freedom You extend in offering us relationship with Yourself.

We remember this day Lord, Jimmy Stewart, who was for this nation a great reflection of Your love in his patriotism and servanthood. Let his reflection continue to influence and receive him into Your presence with Your joyful, "Well done, good and faithful servant."

In this session and in all our days, set us free to do Your will for the good of Your people. In the closing and critical hours of the work You have set before Your servants here, give each person the wisdom and courage to set pride and personal agenda aside to know and do Your will. Let Your justice and joy reign in each heart. Let a unity of purpose bind this body together. Give them the grace to work thoroughly but with the wisdom to know their best work is done before 3 a.m. Lighten their load Father and let them see through Your eyes. Give each person a sense of Your presence and blessing and perfect guidance, now and always.

We ask all these things relying upon Your grace and faithfulness.

AMEN.

Pledge of allegiance to the Flag.

Senator Raggio moved that further reading of the Journal be dispensed with, and the President and Secretary be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES*Mr. President:*

Your Committee on Commerce and Labor, to which were referred Assembly Bills Nos. 345, 394, 471, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

RANDOLPH J. TOWNSEND, *Chairman**Mr. President:*

Your Committee on Human Resources and Facilities, to which was referred Assembly Bill No. 574, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

RAYMOND D. RAWSON, *Chairman*

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Senate Bill No. 493, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM J. RAGGIO, *Chairman*

Mr. President:

Your Committee on Government Affairs, to which were referred Assembly Bills Nos., 184, 296, 319, 436, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

ANN O'CONNELL, *Chairman*

Mr. President:

Your Committee on Human Resources and Facilities, to which was referred Assembly Bill No. 375, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

RAYMOND D. RAWSON, *Chairman*

Mr. President:

Your Committee on Human Resources and Facilities, to which was referred Senate Bill No. 332, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass, and re-refer to the Committee on Finance.

RAYMOND D. RAWSON, *Chairman*

Mr. President:

Your Committee on Human Resources and Facilities, to which was referred Assembly Bill No. 634, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

RAYMOND D. RAWSON, *Chairman*

Mr. President:

Your Committee on Judiciary, to which was referred Assembly Bill No. 664, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MARK A. JAMES, *Chairman*

Mr. President:

Your Committee on Taxation, to which was referred Assembly Bill No. 525, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MIKE MCGINNESS, *Chairman*

Mr. President:

Your Committee on Taxation, to which was referred Assembly Bill No. 644, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MIKE MCGINNESS, *Chairman*

4. Such limited license may be revoked by the board at any time, and shall expire by its own limitation 6 months after the date of its issuance, but may be renewed for a similar period at the discretion of the board.”.

Amend the title of the bill by deleting the third and fourth lines and inserting: “a license; and providing other matters properly”.

Senator Townsend moved the adoption of the amendment.

Remarks by Senators Townsend, Raggio and Rawson.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 525.

Bill read second time.

The following amendment was proposed by the Committee on Taxation:

Amendment No. 1135.

Amend the bill as a whole by deleting section 1 and adding new sections designated sections 1 through 1.9, following the enacting clause, to read as follows:

“Section 1. NRS 365.185 is hereby amended to read as follows:

365.185 1. In addition to any other tax provided for in this chapter, there [shall] *must* be levied an excise tax on gasoline.

2. This tax [shall] *must* be imposed and [shall increase up to a total of 4 cents per gallon,] *will increase* if the tax collected by the Federal Government pursuant to the provisions of 26 U.S.C. § 4081 [, is diminished] *or any other tax collected by the Federal Government relating to gasoline is reduced* or discontinued in whole or in part. The amount of the tax so imposed by this state [shall] *must* be equal to the amount by which the federal tax is reduced.

3. This tax [shall] *must* be accounted for by each dealer and [shall be] collected in the manner provided in this chapter. The tax [shall] *must* be paid to the department and delivered by the department to the state treasurer.

Sec. 1.3. NRS 365.550 is hereby amended to read as follows:

365.550 1. The receipts of the tax [as levied in] *levied pursuant to* NRS 365.180 must be allocated monthly by the department to the counties [upon] *using* the following formula:

(a) One-fourth in proportion to total area.

(b) One-fourth in proportion to population.

(c) One-fourth in proportion to road mileage and street mileage [() of nonfederal aid primary roads . ().]

(d) One-fourth in proportion to vehicle miles of travel on [roads () nonfederal aid primary roads . ().]

2. The amount [due] *allocated* to the counties under the formula must be remitted monthly. The state controller shall draw his warrants payable to the county treasurer of each of the several counties, and the state treasurer shall

pay the warrants out of the proceeds of the tax levied [in] *pursuant to* NRS 365.180.

3. Of the money received by the counties [by reason of] *pursuant to* the provisions of this section:

(a) An amount equal to that part of the allocation which represents 1.25 cents of the tax per gallon must be used exclusively for the service and redemption of revenue bonds issued pursuant to chapter 373 of NRS, for the construction, maintenance and repair of county roads, and for the purchase of equipment for that [work,] *construction, maintenance and repair*, under the direction of the boards of county commissioners of the several counties, and must not be used to defray expenses of administration; and

(b) An amount equal to that part of the allocation which represents 2.35 cents of the tax per gallon must be allocated pursuant to the following formula:

(1) If there are no incorporated cities in the county, to the county; and

(2) If there is [one or more incorporated cities] *at least one incorporated city* in the county, to the county and any incorporated cities in the county pursuant to the formula set [out] *forth* for counties in subsection 1. For the purpose of applying the formula, the area of the county excludes the area included in any incorporated city.

4. The formula computations must be made as of July 1 of each year by the department, based on estimates which must be furnished by the department of transportation. The determination [so] made by the department is conclusive.

5. *Each county and incorporated city shall, not later than January 1 of each year, submit a list to the department of transportation setting forth:*

(a) Each road or street that is maintained by the county or city; and

(b) The beginning and ending points and the total mileage of each of those roads or streets.

Each county and incorporated city shall, at least 10 days before the list is submitted to the department of transportation, hold a public hearing to identify and determine the roads and streets maintained by the county or city.

6. *As used in this section, "construction, maintenance and repair" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a county or city road and is necessary for the safe and efficient use of that road, including, without limitation:*

(a) Grades and regrades;

(b) Graveling, oiling, surfacing, macadamizing and paving;

(c) Sweeping, cleaning and sanding roads and removing snow from a road;

(d) Crosswalks and sidewalks;

(e) Culverts, catch basins, drains, sewers and manholes;

- (f) *Inlets and outlets;*
- (g) *Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;*
- (h) *Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;*
- (i) *Rights of way;*
- (j) *Grade and traffic separators;*
- (k) *Fences, cattle guards and other devices to control access to a county or city road;*
- (l) *Signs and devices for the control of traffic; and*
- (m) *Facilities for personnel and the storage of equipment used to construct, maintain or repair a county or city road.*

Sec. 1.5. NRS 365.560 is hereby amended to read as follows:

365.560 1. The receipts of the tax [as levied in NRS 365.190 shall] *levied pursuant to NRS 365.190 must* be allocated monthly by the department to the counties in which the [tax] *payment of the tax originates.*

2. [Such receipts shall] *The receipts must* be apportioned between the county, towns with town boards as organized under NRS 269.016 to 269.019, inclusive, and incorporated cities within the county from the general road fund of the county in the same ratio as the assessed valuation of property within the boundaries of [such] *the* towns or incorporated cities within the county bears to the total assessed valuation of property within the county, including property within the towns or incorporated cities.

3. [All such money so] *Any money* apportioned to a county [shall] *pursuant to subsection 2 must* be expended by the county solely for [the] :

(a) *The service and redemption of revenue bonds issued pursuant to chapter 373 of NRS [, for the] ;*

(b) *The construction, maintenance and repair of the public highways of the county [and for the] ; and*

(c) *The purchase of equipment for [such work, and shall] that construction, maintenance and repair.*

The money must not be used to defray the expenses of administration.

4. [All such money so] *Any money* apportioned to towns or incorporated cities [shall] *pursuant to subsection 2 must* be expended only upon the streets, alleys and public highways of [such] *the* town or city, other than state highways, under the direction and control of the governing body of the town or city.

5. *As used in this section, "construction, maintenance and repair" has the meaning ascribed to it in NRS 365.550.*

Sec. 1.7. NRS 366.195 is hereby amended to read as follows:

366.195 1. In addition to any other tax provided for in this chapter, there [shall] *must* be levied an excise tax on special fuel.

2. This tax [shall] *must* be imposed and [shall increase up to a total of 4 cents per gallon,] *will increase* if the tax collected by the Federal Government, pursuant to the provisions of 26 U.S.C. § 4041 [, is diminished] *or any other tax collected by the Federal Government relating to special fuel is reduced* or discontinued in whole or in part. The amount of the tax so imposed by this state [shall] *must* be equal to the amount by which the federal tax is reduced.

Sec. 1.9. Chapter 373 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.”

Amend sec. 14, page 4, by deleting lines 37 through 39 and inserting:

“Sec. 14. “*Construction, maintenance and repair*” includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a public road and is necessary for the safe and efficient use of the public road, including, without limitation:

1. *Grades and regrades;*
2. *Graveling, oiling, surfacing, macadamizing and paving;*
3. *Sweeping, cleaning and sanding roads and removing snow from a public road;*
4. *Crosswalks and sidewalks;*
5. *Culverts, catch basins, drains, sewers and manholes;*
6. *Inlets and outlets;*
7. *Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;*
8. *Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;*
9. *Rights of way;*
10. *Grade and traffic separators;*
11. *Fences, cattle guards and other devices to control access to a public road;*
12. *Signs and devices for the control of traffic; and*
13. *Facilities for personnel and the storage of equipment used to construct, maintain or repair a public road.”.*

Amend the bill as a whole by deleting sections 15 and 16 and inserting:

“Secs. 15 and 16. (Deleted by amendment.)”.

Amend the bill as a whole by deleting section 18 and inserting:

“Sec. 18. (Deleted by amendment.)”.

Amend the bill as a whole by adding new sections designated sec. 27.3 and sec. 27.5, following sec. 27, to read as follows:

“Sec. 27.3. 1. The legislative commission shall appoint a subcommittee to conduct an interim study of the cost to the counties and incorporated cities in this state of maintaining highways, roads and streets and the practices of the counties and incorporated cities in maintaining those

highways, roads and streets. The subcommittee may contract with one or more consultants to obtain technical advice concerning the study.

2. The subcommittee shall:

- (a) Identify the practices and procedures used to maintain the highways, roads and streets in this state or in any other state;
- (b) Develop a data base for a uniform system of maintenance of highways, roads and streets by counties and incorporated cities;
- (c) Identify procedures for developing that data base;
- (d) Develop computer software for use in support of those procedures;
- (e) Prepare a manual that sets forth those procedures; and
- (f) Determine the average cost per mile of the highways, roads and streets maintained by the counties and incorporated cities in this state.

3. As soon as practicable after July 1, 1997, the director of the legislative counsel bureau shall determine the cost of the study and notify the executive director of the department of taxation of the cost of the study. The cost of the study must not exceed \$250,000.

4. Upon receipt of the notice required pursuant to subsection 3, the executive director shall prorate the cost of the study for each month of the 1997-98 fiscal year among each of the counties and cities in the proportion that the amount allocated to a county or city each month pursuant to NRS 365.550 bears to the total amount allocated to all the counties and cities for that month. After determining each month the prorated cost for each county and city, the executive director shall:

- (a) Withhold the prorated amount from the amount allocated to the county or city for that month pursuant to NRS 365.550; and
- (b) Notify the state controller, in writing, of the amount withheld.

5. Upon receipt of the notice required pursuant to subsection 4, the state controller shall transfer the amount specified in the notice to the legislative fund.

6. The money transferred to the legislative fund pursuant to subsection 5 is hereby authorized for expenditure by the director of the legislative counsel bureau to pay the cost of the study conducted pursuant to this section.

7. The legislative commission shall, not later than November 1, 1998, submit a report of the findings of the subcommittee, including any recommended legislation, to the director of the legislative counsel bureau for transmittal to the 70th session of the Nevada legislature.

Sec. 27.5. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.”

Amend the title of the bill, third line, after the semicolon by inserting: “requiring each county and incorporated city to submit a list to the department of transportation setting forth each road or street maintained by the county or city; defining the term “construction, maintenance and repair”

for the purposes of using the proceeds of certain taxes on motor vehicle fuel; requiring the legislative commission to conduct an interim study relating to the maintenance of highways, roads and streets by counties and cities;”.

Amend the summary of the bill to read as follows:

“Summary—Revises provisions relating to certain taxes on motor vehicle fuel and special fuel and use of certain sales and use taxes. (BDR 32-326)”.

Senator McGinness moved the adoption of the amendment.

Remarks by Senator McGinness.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 574.

Bill read second time.

The following amendment was proposed by the Committee on Human Resources and Facilities:

Amendment No. 1139.

Amend section 1, page 1, by deleting lines 3 through 6 and inserting:

“1. Before the welfare division may commit any money pursuant to a contract with a person for the distribution of checks for public assistance, it shall obtain approval from the interim finance committee.

2. Any such contract entered into by the welfare division must be with:

(a) A person who is licensed by the division of financial institutions of the department of business and industry pursuant to Title 55 of NRS; or

(b) A depository institution that is chartered by another state or the Federal Government.”.

Amend the title of the bill to read as follows:

“An Act relating to public welfare; establishing certain requirements for any contract entered into by the welfare division of the department of human resources for the distribution of checks for public assistance; and providing other matters properly relating thereto.”.

Amend the summary of the bill to read as follows:

“Summary—Establishes certain requirements for any contract entered into by welfare division of department of human resources for distribution of checks for public assistance. (BDR 38-1775)”.

Senator Rawson moved the adoption of the amendment.

Remarks by Senator Rawson.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 628.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 1117.

ASSEMBLY BILL NO. 525-ASSEMBLYMAN CARPENTER

MAY 22, 1997

Referred to Concurrent Committees on
Taxation and Transportation

SUMMARY—Revises provisions relating to certain taxes on motor vehicle fuel and special fuel and use of certain sales and use taxes. (BDR 32-326)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.



EXPLANATION - Matter in italics is new; matter in brackets [] is material to be omitted.

AN ACT relating to taxation; revising the provisions governing the use of the proceeds from the county motor vehicle fuel tax in certain counties and certain sales and use taxes to allow use for maintenance and repair of roads; requiring each county and incorporated city to submit a list to the department of transportation setting forth each road or street maintained by the county or city; defining the term "construction, maintenance and repair" for the purposes of using the proceeds of certain taxes on motor vehicle fuel; requiring the legislative commission to conduct an interim study relating to the maintenance of highways, roads and streets by counties and cities; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 365.185 is hereby amended to read as follows:
2 365.185 1. In addition to any other tax provided for in this chapter,
3 there [shall] *must* be levied an excise tax on gasoline.
4 2. This tax [shall] *must* be imposed and [shall increase up to a total of 4
5 cents per gallon,] *will increase* if the tax collected by the Federal
6 Government pursuant to the provisions of 26 U.S.C. § 4081 [, is
7 diminished] *or any other tax collected by the Federal Government relating to*
8 *gasoline is reduced* or discontinued in whole or in part. The amount of the
9 tax so imposed by this state [shall] *must* be equal to the amount by which the
10 federal tax is reduced.
11 3. This tax [shall] *must* be accounted for by each dealer and [shall be]
12 collected in the manner provided in this chapter. The tax [shall] *must* be paid
13 to the department and delivered by the department to the state treasurer.

1 **Sec. 1.3.** NRS 365.550 is hereby amended to read as follows:
2 365.550 1. The receipts of the tax [as levied in] *levied pursuant to*
3 NRS 365.180 must be allocated monthly by the department to the counties
4 [upon] *using* the following formula:
5 (a) One-fourth in proportion to total area.
6 (b) One-fourth in proportion to population.
7 (c) One-fourth in proportion to road mileage and street mileage [(] of
8 nonfederal aid primary roads . [).]
9 (d) One-fourth in proportion to vehicle miles of travel on [roads (]
10 nonfederal aid primary roads . [).]
11 2. The amount [due] *allocated* to the counties under the formula must be
12 remitted monthly. The state controller shall draw his warrants payable to the
13 county treasurer of each of the several counties, and the state treasurer shall
14 pay the warrants out of the proceeds of the tax levied [in] *pursuant to* NRS
15 365.180.
16 3. Of the money received by the counties [by reason of] *pursuant to* the
17 provisions of this section:
18 (a) An amount equal to that part of the allocation which represents 1.25
19 cents of the tax per gallon must be used exclusively for the service and
20 redemption of revenue bonds issued pursuant to chapter 373 of NRS, for the
21 construction, maintenance and repair of county roads, and for the purchase
22 of equipment for that [work,] *construction, maintenance and repair*, under
23 the direction of the boards of county commissioners of the several counties,
24 and must not be used to defray expenses of administration; and
25 (b) An amount equal to that part of the allocation which represents 2.35
26 cents of the tax per gallon must be allocated pursuant to the following
27 formula:
28 (1) If there are no incorporated cities in the county, to the county; and
29 (2) If there is [one or more incorporated cities] *at least one*
30 *incorporated city* in the county, to the county and any incorporated cities in
31 the county pursuant to the formula set [out] *forth* for counties in subsection
32 1. For the purpose of applying the formula, the area of the county excludes
33 the area included in any incorporated city.
34 4. The formula computations must be made as of July 1 of each year by
35 the department, based on estimates which must be furnished by the
36 department of transportation. The determination [so] made by the
37 department is conclusive.
38 5. *Each county and incorporated city shall, not later than January 1 of*
39 *each year, submit a list to the department of transportation setting forth:*
40 (a) *Each road or street that is maintained by the county or city; and*
41 (b) *The beginning and ending points and the total mileage of each of*
42 *those roads or streets.*
43 *Each county and incorporated city shall, at least 10 days before the list is*
44 *submitted to the department of transportation, hold a public hearing to*



1 identify and determine the roads and streets maintained by the county or
2 city.

3 6. As used in this section, "construction, maintenance and repair"
4 includes the acquisition, operation or use of any material, equipment or
5 facility that is used exclusively for the construction, maintenance or repair of
6 a county or city road and is necessary for the safe and efficient use of that
7 road, including, without limitation:

8 (a) Grades and regrades;

9 (b) Graveling, oiling, surfacing, macadamizing and paving;

10 (c) Sweeping, cleaning and sanding roads and removing snow from a
11 road;

12 (d) Crosswalks and sidewalks;

13 (e) Culverts, catch basins, drains, sewers and manholes;

14 (f) Inlets and outlets;

15 (g) Retaining walls, bridges, overpasses, underpasses, tunnels and
16 approaches;

17 (h) Artificial lights and lighting equipment, parkways, control of
18 vegetation and sprinkling facilities;

19 (i) Rights of way;

20 (j) Grade and traffic separators;

21 (k) Fences, cattle guards and other devices to control access to a county
22 or city road;

23 (l) Signs and devices for the control of traffic; and

24 (m) Facilities for personnel and the storage of equipment used to
25 construct, maintain or repair a county or city road.

