

Amendment No. 686

Senate Amendment to Assembly Bill No. 191 First Reprint (BDR 32-667)

Proposed by: Senate Committee on Revenue and Economic Development

Amendment Box: Makes technical change only.

Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date					
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

BJF/BJE



Date: 5/15/2015

A.B. No. 191—Revises provisions governing taxes on fuels for motor vehicles.
(BDR 32-667)



ASSEMBLY BILL NO. 191—ASSEMBLYMEN
PAUL ANDERSON AND KIRKPATRICK

FEBRUARY 23, 2015

JOINT SPONSORS: SENATORS HAMMOND AND ROBERSON

Referred to Committee on Taxation

SUMMARY—Revises provisions governing taxes on fuels for motor vehicles.
(BDR 32-667)

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

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

AN ACT relating to taxation; revising provisions relating to the imposition by certain counties of additional taxes on fuels for motor vehicles; providing that the boards of county commissioners of certain larger counties may continue the imposition of certain additional taxes on fuels for motor vehicles if a ballot question authorizing such additional taxes is approved by a majority of the voters in the county; providing for the imposition by the boards of county commissioners of certain counties of additional taxes on fuels for motor vehicles if a ballot question authorizing such additional taxes is approved by a majority of the voters in the county; requiring the approval by voters of additional ballot measures to continue the imposition of the additional taxes; providing that money collected from certain of the additional taxes must be deposited with the State Treasurer to the credit of the State Highway Fund, accounted for separately in the State Highway Fund and used by the Department of Transportation only to finance projects for the construction, maintenance and repair of state highways in the county in which the tax is collected; repealing certain provisions relating to a ballot question providing for the imposition by the State of certain additional taxes on fuels for motor vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes counties to impose certain taxes on motor vehicle fuels and
2 special fuels used in motor vehicles. (Chapter 373 of NRS) Existing law authorizes the board
3 of county commissioners of a county whose population is 700,000 or more and in which a
4 regional transportation commission has been created and a county tax is imposed on motor
5 vehicle fuel (currently Clark County) to impose, upon approval by a two-thirds majority of the

6 members of the board, additional taxes on motor vehicle fuel and various special fuels used in
7 motor vehicles. Existing law also authorizes the board of county commissioners to provide for
8 annual increases in these taxes, for the period beginning on January 1, 2014, and ending on
9 December 31, 2016. Existing law provides that for the period beginning on January 1, 2017:
10 (1) the board of county commissioners must not impose any additional increases in certain
11 taxes authorized by that provision of existing law; and (2) increases in the remainder of the
12 taxes authorized by that provision may not be effectuated unless a majority of the voters in the
13 county at the general election in November 2016 authorize the board of county commissioners
14 to continue to provide for the annual increases. (NRS 373.0663) **Section 2** of this bill removes
15 the prohibition on the continued imposition of additional increases in certain taxes, subject to
16 the existing provisions which provide that the additional increases may not be effectuated
17 unless a majority of the voters in the county at the general election in November 2016
18 authorize the board of county commissioners to continue to provide for the annual increases.
19 **Section 2** additionally provides that for the period beginning on January 1, 2027, additional
20 annual increases in the taxes on motor vehicle fuel and various special fuels used in motor
21 vehicles may not be effectuated unless a majority of the voters in the county at the general
22 election in November 2026 authorize the board of county commissioners to continue to
23 provide for the annual increases. If the voters in the county at the general election in
24 November 2016 authorize the board of county commissioners to continue to provide for the
25 annual increases, **section 1** of this bill provides that any money collected from certain
26 additional taxes imposed on motor vehicle fuel and various special fuels used in motor
27 vehicles after November 8, 2016, must be deposited with the State Treasurer to the credit of
28 the State Highway Fund, accounted for separately in the State Highway Fund and used by the
29 Department of Transportation only to finance projects for the construction, maintenance and
30 repair of state highways in the county in which the tax is collected. **Sections 4, 7, 9 and 12** of
31 this bill make conforming changes.

32 Upon approval by a majority of the voters in any county, other than Clark or Washoe
33 County, at the general election in November 2016, existing law requires the board of county
34 commissioners of the county to impose additional county taxes on motor vehicle fuel and
35 various special fuels used in motor vehicles. Existing law also authorizes the board of county
36 commissioners to provide for annual increases in these taxes, for the period beginning on
37 January 1, 2017, and ending on December 31, 2026. Additionally, existing law provides that,
38 for the period beginning on January 1, 2027, the increases in these taxes may not be
39 effectuated unless a majority of the voters in the county at the general election in November
40 2026 authorize the board of county commissioners to continue to provide for the annual
41 increases. (NRS 373.0667) Existing law also provides for a statewide ballot measure, approval
42 of which by a majority of the voters in the State at the general election in November 2016
43 would require the State to impose additional state taxes on motor vehicle fuel and various
44 special fuels used in motor vehicles and to impose annual increases on those taxes. (Section
45 12 of chapter 540, Statutes of Nevada 2013, p. 3586) **Section 18** of this bill repeals the
46 provisions of existing law relating to the statewide ballot measure concerning the imposition
47 by the State of additional state taxes on motor vehicle fuel and various special fuels used in
48 motor vehicles. **Sections 3 and 17** of this bill instead require the board of county
49 commissioners of a county other than Clark or Washoe County, upon approval by a majority
50 of the voters in the county at the general election in November 2016, to impose such
51 additional taxes on motor vehicle fuel and various special fuels used in motor vehicles in the
52 same manner as the board is required under existing law to impose the additional county taxes
53 on motor vehicle fuel and various special fuels used in motor vehicles. **Sections 14.5 and 15**
54 of this bill provide that money collected from certain additional taxes imposed on motor
55 vehicle fuel and various special fuels used in motor vehicles on or after January 1, 2017, must
56 be deposited with the State Treasurer to the credit of the State Highway Fund, accounted for
57 separately in the State Highway Fund and used by the Department of Transportation only to
58 finance projects for the construction, maintenance and repair of state highways in the county
59 in which the tax is collected. **Sections 4.5, 5, 6, 7.5, 8, 9.5, 10, 11, 12.5, 13, 14 and 18** of this
60 bill make conforming changes.

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 a new
2 section to read as follows:

3 *Notwithstanding any other provision of law, money collected from the annual*
4 *increases in the taxes authorized by paragraphs (e) and (g) to (j), inclusive, of*
5 *subsection 1 of NRS 373.0663 and imposed by the ordinance after November 8,*
6 *2016, must be deposited with the State Treasurer to the credit of the State*
7 *Highway Fund, accounted for separately in the State Highway Fund and used by*
8 *the Department of Transportation only to finance projects for the construction,*
9 *maintenance and repair of state highways in the county in which the tax is*
10 *collected.*

11 **Sec. 2.** NRS 373.0663 is hereby amended to read as follows:

12 373.0663 1. Except as otherwise provided in this section, in a county whose
13 population is 700,000 or more and in which a commission has been created and a
14 tax is imposed pursuant to NRS 373.030:

15 (a) The board may by ordinance impose:

16 (1) An excise tax on each gallon of motor vehicle fuel, except aviation
17 fuel, sold in the county in an amount equal to the product obtained by multiplying
18 3.6 cents per gallon by the lesser of the applicable percentage or the adjusted
19 average highway and street construction inflation index for the fiscal year in which
20 the ordinance becomes effective; and

21 (2) Except as otherwise provided in subsection 5, an annual increase in the
22 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
23 following the fiscal year in which that tax becomes effective, in the amount
24 determined by adding 3.6 cents per gallon to the amount of the tax imposed
25 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
26 multiplying that sum by the lesser of the applicable percentage or the adjusted
27 average highway and street construction inflation index for the fiscal year in which
28 the increase becomes effective.

29 (b) The board may by ordinance impose:

30 (1) An excise tax on each gallon of motor vehicle fuel, except aviation
31 fuel, sold in the county in an amount equal to the product obtained by multiplying
32 1.75 cents per gallon by the lesser of the applicable percentage or the adjusted
33 average highway and street construction inflation index for the fiscal year in which
34 the ordinance becomes effective; and

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

43 (c) The board may by ordinance impose:

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

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

9 (d) The board may by ordinance impose:

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

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

23 (e) The board may by ordinance impose:

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

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

37 (f) The board may by ordinance impose:

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

43 (2) Except as otherwise provided in subsection 5, an annual increase in the
44 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
45 following the fiscal year in which that tax becomes effective, in the amount
46 determined by adding 18.4 cents per gallon to the amount of the tax imposed
47 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
48 multiplying that sum by the lesser of the applicable percentage or the adjusted
49 average highway and street construction inflation index for the fiscal year in which
50 the increase becomes effective.

51 (g) The board may by ordinance impose:

52 (1) An excise tax on each gallon of special fuel that consists of an emulsion
53 of water-phased hydrocarbon fuel sold in the county in an amount equal to the

1 product obtained by multiplying 19 cents per gallon by the lesser of the applicable
2 percentage or the adjusted average highway and street construction inflation index
3 for the fiscal year in which the ordinance becomes effective; and

4 (2) Except as otherwise provided in subsection 5, an annual increase in the
5 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
6 following the fiscal year in which that tax becomes effective, in the amount
7 determined by adding 19 cents per gallon to the amount of the tax imposed pursuant
8 to subparagraph (1) during the immediately preceding fiscal year, then multiplying
9 that sum by the lesser of the applicable percentage or the adjusted average highway
10 and street construction inflation index for the fiscal year in which the increase
11 becomes effective.

12 (h) The board may by ordinance impose:

13 (1) An excise tax on each gallon of special fuel that consists of liquefied
14 petroleum gas sold in the county in an amount equal to the product obtained by
15 multiplying 22 cents per gallon by the lesser of the applicable percentage or the
16 adjusted average highway and street construction inflation index for the fiscal year
17 in which the ordinance becomes effective; and

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

26 (i) The board may by ordinance impose:

27 (1) An excise tax on each gallon of special fuel that consists of compressed
28 natural gas sold in the county in an amount equal to the product obtained by
29 multiplying 21 cents per gallon by the lesser of the applicable percentage or the
30 adjusted average highway and street construction inflation index for the fiscal year
31 in which the ordinance becomes effective; and

32 (2) Except as otherwise provided in subsection 5, an annual increase in the
33 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
34 following the fiscal year in which that tax becomes effective, in the amount
35 determined by adding 21 cents per gallon to the amount of the tax imposed pursuant
36 to subparagraph (1) during the immediately preceding fiscal year, then multiplying
37 that sum by the lesser of the applicable percentage or the adjusted average highway
38 and street construction inflation index for the fiscal year in which the increase
39 becomes effective.

40 (j) The board may by ordinance impose:

41 (1) An excise tax on each gallon of special fuel sold in the county, other
42 than any special fuel described in paragraph (g), (h) or (i), in an amount equal to the
43 product obtained by multiplying 27.75 cents per gallon by the lesser of the
44 applicable percentage or the adjusted average highway and street construction
45 inflation index for the fiscal year in which the ordinance becomes effective; and

46 (2) Except as otherwise provided in subsection 5, an annual increase in the
47 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
48 following the fiscal year in which that tax becomes effective, in the amount
49 determined by adding 27.75 cents per gallon to the amount of the tax imposed
50 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
51 multiplying that sum by the lesser of the applicable percentage or the adjusted
52 average highway and street construction inflation index for the fiscal year in which
53 the increase becomes effective.

1 (k) The board may by ordinance impose:

2 (1) An excise tax on each gallon of special fuel that consists of liquefied
3 petroleum gas sold in the county in an amount equal to the product obtained by
4 multiplying 18.3 cents per gallon by the lesser of the applicable percentage or the
5 adjusted average highway and street construction inflation index for the fiscal year
6 in which the ordinance becomes effective; and

7 (2) Except as otherwise provided in subsection 5, an annual increase in the
8 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
9 following the fiscal year in which that tax becomes effective, in the amount
10 determined by adding 18.3 cents per gallon to the amount of the tax imposed
11 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
12 multiplying that sum by the lesser of the applicable percentage or the adjusted
13 average highway and street construction inflation index for the fiscal year in which
14 the increase becomes effective.

15 (l) The board may by ordinance impose:

16 (1) An excise tax on each gallon of special fuel that consists of compressed
17 natural gas sold in the county in an amount equal to the product obtained by
18 multiplying 18.3 cents per gallon by the lesser of the applicable percentage or the
19 adjusted average highway and street construction inflation index for the fiscal year
20 in which the ordinance becomes effective; and

21 (2) Except as otherwise provided in subsection 5, an annual increase in the
22 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
23 following the fiscal year in which that tax becomes effective, in the amount
24 determined by adding 18.3 cents per gallon to the amount of the tax imposed
25 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
26 multiplying that sum by the lesser of the applicable percentage or the adjusted
27 average highway and street construction inflation index for the fiscal year in which
28 the increase becomes effective.

29 (m) The board may by ordinance impose:

30 (1) An excise tax on each gallon of special fuel sold in the county, other
31 than any special fuel described in paragraph (k) or (l), which is taxed by the Federal
32 Government at a rate per gallon or gallon equivalent of 24.4 cents or more, in an
33 amount equal to the product obtained by multiplying 24.4 cents per gallon by the
34 lesser of the applicable percentage or the adjusted average highway and street
35 construction inflation index for the fiscal year in which the ordinance becomes
36 effective; and

37 (2) Except as otherwise provided in subsection 5, an annual increase in the
38 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
39 following the fiscal year in which that tax becomes effective, in the amount
40 determined by adding 24.4 cents per gallon to the amount of the tax imposed
41 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
42 multiplying that sum by the lesser of the applicable percentage or the adjusted
43 average highway and street construction inflation index for the fiscal year in which
44 the increase becomes effective.

45 2. An ordinance authorized by this section must be approved by a two-thirds
46 majority of the members of the board. If the board adopts an ordinance authorized
47 by this section, the ordinance must impose all of the taxes authorized by this
48 section. Upon the adoption of such an ordinance, and except as otherwise provided
49 in subsection 5, no further action by the board is necessary to effectuate the annual
50 increases in the taxes imposed by the ordinance.

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

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

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

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

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

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

14 (a) For the period beginning on January 1, 2014, and ending on December 31,
15 2016, no further action by the board is necessary to effectuate the annual increases
16 in the taxes imposed by the ordinance.

17 (b) For the period beginning on January 1, 2017 ~~;~~

18 ~~———— (1) The board shall not impose any additional annual increases in the taxes~~
19 ~~authorized by paragraphs (e) and (g) to (j), inclusive, of subsection 1 and imposed~~
20 ~~by the ordinance after November 8, 2016, but any annual increases in the taxes~~
21 ~~authorized by paragraphs (e) and (g) to (j), inclusive, of subsection 1 and imposed~~
22 ~~by the ordinance on or before November 8, 2016, are not affected, amended,~~
23 ~~reduced or eliminated and must be continued for any period during which bonds are~~
24 ~~outstanding that are secured by the taxes authorized by paragraphs (e) and (g) to (j),~~
25 ~~inclusive, of subsection 1 and imposed by the ordinance.~~

26 ~~———— (2) The~~ **and ending on December 31, 2026, the** annual increases in the
27 taxes authorized by ~~paragraphs (a) to (d), inclusive, (f), (k), (l) and (m) of~~
28 ~~subsection 1~~ **this section** and imposed by the ordinance may not be effectuated
29 unless a question is placed on the ballot at the general election on November 8,
30 2016, which asks the voters in the county whether to authorize the board to impose,
31 for the period beginning on January 1, 2017, the increases authorized by
32 ~~paragraphs (a) to (d), inclusive, (f), (k), (l) and (m) of subsection 1~~ **this section**
33 in the taxes imposed by the ordinance and the question is approved by a majority of
34 the registered voters voting on the question. If the question is approved by a
35 majority of such voters, no further action by the board is necessary to effectuate the
36 annual increases in the taxes authorized by ~~paragraphs (a) to (d), inclusive, (f), (k),~~
37 ~~(l) and (m) of subsection 1~~ **this section** and imposed by the ordinance. If the
38 question is not approved by a majority of such voters, the board shall not impose
39 any additional annual increases in the taxes authorized by ~~paragraphs (a) to (d),~~
40 ~~inclusive, (f), (k), (l) and (m) of subsection 1~~ **this section** and imposed by
41 the ordinance after November 8, 2016, but any annual increases in such taxes imposed
42 by the ordinance on or before November 8, 2016, are not affected, amended,
43 reduced or eliminated and must be continued for any period during which bonds are
44 outstanding that are secured by such taxes imposed by the ordinance.

45 **(c) For the period beginning on January 1, 2027, if the question placed on**
46 **the ballot pursuant to paragraph (b) is approved by a majority of the registered**
47 **voters in the county voting on the question, the annual increases in the taxes**
48 **authorized by this section and imposed by the ordinance may be effectuated if a**
49 **question is placed on the ballot at the general election on November 3, 2026,**
50 **which asks the voters in the county whether to authorize the board to impose, for**
51 **the period beginning on January 1, 2027, the increases authorized by this section**
52 **in the taxes imposed by the ordinance and the question is approved by a majority**
53 **of the registered voters voting on the question. If the question is approved at the**

1 *general election on November 3, 2026, by a majority of such voters, no further*
2 *action by the board is necessary to effectuate the annual increases in the taxes*
3 *authorized by this section and imposed by the ordinance. If the question is not*
4 *approved by a majority of such voters, the board shall not impose any additional*
5 *annual increases in the taxes authorized by this section and imposed by the*
6 *ordinance after November 3, 2026, but any annual increases in such taxes*
7 *imposed by the ordinance on or before November 3, 2026, are not affected,*
8 *amended, reduced or eliminated and must be continued for any period during*
9 *which bonds are outstanding that are secured by such taxes imposed by the*
10 *ordinance.*

11 6. As used in this section:

12 (a) "Adjusted average highway and street construction inflation index" means:

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

16 (I) If the average highway and street construction inflation index for
17 the immediately preceding fiscal year is greater than the applicable percentage, the
18 remainder obtained by subtracting the applicable percentage from the average
19 highway and street construction inflation index for the immediately preceding fiscal
20 year; or

21 (II) If the average highway and street construction inflation index for
22 the immediately preceding fiscal year is less than or equal to the applicable
23 percentage, zero; and

24 (2) For each fiscal year following the fiscal year in which the ordinance
25 becomes effective, the percentage obtained by adding the average highway and
26 street construction inflation index for that fiscal year to:

27 (I) If the adjusted average highway and street construction inflation
28 index for the immediately preceding fiscal year is greater than the applicable
29 percentage, the remainder obtained by subtracting the applicable percentage from
30 the adjusted average highway and street construction inflation index for the
31 immediately preceding fiscal year; or

32 (II) If the adjusted average highway and street construction inflation
33 index for the immediately preceding fiscal year is less than or equal to the
34 applicable percentage, zero.