26 Sec. 1.5. NRS 365.560 is hereby amended to read as follows:

27 365.560 1. The receipts of the tax [as levied in NRS 365.190 shall]
28 levied pursuant to NRS 365.190 must be allocated monthly by the
29 department to the counties in which the [tax] payment of the tax originates.

30 2. [Such receipts shall] The receipts must be apportioned between the
31 county, towns with town boards as organized under NRS 269.016 to
32 269.019, inclusive, and incorporated cities within the county from the
33 general road fund of the county in the same ratio as the assessed valuation of
34 property within the boundaries of [such] the towns or incorporated cities
35 within the county bears to the total assessed valuation of property within the
36 county, including property within the towns or incorporated cities.

37 3. [All such money so] Any money apportioned to a county [shall]
38 pursuant to subsection 2 must be expended by the county solely for [the] :

39 (a) The service and redemption of revenue bonds issued pursuant to
40 chapter 373 of NRS [, for the] ;

41 (b) The construction, maintenance and repair of the public highways of
42 the county [and for the] ; and

43 (c) The purchase of equipment for [such work, and shall] that
44 construction, maintenance and repair.



1 *The money must not be used to defray the expenses of administration.*

2 4. [All such money so] *Any money* apportioned to towns or incorporated
3 cities [shall] *pursuant to subsection 2 must* be expended only upon the
4 streets, alleys and public highways of [such] *the* town or city, other than
5 state highways, under the direction and control of the governing body of the
6 town or city.

7 5. *As used in this section, "construction, maintenance and repair" has*
8 *the meaning ascribed to it in NRS 365.550.*

9 Sec. 1.7. NRS 366.195 is hereby amended to read as follows:

10 366.195 1. In addition to any other tax provided for in this chapter,
11 there [shall] *must* be levied an excise tax on special fuel.

12 2. This tax [shall] *must* be imposed and [shall increase up to a total of 4
13 cents per gallon,] *will increase* if the tax collected by the Federal
14 Government, pursuant to the provisions of 26 U.S.C. § 4041 [, is
15 diminished] *or any other tax collected by the Federal Government relating to*
16 *special fuel is reduced* or discontinued in whole or in part. The amount of
17 the tax so imposed by this state [shall] *must* be equal to the amount by which
18 the federal tax is reduced.

19 Sec. 1.9. Chapter 373 of NRS is hereby amended by adding thereto the
20 provisions set forth as sections 2 to 10, inclusive, of this act.

21 Sec. 2. *"Acquisition" or "acquire" means the opening, laying out,*
22 *establishment, purchase, construction, securing, installation, reconstruction,*
23 *lease, gift, grant from the United States of America, any agency,*
24 *instrumentality or corporation thereof, the State of Nevada, any body*
25 *corporate and politic therein, any corporation, or any person, the*
26 *endowment, bequest, devise, condemnation, transfer, assignment, option to*
27 *purchase, other contract, or other acquirement, or any combination thereof,*
28 *of any project, or an interest therein, authorized by this chapter.*

29 Sec. 3. *"Board" means the board of county commissioners.*

30 Sec. 4. *"City" means an incorporated city.*

31 Sec. 5. *"Commission" means the regional transportation commission.*

32 Sec. 6. *"Cost of the project," or any phrase of similar import, means all*
33 *or any part designated by the board of the cost of any project, or interest*
34 *therein, being acquired, which cost, at the option of the board may include*
35 *all or any part of the incidental costs pertaining to the project, including,*
36 *without limitation, preliminary expenses advanced by the county from money*
37 *available for use therefor or any other source, or advanced by any city with*
38 *the approval of the county from money available therefor or from any other*
39 *source, or advanced by the State of Nevada or the Federal Government, or*
40 *any corporation, agency or instrumentality thereof, with the approval of the*
41 *county, or any combination thereof, in the making of surveys, preliminary*
42 *plans, estimates of costs, other preliminaries, the costs of appraising,*
43 *printing, estimates, advice, contracting for the services of engineers,*
44 *architects, financial consultants, attorneys at law, clerical help, other agents*

1 or employees, the costs of making, publishing, posting, mailing and
2 otherwise giving any notice in connection with the project, the taking of
3 options, the issuance of bonds and other securities, contingencies, the
4 capitalization with bond proceeds of any interest on the bonds for any period
5 not exceeding 1 year and of any reserves for the payment of the principal of
6 an interest on the bonds, the filing or recordation of instruments, the costs of
7 medium-term obligations, construction loans and other temporary loans of
8 not exceeding 10 years appertaining to the project and of the incidental
9 expenses incurred in connection with such financing or loans, and all other
10 expenses necessary or desirable and appertaining to any project, as
11 estimated or otherwise ascertained by the board.

12 **Sec. 7.** "Federal securities" means bills, certificates of indebtedness,
13 notes, bonds or similar securities which are direct obligations of, or the
14 principal and interest of which securities are unconditionally guaranteed by,
15 the United States of America.

16 **Sec. 8.** "Improvement" or "improve" means the extension, widening,
17 lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or
18 other major improvement, or any combination thereof, of any project, or an
19 interest therein, authorized by this chapter. The term includes renovation,
20 reconditioning, patching, general maintenance and other minor repairs.

21 **Sec. 9.** "Project" means:

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

36 2. In a county whose population is less than 35,000, street and
37 highway construction, maintenance or repair, or any combination thereof,
38 including, without limitation, the acquisition, maintenance, repair and
39 improvement of any street, avenue, boulevard, alley, highway or other public
40 right of way used for any vehicular traffic, and including a sidewalk designed
41 primarily for use by pedestrians, and also, including, without limitation,
42 grades, regrades, gravel, oiling, surfacing, macadamizing, paving,
43 crosswalks, sidewalks, pedestrian rights of way, driveway approaches, curb
44 cuts, curbs, gutters, culverts, catch basins, drains, sewers, manholes, inlets,

1 outlets, retaining walls, bridges, overpasses, tunnels, underpasses,
2 approaches, sprinkling facilities, artificial lights and lighting equipment,
3 parkways, grade separators, traffic separators, and traffic control
4 equipment, and all appurtenances and incidentals, or any combination
5 thereof, including, without limitation, the acquisition, maintenance, repair
6 and improvement of all types of property therefor.

7 **Sec. 10.** "Town" means an unincorporated town.

8 **Sec. 11.** NRS 373.020 is hereby amended to read as follows:

9 373.020 As used in this chapter, unless the context otherwise requires [:

10 1. "Acquisition" or "acquire" means the opening, laying out,
11 establishment, purchase, construction, securing, installation, reconstruction,
12 lease, gift, grant from the United States of America, any agency,
13 instrumentality or corporation thereof, the State of Nevada, any body
14 corporate and politic therein, any corporation, or any person, the
15 endowment, bequest, devise, condemnation, transfer, assignment, option to
16 purchase, other contract, or other acquirement (or any combination thereof)
17 of any project, or an interest therein, authorized by this chapter.

18 2. "Board" means the board of county commissioners.

19 3. "City" means an incorporated city.

20 4. "Commission" means the regional transportation commission.

21 5. "Cost of the project," or any phrase of similar import, means all or
22 any part designated by the board of the cost of any project, or interest
23 therein, being acquired, which cost, at the option of the board may include
24 all or any part of the incidental costs pertaining to the project, including,
25 without limitation, preliminary expenses advanced by the county from
26 money available for use therefor or any other source, or advanced by any
27 city with the approval of the county from money available therefor or from
28 any other source, or advanced by the State of Nevada or the Federal
29 Government, or any corporation, agency or instrumentality thereof, with the
30 approval of the county (or any combination thereof), in the making of
31 surveys, preliminary plans, estimates of costs, other preliminaries, the costs
32 of appraising, printing, estimates, advice, contracting for the services of
33 engineers, architects, financial consultants, attorneys at law, clerical help,
34 other agents or employees, the costs of making, publishing, posting, mailing
35 and otherwise giving any notice in connection with the project, the taking of
36 options, the issuance of bonds and other securities, contingencies, the
37 capitalization with bond proceeds of any interest on the bonds for any period
38 not exceeding 1 year and of any reserves for the payment of the principal of
39 an interest on the bonds, the filing or recordation of instruments, the costs of
40 medium-term obligations, construction loans and other temporary loans of
41 not exceeding 10 years appertaining to the project and of the incidental
42 expenses incurred in connection with such financing or loans, and all other
43 expenses necessary or desirable and appertaining to any project, as estimated
44 or otherwise ascertained by the board.



1 6. "Federal securities" means bills, certificates of indebtedness, notes,
2 bonds or similar securities which are direct obligations of, or the principal
3 and interest of which securities are unconditionally guaranteed by, the
4 United States of America.

5 7. "Improvement" or "improve" means the extension, widening,
6 lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or
7 other major improvement (or any combination thereof) of any project, or an
8 interest therein, authorized by this chapter. The term does not include
9 renovation, reconditioning, patching, general maintenance or other minor
10 repair.

11 8. "Project" means street and highway construction, including, without
12 limitation, the acquisition and improvement of any street, avenue,
13 boulevard, alley, highway or other public right of way used for any
14 vehicular traffic, and including a sidewalk designed primarily for use by
15 pedestrians, and also including, without limitation, grades, regrades, gravel,
16 oiling, surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian
17 rights of way, driveway approaches, curb cuts, curbs, gutters, culverts,
18 catch basins, drains, sewers, manholes, inlets, outlets, retaining walls,
19 bridges, overpasses, tunnels, underpasses, approaches, sprinkling facilities,
20 artificial lights and lighting equipment, parkways, grade separators, traffic
21 separators, and traffic control equipment, and all appurtenances and
22 incidentals, or any combination thereof, including, without limitation, the
23 acquisition and improvement of all types of property therefor.

24 9. "Town" means an unincorporated town.] , the words and terms
25 defined in sections 2 to 10, inclusive, of this act have the meanings ascribed
26 to them in those sections.

27 Sec. 12. Chapter 377A of NRS is hereby amended by adding thereto the
28 provisions set forth as sections 13 to 18, inclusive, of this act.

29 Sec. 13. "Board" means the board of county commissioners.

30 Sec. 14. "Construction, maintenance and repair" includes the
31 acquisition, operation or use of any material, equipment or facility that is
32 used exclusively for the construction, maintenance or repair of a public road
33 and is necessary for the safe and efficient use of the public road, including,
34 without limitation:

35 1. Grades and regrades;

36 2. Graveling, oiling, surfacing, macadamizing and paving;

37 3. Sweeping, cleaning and sanding roads and removing snow from a
38 public road;

39 4. Crosswalks and sidewalks;

40 5. Culverts, catch basins, drains, sewers and manholes;

41 6. Inlets and outlets;

42 7. Retaining walls, bridges, overpasses, underpasses, tunnels and
43 approaches;



1 8. *Artificial lights and lighting equipment, parkways, control of*
2 *vegetation and sprinkling facilities;*

3 9. *Rights of way;*

4 10. *Grade and traffic separators;*

5 11. *Fences, cattle guards and other devices to control access to a public*
6 *road;*

7 12. *Signs and devices for the control of traffic; and*

8 13. *Facilities for personnel and the storage of equipment used to*
9 *construct, maintain or repair a public road.*

10 Secs. 15 and 16. (Deleted by amendment.)

11 Sec. 17. *"Public transit system" means a system employing any method*
12 *of conveyance that is operated for public use and transports persons within a*
13 *county.*

14 Sec. 18. (Deleted by amendment.)

15 Sec. 19. NRS 377A.010 is hereby amended to read as follows:

16 377A.010 As used in this chapter, unless the context otherwise requires
17 [:

18 1. "Board" means the board of county commissioners.

19 2. "Construction" of public roads includes repair and maintenance of
20 public roads.

21 3. "Public roads" means paved roads which are constructed and
22 maintained by a city or county to which access is not limited, and other
23 projects related to the construction and maintenance of sidewalks, streets,
24 avenues, boulevards, highways and other public rights of way used primarily
25 for vehicular traffic, including, without limitation, overpass projects, street
26 projects and underpass projects, as defined in NRS 244A.037, 244A.053 and
27 244A.055.

28 4. "Public transit system" means a system employing motor buses, rails
29 or any other means of conveyance, by whatever type of power, operated for
30 public use in the conveyance of persons, providing local transportation
31 within a county.] , *the words and terms defined in sections 13 to 18,*
32 *inclusive, of this act have the meanings ascribed to them in those sections.*

33 Sec. 20. NRS 377A.020 is hereby amended to read as follows:

34 377A.020 1. The board of county commissioners of any county may
35 enact an ordinance imposing a tax for [public mass transportation and
36 construction] *a public transit system or for the construction, maintenance*
37 *and repair of public roads , or both,* pursuant to NRS 377A.030. The board
38 of county commissioners of any county whose population is less than
39 400,000 may enact an ordinance imposing a tax to promote tourism pursuant
40 to NRS 377A.030.

41 2. An ordinance enacted pursuant to this chapter may not become
42 effective before a question concerning the imposition of the tax is approved
43 by a majority of the registered voters of the county voting upon the question
44 which the board may submit to the voters at any general election. A county

1 may combine the [question for mass transportation and] *questions for a*
2 *public transit system and for the construction, maintenance and repair of*
3 public roads with questions submitted pursuant to NRS 244.3351, 278.710,
4 365.203 or 371.045, or any combination thereof. The board shall also
5 submit to the voters at a general election any proposal to increase the rate of
6 the tax or change the previously approved uses for the proceeds of the tax.

7 3. Any ordinance enacted pursuant to this section must specify the date
8 on which the tax must first be imposed or on which an increase in the rate of
9 the tax becomes effective, which must not be earlier than the first day of the
10 second calendar month following the approval of the question by the voters.

11 **Sec. 21.** NRS 377A.030 is hereby amended to read as follows:

12 377A.030 Except as otherwise provided in NRS 377A.110, any
13 ordinance enacted under this chapter must include provisions in substance as
14 follows:

15 1. A provision imposing a tax upon retailers at the rate of not more
16 than:

17 (a) For a tax to promote tourism, one-quarter of 1 percent; or

18 (b) For a tax [for public mass transportation and construction] *to establish*
19 *and maintain a public transit system or for the construction, maintenance*
20 *and repair of public roads, or both, one-half of 1 percent,*
21 of the gross receipts of any retailer from the sale of all tangible personal
22 property sold at retail, or stored, used or otherwise consumed, in a county.

23 2. Provisions substantially identical to those contained in chapter 374 of
24 NRS, insofar as applicable.

25 3. A provision that all amendments to chapter 374 of NRS after the date
26 of enactment of the ordinance, not inconsistent with this chapter,
27 automatically become a part of an ordinance imposing the tax for public
28 mass transportation and construction of public roads or the tax to promote
29 tourism in the county.

30 4. A provision that the county shall contract before the effective date of
31 the ordinance with the department to perform all functions incident to the
32 administration or operation of the tax in the county.

33 5. A provision that exempts from the tax or any increase in the tax the
34 gross receipts from the sale of, and the storage, use or other consumption in
35 a county of, tangible personal property used for the performance of a written
36 contract for the construction of an improvement to real property, entered
37 into on or before the effective date of the tax or the increase in the tax, or
38 for which a binding bid was submitted before that date if the bid was
39 afterward accepted, if under the terms of the contract or bid the contract
40 price or bid amount cannot be adjusted to reflect the imposition of the tax or
41 the increase in the tax.

42 **Sec. 22.** NRS 377A.070 is hereby amended to read as follows:

43 377A.070 1. The county treasurer shall deposit the money received
44 from the state controller pursuant to NRS 377A.050 for [public mass



1 transportation and construction] *a public transit system or for the*
2 *construction, maintenance and repair* of public roads , *or both*, in the county
3 treasury for credit to a fund to be known as the public transit fund.

4 2. The public transit fund must be accounted for as a separate fund and
5 not as a part of any other fund.

6 **Sec. 23.** NRS 377A.080 is hereby amended to read as follows:

7 377A.080 1. In any county in which a tax for [public mass
8 transportation and construction of public roads] *a public transit system or for*
9 *the construction, maintenance and repair of public roads, or both*, has been
10 imposed, the board shall by ordinance create a regional transportation
11 commission pursuant to chapter 373 of NRS if one has not already been
12 created under that chapter. Where a regional transportation commission has
13 already been created under that chapter, that commission may also exercise
14 the powers conferred by this section.

15 2. The regional transportation commission may:

16 (a) Appropriate money in the public transit fund accumulated by a county
17 to provide a public transit system for that county if the system is included in
18 a regional transportation plan adopted by the regional transportation
19 commission;

20 (b) Appropriate money to provide transportation or to support agencies
21 which are providing transportation for the elderly and persons with
22 disabilities, if the services are consistent with the regional transportation
23 plan;

24 (c) Provide for or perform all functions incident to the administration and
25 operation of the public transit system, including the establishment of fares
26 for the system; and

27 (d) Adopt regulations for the operation of systems or services provided by
28 the commission and for systems or services financed by the commission and
29 provided by an agency or a private contractor.

30 3. The commission may draw money out of the public transit fund only
31 for:

32 (a) [Establishing and maintaining] *The establishment and maintenance of*
33 *a public transit system for the county and [supporting] for the support of*
34 *other activities, services and programs related to transportation which are*
35 *included in a regional transportation plan adopted by the commission;*

36 (b) [Constructing, repairing and maintaining] *The construction,*
37 *maintenance and repair of public roads;*

38 (c) [Payment] *The payment* of principal and interest on notes, bonds or
39 other securities issued to provide funds for the cost of projects described in
40 paragraphs (a) and (b); or

41 (d) Any combination of those purposes.

42 **Sec. 24.** NRS 377A.090 is hereby amended to read as follows:

43 377A.090 1. Money for the payment of the cost of establishing and
44 maintaining a public transit system or for [constructing] *the construction,*



1 *maintenance and repair of public roads , or both*, may be obtained by the
2 issuance of bonds and other securities as provided in subsection 2 , [of this
3 section,] or, subject to any pledges, liens and other contractual limitations
4 made pursuant to this chapter, may be obtained by direct distribution from
5 the public transit fund, or may be obtained both by the issuance of such
6 securities and by such direct distribution as the board may determine.

7 2. The board may, after the enactment of an ordinance imposing a tax
8 for [public mass transportation and construction] *a public transit system or*
9 *for the construction, maintenance and repair of public roads , or both*, as
10 authorized by NRS 377A.020, from time to time issue bonds and other
11 securities, which are general or special obligations of the county and which
12 may be secured as to principal and interest by a pledge authorized by this
13 chapter of the receipts from the tax for [public mass transportation and
14 construction] *a public transit system or for the construction, maintenance*
15 *and repair of public roads [.] , or both*.