35 (b) "Applicable percentage" means the lesser of 7.8 percent or the percentage
36 specified by the board in any ordinance imposing a tax pursuant to this section.

37 (c) "Average highway and street construction inflation index" means for a
38 fiscal year the average percentage increase in the highway and street construction
39 inflation index for the 10 calendar years immediately preceding the beginning of
40 that fiscal year.

41 (d) "Highway and street construction inflation index" means:

42 (1) The Producer Price Index for Highway and Street Construction until
43 that Index ceased to be published; and

44 (2) The Producer Price Index for Other Nonresidential Construction
45 thereafter or, if that Index ceases to be published by the United States Department
46 of Labor, the published index that most closely measures inflation in the costs of
47 highway and street construction, as determined by the commission.

48 (e) "Special fuel" has the meaning ascribed to it in NRS 366.060.

49 **Sec. 3.** NRS 373.0667 is hereby amended to read as follows:

50 373.0667 1. In addition to any other tax imposed pursuant to this chapter:

51 (a) The board shall by ordinance impose:

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

1 3.6 cents per gallon by the lesser of the applicable percentage or the adjusted
2 average highway and street construction inflation index for the fiscal year in which
3 the ordinance becomes effective; and

4 (2) Except as otherwise provided in subsection 4, an annual increase in the
5 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
6 following the fiscal year in which that tax becomes effective, in the amount
7 determined by adding 3.6 cents per gallon to the amount of the tax imposed
8 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
9 multiplying that sum by the lesser of the applicable percentage or the adjusted
10 average highway and street construction inflation index for the fiscal year in which
11 the increase becomes effective.

12 (b) The board shall by ordinance impose:

13 (1) An excise tax on each gallon of motor vehicle fuel, except aviation
14 fuel, sold in the county in an amount equal to the product obtained by multiplying
15 1.75 cents per gallon by the lesser of the applicable percentage or the adjusted
16 average highway and street construction inflation index for the fiscal year in which
17 the ordinance becomes effective; and

18 (2) Except as otherwise provided in subsection 4, an annual increase in the
19 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
20 following the fiscal year in which that tax becomes effective, in the amount
21 determined by adding 1.75 cents per gallon to the amount of the tax imposed
22 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
23 multiplying that sum by the lesser of the applicable percentage or the adjusted
24 average highway and street construction inflation index for the fiscal year in which
25 the increase becomes effective.

26 (c) The board shall by ordinance impose:

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

32 (2) Except as otherwise provided in subsection 4, an annual increase in the
33 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
34 following the fiscal year in which that tax becomes effective, in the amount
35 determined by adding 1 cent per gallon to the amount of the tax imposed pursuant
36 to subparagraph (1) during the immediately preceding fiscal year, then multiplying
37 that sum by the lesser of the applicable percentage or the adjusted average highway
38 and street construction inflation index for the fiscal year in which the increase
39 becomes effective.

40 (d) The board shall by ordinance impose:

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

46 (2) Except as otherwise provided in subsection 4, an annual increase in the
47 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
48 following the fiscal year in which that tax becomes effective, in the amount
49 determined by adding 9 cents per gallon to the amount of the tax imposed pursuant
50 to subparagraph (1) during the immediately preceding fiscal year, then multiplying
51 that sum by the lesser of the applicable percentage or the adjusted average highway
52 and street construction inflation index for the fiscal year in which the increase
53 becomes effective.

1 (e) *The board shall by ordinance impose:*

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

7 (2) *Except as otherwise provided in subsection 4, an annual increase in*
8 *the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year*
9 *following the fiscal year in which that tax becomes effective, in the amount*
10 *determined by adding 18.455 cents per gallon to the amount of the tax imposed*
11 *pursuant to subparagraph (1) during the immediately preceding fiscal year, then*
12 *multiplying that sum by the lesser of the applicable percentage or the adjusted*
13 *average highway and street construction inflation index for the fiscal year in*
14 *which the increase becomes effective.*

15 (f) *The board shall by ordinance impose:*

16 (1) *An excise tax on each gallon of motor vehicle fuel, except aviation*
17 *fuel, sold in the county in an amount equal to the product obtained by multiplying*
18 *18.4 cents per gallon by the lesser of the applicable percentage or the adjusted*
19 *average highway and street construction inflation index for the fiscal year in which*
20 *the ordinance becomes effective; and*

21 (2) *Except as otherwise provided in subsection 4, an annual increase in the*
22 *tax imposed pursuant to subparagraph (1), on the first day of each fiscal year*
23 *following the fiscal year in which that tax becomes effective, in the amount*
24 *determined by adding 18.4 cents per gallon to the amount of the tax imposed*
25 *pursuant to subparagraph (1) during the immediately preceding fiscal year, then*
26 *multiplying that sum by the lesser of the applicable percentage or the adjusted*
27 *average highway and street construction inflation index for the fiscal year in which*
28 *the increase becomes effective.*

29 ~~(g)~~ (g) *The board shall by ordinance impose:*

30 (1) *An excise tax on each gallon of special fuel that consists of an*
31 *emulsion of water-phased hydrocarbon fuel sold in the county in an amount*
32 *equal to the product obtained by multiplying 19 cents per gallon by the lesser of*
33 *the applicable percentage or the adjusted average highway and street*
34 *construction inflation index for the fiscal year in which the ordinance becomes*
35 *effective; and*

36 (2) *Except as otherwise provided in subsection 4, an annual increase in*
37 *the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year*
38 *following the fiscal year in which that tax becomes effective, in the amount*
39 *determined by adding 19 cents per gallon to the amount of the tax imposed*
40 *pursuant to subparagraph (1) during the immediately preceding fiscal year, then*
41 *multiplying that sum by the lesser of the applicable percentage or the adjusted*
42 *average highway and street construction inflation index for the fiscal year in*
43 *which the increase becomes effective.*

44 (h) *The board shall by ordinance impose:*

45 (1) *An excise tax on each gallon of special fuel that consists of liquefied*
46 *petroleum gas sold in the county in an amount equal to the product obtained by*
47 *multiplying 22 cents per gallon by the lesser of the applicable percentage or the*
48 *adjusted average highway and street construction inflation index for the fiscal*
49 *year in which the ordinance becomes effective; and*

50 (2) *Except as otherwise provided in subsection 4, an annual increase in*
51 *the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year*
52 *following the fiscal year in which that tax becomes effective, in the amount*
53 *determined by adding 22 cents per gallon to the amount of the tax imposed*

1 *pursuant to subparagraph (1) during the immediately preceding fiscal year, then*
2 *multiplying that sum by the lesser of the applicable percentage or the adjusted*
3 *average highway and street construction inflation index for the fiscal year in*
4 *which the increase becomes effective.*

5 *(i) The board shall by ordinance impose:*

6 *(1) An excise tax on each gallon of special fuel that consists of*
7 *compressed natural gas sold in the county in an amount equal to the product*
8 *obtained by multiplying 21 cents per gallon by the lesser of the applicable*
9 *percentage or the adjusted average highway and street construction inflation*
10 *index for the fiscal year in which the ordinance becomes effective; and*

11 *(2) Except as otherwise provided in subsection 4, an annual increase in*
12 *the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year*
13 *following the fiscal year in which that tax becomes effective, in the amount*
14 *determined by adding 21 cents per gallon to the amount of the tax imposed*
15 *pursuant to subparagraph (1) during the immediately preceding fiscal year, then*
16 *multiplying that sum by the lesser of the applicable percentage or the adjusted*
17 *average highway and street construction inflation index for the fiscal year in*
18 *which the increase becomes effective.*

19 *(j) The board shall by ordinance impose:*

20 *(1) An excise tax on each gallon of special fuel sold in the county, other*
21 *than any special fuel described in paragraph (g), (h) or (i), in an amount equal to*
22 *the product obtained by multiplying 27.75 cents per gallon by the lesser of the*
23 *applicable percentage or the adjusted average highway and street construction*
24 *inflation index for the fiscal year in which the ordinance becomes effective; and*

25 *(2) Except as otherwise provided in subsection 4, an annual increase in*
26 *the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year*
27 *following the fiscal year in which that tax becomes effective, in the amount*
28 *determined by adding 27.75 cents per gallon to the amount of the tax imposed*
29 *pursuant to subparagraph (1) during the immediately preceding fiscal year, then*
30 *multiplying that sum by the lesser of the applicable percentage or the adjusted*
31 *average highway and street construction inflation index for the fiscal year in*
32 *which the increase becomes effective.*

33 *(k) The board shall by ordinance impose:*

34 *(1) An excise tax on each gallon of special fuel that consists of liquefied*
35 *petroleum gas sold in the county in an amount equal to the product obtained by*
36 *multiplying 18.3 cents per gallon by the lesser of the applicable percentage or the*
37 *adjusted average highway and street construction inflation index for the fiscal year*
38 *in which the ordinance becomes effective; and*

39 *(2) Except as otherwise provided in subsection 4, an annual increase in the*
40 *tax imposed pursuant to subparagraph (1), on the first day of each fiscal year*
41 *following the fiscal year in which that tax becomes effective, in the amount*
42 *determined by adding 18.3 cents per gallon to the amount of the tax imposed*
43 *pursuant to subparagraph (1) during the immediately preceding fiscal year, then*
44 *multiplying that sum by the lesser of the applicable percentage or the adjusted*
45 *average highway and street construction inflation index for the fiscal year in which*
46 *the increase becomes effective.*

47 ~~(g)~~ *(l) The board shall by ordinance impose:*

48 *(1) An excise tax on each gallon of special fuel that consists of compressed*
49 *natural gas sold in the county in an amount equal to the product obtained by*
50 *multiplying 18.3 cents per gallon by the lesser of the applicable percentage or the*
51 *adjusted average highway and street construction inflation index for the fiscal year*
52 *in which the ordinance becomes effective; and*

1 (2) Except as otherwise provided in subsection 4, an annual increase in the
2 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
3 following the fiscal year in which that tax becomes effective, in the amount
4 determined by adding 18.3 cents per gallon to the amount of the tax imposed
5 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
6 multiplying that sum by the lesser of the applicable percentage or the adjusted
7 average highway and street construction inflation index for the fiscal year in which
8 the increase becomes effective.

9 ~~(h)~~ (m) The board shall by ordinance impose:

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

17 (2) Except as otherwise provided in subsection 4, an annual increase in the
18 tax imposed pursuant to subparagraph (1), on the first day of each fiscal year
19 following the fiscal year in which that tax becomes effective, in the amount
20 determined by adding 24.4 cents per gallon to the amount of the tax imposed
21 pursuant to subparagraph (1) during the immediately preceding fiscal year, then
22 multiplying that sum by the lesser of the applicable percentage or the adjusted
23 average highway and street construction inflation index for the fiscal year in which
24 the increase becomes effective.

25 2. Upon the adoption of the ordinance required by subsection 1, and except as
26 otherwise provided in subsection 4, no further action by the board is necessary to
27 effectuate the annual increases in the taxes imposed by the ordinance.

28 3. The applicable percentage specified by the board for the taxes imposed
29 pursuant to this section must be the same percentage for each tax imposed by the
30 board pursuant to this section. Except as otherwise provided in subsection 4, the
31 board may amend the applicable percentage by ordinance from time to time, but
32 any such amendment must not become effective earlier than 90 days after the date
33 of the adoption of the ordinance amending the applicable percentage. Except as
34 otherwise provided in subsection 4 of NRS 373.120, the applicable percentage must
35 not be amended to reduce the applicable percentage at any time that bonds are
36 outstanding which are secured by the taxes imposed pursuant to this section.

37 4. Upon the adoption of an ordinance authorized by this section:

38 (a) For the period beginning on January 1, 2017, and ending on December 31,
39 2026, no further action by the board is necessary to effectuate the annual increases
40 in the taxes imposed by the ordinance.

41 (b) For the period beginning on January 1, 2027, the annual increases in the
42 taxes **authorized by this section and** imposed by the ordinance may ~~not~~ be
43 effectuated ~~unless~~ **if** a question is placed on the ballot at the general election on
44 November 3, 2026, which asks the voters in the county whether to authorize the
45 board to impose, for the period beginning on January 1, 2027, the increases
46 authorized by this section in the taxes imposed by the ordinance and the question is
47 approved by a majority of the registered voters in the county voting on the question.
48 If the question is approved by a majority of such voters, no further action by the
49 board is necessary to effectuate the annual increases in the taxes imposed by the
50 ordinance. If the question is not approved by a majority of such voters, the board
51 shall not impose any additional annual increases in the taxes imposed by the
52 ordinance after November 3, 2026, but any annual increases in the taxes imposed
53 by the ordinance in effect on or before November 3, 2026, are not affected,

1 amended, reduced or eliminated and must be continued for any period during which
2 bonds are outstanding that are secured by the taxes imposed by the ordinance.

3 5. As used in this section:

4 (a) “Adjusted average highway and street construction inflation index” means:

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

8 (I) If the average highway and street construction inflation index for
9 the immediately preceding fiscal year is greater than the applicable percentage, the
10 remainder obtained by subtracting the applicable percentage from the average
11 highway and street construction inflation index for the immediately preceding fiscal
12 year; or

13 (II) If the average highway and street construction inflation index for
14 the immediately preceding fiscal year is less than or equal to the applicable
15 percentage, zero; and

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

19 (I) If the adjusted average highway and street construction inflation
20 index for the immediately preceding fiscal year is greater than the applicable
21 percentage, the remainder obtained by subtracting the applicable percentage from
22 the adjusted average highway and street construction inflation index for the
23 immediately preceding fiscal year; or

24 (II) If the adjusted average highway and street construction inflation
25 index for the immediately preceding fiscal year is less than or equal to the
26 applicable percentage, zero.

27 (b) “Applicable percentage” means the lesser of 7.8 percent or the percentage
28 specified by the board in any ordinance imposing a tax pursuant to this section.

29 (c) “Average highway and street construction inflation index” means for a
30 fiscal year the average percentage increase in the highway and street construction
31 inflation index for the 10 calendar years immediately preceding the beginning of
32 that fiscal year.

33 (d) “Highway and street construction inflation index” means:

34 (1) The Producer Price Index for Highway and Street Construction until
35 that index ceased to be published; and

36 (2) The Producer Price Index for Other Nonresidential Construction
37 thereafter or, if that index ceases to be published by the United States Department
38 of Labor, the published index that most closely measures inflation in the costs of
39 highway and street construction, as determined by the commission.

40 (e) “Special fuel” has the meaning ascribed to it in NRS 366.060.

41 **Sec. 4.** NRS 373.067 is hereby amended to read as follows:

42 373.067 1. Any ordinance that imposes a tax pursuant to:

43 (a) The provisions of paragraph (a) of subsection 1 of NRS 373.066 or
44 paragraph (a) of subsection 1 of NRS 373.0663 must require the allocation,
45 disbursement and use in the county of the proceeds of that tax in the same
46 proportions and manner as the allocation, disbursement and use in the county of the
47 proceeds of the tax imposed pursuant to NRS 365.180.

48 (b) The provisions of paragraph (b) of subsection 1 of NRS 373.066 or
49 paragraph (b) of subsection 1 of NRS 373.0663 must require the allocation,
50 disbursement and use in the county of the proceeds of that tax in the same
51 proportions and manner as the allocation, disbursement and use in the county of the
52 proceeds of the tax imposed pursuant to NRS 365.190.

1 (c) The provisions of paragraph (c) of subsection 1 of NRS 373.066 or
2 paragraph (c) of subsection 1 of NRS 373.0663 must require the allocation,
3 disbursement and use in the county of the proceeds of that tax in the same
4 proportions and manner as the allocation, disbursement and use in the county of the
5 proceeds of the tax imposed pursuant to NRS 365.192.

6 (d) Any of the provisions of paragraphs (d) to (m), inclusive, of subsection 1 of
7 NRS 373.066 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663
8 must, except as otherwise required by subsection 6 of NRS 373.140, **and section 1**
9 **of this act**, require the allocation, disbursement and use in the county of the
10 proceeds of that tax in the same proportions and manner as the allocation,
11 disbursement and use in the county of the proceeds of the tax imposed pursuant to
12 NRS 373.030.

13 2. Any ordinance adopted pursuant to NRS 373.066 or 373.0663 must:

14 (a) Include a provision prohibiting the imposition of any penalties and interest
15 for the failure to make any payments of any tax imposed by the ordinance which
16 become due within the initial 6 months after the ordinance becomes effective. This
17 provision must apply only to taxes imposed pursuant to NRS 373.066 or 373.0663,
18 and must not apply to any tax imposed pursuant to any other ordinance.

19 (b) Require the commission:

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

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

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

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

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

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

33 **Sec. 4.5.** NRS 373.067 is hereby amended to read as follows:

34 373.067 1. Any ordinance that imposes a tax pursuant to:

35 (a) The provisions of paragraph (a) of subsection 1 of NRS 373.066, paragraph
36 (a) of subsection 1 of NRS 373.0663 or paragraph (a) of subsection 1 of NRS
37 373.0667 must require the allocation, disbursement and use in the county of the
38 proceeds of that tax in the same proportions and manner as the allocation,
39 disbursement and use in the county of the proceeds of the tax imposed pursuant to
40 NRS 365.180.