16 3. The ordinance authorizing the issuance of any bond or other security
17 must describe the purpose for which it is issued.

18 **Sec. 25.** NRS 377A.100 is hereby amended to read as follows:

19 377A.100 1. Each ordinance providing for the issuance of any bond or
20 security issued under this chapter payable from the receipts of the tax for
21 [public mass transportation and construction] *a public transit system or for*
22 *the construction, maintenance and repair of public roads , or both*, may, in
23 addition to covenants and other provisions authorized in the Local
24 Government Securities Law, contain a covenant or other provision to pledge
25 and create a lien upon the receipts of the tax or upon the proceeds of any
26 bond or security pending their application to defray the cost of establishing
27 or operating a public transit system, or both tax proceeds and security
28 proceeds, to secure the payment of any bond or security issued under this
29 chapter.

30 2. Any money pledged to the payment of bonds or other securities
31 pursuant to subsection 1 may be treated as pledged revenues of the project
32 for the purposes of subsection 3 of NRS 350.020.

33 **Sec. 26.** NRS 377A.110 is hereby amended to read as follows:

34 377A.110 1. Subject to the provisions of subsection 2, the board may
35 gradually reduce the amount of tax imposed pursuant to this chapter for
36 [public mass transportation and construction] *a public transit system or for*
37 *the construction, maintenance and repair of public roads , or both*, as
38 revenue from the operation of the public transit system permits.

39 2. No such taxing ordinance may be repealed or amended or otherwise
40 directly or indirectly modified in such a manner as to impair any outstanding
41 bonds issued under this chapter, or other obligations incurred under this
42 chapter, until all obligations, for which revenues from the ordinance have
43 been pledged or otherwise made payable from such revenues pursuant to this
44 chapter, have been discharged in full, but the board may at any time dissolve



1 the regional transportation commission and provide that no further
2 obligations be incurred thereafter.

3 Sec. 27. NRS 377A.140 is hereby amended to read as follows:

4 377A.140 1. Except as otherwise provided in subsection 2, a public
5 transit system in a county whose population is 400,000 or more may, in
6 addition to providing local transportation within the county and the services
7 described in NRS 377A.130, provide:

8 (a) Programs to reduce or manage motor vehicle traffic; and

9 (b) Any other services for [public mass transportation] *a public transit*
10 *system* which are requested by the general public,
11 if those additional services are included and described in a long-range plan
12 adopted pursuant to 23 U.S.C. § 134 and 49 U.S.C. § 5303.

13 2. Before a regional transportation commission may provide for *an* on-
14 call public [mass transportation] *transit system* in an area of the county, the
15 commission must receive a determination from the public service
16 commission of Nevada and the taxicab authority that:

17 (a) There are no common motor carriers of passengers who are
18 authorized to provide on-call operations for transporting passengers in that
19 area; or

20 (b) Although there are common motor carriers of passengers who are
21 authorized to provide on-call operations for transporting passengers in the
22 area, the common motor carriers of passengers do not wish to provide, or
23 are not capable of providing, those operations.

24 3. As used in this section:

25 (a) "Common motor carrier of passengers" has the meaning ascribed to it
26 in NRS 706.041.

27 (b) "On-call public [mass transportation] *transit system*" means a system
28 established to transport [by vehicle passengers who request such
29 transportation on demand.] *passengers only upon the request of a person*
30 *who needs transportation.*

31 Sec. 27.3. 1. The legislative commission shall appoint a subcommittee
32 to conduct an interim study of the cost to the counties and incorporated cities
33 in this state of maintaining highways, roads and streets and the practices of
34 the counties and incorporated cities in maintaining those highways, roads
35 and streets. The subcommittee may contract with one or more consultants to
36 obtain technical advice concerning the study.

37 2. The subcommittee shall:

38 (a) Identify the practices and procedures used to maintain the highways,
39 roads and streets in this state or in any other state;

40 (b) Develop a data base for a uniform system of maintenance of
41 highways, roads and streets by counties and incorporated cities;

42 (c) Identify procedures for developing that data base;

43 (d) Develop computer software for use in support of those procedures;

44 (e) Prepare a manual that sets forth those procedures; and

1 (f) Determine the average cost per mile of the highways, roads and
2 streets maintained by the counties and incorporated cities in this state.

3 3. As soon as practicable after July 1, 1997, the director of the
4 legislative counsel bureau shall determine the cost of the study and notify the
5 executive director of the department of taxation of the cost of the study. The
6 cost of the study must not exceed \$250,000.

7 4. Upon receipt of the notice required pursuant to subsection 3, the
8 executive director shall prorate the cost of the study for each month of the
9 1997-98 fiscal year among each of the counties and cities in the proportion
10 that the amount allocated to a county or city each month pursuant to NRS
11 365.550 bears to the total amount allocated to all the counties and cities for
12 that month. After determining each month the prorated cost for each county
13 and city, the executive director shall:

14 (a) Withhold the prorated amount from the amount allocated to the county
15 or city for that month pursuant to NRS 365.550; and

16 (b) Notify the state controller, in writing, of the amount withheld.

17 5. Upon receipt of the notice required pursuant to subsection 4, the state
18 controller shall transfer the amount specified in the notice to the legislative
19 fund.

20 6. The money transferred to the legislative fund pursuant to subsection 5
21 is hereby authorized for expenditure by the director of the legislative counsel
22 bureau to pay the cost of the study conducted pursuant to this section.

23 7. The legislative commission shall, not later than November 1, 1998,
24 submit a report of the findings of the subcommittee, including any
25 recommended legislation, to the director of the legislative counsel bureau for
26 transmittal to the 70th session of the Nevada legislature.

27 **Sec. 27.5.** The provisions of subsection 1 of NRS 354.599 do not apply
28 to any additional expenses of a local government that are related to the
29 provisions of this act.

30 **Sec. 28.** This act becomes effective on July 1, 1997.



THE ONE HUNDRED AND SIXTY-SIXTH DAY

CARSON CITY (Friday), July 4, 1997

Senate called to order at 11:34 a.m.

President Hammargren presiding.

Roll called.

All present.

Prayer by the Chaplain, the Reverend Bruce Gebbeken.

Dear Heavenly Father:

Yes, we are still here, and it's Independence Day. All about us in this great state, others are preparing to celebrate. There are picnics being prepared, and time with the family in celebration.

Yet, we are still here, Lord.

Help us today Father to bear our burdens for our great state, and give us a spirit of cooperation to see the task through. May You also be with our patient and waiting families, for it is in the Lord's name we pray.

AMEN.

Pledge of allegiance to the Flag.

Senator Raggio moved that further reading of the Journal be dispensed with, and the President and Secretary be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES*Mr. President:*

Your Committee on Commerce and Labor, to which was referred Assembly Bill No. 609, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

RANDOLPH J. TOWNSEND, *Chairman**Mr. President:*

Your Committee on Finance, to which were referred Senate Bill No. 200; Assembly Bill No. 602, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WILLIAM J. RAGGIO, *Chairman**Mr. President:*

Your Committee on Finance, to which were referred Senate Bill No. 492; Assembly Bills Nos. 35, 77, 343, 652, 654, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM J. RAGGIO, *Chairman*

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Roll call on Assembly Bill No. 471:

YEAS—19.

NAYS—None.

NOT VOTING—Raggio, Rawson—2.

Assembly Bill No. 471 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 494.

Bill read third time.

Roll call on Assembly Bill No. 494:

YEAS—20.

NAYS—None.

NOT VOTING—Townsend.

Assembly Bill No. 494 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 525.

Bill read third time.

Remarks by Senator Augustine.

Senator Augustine requested that her remarks be entered in the Journal.

Thank you, Mr. President. I want to state, for the record, why I will be voting against Assembly Bill No. 525 today. This bill includes a study to arrive at a formula for the distribution of gas tax to counties and will also require standard definitions for the inventory of roads and highways. However, yesterday this body adopted, Senate Concurrent Resolution No. 53 which created an interim highway study to look at devolution and some transportation overhead costs. I think we have a duplication of efforts here. I have spoken to the Chairman of the Taxation Committee about this, but because of the late date in the session, the bill will not be amended even though there is a duplication of effort.

Roll call on Assembly Bill No. 525:

YEAS—19.

NAYS—Adler, Augustine—2.

Assembly Bill No. 525 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 574.

Bill read third time.

Roll call on Assembly Bill No. 574:

YEAS—21.

NAYS—None.

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THE ONE HUNDRED AND SIXTY-SEVENTH DAY

CARSON CITY (Saturday), July 5, 1997

Assembly called to order at 11:01 a.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, The Reverend Lisa Schilbe.

Almighty God, You are too incredible and unfathomable for our finite minds to grasp. While we can only see a small part of the picture, You see the whole spectrum as it unfolds before You. Help us to trust You that there is a reason why we are still meeting together. Lord, You want to work through each one of us individually on Your time, that Your purposes might be brought to completion. We pray for strength and focus this day. In Your Holy Name we pray. AMEN.

Pledge of allegiance to the Flag.

Assemblyman Perkins moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Commerce, to which was referred Senate Bill No. 458, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

RICHARD PERKINS, *Chairman*

Mr. Speaker:

Your Committee on Elections, Procedures, and Ethics, to which was referred Assembly Concurrent Resolution No. 57, has had the same under consideration, and begs leave to report the same back with the recommendation: Be adopted.

CHRISTINA R. GIUNCHIGLIANI, *Chairman*

Mr. Speaker:

Your Committee on Government Affairs, to which were referred Assembly Bill No. 616; Senate Bill No. 39, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DOUGLAS A. BACHE, *Chairman*

Mr. Speaker:

Your Committee on Government Affairs, to which was referred Senate Bill No. 254, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and re-refer to the Committee on Government Affairs.

DOUGLAS A. BACHE, *Chairman*

Mr. Speaker:

Your Committee on Labor and Management, to which was referred Senate Bill No. 400, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

SAUNDRA KRENZER, *Chairman*

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Mr. Speaker:

Your Committee on Transportation, to which was re-referred Senate Bill No. 430, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

VONNE CHOWNING, *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which were referred Assembly Bills Nos. 670, 669; Senate Bills Nos. 271, 492, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MORSE ARBERRY, JR., *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which were referred Senate Bills Nos. 315, 327, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MORSE ARBERRY, JR., *Chairman*

Mr. Speaker:

Your Concurrent Committee on Ways and Means, to which was re-referred Senate Bill No. 103, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MORSE ARBERRY, JR., *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which was re-referred Assembly Bill No. 339, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MORSE ARBERRY, JR., *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which was referred Senate Bill No. 211, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MORSE ARBERRY, JR., *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which was referred Senate Bill No. 319, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and re-refer to the Committee on Ways and Means.

MORSE ARBERRY, JR., *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which was re-referred Assembly Bill No. 280, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass, as amended.

MORSE ARBERRY, JR., *Chairman*

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, July 4, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate amended, and on this day passed, as amended, Assembly Bills Nos. 170, 191, 262, 333, 345, 394, 401, 429, 471, 494, 525, 574, 628, 642 and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Senate amended, and on this day adopted, as amended, Assembly Concurrent Resolution No. 28.

Also, I have the honor to inform your honorable body that the Senate on this day passed, as amended, Senate Bills Nos. 361, 397, 444.

WHEREAS, The growing number of elderly persons in need of long-term care is of grave concern to this legislative body; now, therefore, be it”.

Amend the title of the resolution by deleting the third line and inserting: “Nevada and the availability of insurance for health care.”.

Amend the summary of the resolution to read as follows: “Summary—Directs Legislative Committee on Health Care to study long-term health care needs of residents of State of Nevada and availability of insurance for health care. (BDR R-1630)”.

Assemblywoman Freeman moved that the Assembly concur in the Senate amendment to Assembly Concurrent Resolution No. 28.

Remarks by Assemblywoman Freeman.

Motion carried.

Resolution ordered enrolled.

Assembly Bill No. 525.

The following Senate amendment was read:

Amendment No. 1135.

Amend the bill as a whole by deleting section 1 and adding new sections designated sections 1 through 1.9, following the enacting clause, to read as follows:

“Section 1. NRS 365.185 is hereby amended to read as follows:

365.185 1. In addition to any other tax provided for in this chapter, there [shall] *must* be levied an excise tax on gasoline.

2. This tax [shall] *must* be imposed and [shall increase up to a total of 4 cents per gallon,] *will increase* if the tax collected by the Federal Government pursuant to the provisions of 26 U.S.C. § 4081 [, is diminished] *or any other tax collected by the Federal Government relating to gasoline is reduced* or discontinued in whole or in part. The amount of the tax so imposed by this state [shall] *must* be equal to the amount by which the federal tax is reduced.

3. This tax [shall] *must* be accounted for by each dealer and [shall be] collected in the manner provided in this chapter. The tax [shall] *must* be paid to the department and delivered by the department to the state treasurer.

Sec. 1.3. NRS 365.550 is hereby amended to read as follows:

365.550 1. The receipts of the tax [as levied in] *levied pursuant to* NRS 365.180 must be allocated monthly by the department to the counties [upon] *using* the following formula:

(a) One-fourth in proportion to total area.

(b) One-fourth in proportion to population.

(c) One-fourth in proportion to road mileage and street mileage [(] *of* nonfederal aid primary roads . [).]

(d) One-fourth in proportion to vehicle miles of travel on [roads (] *of* nonfederal aid primary roads . [).]

2. The amount [due] *allocated* to the counties under the formula must be remitted monthly. The state controller shall draw his warrants payable to the county treasurer of each of the several counties, and the state treasurer shall pay the warrants out of the proceeds of the tax levied [in] *pursuant to* NRS 365.180.

3. Of the money received by the counties [by reason of] *pursuant to* the provisions of this section:

(a) An amount equal to that part of the allocation which represents 1.25 cents of the tax per gallon must be used exclusively for the service and redemption of revenue bonds issued pursuant to chapter 373 of NRS, for the construction, maintenance and repair of county roads, and for the purchase of equipment for that [work,] *construction, maintenance and repair*, under the direction of the boards of county commissioners of the several counties, and must not be used to defray expenses of administration; and

(b) An amount equal to that part of the allocation which represents 2.35 cents of the tax per gallon must be allocated pursuant to the following formula:

(1) If there are no incorporated cities in the county, to the county; and

(2) If there is [one or more incorporated cities] *at least one incorporated city* in the county, to the county and any incorporated cities in the county pursuant to the formula set [out] *forth* for counties in subsection 1. For the purpose of applying the formula, the area of the county excludes the area included in any incorporated city.

4. The formula computations must be made as of July 1 of each year by the department, based on estimates which must be furnished by the department of transportation. The determination [so] made by the department is conclusive.

5. *Each county and incorporated city shall, not later than January 1 of each year, submit a list to the department of transportation setting forth:*

(a) *Each road or street that is maintained by the county or city; and*

(b) *The beginning and ending points and the total mileage of each of those roads or streets.*

Each county and incorporated city shall, at least 10 days before the list is submitted to the department of transportation, hold a public hearing to identify and determine the roads and streets maintained by the county or city.

6. *As used in this section, "construction, maintenance and repair" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a county or city road and is necessary for the safe and efficient use of that road, including, without limitation:*

(a) *Grades and regrades;*

(b) *Graveling, oiling, surfacing, macadamizing and paving;*

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(c) *Sweeping, cleaning and sanding roads and removing snow from a road;*

(d) *Crosswalks and sidewalks;*

(e) *Culverts, catch basins, drains, sewers and manholes;*

(f) *Inlets and outlets;*

(g) *Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;*

(h) *Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;*

(i) *Rights of way;*

(j) *Grade and traffic separators;*

(k) *Fences, cattle guards and other devices to control access to a county or city road;*

(l) *Signs and devices for the control of traffic; and*

(m) *Facilities for personnel and the storage of equipment used to construct, maintain or repair a county or city road.*

Sec. 1.5. NRS 365.560 is hereby amended to read as follows:

365.560 1. The receipts of the tax [as levied in NRS 365.190 shall] *levied pursuant to NRS 365.190 must* be allocated monthly by the department to the counties in which the [tax] *payment of the tax* originates.

2. [Such receipts shall] *The receipts must* be apportioned between the county, towns with town boards as organized under NRS 269.016 to 269.019, inclusive, and incorporated cities within the county from the general road fund of the county in the same ratio as the assessed valuation of property within the boundaries of [such] *the* towns or incorporated cities within the county bears to the total assessed valuation of property within the county, including property within the towns or incorporated cities.

3. [All such money so] *Any money* apportioned to a county [shall] *pursuant to subsection 2 must* be expended by the county solely for [the] :

(a) *The* service and redemption of revenue bonds issued pursuant to chapter 373 of NRS [, for the] ;

(b) *The* construction, maintenance and repair of the public highways of the county [and for the] ; *and*

(c) *The* purchase of equipment for [such work, and shall] *that construction, maintenance and repair.*

The money must not be used to defray the expenses of administration.

4. [All such money so] *Any money* apportioned to towns or incorporated cities [shall] *pursuant to subsection 2 must* be expended only upon the streets, alleys and public highways of [such] *the* town or city, other than state highways, under the direction and control of the governing body of the town or city.

5. *As used in this section, "construction, maintenance and repair" has the meaning ascribed to it in NRS 365.550.*

Sec. 1.7. NRS 366.195 is hereby amended to read as follows:

366.195 1. In addition to any other tax provided for in this chapter, there [shall] *must* be levied an excise tax on special fuel.

2. This tax [shall] *must* be imposed and [shall increase up to a total of 4 cents per gallon,] *will increase* if the tax collected by the Federal Government, pursuant to the provisions of 26 U.S.C. § 4041 [, is diminished] *or any other tax collected by the Federal Government relating to special fuel is reduced* or discontinued in whole or in part. The amount of the tax so imposed by this state [shall] *must* be equal to the amount by which the federal tax is reduced.

Sec. 1.9. Chapter 373 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.”.

Amend sec. 14, page 4, by deleting lines 37 through 39 and inserting:

“Sec. 14. *“Construction, maintenance and repair” includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a public road and is necessary for the safe and efficient use of the public road, including, without limitation:*

1. *Grades and regrades;*
2. *Graveling, oiling, surfacing, macadamizing and paving;*
3. *Sweeping, cleaning and sanding roads and removing snow from a public road;*
4. *Crosswalks and sidewalks;*
5. *Culverts, catch basins, drains, sewers and manholes;*
6. *Inlets and outlets;*
7. *Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;*
8. *Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;*
9. *Rights of way;*
10. *Grade and traffic separators;*
11. *Fences, cattle guards and other devices to control access to a public road;*
12. *Signs and devices for the control of traffic; and*
13. *Facilities for personnel and the storage of equipment used to construct, maintain or repair a public road.”.*

Amend the bill as a whole by deleting sections 15 and 16 and inserting:

“Secs. 15 and 16. (Deleted by amendment.)”.