41 (b) The provisions of paragraph (b) of subsection 1 of NRS 373.066, paragraph
42 (b) of subsection 1 of NRS 373.0663 or paragraph (b) of subsection 1 of NRS
43 373.0667 must require the allocation, disbursement and use in the county of the
44 proceeds of that tax in the same proportions and manner as the allocation,
45 disbursement and use in the county of the proceeds of the tax imposed pursuant to
46 NRS 365.190.

47 (c) The provisions of paragraph (c) of subsection 1 of NRS 373.066, paragraph
48 (c) of subsection 1 of NRS 373.0663 or paragraph (c) of subsection 1 of NRS
49 373.0667 must require the allocation, disbursement and use in the county of the
50 proceeds of that tax in the same proportions and manner as the allocation,
51 disbursement and use in the county of the proceeds of the tax imposed pursuant to
52 NRS 365.192.

1 (d) Any of the provisions of paragraphs (d) to (m), inclusive, of subsection 1 of
2 NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or
3 paragraphs (d) to ~~(h)~~ (m), inclusive, of subsection 1 of NRS 373.0667 must,
4 except as otherwise required by subsection 6 of NRS 373.140, *and section 14.5 of*
5 *this act*, require the allocation, disbursement and use in the county of the proceeds
6 of that tax in the same proportions and manner as the allocation, disbursement and
7 use in the county of the proceeds of the tax imposed pursuant to NRS 373.030.

8 2. Any ordinance adopted pursuant to NRS 373.066, 373.0663 or 373.0667
9 must:

10 (a) Include a provision prohibiting the imposition of any penalties and interest
11 for the failure to make any payments of any tax imposed by the ordinance which
12 become due within the initial 6 months after the ordinance becomes effective. This
13 provision must apply only to taxes imposed pursuant to NRS 373.066, 373.0663 or
14 373.0667 and must not apply to any tax imposed pursuant to any other ordinance.

15 (b) Require the commission:

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

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

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

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

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

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

29 **Sec. 5.** NRS 373.067 is hereby amended to read as follows:

30 373.067 1. Any ordinance that imposes a tax pursuant to:

31 (a) The provisions of paragraph (a) of subsection 1 of NRS 373.066, paragraph
32 (a) of subsection 1 of NRS 373.0663 or paragraph (a) of subsection 1 of NRS
33 373.0667 must require the allocation, disbursement and use in the county of the
34 proceeds of that tax in the same proportions and manner as the allocation,
35 disbursement and use in the county of the proceeds of the tax imposed pursuant to
36 NRS 365.180.

37 (b) The provisions of paragraph (b) of subsection 1 of NRS 373.066, paragraph
38 (b) of subsection 1 of NRS 373.0663 or paragraph (b) of subsection 1 of NRS
39 373.0667 must require the allocation, disbursement and use in the county of the
40 proceeds of that tax in the same proportions and manner as the allocation,
41 disbursement and use in the county of the proceeds of the tax imposed pursuant to
42 NRS 365.190.

43 (c) The provisions of paragraph (c) of subsection 1 of NRS 373.066, paragraph
44 (c) of subsection 1 of NRS 373.0663 or paragraph (c) of subsection 1 of NRS
45 373.0667 must require the allocation, disbursement and use in the county of the
46 proceeds of that tax in the same proportions and manner as the allocation,
47 disbursement and use in the county of the proceeds of the tax imposed pursuant to
48 NRS 365.192.

49 (d) Any of the provisions of paragraphs (d) to (m), inclusive, of subsection 1 of
50 NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or
51 paragraphs (d) to ~~(h)~~ (m), inclusive, of subsection 1 of NRS 373.0667 must,
52 except as otherwise required by subsection 6 of NRS 373.140, *and section 15 of*
53 *this act*, require the allocation, disbursement and use in the county of the proceeds

1 of that tax in the same proportions and manner as the allocation, disbursement and
2 use in the county of the proceeds of the tax imposed pursuant to NRS 373.030.

3 2. Any ordinance adopted pursuant to NRS 373.066, 373.0663 or 373.0667
4 must:

5 (a) Include a provision prohibiting the imposition of any penalties and interest
6 for the failure to make any payments of any tax imposed by the ordinance which
7 become due within the initial 6 months after the ordinance becomes effective. This
8 provision must apply only to taxes imposed pursuant to NRS 373.066, 373.0663 or
9 373.0667 and must not apply to any tax imposed pursuant to any other ordinance.

10 (b) Require the commission:

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

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

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

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

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

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

24 **Sec. 6.** NRS 373.068 is hereby amended to read as follows:

25 373.068 1. Any tax imposed pursuant to the provisions of:

26 (a) Paragraphs (a) to (f), inclusive, of subsection 1 of NRS 373.066, paragraphs
27 (a) to (f), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (a) to ~~(e)~~ (f),
28 inclusive, of subsection 1 of NRS 373.0667, does not apply to any fuel described in
29 NRS 365.220 or 365.230.

30 (b) Paragraphs (g) to (m), inclusive, of subsection 1 of NRS 373.066,
31 paragraphs (g) to (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs
32 ~~(f), (g) and (h)~~ (g) to (m), inclusive, of subsection 1 of NRS 373.0667, does not
33 apply to any sales or uses described in NRS 366.200, except to any sales or uses
34 described in subsection 1 of that section of any special fuel to which dye has not
35 been added pursuant to federal law or the law of this State, of a type which is
36 lawfully sold in this State both:

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

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

39 2. Each tax imposed pursuant to NRS 373.066, 373.0663 or 373.0667 is in
40 addition to any other motor vehicle fuel taxes and special fuel taxes imposed
41 pursuant to the provisions of this chapter and chapters 365, 366 and 590 of NRS,
42 except that on the effective date of an ordinance adopted pursuant to:

43 (a) Paragraph (a) of subsection 1 of NRS 373.066, any tax increase imposed in
44 that county pursuant to subparagraph (2) of paragraph (a) of subsection 1 of NRS
45 373.065 on the first day of the current fiscal year, and the authority to impose any
46 additional tax increases in that county pursuant to that subparagraph on the first day
47 of each subsequent fiscal year, expire by limitation.

48 (b) Paragraph (b) of subsection 1 of NRS 373.066, any tax increase imposed in
49 that county pursuant to subparagraph (2) of paragraph (b) of subsection 1 of NRS
50 373.065 on the first day of the current fiscal year, and the authority to impose any
51 additional tax increases in that county pursuant to that subparagraph on the first day
52 of each subsequent fiscal year, expire by limitation.

1 (c) Paragraph (c) of subsection 1 of NRS 373.066, any tax increase imposed in
2 that county pursuant to subparagraph (2) of paragraph (c) of subsection 1 of NRS
3 373.065 on the first day of the current fiscal year, and the authority to impose any
4 additional tax increases in that county pursuant to that subparagraph on the first day
5 of each subsequent fiscal year, expire by limitation.

6 (d) Paragraph (d) of subsection 1 of NRS 373.066, any tax increase imposed in
7 that county pursuant to subparagraph (2) of paragraph (d) of subsection 1 of NRS
8 373.065 on the first day of the current fiscal year, and the authority to impose any
9 additional tax increases in that county pursuant to that subparagraph on the first day
10 of each subsequent fiscal year, expire by limitation.

11 **Sec. 7.** NRS 373.110 is hereby amended to read as follows:

12 373.110 All the net proceeds of any county fuel tax:

13 1. Imposed pursuant to the provisions of NRS 373.030, paragraph (d) of
14 subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of
15 NRS 373.066 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663
16 which are received by the county pursuant to NRS 373.080 must, except as
17 otherwise provided in NRS 373.119, **and section 1 of this act**, be deposited by the
18 county treasurer in a fund to be known as the regional street and highway fund in
19 the county treasury, and disbursed only in accordance with the provisions of this
20 chapter and chapter 277A of NRS. After July 1, 1975, the regional street and
21 highway fund must be accounted for as a separate fund and not as a part of any
22 other fund.

23 2. Imposed pursuant to the provisions of paragraph (a), (b) or (c) of
24 subsection 1 of NRS 373.065, paragraph (a), (b) or (c) of subsection 1 of NRS
25 373.066 or paragraph (a), (b) or (c) of subsection 1 of NRS 373.0663 which are
26 received by the county pursuant to NRS 373.080 must be allocated, disbursed and
27 used as provided in the ordinance imposing the tax.

28 **Sec. 7.5.** NRS 373.110 is hereby amended to read as follows:

29 373.110 All the net proceeds of any county fuel tax:

30 1. Imposed pursuant to the provisions of NRS 373.030, paragraph (d) of
31 subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of
32 NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or
33 paragraphs (d) to ~~(h)~~ **(m)**, inclusive, of subsection 1 of NRS 373.0667 which are
34 received by the county pursuant to NRS 373.080 must, except as otherwise
35 provided in NRS 373.119, **and section 14.5 of this act**, be deposited by the county
36 treasurer in a fund to be known as the regional street and highway fund in the
37 county treasury, and disbursed only in accordance with the provisions of this
38 chapter and chapter 277A of NRS. After July 1, 1975, the regional street and
39 highway fund must be accounted for as a separate fund and not as a part of any
40 other fund.