Amend the bill as a whole by deleting section 18 and inserting:

“Sec. 18. (Deleted by amendment.)”.

Amend the bill as a whole by adding new sections designated sec. 27.3 and sec. 27.5, following sec. 27, to read as follows:

“Sec. 27.3. 1. The legislative commission shall appoint a subcommittee to conduct an interim study of the cost to the counties and incorporated cities in this state of maintaining highways, roads and streets and the practices of the counties and incorporated cities in maintaining those highways, roads and streets. The subcommittee may contract with one or more consultants to obtain technical advice concerning the study.

2. The subcommittee shall:

(a) Identify the practices and procedures used to maintain the highways, roads and streets in this state or in any other state;

(b) Develop a data base for a uniform system of maintenance of highways, roads and streets by counties and incorporated cities;

(c) Identify procedures for developing that data base;

(d) Develop computer software for use in support of those procedures;

(e) Prepare a manual that sets forth those procedures; and

(f) Determine the average cost per mile of the highways, roads and streets maintained by the counties and incorporated cities in this state.

3. As soon as practicable after July 1, 1997, the director of the legislative counsel bureau shall determine the cost of the study and notify the executive director of the department of taxation of the cost of the study. The cost of the study must not exceed \$250,000.

4. Upon receipt of the notice required pursuant to subsection 3, the executive director shall prorate the cost of the study for each month of the 1997-98 fiscal year among each of the counties and cities in the proportion that the amount allocated to a county or city each month pursuant to NRS 365.550 bears to the total amount allocated to all the counties and cities for that month. After determining each month the prorated cost for each county and city, the executive director shall:

(a) Withhold the prorated amount from the amount allocated to the county or city for that month pursuant to NRS 365.550; and

(b) Notify the state controller, in writing, of the amount withheld.

5. Upon receipt of the notice required pursuant to subsection 4, the state controller shall transfer the amount specified in the notice to the legislative fund.

6. The money transferred to the legislative fund pursuant to subsection 5 is hereby authorized for expenditure by the director of the legislative counsel bureau to pay the cost of the study conducted pursuant to this section.

7. The legislative commission shall, not later than November 1, 1998, submit a report of the findings of the subcommittee, including any recommended legislation, to the director of the legislative counsel bureau for transmittal to the 70th session of the Nevada legislature.

Sec. 27.5. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.”.

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Amend the title of the bill, third line, after the semicolon by inserting: "requiring each county and incorporated city to submit a list to the department of transportation setting forth each road or street maintained by the county or city; defining the term "construction, maintenance and repair" for the purposes of using the proceeds of certain taxes on motor vehicle fuel; requiring the legislative commission to conduct an interim study relating to the maintenance of highways, roads and streets by counties and cities;"

Amend the summary of the bill to read as follows: "Summary—Revises provisions relating to certain taxes on motor vehicle fuel and special fuel and use of certain sales and use taxes. (BDR 32-326)".

Assemblyman Price moved that the Assembly concur in the Senate amendment to Assembly Bill No. 525.

Remarks by Assemblymen Price, Carpenter, Lambert and Giunchigliani.

Motion carried.

Assemblywoman Giunchigliani moved that the action whereby Senate Amendment No. 1135 to Assembly Bill No. 525 was concurred in be rescinded.

Motion carried.

Assemblywoman Giunchigliani moved that Assembly Bill No. 525 be taken from the Unfinished Business File and placed on the Chief Clerk's desk.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Arberry moved that Assembly Bill No. 329 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblyman Perkins moved that Assembly Bills Nos. 103, 339 be placed on the General File.

Motion carried.

Assemblyman Perkins moved that Assembly Bill No. 616; Senate Bills Nos. 211, 254, 315, 319, 327 be placed on the Second Reading File.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 616.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

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Senate Bill No. 437.

Assemblyman Perkins moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

Senate Bill No. 494.

Assemblyman Perkins moved that the bill be referred to the Committee on Infrastructure.

Motion carried.

Senate Bill No. 495.

Assemblyman Perkins moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

Senate Bill No. 496.

Assemblyman Perkins moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Braunlin moved that Assembly Bill No. 622 be taken from the Chief Clerk's desk and placed on the General File.

Remarks by Assemblywoman Braunlin.

Motion carried.

Assemblywoman Giunchigliani moved that Assembly Bill No. 525 be taken from the Chief Clerk's desk and placed on the Unfinished Business File.

Motion carried.

Assemblyman Bache moved that Senate Bill No. 39 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblyman Perkins moved that Senate Bill No. 375 be placed on the Second Reading File.

Motion carried.

Assemblyman Perkins moved that Assembly Bills Nos. 339, 491, 616; Senate Bills Nos. 5, 211, 253, 315, 319, 327 be placed on the General File.

Motion carried.

UNFINISHED BUSINESS

CONSIDERATION OF SENATE AMENDMENTS

Assembly Bill No. 525.

The following Senate amendment was read:

Amendment No. 1135.

Amend the bill as a whole by deleting section 1 and adding new sections designated sections 1 through 1.9, following the enacting clause, to read as follows:

“Section 1. NRS 365.185 is hereby amended to read as follows:

365.185 1. In addition to any other tax provided for in this chapter, there [shall] *must* be levied an excise tax on gasoline.

2. This tax [shall] *must* be imposed and [shall increase up to a total of 4 cents per gallon,] *will increase* if the tax collected by the Federal Government pursuant to the provisions of 26 U.S.C. § 4081 [, is diminished] *or any other tax collected by the Federal Government relating to gasoline is reduced* or discontinued in whole or in part. The amount of the tax so imposed by this state [shall] *must* be equal to the amount by which the federal tax is reduced.

3. This tax [shall] *must* be accounted for by each dealer and [shall be] collected in the manner provided in this chapter. The tax [shall] *must* be paid to the department and delivered by the department to the state treasurer.

Sec. 1.3. NRS 365.550 is hereby amended to read as follows:

365.550 1. The receipts of the tax [as levied in] *levied pursuant to* NRS 365.180 must be allocated monthly by the department to the counties [upon] *using* the following formula:

(a) One-fourth in proportion to total area.

(b) One-fourth in proportion to population.

(c) One-fourth in proportion to road mileage and street mileage [() of nonfederal aid primary roads . ().]

(d) One-fourth in proportion to vehicle miles of travel on [roads () nonfederal aid primary roads . ().]

2. The amount [due] *allocated* to the counties under the formula must be remitted monthly. The state controller shall draw his warrants payable to the county treasurer of each of the several counties, and the state treasurer shall pay the warrants out of the proceeds of the tax levied [in] *pursuant to* NRS 365.180.

3. Of the money received by the counties [by reason of] *pursuant to* the provisions of this section:

(a) An amount equal to that part of the allocation which represents 1.25 cents of the tax per gallon must be used exclusively for the service and redemption of revenue bonds issued pursuant to chapter 373 of NRS, for the construction, maintenance and repair of county roads, and for the purchase of

equipment for that [work,] *construction, maintenance and repair*, under the direction of the boards of county commissioners of the several counties, and must not be used to defray expenses of administration; and

(b) An amount equal to that part of the allocation which represents 2.35 cents of the tax per gallon must be allocated pursuant to the following formula:

(1) If there are no incorporated cities in the county, to the county; and

(2) If there is [one or more incorporated cities] *at least one incorporated city* in the county, to the county and any incorporated cities in the county pursuant to the formula set [out] *forth* for counties in subsection 1. For the purpose of applying the formula, the area of the county excludes the area included in any incorporated city.

4. The formula computations must be made as of July 1 of each year by the department, based on estimates which must be furnished by the department of transportation. The determination [so] made by the department is conclusive.

5. *Each county and incorporated city shall, not later than January 1 of each year, submit a list to the department of transportation setting forth:*

(a) *Each road or street that is maintained by the county or city; and*

(b) *The beginning and ending points and the total mileage of each of those roads or streets.*

Each county and incorporated city shall, at least 10 days before the list is submitted to the department of transportation, hold a public hearing to identify and determine the roads and streets maintained by the county or city.

6. *As used in this section, "construction, maintenance and repair" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a county or city road and is necessary for the safe and efficient use of that road, including, without limitation:*

(a) *Grades and regrades;*

(b) *Graveling, oiling, surfacing, macadamizing and paving;*

(c) *Sweeping, cleaning and sanding roads and removing snow from a road;*

(d) *Crosswalks and sidewalks;*

(e) *Culverts, catch basins, drains, sewers and manholes;*

(f) *Inlets and outlets;*

(g) *Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;*

(h) *Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;*

(i) *Rights of way;*

(j) *Grade and traffic separators;*

(k) *Fences, cattle guards and other devices to control access to a county or city road;*

(l) *Signs and devices for the control of traffic; and*

(m) *Facilities for personnel and the storage of equipment used to construct, maintain or repair a county or city road.*

Sec. 1.5. NRS 365.560 is hereby amended to read as follows:

365.560 1. The receipts of the tax [as levied in NRS 365.190 shall] *levied pursuant to NRS 365.190 must* be allocated monthly by the department to the counties in which the [tax] *payment of the tax* originates.

2. [Such receipts shall] *The receipts must* be apportioned between the county, towns with town boards as organized under NRS 269.016 to 269.019, inclusive, and incorporated cities within the county from the general road fund of the county in the same ratio as the assessed valuation of property within the boundaries of [such] *the* towns or incorporated cities within the county bears to the total assessed valuation of property within the county, including property within the towns or incorporated cities.

3. [All such money so] *Any money* apportioned to a county [shall] *pursuant to subsection 2 must* be expended by the county solely for [the] :

(a) *The* service and redemption of revenue bonds issued pursuant to chapter 373 of NRS [, for the] ;

(b) *The* construction, maintenance and repair of the public highways of the county [and for the] ; *and*

(c) *The* purchase of equipment for [such work, and shall] *that construction, maintenance and repair.*

The money must not be used to defray the expenses of administration.

4. [All such money so] *Any money* apportioned to towns or incorporated cities [shall] *pursuant to subsection 2 must* be expended only upon the streets, alleys and public highways of [such] *the* town or city, other than state highways, under the direction and control of the governing body of the town or city.

5. *As used in this section, "construction, maintenance and repair" has the meaning ascribed to it in NRS 365.550.*

Sec. 1.7. NRS 366.195 is hereby amended to read as follows:

366.195 1. In addition to any other tax provided for in this chapter, there [shall] *must* be levied an excise tax on special fuel.

2. This tax [shall] *must* be imposed and [shall increase up to a total of 4 cents per gallon,] *will increase* if the tax collected by the Federal Government, pursuant to the provisions of 26 U.S.C. § 4041 [, is diminished] *or any other tax collected by the Federal Government relating to special fuel is reduced* or discontinued in whole or in part. The amount of the tax so imposed by this state [shall] *must* be equal to the amount by which the federal tax is reduced.

Sec. 1.9. Chapter 373 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.”.

Amend sec. 14, page 4, by deleting lines 37 through 39 and inserting:

“Sec. 14. *“Construction, maintenance and repair” includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a public road and is necessary for the safe and efficient use of the public road, including, without limitation:*

1. *Grades and regrades;*
2. *Graveling, oiling, surfacing, macadamizing and paving;*
3. *Sweeping, cleaning and sanding roads and removing snow from a public road;*
4. *Crosswalks and sidewalks;*
5. *Culverts, catch basins, drains, sewers and manholes;*
6. *Inlets and outlets;*
7. *Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;*
8. *Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;*
9. *Rights of way;*
10. *Grade and traffic separators;*
11. *Fences, cattle guards and other devices to control access to a public road;*
12. *Signs and devices for the control of traffic; and*
13. *Facilities for personnel and the storage of equipment used to construct, maintain or repair a public road.”.*

Amend the bill as a whole by deleting sections 15 and 16 and inserting:

“Secs. 15 and 16. (Deleted by amendment.)”.

Amend the bill as a whole by deleting section 18 and inserting:

“Sec. 18. (Deleted by amendment.)”.

Amend the bill as a whole by adding new sections designated sec. 27.3 and sec. 27.5, following sec. 27, to read as follows:

“Sec. 27.3. 1. The legislative commission shall appoint a subcommittee to conduct an interim study of the cost to the counties and incorporated cities in this state of maintaining highways, roads and streets and the practices of the counties and incorporated cities in maintaining those highways, roads and streets. The subcommittee may contract with one or more consultants to obtain technical advice concerning the study.

2. The subcommittee shall:

(a) Identify the practices and procedures used to maintain the highways, roads and streets in this state or in any other state;

(b) Develop a data base for a uniform system of maintenance of highways, roads and streets by counties and incorporated cities;

- (c) Identify procedures for developing that data base;
- (d) Develop computer software for use in support of those procedures;
- (e) Prepare a manual that sets forth those procedures; and
- (f) Determine the average cost per mile of the highways, roads and streets maintained by the counties and incorporated cities in this state.

3. As soon as practicable after July 1, 1997, the director of the legislative counsel bureau shall determine the cost of the study and notify the executive director of the department of taxation of the cost of the study. The cost of the study must not exceed \$250,000.

4. Upon receipt of the notice required pursuant to subsection 3, the executive director shall prorate the cost of the study for each month of the 1997-98 fiscal year among each of the counties and cities in the proportion that the amount allocated to a county or city each month pursuant to NRS 365.550 bears to the total amount allocated to all the counties and cities for that month. After determining each month the prorated cost for each county and city, the executive director shall:

- (a) Withhold the prorated amount from the amount allocated to the county or city for that month pursuant to NRS 365.550; and
- (b) Notify the state controller, in writing, of the amount withheld.

5. Upon receipt of the notice required pursuant to subsection 4, the state controller shall transfer the amount specified in the notice to the legislative fund.

6. The money transferred to the legislative fund pursuant to subsection 5 is hereby authorized for expenditure by the director of the legislative counsel bureau to pay the cost of the study conducted pursuant to this section.

7. The legislative commission shall, not later than November 1, 1998, submit a report of the findings of the subcommittee, including any recommended legislation, to the director of the legislative counsel bureau for transmittal to the 70th session of the Nevada legislature.

Sec. 27.5. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.”.

Amend the title of the bill, third line, after the semicolon by inserting: “requiring each county and incorporated city to submit a list to the department of transportation setting forth each road or street maintained by the county or city; defining the term “construction, maintenance and repair” for the purposes of using the proceeds of certain taxes on motor vehicle fuel; requiring the legislative commission to conduct an interim study relating to the maintenance of highways, roads and streets by counties and cities;”.

Amend the summary of the bill to read as follows:

“Summary—Revises provisions relating to certain taxes on motor vehicle fuel and special fuel and use of certain sales and use taxes. (BDR 32-326)”.

JULY 5, 1997

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Assemblyman Price moved that the Assembly do not concur in the Senate amendment to Assembly Bill No. 525.

Remarks by Assemblyman Price.

Motion carried.

Bill ordered transmitted to the Senate.

Assembly Bill No. 595.

The following Senate amendment was read:

Amendment No. 1216.

Amend the bill as a whole by renumbering sec. 4 as sec. 5 and adding a new section designated sec. 4, following sec. 3, to read as follows:

“Sec. 4. The amendatory provisions of this act apply to a civil action that is filed on or after the effective date of this act.”.

Assemblyman Anderson moved that the Assembly concur in the Senate amendment to Assembly Bill No. 595.

Remarks by Assemblymen Anderson and Perkins.

Motion carried.

Bill ordered enrolled.

REPORTS OF CONFERENCE COMMITTEES

Mr. Speaker:

The second Committee on Conference concerning Assembly Bill No. 66, consisting of the undersigned members, has met, and reports that:

No decision was reached.

DOUGLAS BACHE

JOAN LAMBERT

P.M. ROY NEIGHBORS

Assembly Committee on Conference

ANN O'CONNELL

WILLIAM J. RAGGIO

RAYMOND C. SHAFFER

Senate Committee on Conference

Assemblyman Bache moved to adopt the report of the second Committee on Conference report concerning Assembly Bill No. 66.

Remarks by Assemblyman Bache.

Motion carried.

Mr. Speaker:

The first Committee on Conference concerning Assembly Bill No. 366, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that the amendment of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 16, which is attached to and hereby made a part of this report.

DOUGLAS BACHE

PETE ERNAUT

BARBARA BUCKLEY

Assembly Committee on Conference

RANDOLPH J. TOWNSEND

DEAN A. RHOADS

JOSEPH NEAL

Senate Committee on Conference

THE ONE HUNDRED AND SIXTY-EIGHTH DAY

CARSON CITY (Sunday), July 6, 1997

Senate called to order at 9:57 a.m.

President Hammargren presiding.

Roll called.

All present.

Prayer by Senator Jacobsen.

O Gracious Father, as we bow our heads on this beautiful day, we give thanks for all the things we see around us and especially the people we have come to know and appreciate. We ask, O Gracious Father, to look upon those that have worked so diligently and so effectively for us, especially the ladies at the front desk and all those that work in committees. We know, O Gracious Father, that sometimes we think it is all in vain. Tell us that it is not. That what we do is for everyone in this state and for ourselves. Lead us to know and I think we all know that freedom is not free. We all have a responsibility and an obligation to make sure that this great state and this great nation remain strong and remains safe and especially remains free.

O Gracious Father, as we come into the closing hours lead us to know that what we do and what we have done is certainly for the good of everyone. Bless us O Lord as we bow our heads in Thy presence and work with us. May Thy faith and Thy hope and Thy love be with us as we cry together, cry with us. As we laugh together, laugh with us. As we stand here this morning, O Gracious Father, may each one of us receive Thy blessing. May we all remain free. Return us to our homes and loved ones. Lead us to know that it is one day at a time. That what we do today we will never do again. Bless us O Lord.

AMEN.

Pledge of allegiance to the Flag.

Senator Raggio moved that further reading of the Journal be dispensed with, and the President and Secretary be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which were referred Senate Bill No. 497; Assembly Bills Nos. 669, 670, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM J. RAGGIO, *Chairman*

Mr. President:

Your Committee on Transportation, to which was referred Assembly Bill No. 590, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM R. O'DONNELL, *Chairman*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, July 5, 1997

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bills Nos. 86, 211, 315, 327, and respectfully requests your honorable body to concur in said amendment.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 111, 339, 616.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully rescinded the action to concur in the Senate amendment to Assembly Bill No. 291.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to concur in the Senate amendment to Assembly Bill No. 525.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 314.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 242.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the second Committee on Conference concerning Assembly Bill No. 66.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Committee on Conference concerning Assembly Bill No. 366.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Williams, Chowning and Amodei as a first Committee on Conference concerning Assembly Bill No. 191.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Anderson, Collins and Sandoval as a first Committee on Conference concerning Assembly Bill No. 208.

JACQUELINE SNEDDON

Assistant Chief Clerk of the Assembly

UNFINISHED BUSINESS

REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Committee on Conference concerning Assembly Bill No. 366, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that the amendment of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 16, which is attached to and hereby made a part of this report.

Conference Amendment.

Amend sec. 2, page 1, line 3, by deleting "Title," and inserting: "Title relating to the provision of electric service,".

Amend sec. 2, page 1, line 6, by deleting: "services by utilities;" and inserting "electric services;".

Amend sec. 2, page 1, by deleting line 8 and inserting: "providers of electric service;".

Amend sec. 2, page 1, line 11, by deleting: "services by utilities;" and inserting "electric services;".

Amend sec. 2, page 2, by deleting lines 1 and 2 and inserting:

"5. Ensure and enhance reliability and safety in the provision of electric services;".

Amend sec. 2, page 2, line 3, by deleting "utilities;" and inserting "electric services;".

Amend sec. 2, page 2, by deleting lines 4 and 5 and inserting:

"7. Provide effective protection of persons who depend upon electric services;".

Amend sec. 3, page 2, line 33, by deleting:

"legislative committee on utilities" and inserting: "appropriate legislative committee".

Amend sec. 4, page 2, line 40, by deleting "[service] utilities" and inserting "service".

For the salary, benefits and travel and operating expenses of a wildlife staff biologist in the director's office of the state department of conservation and natural resources to assist the commission for the preservation of wild horses in the preparation of the plan required by section 9 of this act.....61,500".

Amend the title of the bill, by deleting the fourth and fifth lines and inserting: "on behalf of the commission unless approved by the director of the state department of conservation and natural resources; abolishing the fund for the commission for the preservation of wild horses; making an appropriation; and providing other".

Senator Rhoads moved that the Senate concur in the Assembly amendment to Senate Bill No. 211.

Motion carried.

Bill ordered enrolled.

Senate Bill No. 315.

The following Assembly amendment was read:

Amendment No. 1210.

Amend the bill as a whole by deleting sec. 2 and renumbering sections 3 and 4 as sections 2 and 3.

Amend sec. 3, page 1, line 11, by deleting "1."

Amend sec. 3, page 1, by deleting lines 15 through 18.

Senator Raggio moved that the Senate do not concur in the Assembly amendment to Senate Bill No. 315.

Remarks by Senator Raggio.

Motion carried.

Bill ordered transmitted to the Assembly.

RECEDE FROM SENATE AMENDMENTS

Senator McGinness moved that the Senate do not recede from its action on Assembly Bill No. 525, that a conference be requested, and that Mr. President appoint a first Committee on Conference consisting of three members to meet with a like committee of the Assembly.

Motion carried.

APPOINTMENT OF CONFERENCE COMMITTEES

Mr. President appointed Senators O'Connell, Rhoads and Regan as a first Committee on Conference to meet with a like committee of the Assembly for the further consideration of Assembly Bill No. 525.

REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Committee on Conference concerning Senate Bill No. 148, consisting of the undersigned members, has met, and reports that:

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ONE HUNDRED AND SIXTY-EIGHTH DAY

THE ONE HUNDRED AND SIXTY-EIGHTH DAY

CARSON CITY (Sunday), July 6, 1997

Assembly called to order at 9:39 a.m.

Mr. Speaker presiding.

Roll called.

All present except Assemblywoman Freeman, who was excused.

Prayer by the Chaplain, The Reverend Richard H. Campbell.

Most Gracious God: We humbly pray to You for the people of this nation in general and the citizens of Nevada in particular. Be gracious to us all this day. Especially bless this Assembly as it deliberates on our behalf. May their actions be to Your glory and to the safety, honor and welfare of the people. May their work this day be upon the best and surest of foundations; that peace, happiness, truth and justice may be established among us. Accept now our thanksgiving for Your presence in our lives. We pray in Your glorious Name. AMEN.

Pledge of allegiance to the Flag.

Assemblyman Perkins moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Elections, Procedures, and Ethics, to which was referred Senate Bill No. 30, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

CHRISTINA R. GIUNCHIGLIANI, *Chairman*

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, July 5, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day passed, as amended, Senate Bill No. 470.

Also, I have the honor to inform your honorable body that the Senate on this day passed Assembly Bills Nos. 259, 647.

Also, I have the honor to inform your honorable body that the Senate amended, and on this day passed, as amended, Assembly Bill No. 504 and respectfully requests your honorable body to concur in said amendment.

MARY JO MONGELLI
Assistant Secretary of the Senate

Mr. Speaker:

Your Committee on Ways and Means, to which was re-referred Senate Bill No. 319, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MORSE ARBERRY, JR., *Chairman*

Mr. Speaker:

Your Committee on Ways and Means, to which were referred Senate Bills Nos. 196, 200, 361, 432, 433, 470, 491, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MORSE ARBERRY, JR., *Chairman*

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, July 6, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day passed Assembly Bills Nos. 137, 146, 165, 268, 298, 447.

Also, I have the honor to inform your honorable body that the Senate amended, and on this day passed, as amended, Assembly Bills Nos. 147, 211 and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Senate on this day concurred in the Assembly amendments to Senate Bills Nos. 211, 218, 327, 375, 460.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Assembly Bill No. 208.

Also, I have the honor to inform your honorable body that the Senate on this day respectfully refused to recede from its action on Assembly Bill No. 525 and requests a conference, and appointed Senators O'Connell, Rhoads and Regan as a first Committee on Conference to meet with a like committee of the Assembly.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 356.

Also, I have the honor to inform your honorable body that the Senate on this day respectfully refused to concur in the Assembly amendment to Senate Bill No. 315.

Also, I have the honor to inform your honorable body that the Senate on this day passed Senate Bill No. 387.

Also, I have the honor to inform your honorable body that the Senate on this day passed, as amended, Senate Bills Nos. 144, 474.

Also, I have the honor to inform your honorable body that the Senate on this day passed Assembly Bills Nos. 173, 214, 454, 661.

Also, I have the honor to inform your honorable body that the Senate amended, and on this day passed, as amended, Assembly Bill No. 356.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 148.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 209.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 398.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 489.

MARY JO MONGELLI

Assistant Secretary of the Senate

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ONE HUNDRED AND SIXTY-EIGHTH DAY

"4. Upon receipt of the license, the operator shall post the license in a conspicuous place clearly visible to the general public in the body shop and include the license number on all".

Amend sec. 519, page 207, line 3, by deleting: "132, 134, 135,".

Amend sec. 519, page 207, line 6, after "3." by inserting: "Sections 132, 134 and 135 of this act become effective at 12:02 a.m. on October 1, 1997. 4.".

Assemblywoman Von Tobel moved to adopt the report of the first Committee on Conference concerning Senate Bill No. 356.

Remarks by Assemblywoman Von Tobel.

Motion carried.

Mr. Speaker:

The first Committee on Conference concerning Senate Bill No. 398, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that the amendment of the Assembly be concurred in.

MARCIA DE BRAGA

JOHN B. REGAN

PM ROY NEIGHBORS

ERNEST E. ADLER

JOHN C. CARPENTER

MIKE MCGINNESS

Assembly Committee on Conference

Senate Committee on Conference

Assemblywoman de Braga moved to adopt the report of the first Committee on Conference concerning Senate Bill No. 398.

Remarks by Assemblywoman de Braga.

Motion carried.

Mr. Speaker:

The first Committee on Conference concerning Senate Bill No. 489, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that the amendment of the Assembly be receded from.

MORSE ARBERRY JR.

RAYMOND D. RAWSON

JOHN W. MARVEL

WILLIAM R. O'DONNELL

LYNN C. HETTRICK

BERNICE MATHEWS

Assembly Committee on Conference

Senate Committee on Conference

Assemblyman Arberry moved to adopt the report of the first Committee on Conference concerning Senate Bill No. 489.

Remarks by Assemblyman Arberry.

Motion carried.

APPOINTMENT OF CONFERENCE COMMITTEES

Mr. Speaker appointed Assemblymen Carpenter, Giunchigliani and Lambert as a first Committee on Conference to meet with a like committee of the Senate for the further consideration of Assembly Bill No. 525.

THE ONE HUNDRED AND SIXTY-EIGHTH DAY

CARSON CITY (Sunday), July 6, 1997

Senate called to order at 9:57 a.m.

President Hammargren presiding.

Roll called.

All present.

Prayer by Senator Jacobsen.

O Gracious Father, as we bow our heads on this beautiful day, we give thanks for all the things we see around us and especially the people we have come to know and appreciate. We ask, O Gracious Father, to look upon those that have worked so diligently and so effectively for us, especially the ladies at the front desk and all those that work in committees. We know, O Gracious Father, that sometimes we think it is all in vain. Tell us that it is not. That what we do is for everyone in this state and for ourselves. Lead us to know and I think we all know that freedom is not free. We all have a responsibility and an obligation to make sure that this great state and this great nation remain strong and remains safe and especially remains free.

O Gracious Father, as we come into the closing hours lead us to know that what we do and what we have done is certainly for the good of everyone. Bless us O Lord as we bow our heads in Thy presence and work with us. May Thy faith and Thy hope and Thy love be with us as we cry together, cry with us. As we laugh together, laugh with us. As we stand here this morning, O Gracious Father, may each one of us receive Thy blessing. May we all remain free. Return us to our homes and loved ones. Lead us to know that it is one day at a time. That what we do today we will never do again. Bless us O Lord.

AMEN.

Pledge of allegiance to the Flag.

Senator Raggio moved that further reading of the Journal be dispensed with, and the President and Secretary be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which were referred Senate Bill No. 497; Assembly Bills Nos. 669, 670, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM J. RAGGIO, *Chairman*

Mr. President:

Your Committee on Transportation, to which was referred Assembly Bill No. 590, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM R. O'DONNELL, *Chairman*

For the salary, benefits and travel and operating expenses of a wildlife staff biologist in the director's office of the state department of conservation and natural resources to assist the commission for the preservation of wild horses in the preparation of the plan required by section 9 of this act.....61,500".

Amend the title of the bill, by deleting the fourth and fifth lines and inserting: "on behalf of the commission unless approved by the director of the state department of conservation and natural resources; abolishing the fund for the commission for the preservation of wild horses; making an appropriation; and providing other".

Senator Rhoads moved that the Senate concur in the Assembly amendment to Senate Bill No. 211.

Motion carried.

Bill ordered enrolled.

Senate Bill No. 315.

The following Assembly amendment was read:

Amendment No. 1210.

Amend the bill as a whole by deleting sec. 2 and renumbering sections 3 and 4 as sections 2 and 3.

Amend sec. 3, page 1, line 11, by deleting "1."

Amend sec. 3, page 1, by deleting lines 15 through 18.

Senator Raggio moved that the Senate do not concur in the Assembly amendment to Senate Bill No. 315.

Remarks by Senator Raggio.

Motion carried.

Bill ordered transmitted to the Assembly.

RECEDE FROM SENATE AMENDMENTS

Senator McGinness moved that the Senate do not recede from its action on Assembly Bill No. 525, that a conference be requested, and that Mr. President appoint a first Committee on Conference consisting of three members to meet with a like committee of the Assembly.

Motion carried.

APPOINTMENT OF CONFERENCE COMMITTEES

Mr. President appointed Senators O'Connell, Rhoads and Regan as a first Committee on Conference to meet with a like committee of the Assembly for the further consideration of Assembly Bill No. 525.

★ REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Committee on Conference concerning Senate Bill No. 148, consisting of the undersigned members, has met, and reports that:

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Carpenter, Giunchigliani and Lambert as a first Committee on Conference concerning Assembly Bill No. 525.

JACQUELINE SNEDDON
Assistant Chief Clerk of the Assembly

SECOND READING AND AMENDMENT

Assembly Bill No. 339.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1272.

Amend section 1, page 2, line 38, by deleting "The" and inserting: "For each fund of the school district, the".

Amend section 1, page 2, line 40, by deleting the semicolon and inserting: ", the number of retired persons for whom those payments were made and an explanation of the policy of the school district concerning the making of those payments;".

Amend section 1, page 2, line 41, by deleting "An" and inserting: "For each fund of the school district, an".

Amend section 1, page 2, line 43, by deleting the period and inserting: ", the estimated number of retired persons for whom those payments will be made and any revisions of the policy of the school district concerning the making of those payments;".

Amend sec. 2, page 3, line 1, after "request" by inserting: "for fiscal years 1999-2000 and 2000-2001".

Amend sec. 2, page 3, line 8, after "making" by inserting: ", on a one-time basis,".

Amend sec. 2, page 3, line 9, after "act." by inserting: "The amount is a one-time appropriation and must not be included in the adjusted base budget or in the estimates of the cost to maintain the current level of service for the biennium budget for fiscal years 1999-2000 and 2000-2001.".

Amend the summary of the bill by deleting "(BDR 23-1047)" and inserting "(BDR S-1047)".

Senator Raggio moved the adoption of the amendment.

Remarks by Senator Raggio.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

REMARKS FROM THE FLOOR

Remarks by Senator Rawson.

Senator Rawson requested that his remarks be entered in the Journal.

Thank you, Mr. President. I would like to read into the record a statement of Legislative Intent on Assembly Bill No. 375. This bill makes various changes concerning mental health care. This is the bill we have seen numerous amendments on to deal with the admission, voluntary and involuntary, into mental health facilities. In the final amendment we passed, on

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ONE HUNDRED AND SIXTY-NINTH DAY

THE ONE HUNDRED AND SIXTY-NINTH DAY

CARSON CITY (Monday), July 7, 1997

Assembly called to order at 12:58 a.m.

Mr. Speaker presiding.

Roll called.

All present except Assemblywoman Freeman, who was excused.

Prayer by Assemblyman Amodei.

Dear God, I've never come to You this publicly before, but it is at this point necessary that You lend my Assembly brothers and sisters Your strength and guidance. In our final hours, Lord, we thank You for granting the 42 members of the Silver State's Assembly the privilege of serving together. Regardless of what is stereotyped and generalized about our collective lot, we are humbled and honored to be given the distinct privilege of serving. Please take care of our colleague, Vivian Freeman, and see that she feels better soon. Make sure that my new friends arrive back at their homes safely in the coming days.

Lord, grant those wayward souls at the north end of the building the insight to recognize the wisdom of the path chosen by the People's House in all matters presently pending. And finally, Lord, please take away all their blue Xerox paper and ink cartridges so that they cannot amend any more legislation. In Your Name we pray. AMEN.

Pledge of allegiance to the Flag.

Assemblyman Perkins moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, July 6, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day appointed Senators O'Donnell, Washington and Neal as a first Committee on Conference concerning Senate Bill No. 430.

MARY JO MONGELLI

Assistant Secretary of the Senate

SENATE CHAMBER, Carson City, July 7, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day adopted the report of the second Committee on Conference concerning Senate Bill No. 38.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 424.

Also, I have the honor to inform your honorable body that the Senate on this day concurred in the Assembly amendments to Senate Bills Nos. 5, 208, 253, 488.

2610

ONE HUNDRED AND SIXTY-NINTH DAY

Senate Bill No. 474 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Arberry moved that Assembly Bill No. 574 be taken from the Unfinished Business File and re-referred to the Committee on Ways and Means.

Motion carried.

UNFINISHED BUSINESS

REPORTS OF CONFERENCE COMMITTEES

Mr. Speaker:

The first Committee on Conference concerning Assembly Bill No. 525, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that the amendment of the Senate be concurred in. It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 27, which is attached to and hereby made a part of this report.

JOHN C. CARPENTER

CHRIS GIUNCHIGLIANI

JOAN A. LAMBERT

Assembly Committee on Conference

ANN O'CONNELL

DEAN A. RHOADS

JOHN B. REGAN

Senate Committee on Conference

Conference Amendment No. 27.

Amend the bill as a whole by deleting sec. 27.3 and inserting:

“Sec. 27.3. (Deleted by amendment.)”.

Amend the title of the bill by deleting the seventh through ninth lines and inserting: “certain taxes on motor vehicle fuel; and providing other matters properly relating thereto.”.

Assemblyman Carpenter moved to adopt the report of the first Committee on Conference concerning Assembly Bill No. 525.

Remarks by Assemblyman Carpenter.

Motion carried.

Assemblyman Perkins moved that the Assembly recess subject to the call of the Chair.

Motion carried.

Assembly in recess at 1:32 a.m.

ASSEMBLY IN SESSION

At 3:13 a.m.

Mr. Speaker presiding.

Quorum present.

THE ONE HUNDRED AND SIXTY-NINTH DAY

CARSON CITY (Monday), July 7, 1997

Senate called to order at 1:11 a.m.
President Hammargren presiding.
Roll called.
All present.

REPORTS OF COMMITTEES*Mr. President:*

Your Committee on Finance, to which was referred Assembly Bill No. 376, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WILLIAM J. RAGGIO, *Chairman***MESSAGES FROM THE ASSEMBLY**

ASSEMBLY CHAMBER, Carson City, July 6, 1997

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate amendments to Assembly Bills Nos. 190, 211, 356, 414, 437, 451, 453, 484, 524, 602, 662.

JACQUELINE SNEDDON

Assistant Chief Clerk of the Assembly

ASSEMBLY CHAMBER, Carson City, July 7, 1997

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day respectfully refused to concur in the Senate amendments to Assembly Bills Nos. 147, 523.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to recede from its action on Senate Bill No. 113 and requests a conference, and appointed Assemblymen Arberry, Perkins and Hettrick as a first Committee on Conference to meet with a like committee of the Senate.

JACQUELINE SNEDDON

*Assistant Chief Clerk of the Assembly***MOTIONS, RESOLUTIONS AND NOTICES**

Senator O'Donnell moved that Assembly Bill No. 178 be taken from the Secretary's desk and placed on the Second Reading File.

Motion carried.

Senator Raggio moved that Assembly Bill No. 339 be taken from the General File and placed on the Secretary's desk.

Remarks by Senator Raggio.

Motion carried.

JULY 7, 1997 — DAY 169

2445

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, July 7, 1997

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bill No. 474.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bills Nos. 194, 220, 316, 444, and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the second Committee on Conference concerning Senate Bill No. 38.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 424.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Committee on Conference concerning Assembly Bill No. 191.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Committee on Conference concerning Assembly Bill No. 525.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Giunchigliani, Cegavske and Chowning as a first Committee on Conference concerning Assembly Bill No. 523.

JACQUELINE SNEDDON

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Senator Raggio moved that Assembly Bill No. 353 be taken from the Secretary's desk and placed on General File.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 353.

Bill read third time.

Remarks by Senators Raggio, Porter, O'Donnell and Neal.

Conflict of interest declared by Senator O'Donnell.

Senator Porter requested that the following remarks be entered in the Journal.

SENATOR RAGGIO:

Thank you, Mr. President. I assume everyone is aware that this is the measure which would add the additional room tax for Clark County and other taxes for school facilities.