41 2. Imposed pursuant to the provisions of paragraph (a), (b) or (c) of
42 subsection 1 of NRS 373.065, paragraph (a), (b) or (c) of subsection 1 of NRS
43 373.066, paragraph (a), (b) or (c) of subsection 1 of NRS 373.0663 or paragraph
44 (a), (b) or (c) of subsection 1 of NRS 373.0667 which are received by the county
45 pursuant to NRS 373.080 must be allocated, disbursed and used as provided in the
46 ordinance imposing the tax.

47 **Sec. 8.** NRS 373.110 is hereby amended to read as follows:

48 373.110 All the net proceeds of any county fuel tax:

49 1. Imposed pursuant to the provisions of NRS 373.030, paragraph (d) of
50 subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of
51 NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or
52 paragraphs (d) to ~~(h)~~ **(m)**, inclusive, of subsection 1 of NRS 373.0667 which are
53 received by the county pursuant to NRS 373.080 must, except as otherwise

1 provided in NRS 373.119, *and section 15 of this act*, be deposited by the county
2 treasurer in a fund to be known as the regional street and highway fund in the
3 county treasury, and disbursed only in accordance with the provisions of this
4 chapter and chapter 277A of NRS. After July 1, 1975, the regional street and
5 highway fund must be accounted for as a separate fund and not as a part of any
6 other fund.

7 2. Imposed pursuant to the provisions of paragraph (a), (b) or (c) of
8 subsection 1 of NRS 373.065, paragraph (a), (b) or (c) of subsection 1 of NRS
9 373.066, paragraph (a), (b) or (c) of subsection 1 of NRS 373.0663 or paragraph
10 (a), (b) or (c) of subsection 1 of NRS 373.0667 which are received by the county
11 pursuant to NRS 373.080 must be allocated, disbursed and used as provided in the
12 ordinance imposing the tax.

13 **Sec. 9.** NRS 373.119 is hereby amended to read as follows:

14 373.119 1. Except to the extent pledged before July 1, 1985, *and except as*
15 *otherwise provided in section 1 of this act*, the board may use that portion of the
16 revenue collected pursuant to the provisions of this chapter from any taxes imposed
17 pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS
18 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 or
19 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663, that represents
20 collections from the sale of fuel for use in boats at marinas in the county to make
21 capital improvements or to conduct programs to encourage safety in boating. If the
22 county does not control a body of water, where an improvement or program is
23 appropriate, the board may contract with an appropriate person or governmental
24 organization for the improvement or program.

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

28 **Sec. 9.5.** NRS 373.119 is hereby amended to read as follows:

29 373.119 1. Except to the extent pledged before July 1, 1985, *and except as*
30 *otherwise provided in section 14.5 of this act*, the board may use that portion of the
31 revenue collected pursuant to the provisions of this chapter from any taxes imposed
32 pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS
33 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066,
34 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d)
35 to ~~[(h)]~~ (m), inclusive, of subsection 1 of NRS 373.0667 that represents collections
36 from the sale of fuel for use in boats at marinas in the county to make capital
37 improvements or to conduct programs to encourage safety in boating. If the county
38 does not control a body of water, where an improvement or program is appropriate,
39 the board may contract with an appropriate person or governmental organization for
40 the improvement or program.

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

44 **Sec. 10.** NRS 373.119 is hereby amended to read as follows:

45 373.119 1. Except to the extent pledged before July 1, 1985, *and except as*
46 *otherwise provided in section 15 of this act*, the board may use that portion of the
47 revenue collected pursuant to the provisions of this chapter from any taxes imposed
48 pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS
49 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066,
50 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d)
51 to ~~[(h)]~~ (m), inclusive, of subsection 1 of NRS 373.0667 that represents collections
52 from the sale of fuel for use in boats at marinas in the county to make capital
53 improvements or to conduct programs to encourage safety in boating. If the county

1 does not control a body of water, where an improvement or program is appropriate,
2 the board may contract with an appropriate person or governmental organization for
3 the improvement or program.

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

7 **Sec. 11.** NRS 373.131 is hereby amended to read as follows:

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

19 2. The board or, in a county whose population is 100,000 or more, a
20 commission, may, after the enactment of any ordinance authorized or required by
21 the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065,
22 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to
23 (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d) to ~~(h)~~ (m),
24 inclusive, of subsection 1 of NRS 373.0667, issue revenue bonds and other revenue
25 securities, on the behalf and in the name of the county or the commission, as the
26 case may be:

27 (a) The total of all of which, issued and outstanding at any one time, must not
28 be in an amount requiring a total debt service in excess of the estimated receipts to
29 be derived from the taxes imposed pursuant to the provisions of NRS 373.030,
30 paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of
31 subsection 1 of NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of
32 NRS 373.0663 and paragraphs (d) to ~~(h)~~ (m), inclusive, of subsection 1 of NRS
33 373.0667 and, with respect to notes, warrants or interim debentures described in
34 paragraphs (a) and (b) of subsection 6, the proceeds of bonds or interim debentures;

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

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

41 3. A county or a commission as provided in subsection 2 is authorized to
42 issue bonds or other securities without the necessity of their being authorized at any
43 election in such manner and with such terms as provided in this chapter.

44 4. Subject to the provisions of this chapter and chapter 277A of NRS, for any
45 project authorized therein, the board of any county may, on the behalf and in the
46 name of the county, or, in a county whose population is 100,000 or more, a
47 commission may, on behalf and in the name of the commission, borrow money,
48 otherwise become obligated, and evidence obligations by the issuance of bonds and
49 other county or commission securities, and in connection with the undertaking or
50 project, the board or the commission, as the case may be, may otherwise proceed as
51 provided in the Local Government Securities Law.

52 5. All such securities constitute special obligations payable from the net
53 receipts of the fuel taxes designated in this chapter except as otherwise provided in

1 NRS 373.150, and the pledge of revenues to secure the payment of the securities
2 must be limited to those net receipts.

3 6. Except for:

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

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

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

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

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

12 ↪ all bonds and other securities issued pursuant to the provisions of this chapter
13 must be payable solely from the proceeds of fuel taxes collected by or remitted to
14 the county pursuant to chapter 365 of NRS, as supplemented by this chapter.
15 Receipts of the taxes levied in NRS 365.180 and 365.190 and pursuant to the
16 provisions of paragraphs (a) and (b) of subsection 1 of NRS 373.065, paragraphs
17 (a) and (b) of subsection 1 of NRS 373.066, paragraphs (a) and (b) of subsection 1
18 of NRS 373.0663 and paragraphs (a) and (b) of subsection 1 of NRS 373.0667 may
19 be used by the county for the payment of securities issued pursuant to the
20 provisions of this chapter and may be pledged therefor. Such taxes may also be
21 used by a commission in a county whose population is 100,000 or more for the
22 payment of bonds or other securities issued pursuant to the provisions of this
23 chapter and may be pledged therefor if the board of the county consents to such use.
24 If during any period any securities payable from these tax proceeds are outstanding,
25 the tax receipts must not be used directly for the construction, maintenance and
26 repair of any streets, roads or other highways nor for any purchase of equipment
27 therefor, and the receipts of the tax levied in NRS 365.190 must not be apportioned
28 pursuant to subsection 2 of NRS 365.560 unless, at any time the tax receipts are so
29 apportioned, provision has been made in a timely manner for the payment of such
30 outstanding securities as to the principal of, any prior redemption premiums due in
31 connection with, and the interest on the securities as they become due, as provided
32 in the securities, the ordinance, in the case of securities issued by a county, or the
33 resolution, in the case of securities issued by a commission, authorizing their
34 issuance and any other instrument appertaining to the securities.

35 7. The ordinance, in the case of securities issued by a county, or the
36 resolution, in the case of securities issued by a commission, authorizing the
37 issuance of any bond or other revenue security under this section must describe the
38 purpose for which it is issued at least in general terms and may describe the purpose
39 in detail. This section does not require the purpose so stated to be set forth in the
40 detail in which the project approved by the commission pursuant to subsection 2 of
41 NRS 373.140 is stated, or prevent the modification by the board or commission, as
42 the case may be, of details as to the purpose stated in the ordinance authorizing the
43 issuance of any bond or other security after its issuance, subject to approval by the
44 commission of the project as so modified, if such bond or other security is issued by
45 the county and not the commission.

46 8. Notwithstanding any other provision of this chapter, no commission has
47 authority to issue bonds or other securities pursuant to this chapter unless the
48 commission has executed an interlocal agreement with the county relating to the
49 issuance of bonds or other securities by the commission. Any such interlocal
50 agreement must include an acknowledgment of the authority of the commission to
51 issue bonds and other securities and contain provisions relating to the pledge of
52 revenues for the repayment of the bonds or other securities, the lien priority of the
53 pledge of revenues securing the bonds or other securities, and related matters.