SENATOR PORTER:

Thank you, Mr. President. Assembly Bill No. 353 is a bill that I have watched very closely since the beginning of the session. I would like to comment that it establishes some of the greatest accountability for school construction in the history of the State of Nevada. This bill creates traditional revenue sources that provide funding for our schools in addition to revenues raised through property taxes. I would appreciate the support of the Senate for this bill.

SENATOR O'DONNELL:

Thank you, Mr. President. I will be abstaining on this bill because I run a car show in Las Vegas. Las Vegas Events has been a sponsor in the past, however, if this bill passes, I doubt if they will be a sponsor in the future because they won't have much money.

JULY 7, 1997 — DAY 169

2493

Senator James moved to adopt the report of the first Committee on Conference concerning Senate Bill No. 113.

Motion carried.

Mr. President:

The first Committee on Conference concerning Assembly Bill No. 525, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that the amendment of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 27, which is attached to and hereby made a part of this report.

Conference Amendment.

Amend the bill as a whole by deleting sec. 27.3 and inserting:

“Sec. 27.3. (Deleted by amendment.)”.

Amend the title of the bill by deleting the seventh through ninth lines and inserting: “certain taxes on motor vehicle fuel; and providing other matters properly relating thereto.”.

ANN O'CONNELL

JOHN CARPENTER

DEAN A. RHOADS

CHRISTINA GIUNCHIGLIANI

JOHN B. REGAN

JOAN LAMBERT

Senate Committee on Conference

Assembly Committee on Conference

Senator O'Connell moved to adopt the report of the first Committee on Conference concerning Assembly Bill No. 525.

Motion carried.

Mr. President:

The first Committee on Conference concerning Assembly Bill No. 191, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that the amendment of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 24, which is attached to and hereby made a part of this report.

Conference Amendment

Amend sec. 2, page 2, by deleting lines 24 and 25 and inserting:

“(a) Adopt a comprehensive program to [provide pupils with] *offer pupils who are enrolled in grades 7 through 12, inclusive, the skills to make the transition from*”.

Amend sec. 2, page 2, by deleting lines 42 through 44 and inserting: “*equitable opportunity to achieve high academic standards and to obtain training in occupations [that earn high wages.*

(d) To strengthen and expand] *of their choice. If desired, a pupil who has chosen to receive training in an occupation may choose to receive training in another occupation of his choice, or may terminate his participation in the program, without the loss of credit, at such times as are allowed by the state board, but in no case may a pupil be required to continue with the training or participate in the program for more than one semester.*”.

KATHY AUGUSTINE

WENDELL WILLIAMS

VONNE CHOWNING

ANN O'CONNELL

MARK AMODEI

Senate Committee on Conference

Assembly Committee on Conference

Senator Augustine moved to adopt the report of the first Committee on Conference concerning Assembly Bill No. 191.

Motion carried.

2606

ONE HUNDRED AND SIXTY-NINTH DAY

THE ONE HUNDRED AND SIXTY-NINTH DAY

CARSON CITY (Monday), July 7, 1997

Assembly called to order at 12:58 a.m.

Mr. Speaker presiding.

Roll called.

All present except Assemblywoman Freeman, who was excused.

Prayer by Assemblyman Amodei.

Dear God, I've never come to You this publicly before, but it is at this point necessary that You lend my Assembly brothers and sisters Your strength and guidance. In our final hours, Lord, we thank You for granting the 42 members of the Silver State's Assembly the privilege of serving together. Regardless of what is stereotyped and generalized about our collective lot, we are humbled and honored to be given the distinct privilege of serving. Please take care of our colleague, Vivian Freeman, and see that she feels better soon. Make sure that my new friends arrive back at their homes safely in the coming days.

Lord, grant those wayward souls at the north end of the building the insight to recognize the wisdom of the path chosen by the People's House in all matters presently pending. And finally, Lord, please take away all their blue Xerox paper and ink cartridges so that they cannot amend any more legislation. In Your Name we pray. AMEN.

Pledge of allegiance to the Flag.

Assemblyman Perkins moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, July 6, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day appointed Senators O'Donnell, Washington and Neal as a first Committee on Conference concerning Senate Bill No. 430.

MARY JO MONGELLI

Assistant Secretary of the Senate

SENATE CHAMBER, Carson City, July 7, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day adopted the report of the second Committee on Conference concerning Senate Bill No. 38.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Senate Bill No. 424.

Also, I have the honor to inform your honorable body that the Senate on this day concurred in the Assembly amendments to Senate Bills Nos. 5, 208, 253, 488.

2662

ONE HUNDRED AND SIXTY-NINTH DAY

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, July 7, 1997

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate amended, and on this day passed, as amended, Assembly Bills Nos. 178, 376 and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Assembly Bill No. 191.

Also, I have the honor to inform your honorable body that the Senate on this day respectfully refused to concur in the Assembly amendments to Senate Bills Nos. 220, 312, 316.

Also, I have the honor to inform your honorable body that the Senate on this day adopted the report of the first Committee on Conference concerning Assembly Bill No. 525.

Also, I have the honor to inform your honorable body that the Senate on this day respectfully refused to recede from its action on Assembly Bill No. 147 and requests a conference, and appointed Senators Augustine, Shaffer and Rhoads as a first Committee on Conference to meet with a like committee of the Assembly.

MARY JO MONGELLI
Assistant Secretary of the Senate

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Anderson moved that Senate Bill No. 33 be taken from the Chief Clerk's desk and re-referred to the Committee on Judiciary.

Motion carried.

Assemblyman Arberry moved that Assembly Bill No. 491 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

UNFINISHED BUSINESS

APPOINTMENT OF CONFERENCE COMMITTEES

Mr. Speaker appointed Assemblymen Krenzer, Goldwater and Hettrick as a first Committee on Conference to meet with a like committee of the Senate for the further consideration of Assembly Bill No. 147.

GENERAL FILE AND THIRD READING

Assembly Bill No. 491.

Bill read third time.

Remarks by Assemblymen Arberry and Carpenter.

Roll call on Assembly Bill No. 491:

YEAS — 22.

NAYS — Amodei, Berman, Braunlin, Buckley, Cegavske, Close, de Braga, Gustavson, Herrera, Hickey, Humke, Koivisto, Krenzer, Lambert, Lee, Manendo, Ohrenschall, Parks, Tiffany — 19.

Excused — Freeman.

ASSEMBLY BILL NO. 525—ASSEMBLYMAN CARPENTER

MAY 22, 1997

Referred to Concurrent Committees on
Taxation and Transportation

SUMMARY—Revises provisions relating to certain taxes on motor vehicle fuel and special fuel and use of certain sales and use taxes. (BDR 32-326)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.



EXPLANATION - Matter in italics is new; matter in brackets [] is material to be omitted.

AN ACT relating to taxation; revising the provisions governing the use of the proceeds from the county motor vehicle fuel tax in certain counties and certain sales and use taxes to allow use for maintenance and repair of roads; requiring each county and incorporated city to submit a list to the department of transportation setting forth each road or street maintained by the county or city; defining the term "construction, maintenance and repair" for the purposes of using the proceeds of certain taxes on motor vehicle fuel; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 365.185 is hereby amended to read as follows:
2 365.185 1. In addition to any other tax provided for in this chapter,
3 there [shall] *must* be levied an excise tax on gasoline.
4 2. This tax [shall] *must* be imposed and [shall increase up to a total of 4
5 cents per gallon,] *will increase* if the tax collected by the Federal
6 Government pursuant to the provisions of 26 U.S.C. § 4081 [is
7 diminished] *or any other tax collected by the Federal Government relating to*
8 *gasoline is reduced* or discontinued in whole or in part. The amount of the
9 tax so imposed by this state [shall] *must* be equal to the amount by which the
10 federal tax is reduced.
11 3. This tax [shall] *must* be accounted for by each dealer and [shall be]
12 collected in the manner provided in this chapter. The tax [shall] *must* be paid
13 to the department and delivered by the department to the state treasurer.



1 Sec. 1.3. NRS 365.550 is hereby amended to read as follows:

2 365.550 1. The receipts of the tax [as levied in] *levied pursuant to*
3 NRS 365.180 must be allocated monthly by the department to the counties
4 [upon] *using* the following formula:

5 (a) One-fourth in proportion to total area.

6 (b) One-fourth in proportion to population.

7 (c) One-fourth in proportion to road mileage and street mileage [() of
8 nonfederal aid primary roads . D.]

9 (d) One-fourth in proportion to vehicle miles of travel on [roads ()
10 nonfederal aid primary roads . D.]

11 2. The amount [due] *allocated* to the counties under the formula must be
12 remitted monthly. The state controller shall draw his warrants payable to the
13 county treasurer of each of the several counties, and the state treasurer shall
14 pay the warrants out of the proceeds of the tax levied [in] *pursuant to* NRS
15 365.180.

16 3. Of the money received by the counties [by reason of] *pursuant to* the
17 provisions of this section:

18 (a) An amount equal to that part of the allocation which represents 1.25
19 cents of the tax per gallon must be used exclusively for the service and
20 redemption of revenue bonds issued pursuant to chapter 373 of NRS, for the
21 construction, maintenance and repair of county roads, and for the purchase
22 of equipment for that [work,] *construction, maintenance and repair*, under
23 the direction of the boards of county commissioners of the several counties,
24 and must not be used to defray expenses of administration; and

25 (b) An amount equal to that part of the allocation which represents 2.35
26 cents of the tax per gallon must be allocated pursuant to the following
27 formula:

28 (1) If there are no incorporated cities in the county, to the county; and

29 (2) If there is [one or more incorporated cities] *at least one*
30 *incorporated city* in the county, to the county and any incorporated cities in
31 the county pursuant to the formula set [out] *forth* for counties in subsection
32 1. For the purpose of applying the formula, the area of the county excludes
33 the area included in any incorporated city.

34 4. The formula computations must be made as of July 1 of each year by
35 the department, based on estimates which must be furnished by the
36 department of transportation. The determination [so] made by the
37 department is conclusive.

38 5. *Each county and incorporated city shall, not later than January 1 of*
39 *each year, submit a list to the department of transportation setting forth:*

40 (a) *Each road or street that is maintained by the county or city; and*

41 (b) *The beginning and ending points and the total mileage of each of*
42 *those roads or streets.*

43 *Each county and incorporated city shall, at least 10 days before the list is*
44 *submitted to the department of transportation, hold a public hearing to*



1 *identify and determine the roads and streets maintained by the county or*
2 *city.*

3 6. *As used in this section, "construction, maintenance and repair"*
4 *includes the acquisition, operation or use of any material, equipment or*
5 *facility that is used exclusively for the construction, maintenance or repair of*
6 *a county or city road and is necessary for the safe and efficient use of that*
7 *road, including, without limitation:*

8 (a) *Grades and regrades;*

9 (b) *Graveling, oiling, surfacing, macadamizing and paving;*

10 (c) *Sweeping, cleaning and sanding roads and removing snow from a*
11 *road;*

12 (d) *Crosswalks and sidewalks;*

13 (e) *Culverts, catch basins, drains, sewers and manholes;*

14 (f) *Inlets and outlets;*

15 (g) *Retaining walls, bridges, overpasses, underpasses, tunnels and*
16 *approaches;*

17 (h) *Artificial lights and lighting equipment, parkways, control of*
18 *vegetation and sprinkling facilities;*

19 (i) *Rights of way;*

20 (j) *Grade and traffic separators;*

21 (k) *Fences, cattle guards and other devices to control access to a county*
22 *or city road;*

23 (l) *Signs and devices for the control of traffic; and*

24 (m) *Facilities for personnel and the storage of equipment used to*
25 *construct, maintain or repair a county or city road.*

26 **Sec. 1.5.** NRS 365.560 is hereby amended to read as follows:

27 365.560 1. The receipts of the tax [as levied in NRS 365.190 shall]
28 *levied pursuant to NRS 365.190 must be allocated monthly by the*
29 *department to the counties in which the [tax] payment of the tax originates.*

30 2. [Such receipts shall] *The receipts must be apportioned between the*
31 *county, towns with town boards as organized under NRS 269.016 to*
32 *269.019, inclusive, and incorporated cities within the county from the*
33 *general road fund of the county in the same ratio as the assessed valuation of*
34 *property within the boundaries of [such] the towns or incorporated cities*
35 *within the county bears to the total assessed valuation of property within the*
36 *county, including property within the towns or incorporated cities.*

37 3. [All such money so] *Any money apportioned to a county [shall]*
38 *pursuant to subsection 2 must be expended by the county solely for [the] :*

39 (a) *The service and redemption of revenue bonds issued pursuant to*
40 *chapter 373 of NRS [, for the] ;*

41 (b) *The construction, maintenance and repair of the public highways of*
42 *the county [and for the] ; and*

43 (c) *The purchase of equipment for [such work, and shall] that*
44 *construction, maintenance and repair.*



1 *The money must not be used to defray the expenses of administration.*

2 4. [All such money so] *Any money* apportioned to towns or incorporated
3 cities [shall] *pursuant to subsection 2 must* be expended only upon the
4 streets, alleys and public highways of [such] *the* town or city, other than
5 state highways, under the direction and control of the governing body of the
6 town or city.

7 5. *As used in this section, "construction, maintenance and repair" has*
8 *the meaning ascribed to it in NRS 365.550.*

9 Sec. 1.7. NRS 366.195 is hereby amended to read as follows:

10 366.195 1. In addition to any other tax provided for in this chapter,
11 there [shall] *must* be levied an excise tax on special fuel.

12 2. This tax [shall] *must* be imposed and [shall increase up to a total of 4
13 cents per gallon,] *will increase* if the tax collected by the Federal
14 Government, pursuant to the provisions of 26 U.S.C. § 4041 [, is
15 diminished] *or any other tax collected by the Federal Government relating to*
16 *special fuel is reduced* or discontinued in whole or in part. The amount of
17 the tax so imposed by this state [shall] *must* be equal to the amount by which
18 the federal tax is reduced.

19 Sec. 1.9. Chapter 373 of NRS is hereby amended by adding thereto the
20 provisions set forth as sections 2 to 10, inclusive, of this act.

21 Sec. 2. *"Acquisition" or "acquire" means the opening, laying out,*
22 *establishment, purchase, construction, securing, installation, reconstruction,*
23 *lease, gift, grant from the United States of America, any agency,*
24 *instrumentality or corporation thereof, the State of Nevada, any body*
25 *corporate and politic therein, any corporation, or any person, the*
26 *endowment, bequest, devise, condemnation, transfer, assignment, option to*
27 *purchase, other contract, or other acquirement, or any combination thereof,*
28 *of any project, or an interest therein, authorized by this chapter.*

29 Sec. 3. *"Board" means the board of county commissioners.*

30 Sec. 4. *"City" means an incorporated city.*

31 Sec. 5. *"Commission" means the regional transportation commission.*

32 Sec. 6. *"Cost of the project," or any phrase of similar import, means all*
33 *or any part designated by the board of the cost of any project, or interest*
34 *therein, being acquired, which cost, at the option of the board may include*
35 *all or any part of the incidental costs pertaining to the project, including,*
36 *without limitation, preliminary expenses advanced by the county from money*
37 *available for use therefor or any other source, or advanced by any city with*
38 *the approval of the county from money available therefor or from any other*
39 *source, or advanced by the State of Nevada or the Federal Government, or*
40 *any corporation, agency or instrumentality thereof, with the approval of the*
41 *county, or any combination thereof, in the making of surveys, preliminary*
42 *plans, estimates of costs, other preliminaries, the costs of appraising,*
43 *printing, estimates, advice, contracting for the services of engineers,*
44 *architects, financial consultants, attorneys at law, clerical help, other agents*

1 or employees, the costs of making, publishing, posting, mailing and
2 otherwise giving any notice in connection with the project, the taking of
3 options, the issuance of bonds and other securities, contingencies, the
4 capitalization with bond proceeds of any interest on the bonds for any period
5 not exceeding 1 year and of any reserves for the payment of the principal of
6 an interest on the bonds, the filing or recordation of instruments, the costs of
7 medium-term obligations, construction loans and other temporary loans of
8 not exceeding 10 years appertaining to the project and of the incidental
9 expenses incurred in connection with such financing or loans, and all other
10 expenses necessary or desirable and appertaining to any project, as
11 estimated or otherwise ascertained by the board.

12 Sec. 7. "Federal securities" means bills, certificates of indebtedness,
13 notes, bonds or similar securities which are direct obligations of, or the
14 principal and interest of which securities are unconditionally guaranteed by,
15 the United States of America.

16 Sec. 8. "Improvement" or "improve" means the extension, widening,
17 lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or
18 other major improvement, or any combination thereof, of any project, or an
19 interest therein, authorized by this chapter. The term includes renovation,
20 reconditioning, patching, general maintenance and other minor repairs.

21 Sec. 9. "Project" means:

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

36 2. In a county whose population is less than 35,000, street and highway
37 construction, maintenance or repair, or any combination thereof, including,
38 without limitation, the acquisition, maintenance, repair and improvement of
39 any street, avenue, boulevard, alley, highway or other public right of way
40 used for any vehicular traffic, and including a sidewalk designed primarily
41 for use by pedestrians, and also, including, without limitation, grades,
42 regrades, gravel, oiling, surfacing, macadamizing, paving, crosswalks,
43 sidewalks, pedestrian rights of way, driveway approaches, curb cuts, curbs,
44 gutters, culverts, catch basins, drains, sewers, manholes, inlets, outlets,



1 retaining walls, bridges, overpasses, tunnels, underpasses, approaches,
2 sprinkling facilities, artificial lights and lighting equipment, parkways, grade
3 separators, traffic separators, and traffic control equipment, and all
4 appurtenances and incidentals, or any combination thereof, including,
5 without limitation, the acquisition, maintenance, repair and improvement of
6 all types of property therefor.

7 Sec. 10. "Town" means an unincorporated town.

8 Sec. 11. NRS 373.020 is hereby amended to read as follows:

9 373.020 As used in this chapter, unless the context otherwise requires [:

10 1. "Acquisition" or "acquire" means the opening, laying out,
11 establishment, purchase, construction, securing, installation, reconstruction,
12 lease, gift, grant from the United States of America, any agency,
13 instrumentality or corporation thereof, the State of Nevada, any body
14 corporate and politic therein, any corporation, or any person, the
15 endowment, bequest, devise, condemnation, transfer, assignment, option to
16 purchase, other contract, or other acquirement (or any combination thereof)
17 of any project, or an interest therein, authorized by this chapter.

18 2. "Board" means the board of county commissioners.

19 3. "City" means an incorporated city.

20 4. "Commission" means the regional transportation commission.