1 **Sec. 12.** NRS 373.140 is hereby amended to read as follows:

2 373.140 1. After the enactment of ordinances as authorized in NRS
3 277A.170 and 373.030, all street and highway construction, surfacing or
4 resurfacing projects in the county which are proposed to be financed from any
5 county fuel tax imposed pursuant to the provisions of NRS 373.030, paragraph (d)
6 of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of
7 NRS 373.066 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663
8 must first be submitted to the commission.

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

12 (a) The priorities established by the plan;

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

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

16 (d) The money available.

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

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

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

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

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

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

50 (d) The availability of money.

51 ↪ If the commission approves the project, the board shall direct the county
52 treasurer to distribute the sum approved to the city or town requesting the project,
53 in accordance with NRS 373.150.

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

3 6. The proceeds of a tax imposed pursuant to any of the provisions of
4 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 or paragraphs (d)
5 to (m), inclusive, of subsection 1 of NRS 373.0663 must be expended in accordance
6 with priorities for projects established in coordination and cooperation with the
7 Department of Transportation.

8 **Sec. 12.5.** NRS 373.140 is hereby amended to read as follows:

9 373.140 1. After the enactment of ordinances as authorized in NRS
10 277A.170 and 373.030, all street and highway construction, surfacing or
11 resurfacing projects in the county which are proposed to be financed from any
12 county fuel tax imposed pursuant to the provisions of NRS 373.030, paragraph (d)
13 of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of
14 NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or
15 paragraphs (d) to ~~+(h)+~~ (m), inclusive, of subsection 1 of NRS 373.0667 must first
16 be submitted to the commission.

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

20 (a) The priorities established by the plan;

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

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

24 (d) The money available.

25 ↪ If the commission approves the project, the board may authorize the project,
26 using all or any part of the proceeds of any county fuel tax authorized pursuant to
27 the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065,
28 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to
29 (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d) to ~~+(h)+~~ (m),
30 inclusive, of subsection 1 of NRS 373.0667, except as otherwise *provided in*
31 *section 14.5 of this act, otherwise* required by subsection 6 or to the extent any
32 such use is prevented by the provisions for direct distribution required by NRS
33 373.150 or is prevented by any pledge to secure the payment of outstanding bonds,
34 other securities or other obligations incurred under this chapter, and other
35 contractual limitations appertaining to such obligations as authorized by NRS
36 373.160, and the proceeds of revenue bonds or other securities issued or to be
37 issued as provided in NRS 373.131. Except as otherwise provided in subsection 3,
38 if the board authorizes the project, the responsibilities for letting construction and
39 other necessary contracts, contract administration, supervision and inspection of
40 work and the performance of other duties related to the acquisition of the project
41 must be specified in written agreements executed by the board and the governing
42 bodies of the cities and towns within the area covered by a regional plan for
43 transportation established pursuant to NRS 277A.210.

44 3. In a county in which two or more governmental entities are represented on
45 the commission, the governing bodies of those governmental entities may enter into
46 a written master agreement that allows a written agreement described in subsection
47 2 to be executed by only the commission and the governmental entity that receives
48 funding for the approved project. The provisions of a written master agreement
49 must not be used until the governing body of each governmental entity represented
50 on the commission ratifies the written master agreement.

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

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

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

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

7 (d) The availability of money.

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

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

13 6. The proceeds of a tax imposed pursuant to any of the provisions of
14 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to
15 (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d) to ~~(h)~~ (m),
16 inclusive, of subsection 1 of NRS 373.0667 must be expended in accordance with
17 priorities for projects established in coordination and cooperation with the
18 Department of Transportation.

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

20 373.140 1. After the enactment of ordinances as authorized in NRS
21 277A.170 and 373.030, all street and highway construction, surfacing or
22 resurfacing projects in the county which are proposed to be financed from any
23 county fuel tax imposed pursuant to the provisions of NRS 373.030, paragraph (d)
24 of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of
25 NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 or
26 paragraphs (d) to ~~(h)~~ (m), inclusive, of subsection 1 of NRS 373.0667 must first
27 be submitted to the commission.

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

31 (a) The priorities established by the plan;

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

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

35 (d) The money available.

36 ↪ If the commission approves the project, the board may authorize the project,
37 using all or any part of the proceeds of any county fuel tax authorized pursuant to
38 the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065,
39 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to
40 (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d) to ~~(h)~~ (m),
41 inclusive, of subsection 1 of NRS 373.0667, except as otherwise *provided in*
42 *section 15 of this act, otherwise* required by subsection 6 or to the extent any such
43 use is prevented by the provisions for direct distribution required by NRS 373.150
44 or is prevented by any pledge to secure the payment of outstanding bonds, other
45 securities or other obligations incurred under this chapter, and other contractual
46 limitations appertaining to such obligations as authorized by NRS 373.160, and the
47 proceeds of revenue bonds or other securities issued or to be issued as provided in
48 NRS 373.131. Except as otherwise provided in subsection 3, if the board authorizes
49 the project, the responsibilities for letting construction and other necessary
50 contracts, contract administration, supervision and inspection of work and the
51 performance of other duties related to the acquisition of the project must be
52 specified in written agreements executed by the board and the governing bodies of

1 the cities and towns within the area covered by a regional plan for transportation
2 established pursuant to NRS 277A.210.

3 3. In a county in which two or more governmental entities are represented on
4 the commission, the governing bodies of those governmental entities may enter into
5 a written master agreement that allows a written agreement described in subsection
6 2 to be executed by only the commission and the governmental entity that receives
7 funding for the approved project. The provisions of a written master agreement
8 must not be used until the governing body of each governmental entity represented
9 on the commission ratifies the written master agreement.

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

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

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

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

18 (d) The availability of money.

19 ↪ If the commission approves the project, the board shall direct the county
20 treasurer to distribute the sum approved to the city or town requesting the project,
21 in accordance with NRS 373.150.

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

24 6. The proceeds of a tax imposed pursuant to any of the provisions of
25 paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066, paragraphs (d) to
26 (m), inclusive, of subsection 1 of NRS 373.0663 or paragraphs (d) to ~~(h)~~ (m),
27 inclusive, of subsection 1 of NRS 373.0667 must be expended in accordance with
28 priorities for projects established in coordination and cooperation with the
29 Department of Transportation.

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

31 373.160 1. The ordinance or ordinances, or the resolution or resolutions,
32 providing for the issuance of any bonds or other securities issued under this chapter
33 payable from the receipts from the fuel excise taxes designated in this chapter may
34 at the discretion of the board or, in the case of bonds or other securities issued by a
35 commission, the commission, in addition to covenants and other provisions
36 authorized in the Local Government Securities Law, contain covenants or other
37 provisions as to the pledge of and the creation of a lien upon the receipts of the
38 taxes collected for the county pursuant to the provisions of NRS 373.030, paragraph
39 (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection
40 1 of NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS
41 373.0663 and paragraphs (d) to ~~(h)~~ (m), inclusive, of subsection 1 of NRS
42 373.0667, excluding any tax proceeds to be distributed directly under the provisions
43 of NRS 373.150, or the proceeds of the bonds or other securities pending their
44 application to defray the cost of the project, or both such tax proceeds and security
45 proceeds, to secure the payment of revenue bonds or other securities issued under
46 this chapter.

47 2. If the board or, in the case of bonds or other securities issued by a
48 commission, the commission, determines in any ordinance or resolution authorizing
49 the issuance of any bonds or other securities under this chapter that the proceeds of
50 the taxes levied and collected pursuant to the provisions of NRS 373.030, paragraph
51 (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection
52 1 of NRS 373.066, paragraphs (d) to (m), inclusive, of subsection 1 of NRS
53 373.0663 and paragraphs (d) to ~~(h)~~ (m), inclusive, of subsection 1 of NRS

1 373.0667 are sufficient to pay all bonds and securities, including the proposed
2 issue, from the proceeds thereof, the board or, in the case of bonds or other
3 securities issued by a commission, the commission with the consent of the board as
4 provided in subsection 6 of NRS 373.131, may additionally secure the payment of
5 any bonds or other securities issued pursuant to the ordinance or resolution under
6 this chapter by a pledge of and the creation of a lien upon not only the proceeds of
7 any fuel tax authorized at the time of the issuance of such securities to be used for
8 such payment in subsection 6 of NRS 373.131, but also the proceeds of any such
9 tax thereafter authorized to be used or pledged, or used and pledged, for the
10 payment of such securities, whether such tax be levied or collected by the county,
11 the State of Nevada, or otherwise, or be levied in at least an equivalent value in lieu
12 of any such tax existing at the time of the issuance of such securities or be levied in
13 supplementation thereof.

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

19 **Sec. 14.5.** Section 1 of this act is hereby amended to read as follows:

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

22 Notwithstanding any other provision of law, money collected from the
23 annual increases in the taxes authorized by paragraphs (e) and (g) to (j),
24 inclusive, of subsection 1 of NRS ~~373.0663~~ 373.0667 and imposed by the
25 ordinance *on or after* ~~November 8, 2016~~ *January 1, 2017*, must be
26 deposited with the State Treasurer to the credit of the State Highway Fund,
27 accounted for separately in the State Highway Fund and used by the
28 Department of Transportation only to finance projects for the construction,
29 maintenance and repair of state highways in the county in which the tax is
30 collected.