21 5. "Cost of the project," or any phrase of similar import, means all or
22 any part designated by the board of the cost of any project, or interest
23 therein, being acquired, which cost, at the option of the board may include
24 all or any part of the incidental costs pertaining to the project, including,
25 without limitation, preliminary expenses advanced by the county from
26 money available for use therefor or any other source, or advanced by any
27 city with the approval of the county from money available therefor or from
28 any other source, or advanced by the State of Nevada or the Federal
29 Government, or any corporation, agency or instrumentality thereof, with the
30 approval of the county (or any combination thereof), in the making of
31 surveys, preliminary plans, estimates of costs, other preliminaries, the costs
32 of appraising, printing, estimates, advice, contracting for the services of
33 engineers, architects, financial consultants, attorneys at law, clerical help,
34 other agents or employees, the costs of making, publishing, posting, mailing
35 and otherwise giving any notice in connection with the project, the taking of
36 options, the issuance of bonds and other securities, contingencies, the
37 capitalization with bond proceeds of any interest on the bonds for any period
38 not exceeding 1 year and of any reserves for the payment of the principal of
39 an interest on the bonds, the filing or recordation of instruments, the costs of
40 medium-term obligations, construction loans and other temporary loans of
41 not exceeding 10 years appertaining to the project and of the incidental
42 expenses incurred in connection with such financing or loans, and all other
43 expenses necessary or desirable and appertaining to any project, as estimated
44 or otherwise ascertained by the board.



6. "Federal securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States of America.

7. "Improvement" or "improve" means the extension, widening, lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or other major improvement (or any combination thereof) of any project, or an interest therein, authorized by this chapter. The term does not include renovation, reconditioning, patching, general maintenance or other minor repair.

8. "Project" means street and highway construction, including, without limitation, the acquisition and improvement of any street, avenue, boulevard, alley, highway or other public right of way used for any vehicular traffic, and including a sidewalk designed primarily for use by pedestrians, and also including, without limitation, grades, regrades, gravel, oiling, surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian rights of way, driveway approaches, curb cuts, curbs, gutters, culverts, catch basins, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses, approaches, sprinkling facilities, artificial lights and lighting equipment, parkways, grade separators, traffic separators, and traffic control equipment, and all appurtenances and incidentals, or any combination thereof, including, without limitation, the acquisition and improvement of all types of property therefor.

9. "Town" means an unincorporated town.] , the words and terms defined in sections 2 to 10, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 12. Chapter 377A of NRS is hereby amended by adding thereto the provisions set forth as sections 13 to 18, inclusive, of this act.

Sec. 13. "Board" means the board of county commissioners.

Sec. 14. "Construction, maintenance and repair" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a public road and is necessary for the safe and efficient use of the public road, including, without limitation:

1. Grades and regrades;
2. Graveling, oiling, surfacing, macadamizing and paving;
3. Sweeping, cleaning and sanding roads and removing snow from a public road;
4. Crosswalks and sidewalks;
5. Culverts, catch basins, drains, sewers and manholes;
6. Inlets and outlets;
7. Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;

1 8. *Artificial lights and lighting equipment, parkways, control of*
2 *vegetation and sprinkling facilities;*

3 9. *Rights of way;*

4 10. *Grade and traffic separators;*

5 11. *Fences, cattle guards and other devices to control access to a public*
6 *road;*

7 12. *Signs and devices for the control of traffic; and*

8 13. *Facilities for personnel and the storage of equipment used to*
9 *construct, maintain or repair a public road.*

10 Secs. 15 and 16. (Deleted by amendment.)

11 Sec. 17. *"Public transit system" means a system employing any method*
12 *of conveyance that is operated for public use and transports persons within a*
13 *county.*

14 Sec. 18. (Deleted by amendment.)

15 Sec. 19. NRS 377A.010 is hereby amended to read as follows:

16 377A.010 As used in this chapter, unless the context otherwise requires
17 [:

18 1. "Board" means the board of county commissioners.

19 2. "Construction" of public roads includes repair and maintenance of
20 public roads.

21 3. "Public roads" means paved roads which are constructed and
22 maintained by a city or county to which access is not limited, and other
23 projects related to the construction and maintenance of sidewalks, streets,
24 avenues, boulevards, highways and other public rights of way used primarily
25 for vehicular traffic, including, without limitation, overpass projects, street
26 projects and underpass projects, as defined in NRS 244A.037, 244A.053 and
27 244A.055.

28 4. "Public transit system" means a system employing motor buses, rails
29 or any other means of conveyance, by whatever type of power, operated for
30 public use in the conveyance of persons, providing local transportation
31 within a county.] , *the words and terms defined in sections 13 to 18,*
32 *inclusive, of this act have the meanings ascribed to them in those sections.*

33 Sec. 20. NRS 377A.020 is hereby amended to read as follows:

34 377A.020 1. The board of county commissioners of any county may
35 enact an ordinance imposing a tax for [public mass transportation and
36 construction] *a public transit system or for the construction, maintenance*
37 *and repair of public roads , or both,* pursuant to NRS 377A.030. The board
38 of county commissioners of any county whose population is less than
39 400,000 may enact an ordinance imposing a tax to promote tourism pursuant
40 to NRS 377A.030.

41 2. An ordinance enacted pursuant to this chapter may not become
42 effective before a question concerning the imposition of the tax is approved
43 by a majority of the registered voters of the county voting upon the question
44 which the board may submit to the voters at any general election. A county

1 may combine the [question for mass transportation and] *questions for a*
2 *public transit system and for the construction, maintenance and repair of*
3 public roads with questions submitted pursuant to NRS 244.3351, 278.710,
4 365.203 or 371.045, or any combination thereof. The board shall also
5 submit to the voters at a general election any proposal to increase the rate of
6 the tax or change the previously approved uses for the proceeds of the tax.

7 3. Any ordinance enacted pursuant to this section must specify the date
8 on which the tax must first be imposed or on which an increase in the rate of
9 the tax becomes effective, which must not be earlier than the first day of the
10 second calendar month following the approval of the question by the voters.

11 **Sec. 21.** NRS 377A.030 is hereby amended to read as follows:

12 377A.030 Except as otherwise provided in NRS 377A.110, any
13 ordinance enacted under this chapter must include provisions in substance as
14 follows:

15 1. A provision imposing a tax upon retailers at the rate of not more
16 than:

17 (a) For a tax to promote tourism, one-quarter of 1 percent; or

18 (b) For a tax [for public mass transportation and construction] *to establish*
19 *and maintain a public transit system or for the construction, maintenance*
20 *and repair of public roads, or both, one-half of 1 percent,*
21 of the gross receipts of any retailer from the sale of all tangible personal
22 property sold at retail, or stored, used or otherwise consumed, in a county.

23 2. Provisions substantially identical to those contained in chapter 374 of
24 NRS, insofar as applicable.

25 3. A provision that all amendments to chapter 374 of NRS after the date
26 of enactment of the ordinance, not inconsistent with this chapter,
27 automatically become a part of an ordinance imposing the tax for public
28 mass transportation and construction of public roads or the tax to promote
29 tourism in the county.

30 4. A provision that the county shall contract before the effective date of
31 the ordinance with the department to perform all functions incident to the
32 administration or operation of the tax in the county.

33 5. A provision that exempts from the tax or any increase in the tax the
34 gross receipts from the sale of, and the storage, use or other consumption in
35 a county of, tangible personal property used for the performance of a written
36 contract for the construction of an improvement to real property, entered
37 into on or before the effective date of the tax or the increase in the tax, or
38 for which a binding bid was submitted before that date if the bid was
39 afterward accepted, if under the terms of the contract or bid the contract
40 price or bid amount cannot be adjusted to reflect the imposition of the tax or
41 the increase in the tax.

42 **Sec. 22.** NRS 377A.070 is hereby amended to read as follows:

43 377A.070 1. The county treasurer shall deposit the money received
44 from the state controller pursuant to NRS 377A.050 for [public mass



1 transportation and construction] *a public transit system or for the*
2 *construction, maintenance and repair of public roads , or both,* in the county
3 treasury for credit to a fund to be known as the public transit fund.

4 2. The public transit fund must be accounted for as a separate fund and
5 not as a part of any other fund.

6 **Sec. 23.** NRS 377A.080 is hereby amended to read as follows:

7 377A.080 1. In any county in which a tax for [public mass
8 transportation and construction of public roads] *a public transit system or for*
9 *the construction, maintenance and repair of public roads, or both,* has been
10 imposed, the board shall by ordinance create a regional transportation
11 commission pursuant to chapter 373 of NRS if one has not already been
12 created under that chapter. Where a regional transportation commission has
13 already been created under that chapter, that commission may also exercise
14 the powers conferred by this section.

15 2. The regional transportation commission may:

16 (a) Appropriate money in the public transit fund accumulated by a county
17 to provide a public transit system for that county if the system is included in
18 a regional transportation plan adopted by the regional transportation
19 commission;

20 (b) Appropriate money to provide transportation or to support agencies
21 which are providing transportation for the elderly and persons with
22 disabilities, if the services are consistent with the regional transportation
23 plan;

24 (c) Provide for or perform all functions incident to the administration and
25 operation of the public transit system, including the establishment of fares
26 for the system; and

27 (d) Adopt regulations for the operation of systems or services provided by
28 the commission and for systems or services financed by the commission and
29 provided by an agency or a private contractor.

30 3. The commission may draw money out of the public transit fund only
31 for:

32 (a) [Establishing and maintaining] *The establishment and maintenance of*
33 *a public transit system for the county and [supporting] for the support of*
34 *other activities, services and programs related to transportation which are*
35 *included in a regional transportation plan adopted by the commission;*

36 (b) [Constructing, repairing and maintaining] *The construction,*
37 *maintenance and repair of public roads;*

38 (c) [Payment] *The payment* of principal and interest on notes, bonds or
39 other securities issued to provide funds for the cost of projects described in
40 paragraphs (a) and (b); or

41 (d) Any combination of those purposes.

42 **Sec. 24.** NRS 377A.090 is hereby amended to read as follows:

43 377A.090 1. Money for the payment of the cost of establishing and
44 maintaining a public transit system or for [constructing] *the construction,*



1 *maintenance and repair of public roads , or both*, may be obtained by the
2 issuance of bonds and other securities as provided in subsection 2 , [of this
3 section,] or, subject to any pledges, liens and other contractual limitations
4 made pursuant to this chapter, may be obtained by direct distribution from
5 the public transit fund, or may be obtained both by the issuance of such
6 securities and by such direct distribution as the board may determine.

7 2. The board may, after the enactment of an ordinance imposing a tax
8 for [public mass transportation and construction] *a public transit system or*
9 *for the construction, maintenance and repair of public roads , or both*, as
10 authorized by NRS 377A.020, from time to time issue bonds and other
11 securities, which are general or special obligations of the county and which
12 may be secured as to principal and interest by a pledge authorized by this
13 chapter of the receipts from the tax for [public mass transportation and
14 construction] *a public transit system or for the construction, maintenance*
15 *and repair of public roads [.] , or both*.

16 3. The ordinance authorizing the issuance of any bond or other security
17 must describe the purpose for which it is issued.

18 **Sec. 25.** NRS 377A.100 is hereby amended to read as follows:

19 377A.100 1. Each ordinance providing for the issuance of any bond or
20 security issued under this chapter payable from the receipts of the tax for
21 [public mass transportation and construction] *a public transit system or for*
22 *the construction, maintenance and repair of public roads , or both*, may, in
23 addition to covenants and other provisions authorized in the Local
24 Government Securities Law, contain a covenant or other provision to pledge
25 and create a lien upon the receipts of the tax or upon the proceeds of any
26 bond or security pending their application to defray the cost of establishing
27 or operating a public transit system, or both tax proceeds and security
28 proceeds, to secure the payment of any bond or security issued under this
29 chapter.

30 2. Any money pledged to the payment of bonds or other securities
31 pursuant to subsection 1 may be treated as pledged revenues of the project
32 for the purposes of subsection 3 of NRS 350.020.

33 **Sec. 26.** NRS 377A.110 is hereby amended to read as follows:

34 377A.110 1. Subject to the provisions of subsection 2, the board may
35 gradually reduce the amount of tax imposed pursuant to this chapter for
36 [public mass transportation and construction] *a public transit system or for*
37 *the construction, maintenance and repair of public roads , or both*, as
38 revenue from the operation of the public transit system permits.

39 2. No such taxing ordinance may be repealed or amended or otherwise
40 directly or indirectly modified in such a manner as to impair any outstanding
41 bonds issued under this chapter, or other obligations incurred under this
42 chapter, until all obligations, for which revenues from the ordinance have
43 been pledged or otherwise made payable from such revenues pursuant to this
44 chapter, have been discharged in full, but the board may at any time dissolve



1 the regional transportation commission and provide that no further
2 obligations be incurred thereafter.

3 **Sec. 27.** NRS 377A.140 is hereby amended to read as follows:

4 377A.140 1. Except as otherwise provided in subsection 2, a public
5 transit system in a county whose population is 400,000 or more may, in
6 addition to providing local transportation within the county and the services
7 described in NRS 377A.130, provide:

8 (a) Programs to reduce or manage motor vehicle traffic; and

9 (b) Any other services for [public mass transportation] *a public transit*
10 *system* which are requested by the general public,
11 if those additional services are included and described in a long-range plan
12 adopted pursuant to 23 U.S.C. § 134 and 49 U.S.C. § 5303.

13 2. Before a regional transportation commission may provide for *an* on-
14 call public [mass transportation] *transit system* in an area of the county, the
15 commission must receive a determination from the public service
16 commission of Nevada and the taxicab authority that:

17 (a) There are no common motor carriers of passengers who are
18 authorized to provide on-call operations for transporting passengers in that
19 area; or

20 (b) Although there are common motor carriers of passengers who are
21 authorized to provide on-call operations for transporting passengers in the
22 area, the common motor carriers of passengers do not wish to provide, or
23 are not capable of providing, those operations.

24 3. As used in this section:

25 (a) "Common motor carrier of passengers" has the meaning ascribed to it
26 in NRS 706.041.

27 (b) "On-call public [mass transportation] *transit system*" means a system
28 established to transport [by vehicle passengers who request such
29 transportation on demand.] *passengers only upon the request of a person*
30 *who needs transportation.*

31 **Sec. 27.3.** (Deleted by amendment.)

32 **Sec. 27.5.** The provisions of subsection 1 of NRS 354.599 do not apply
33 to any additional expenses of a local government that are related to the
34 provisions of this act.

35 **Sec. 28.** This act becomes effective on July 1, 1997.

(30)



Assembly Bill No. 525—Assemblyman Carpenter

CHAPTER 588

AN ACT relating to taxation; revising the provisions governing the use of the proceeds from the county motor vehicle fuel tax in certain counties and certain sales and use taxes to allow use for maintenance and repair of roads; requiring each county and incorporated city to submit a list to the department of transportation setting forth each road or street maintained by the county or city; defining the term "construction, maintenance and repair" for the purposes of using the proceeds of certain taxes on motor vehicle fuel; and providing other matters properly relating thereto.

[Approved July 16, 1997]

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

Section 1. NRS 365.185 is hereby amended to read as follows:

365.185 1. In addition to any other tax provided for in this chapter, there [shall] *must* be levied an excise tax on gasoline.

2. This tax [shall] *must* be imposed and [shall increase up to a total of 4 cents per gallon,] *will increase* if the tax collected by the Federal Government pursuant to the provisions of 26 U.S.C. § 4081 [, is diminished] *or any other tax collected by the Federal Government relating to gasoline is reduced* or discontinued in whole or in part. The amount of the tax so imposed by this state [shall] *must* be equal to the amount by which the federal tax is reduced.

3. This tax [shall] *must* be accounted for by each dealer and [shall be] collected in the manner provided in this chapter. The tax [shall] *must* be paid to the department and delivered by the department to the state treasurer.

Sec. 1.3. NRS 365.550 is hereby amended to read as follows:

365.550 1. The receipts of the tax [as levied in] *levied pursuant to* NRS 365.180 must be allocated monthly by the department to the counties [upon] *using* the following formula:

- (a) One-fourth in proportion to total area.
- (b) One-fourth in proportion to population.
- (c) One-fourth in proportion to road mileage and street mileage [() of nonfederal aid primary roads . D.]
- (d) One-fourth in proportion to vehicle miles of travel on [roads () nonfederal aid primary roads . D.]

2. The amount [due] *allocated* to the counties under the formula must be remitted monthly. The state controller shall draw his warrants payable to the county treasurer of each of the several counties, and the state treasurer shall pay the warrants out of the proceeds of the tax levied [in] *pursuant to* NRS 365.180.

3. Of the money received by the counties [by reason of] *pursuant to* the provisions of this section:

- (a) An amount equal to that part of the allocation which represents 1.25 cents of the tax per gallon must be used exclusively for the service and

redemption of revenue bonds issued pursuant to chapter 373 of NRS, for the construction, maintenance and repair of county roads, and for the purchase of equipment for that [work,] *construction, maintenance and repair*, under the direction of the boards of county commissioners of the several counties, and must not be used to defray expenses of administration; and

(b) An amount equal to that part of the allocation which represents 2.35 cents of the tax per gallon must be allocated pursuant to the following formula:

(1) If there are no incorporated cities in the county, to the county; and

(2) If there is [one or more incorporated cities] *at least one incorporated city* in the county, to the county and any incorporated cities in the county pursuant to the formula set [out] *forth* for counties in subsection 1. For the purpose of applying the formula, the area of the county excludes the area included in any incorporated city.

4. The formula computations must be made as of July 1 of each year by the department, based on estimates which must be furnished by the department of transportation. The determination [so] made by the department is conclusive.

5. *Each county and incorporated city shall, not later than January 1 of each year, submit a list to the department of transportation setting forth:*

(a) *Each road or street that is maintained by the county or city; and*

(b) *The beginning and ending points and the total mileage of each of those roads or streets.*

Each county and incorporated city shall, at least 10 days before the list is submitted to the department of transportation, hold a public hearing to identify and determine the roads and streets maintained by the county or city.

6. As used in this section, "construction, maintenance and repair" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a county or city road and is necessary for the safe and efficient use of that road, including, without limitation:

(a) *Grades and regrades;*

(b) *Graveling, oiling, surfacing, macadamizing and paving;*

(c) *Sweeping, cleaning and sanding roads and removing snow from a road;*

(d) *Crosswalks and sidewalks;*

(e) *Culverts, catch basins, drains, sewers and manholes;*

(f) *Inlets and outlets;*

(g) *Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;*

(h) *Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;*

(i) *Rights of way;*

(j) *Grade and traffic separators;*

(k) *Fences, cattle guards and other devices to control access to a county or city road;*

- (l) *Signs and devices for the control of traffic; and*
- (m) *Facilities for personnel and the storage of equipment used to construct, maintain or repair a county or city road.*

Sec. 1.5. **NRS 365.560** is hereby amended to read as follows:

365.560 1. The receipts of the tax [as levied in NRS 365.190 shall] *levied pursuant to NRS 365.190 must* be allocated monthly by the department to the counties in which the [tax] *payment of the tax originates.*

2. [Such receipts shall] *The receipts must* be apportioned between the county, towns with town boards as organized under NRS 269.016 to 269.019, inclusive, and incorporated cities within the county from the general road fund of the county in the same ratio as the assessed valuation of property within the boundaries of [such] *the towns or incorporated cities within the county bears to the total assessed valuation of property within the county, including property within the towns or incorporated cities.*

3. [All such money so] *Any money* apportioned to a county [shall] *pursuant to subsection 2 must* be expended by the county solely for [the] :

(a) *The service and redemption of revenue bonds issued pursuant to chapter 373 of NRS [, for the] ;*

(b) *The construction, maintenance and repair of the public highways of the county [and for the] ; and*

(c) *The purchase of equipment for [such work, and shall] that construction, maintenance and repair.*

The money must not be used to defray the expenses of administration.

4. [All such money so] *Any money* apportioned to towns or incorporated cities [shall] *pursuant to subsection 2 must* be expended only upon the streets, alleys and public highways of [such] *the town or city, other than state highways, under the direction and control of the governing body of the town or city.*

5. *As used in this section, "construction, maintenance and repair" has the meaning ascribed to it in NRS 365.550.*

Sec. 1.7. **NRS 366.195** is hereby amended to read as follows:

366.195 1. In addition to any other tax provided for in this chapter, there [shall] *must* be levied an excise tax on special fuel.

2. This tax [shall] *must* be imposed and [shall increase up to a total of 4 cents per gallon,] *will increase* if the tax collected by the Federal Government, pursuant to the provisions of 26 U.S.C. § 4041 [, is diminished] *or any other tax collected by the Federal Government relating to special fuel is reduced or discontinued in whole or in part.* The amount of the tax so imposed by this state [shall] *must* be equal to the amount by which the federal tax is reduced.

Sec. 1.9. **Chapter 373 of NRS** is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.

Sec. 2. *"Acquisition" or "acquire" means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the United States of America, any agency, instrumentality or corporation thereof, the State of Nevada, any body corporate and politic therein, any corporation, or any person, the*

endowment, bequest, devise, condemnation, transfer, assignment, option to purchase, other contract, or other acquirement, or any combination thereof, of any project, or an interest therein, authorized by this chapter.

Sec. 3. *"Board" means the board of county commissioners.*

Sec. 4. *"City" means an incorporated city.*

Sec. 5. *"Commission" means the regional transportation commission.*

Sec. 6. *"Cost of the project," or any phrase of similar import, means all or any part designated by the board of the cost of any project, or interest therein, being acquired, which cost, at the option of the board may include all or any part of the incidental costs pertaining to the project, including, without limitation, preliminary expenses advanced by the county from money available for use therefor or any other source, or advanced by any city with the approval of the county from money available therefor or from any other source, or advanced by the State of Nevada or the Federal Government, or any corporation, agency or instrumentality thereof, with the approval of the county, or any combination thereof, in the making of surveys, preliminary plans, estimates of costs, other preliminaries, the costs of appraising, printing, estimates, advice, contracting for the services of engineers, architects, financial consultants, attorneys at law, clerical help, other agents or employees, the costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the project, the taking of options, the issuance of bonds and other securities, contingencies, the capitalization with bond proceeds of any interest on the bonds for any period not exceeding 1 year and of any reserves for the payment of the principal of an interest on the bonds, the filing or recordation of instruments, the costs of medium-term obligations, construction loans and other temporary loans of not exceeding 10 years pertaining to the project and of the incidental expenses incurred in connection with such financing or loans, and all other expenses necessary or desirable and appertaining to any project, as estimated or otherwise ascertained by the board.*

Sec. 7. *"Federal securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States of America.*

Sec. 8. *"Improvement" or "improve" means the extension, widening, lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or other major improvement, or any combination thereof, of any project, or an interest therein, authorized by this chapter. The term includes renovation, reconditioning, patching, general maintenance and other minor repairs.*

Sec. 9. *"Project" means:*

1. *In a county whose population is 35,000 or more, street and highway construction, including, without limitation, the acquisition and improvement of any street, avenue, boulevard, alley, highway or other public right of way used for any vehicular traffic, and including a sidewalk designed primarily for use by pedestrians, and also, including, without limitation, grades, regrades, gravel, oiling, surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian rights of way, driveway approaches, curb cuts, curbs, gutters, culverts, catch basins, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses,*

approaches, sprinkling facilities, artificial lights and lighting equipment, parkways, grade separators, traffic separators, and traffic control equipment, and all appurtenances and incidentals, or any combination thereof, including, without limitation, the acquisition and improvement of all types of property therefor.

2. *In a county whose population is less than 35,000, street and highway construction, maintenance or repair, or any combination thereof, including, without limitation, the acquisition, maintenance, repair and improvement of any street, avenue, boulevard, alley, highway or other public right of way used for any vehicular traffic, and including a sidewalk designed primarily for use by pedestrians, and also, including, without limitation, grades, regrades, gravel, oiling, surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian rights of way, driveway approaches, curb cuts, curbs, gutters, culverts, catch basins, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses, approaches, sprinkling facilities, artificial lights and lighting equipment, parkways, grade separators, traffic separators, and traffic control equipment, and all appurtenances and incidentals, or any combination thereof, including, without limitation, the acquisition, maintenance, repair and improvement of all types of property therefor.*

Sec. 10. *"Town" means an unincorporated town.*

Sec. 11. **NRS 373.020** is hereby amended to read as follows:

373.020 As used in this chapter, unless the context otherwise requires [:

1. "Acquisition" or "acquire" means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the United States of America, any agency, instrumentality or corporation thereof, the State of Nevada, any body corporate and politic therein, any corporation, or any person, the endowment, bequest, devise, condemnation, transfer, assignment, option to purchase, other contract, or other acquirement (or any combination thereof) of any project, or an interest therein, authorized by this chapter.

2. "Board" means the board of county commissioners.

3. "City" means an incorporated city.

4. "Commission" means the regional transportation commission.

5. "Cost of the project," or any phrase of similar import, means all or any part designated by the board of the cost of any project, or interest therein, being acquired, which cost, at the option of the board may include all or any part of the incidental costs pertaining to the project, including, without limitation, preliminary expenses advanced by the county from money available for use therefor or any other source, or advanced by any city with the approval of the county from money available therefor or from any other source, or advanced by the State of Nevada or the Federal Government, or any corporation, agency or instrumentality thereof, with the approval of the county (or any combination thereof), in the making of maps, preliminary plans, estimates of costs, other preliminaries, the costs of appraising, printing, estimates, advice, contracting for the services of engineers, architects, financial consultants, attorneys at law, clerical help, other agents or employees, the costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the project, the taking of

options, the issuance of bonds and other securities, contingencies, the capitalization with bond proceeds of any interest on the bonds for any period not exceeding 1 year and of any reserves for the payment of the principal of an interest on the bonds, the filing or recordation of instruments, the costs of medium-term obligations, construction loans and other temporary loans of not exceeding 10 years appertaining to the project and of the incidental expenses incurred in connection with such financing loans, and all other expenses necessary or desirable and appertaining to any project, as estimated or otherwise ascertained by the board.

6. "Federal securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States of America.

7. "Improvement" or "improve" means the extension, widening, lengthening, betterment, alteration, reconstruction, surfacing, resurfacing or other major improvement (or any combination thereof) of any project, or an interest therein, authorized by this chapter. The term does not include renovation, reconditioning, patching, general maintenance or other minor repair.

8. "Project" means street and highway construction, including, without limitation, the acquisition and improvement of any street, avenue, boulevard, alley, highway or other public right of way used for any vehicular traffic, and including a sidewalk designed primarily for use by pedestrians, and also including, without limitation, grades, regrades, gravel, oiling, surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian rights of way, driveway approaches, curb cuts, curbs, gutters, culverts, catch basins, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses, approaches, sprinkling facilities, artificial lights and lighting equipment, parkways, grade separators, traffic separators, and traffic control equipment, and all appurtenances and incidentals, or any combination thereof, including, without limitation, the acquisition and improvement of all types of property therefor.

9. "Town" means an unincorporated town.] , the words and terms defined in sections 2 to 10, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 12. Chapter 377A of NRS is hereby amended by adding thereto the provisions set forth as sections 13 to 18, inclusive, of this act.

Sec. 13. "Board" means the board of county commissioners.

Sec. 14. "Construction, maintenance and repair" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a public road and is necessary for the safe and efficient use of the public road, including, without limitation:

1. Grades and regrades;
2. Graveling, oiling, surfacing, macadamizing and paving;
3. Sweeping, cleaning and sanding roads and removing snow from a public road;
4. Crosswalks and sidewalks;
5. Culverts, catch basins, drains, sewers and manholes;

6. *Inlets and outlets;*
7. *Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;*
8. *Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;*
9. *Rights of way;*
10. *Grade and traffic separators;*
11. *Fences, cattle guards and other devices to control access to a public road;*
12. *Signs and devices for the control of traffic; and*
13. *Facilities for personnel and the storage of equipment used to construct, maintain or repair a public road.*

Secs. 15 and 16. (Deleted by amendment.)

Sec. 17. *"Public transit system" means a system employing any method of conveyance that is operated for public use and transports persons within a county.*

Sec. 18. (Deleted by amendment.)

Sec. 19. NRS 377A.010 is hereby amended to read as follows:

377A.010 As used in this chapter, unless the context otherwise requires [:

1. "Board" means the board of county commissioners.
2. "Construction" of public roads includes repair and maintenance of public roads.
3. "Public roads" means paved roads which are constructed and maintained by a city or county to which access is not limited, and other projects related to the construction and maintenance of sidewalks, streets, avenues, boulevards, highways and other public rights of way used primarily for vehicular traffic, including, without limitation, overpass projects, street projects and underpass projects, as defined in NRS 244A.037, 244A.053 and 244A.055.
4. "Public transit system" means a system employing motor buses, rails or any other means of conveyance, by whatever type of power, operated for public use in the conveyance of persons, providing local transportation within a county.] , *the words and terms defined in sections 13 to 18, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 20. NRS 377A.020 is hereby amended to read as follows:

377A.020 1. The board of county commissioners of any county may enact an ordinance imposing a tax for [public mass transportation and construction] *a public transit system or for the construction, maintenance and repair of public roads , or both,* pursuant to NRS 377A.030. The board of county commissioners of any county whose population is less than 400,000 may enact an ordinance imposing a tax to promote tourism pursuant to NRS 377A.030.

2. An ordinance enacted pursuant to this chapter may not become effective before a question concerning the imposition of the tax is approved by a majority of the registered voters of the county voting upon the question which the board may submit to the voters at any general election. A county may combine the [question for mass transportation and] *questions for a public transit system and for the construction, maintenance and repair of*

public roads with questions submitted pursuant to NRS 244.3351, 278.710, 365.203 or 371.045, or any combination thereof. The board shall also submit to the voters at a general election any proposal to increase the rate of the tax or change the previously approved uses for the proceeds of the tax.

3. Any ordinance enacted pursuant to this section must specify the date on which the tax must first be imposed or on which an increase in the rate of the tax becomes effective, which must not be earlier than the first day of the second calendar month following the approval of the question by the voters.

Sec. 21. NRS 377A.030 is hereby amended to read as follows:

377A.030 Except as otherwise provided in NRS 377A.110, any ordinance enacted under this chapter must include provisions in substance as follows:

1. A provision imposing a tax upon retailers at the rate of not more than:

(a) For a tax to promote tourism, one-quarter of 1 percent; or

(b) For a tax [for public mass transportation and construction] *to establish and maintain a public transit system or for the construction, maintenance and repair of public roads, or both*, one-half of 1 percent, of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed, in a county.

2. Provisions substantially identical to those contained in chapter 374 of NRS, insofar as applicable.

3. A provision that all amendments to chapter 374 of NRS after the date of enactment of the ordinance, not inconsistent with this chapter, automatically become a part of an ordinance imposing the tax for public mass transportation and construction of public roads or the tax to promote tourism in the county.

4. A provision that the county shall contract before the effective date of the ordinance with the department to perform all functions incident to the administration or operation of the tax in the county.

5. A provision that exempts from the tax or any increase in the tax the gross receipts from the sale of, and the storage, use or other consumption in a county of, tangible personal property used for the performance of a written contract for the construction of an improvement to real property, entered into on or before the effective date of the tax or the increase in the tax, or for which a binding bid was submitted before that date if the bid was afterward accepted, if under the terms of the contract or bid the contract price or bid amount cannot be adjusted to reflect the imposition of the tax or the increase in the tax.

Sec. 22. NRS 377A.070 is hereby amended to read as follows:

377A.070 1. The county treasurer shall deposit the money received from the state controller pursuant to NRS 377A.050 for [public mass transportation and construction] *a public transit system or for the construction, maintenance and repair of public roads, or both*, in the county treasury for credit to a fund to be known as the public transit fund.

2. The public transit fund must be accounted for as a separate fund and not as a part of any other fund.

Sec. 23. NRS 377A.080 is hereby amended to read as follows:

377A.080 1. In any county in which a tax for [public mass transportation and construction of public roads] *a public transit system or for the construction, maintenance and repair of public roads, or both*, has been imposed, the board shall by ordinance create a regional transportation commission pursuant to chapter 373 of NRS if one has not already been created under that chapter. Where a regional transportation commission has already been created under that chapter, that commission may also exercise the powers conferred by this section.

2. The regional transportation commission may:

(a) Appropriate money in the public transit fund accumulated by a county to provide a public transit system for that county if the system is included in a regional transportation plan adopted by the regional transportation commission;

(b) Appropriate money to provide transportation or to support agencies which are providing transportation for the elderly and persons with disabilities, if the services are consistent with the regional transportation plan;

(c) Provide for or perform all functions incident to the administration and operation of the public transit system, including the establishment of fares for the system; and

(d) Adopt regulations for the operation of systems or services provided by the commission and for systems or services financed by the commission and provided by an agency or a private contractor.

3. The commission may draw money out of the public transit fund only for:

(a) [Establishing and maintaining] *The establishment and maintenance of* a public transit system for the county and [supporting] *for the support of* other activities, services and programs related to transportation which are included in a regional transportation plan adopted by the commission;

(b) [Constructing, repairing and maintaining] *The construction, maintenance and repair of* public roads;

(c) [Payment] *The payment of* principal and interest on notes, bonds or other securities issued to provide funds for the cost of projects described in paragraphs (a) and (b); or

(d) Any combination of those purposes.

Sec. 24. NRS 377A.090 is hereby amended to read as follows:

377A.090 1. Money for the payment of the cost of establishing and maintaining a public transit system or for [constructing] *the construction, maintenance and repair of* public roads , *or both*, may be obtained by the issuance of bonds and other securities as provided in subsection 2 , [of this section,] or, subject to any pledges, liens and other contractual limitations made pursuant to this chapter, may be obtained by direct distribution from the public transit fund, or may be obtained both by the issuance of such securities and by such direct distribution as the board may determine.

2. The board may, after the enactment of an ordinance imposing a tax for [public mass transportation and construction] *a public transit system or for the construction, maintenance and repair of* public roads , *or both*, as authorized by NRS 377A.020, from time to time issue bonds and other

securities, which are general or special obligations of the county and which may be secured as to principal and interest by a pledge authorized by this chapter of the receipts from the tax for [public mass transportation and construction] *a public transit system or for the construction, maintenance and repair of public roads [.] , or both.*

3. The ordinance authorizing the issuance of any bond or other security must describe the purpose for which it is issued.

Sec. 25. NRS 377A.100 is hereby amended to read as follows:

377A.100 1. Each ordinance providing for the issuance of any bond or security issued under this chapter payable from the receipts of the tax for [public mass transportation and construction] *a public transit system or for the construction, maintenance and repair of public roads , or both,* may, in addition to covenants and other provisions authorized in the Local Government Securities Law, contain a covenant or other provision to pledge and create a lien upon the receipts of the tax or upon the proceeds of any bond or security pending their application to defray the cost of establishing or operating a public transit system, or both tax proceeds and security proceeds, to secure the payment of any bond or security issued under this chapter.

2. Any money pledged to the payment of bonds or other securities pursuant to subsection 1 may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

Sec. 26. NRS 377A.110 is hereby amended to read as follows:

377A.110 1. Subject to the provisions of subsection 2, the board may gradually reduce the amount of tax imposed pursuant to this chapter for [public mass transportation and construction] *a public transit system or for the construction, maintenance and repair of public roads , or both,* as revenue from the operation of the public transit system permits.

2. No such taxing ordinance may be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair any outstanding bonds issued under this chapter, or other obligations incurred under this chapter, until all obligations, for which revenues from the ordinance have been pledged or otherwise made payable from such revenues pursuant to this chapter, have been discharged in full, but the board may at any time dissolve the regional transportation commission and provide that no further obligations be incurred thereafter.

Sec. 27. NRS 377A.140 is hereby amended to read as follows:

377A.140 1. Except as otherwise provided in subsection 2, a public transit system in a county whose population is 400,000 or more may, in addition to providing local transportation within the county and the services described in NRS 377A.130, provide:

(a) Programs to reduce or manage motor vehicle traffic; and

(b) Any other services for [public mass transportation] *a public transit system* which are requested by the general public, if those additional services are included and described in a long-range plan adopted pursuant to 23 U.S.C. § 134 and 49 U.S.C. § 5303.

2. Before a regional transportation commission may provide for *an* on-call public [mass transportation] *transit system* in an area of the county, the

commission must receive a determination from the public service commission of Nevada and the taxicab authority that:

(a) There are no common motor carriers of passengers who are authorized to provide on-call operations for transporting passengers in that area; or

(b) Although there are common motor carriers of passengers who are authorized to provide on-call operations for transporting passengers in the area, the common motor carriers of passengers do not wish to provide, or are not capable of providing, those operations.

3. As used in this section:

(a) "Common motor carrier of passengers" has the meaning ascribed to it in NRS 706.041.

(b) "On-call public [mass transportation] *transit system*" means a system established to transport [by vehicle passengers who request such transportation on demand.] *passengers only upon the request of a person who needs transportation.*

Sec. 27.3. (Deleted by amendment.)

Sec. 27.5. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 28. This act becomes effective on July 1, 1997.

Assembly Bill No. 527-Committee on Government Affairs

CHAPTER 589

AN ACT relating to public works; requiring timely payments to certain design professionals on public works; and providing other matters properly relating thereto.

[Approved July 16, 1997]

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

Section 1. Chapter 338 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *If a public body enters into a contract with a design professional for the provision of services in connection with a public work, the contract:*

(a) *Must set forth:*

(1) *The specific period within which the public body must pay the design professional.*

(2) *The specific period and manner in which the public body may dispute a payment or portion thereof that the design professional alleges is due.*

(3) *The terms of any penalty that will be imposed upon the public body if the public body fails to pay the design professional within the specific period set forth in the contract pursuant to subparagraph (1).*

(4) *That the prevailing party in an action to enforce the contract is entitled to reasonable attorney's fees and costs.*