31 **Sec. 15.** Section 1 of this act is hereby amended to read as follows:

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

34 Notwithstanding any other provision of law, money collected from
35 ~~the~~:

36 1. *The annual increases in the taxes authorized by paragraphs (e) and*
37 *(g) to (j), inclusive, of subsection 1 of NRS 373.0663 and imposed by the*
38 *ordinance after November 8, 2016* ~~H~~ *; or*

39 2. *The annual increases in the taxes authorized by paragraphs (e)*
40 *and (g) to (j), inclusive, of subsection 1 of NRS 373.0667 and imposed by*
41 *the ordinance on or after January 1, 2017,*

42 ~~↪~~ *must be deposited with the State Treasurer to the credit of the State*
43 *Highway Fund, accounted for separately in the State Highway Fund and*
44 *used by the Department of Transportation only to finance projects for the*
45 *construction, maintenance and repair of state highways in the county in*
46 *which the tax is collected.*

47 **Sec. 16.** Section 14 of chapter 540, Statutes of Nevada 2013, at page 3587, is
48 hereby amended to read as follows:

49 Sec. 14. ~~H~~ This section and sections 1, 1.1, 1.7, 1.75, 2, 3, 4, 5, 6,
50 7, 8, 9, 10, 11 and 11.5 of this act become effective upon passage and
51 approval.

1 ~~2.— Section 12 of this act becomes effective on October 1, 2013, if and~~
2 ~~only if a board of county commissioners does not adopt an ordinance~~
3 ~~authorized by section 1.1 of this act before October 1, 2013.~~

4 ~~—3.— Section 13 of this act becomes effective on October 1, 2013, if and~~
5 ~~only if a board of county commissioners adopts an ordinance authorized by~~
6 ~~section 1.1 of this act before October 1, 2013.~~

7 ~~—4.— Sections 1.2, 1.5, 3.2 and 8.2 of this act become effective on~~
8 ~~January 1, 2017, if:~~

9 ~~—(a) A board of county commissioners adopts an ordinance authorized~~
10 ~~by section 1.1 of this act before October 1, 2013;~~

11 ~~—(b) The question placed on the ballot at the general election on~~
12 ~~November 8, 2016, pursuant to subsection 1 of section 13 of this act is~~
13 ~~approved by a majority of the registered voters in this State voting on the~~
14 ~~question; and~~

15 ~~—(c) The question placed on the ballot at the general election on~~
16 ~~November 8, 2016, pursuant to subsection 2 of section 13 of this act is not~~
17 ~~approved by a majority of the registered voters in every county in this State~~
18 ~~voting on the question.~~

19 ~~—5.— Sections 1.2, 1.3, 1.5, 1.8, 1.85, 2.3, 3.1, 4.3, 5.3, 6.3, 7.3, 8.1, 9.3,~~
20 ~~10.3 and 11.1 of this act become effective on January 1, 2017, if:~~

21 ~~—(a) A board of county commissioners adopts an ordinance authorized~~
22 ~~by section 1.1 of this act before October 1, 2013;~~

23 ~~—(b) The question placed on the ballot at the general election on~~
24 ~~November 8, 2016, pursuant to subsection 1 of section 13 of this act is~~
25 ~~approved by a majority of the registered voters in this State voting on the~~
26 ~~question; and~~

27 ~~—(c) The question placed on the ballot at the general election on~~
28 ~~November 8, 2016, pursuant to subsection 2 of section 13 of this act is~~
29 ~~approved by a majority of the registered voters in any county in this State~~
30 ~~voting on the question.~~

31 ~~—6.— Sections 1.3, 1.8, 1.85, 2.3, 3.3, 4.3, 5.3, 6.3, 7.3, 8.3, 9.3, 10.3 and~~
32 ~~11.1 of this act become effective on January 1, 2017, if:~~

33 ~~—(a) A board of county commissioners adopts an ordinance authorized~~
34 ~~by section 1.1 of this act before October 1, 2013;~~

35 ~~—(b) The question placed on the ballot at the general election on~~
36 ~~November 8, 2016, pursuant to subsection 1 of section 13 of this act is not~~
37 ~~approved by a majority of the registered voters in this State voting on the~~
38 ~~question; and~~

39 ~~—(c) The question placed on the ballot at the general election on~~
40 ~~November 8, 2016, pursuant to subsection 2 of section 13 of this act is~~
41 ~~approved by a majority of the registered voters in any county in this State~~
42 ~~voting on the question.~~

43 ~~—7.— Sections 1.2, 1.5, 3.7 and 8.7 of this act become effective on~~
44 ~~January 1, 2017, if:~~

45 ~~—(a) A board of county commissioners does not adopt an ordinance~~
46 ~~authorized by section 1.1 of this act before October 1, 2013;~~

47 ~~—(b) The question placed on the ballot at the general election on~~
48 ~~November 8, 2016, pursuant to subsection 1 of section 12 of this act is~~
49 ~~approved by a majority of the registered voters in this State voting on the~~
50 ~~question; and~~

51 ~~—(c) The question placed on the ballot at the general election on~~
52 ~~November 8, 2016, pursuant to subsection 2 of section 12 of this act is not~~

1 approved by a majority of the registered voters in every county in this State
2 voting on the question.

3 ~~8. Sections 1.2, 1.3, 1.5, 1.9, 1.95, 2.7, 3.5, 4.7, 5.7, 6.7, 7.7, 8.5, 9.7,~~
4 ~~10.7 and 11.3 of this act become effective on January 1, 2017, if:~~

5 ~~—(a) A board of county commissioners does not adopt an ordinance~~
6 ~~authorized by section 1.1 of this act before October 1, 2013;~~

7 ~~—(b) The question placed on the ballot at the general election on~~
8 ~~November 8, 2016, pursuant to subsection 1 of section 12 of this act is~~
9 ~~approved by a majority of the registered voters in this State voting on the~~
10 ~~question; and~~

11 ~~—(c) The question placed on the ballot at the general election on~~
12 ~~November 8, 2016, pursuant to subsection 2 of section 12 of this act is~~
13 ~~approved by a majority of the registered voters in any county in this State~~
14 ~~voting on the question.~~

15 ~~9. Sections 1.3, 1.9, 1.95, 2.7, 3.9, 4.7, 5.7, 6.7, 7.7, 8.9, 9.7, 10.7 and~~
16 ~~11.3 of this act become effective on January 1, 2017, if:~~

17 ~~—(a) A board of county commissioners does not adopt an ordinance~~
18 ~~authorized by section 1.1 of this act before October 1, 2013;~~

19 ~~—(b) The question placed on the ballot at the general election on~~
20 ~~November 8, 2016, pursuant to subsection 1 of section 12 of this act is not~~
21 ~~approved by a majority of the registered voters in this State voting on the~~
22 ~~question; and~~

23 ~~—(c) The question placed on the ballot at the general election on~~
24 ~~November 8, 2016, pursuant to subsection 2 of section 12 of this act is~~
25 ~~approved by a majority of the registered voters in any county in this State~~
26 ~~voting on the question.~~

27 ~~10. Sections 1.1, 1.7, 1.75, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 of this act~~
28 ~~expire by limitation on October 1, 2013, if a board of county~~
29 ~~commissioners does not adopt an ordinance authorized by section 1.1 of this~~
30 ~~act before October 1, 2013.]~~

31 **Sec. 17.** A question must be placed on the ballot at the general election on
32 November 8, 2016, in each county in this State other than Clark County and
33 Washoe County, which asks the voters in the county whether to authorize the board
34 of county commissioners of the county to impose, for the period beginning on
35 January 1, 2017, and ending on December 31, 2026, the taxes authorized by NRS
36 373.0667, as amended by section 3 of this act, and the additional annual increases
37 in those taxes authorized by that section.

38 **Sec. 18.** 1. NRS 373.0665 and 373.165 are hereby repealed.

39 2. Sections 1.9, 1.95, 2.7, 3.1, 3.2, 3.5, 3.7, 3.9, 4.7, 5.7, 6.7, 7.7, 8.1, 8.2, 8.5,
40 8.7, 8.9, 9.7, 10.7, 11.3, 12 and 13 of chapter 540, Statutes of Nevada 2013, at
41 pages 3549, 3550, 3552, 3554, 3555, 3557, 3558, 3561, 3562, 3563, 3564, 3565,
42 3567, 3569, 3570, 3571, 3576, 3581, 3584 and 3586, are hereby repealed.

43 **Sec. 19.** Sections 1.3, 1.8, 1.85, 2.3, 3.3, 4.3, 5.3, 6.3, 7.3, 8.3, 9.3, 10.3 and
44 11.1 of chapter 540, Statutes of Nevada 2013, become effective on January 1, 2017,
45 if the question placed on the ballot at the general election on November 8, 2016,
46 pursuant to section 17 of this act is approved by a majority of the registered voters
47 in any county in this State voting on the question.

48 **Sec. 20.** 1. This section and sections 2 and 16 to 19, inclusive, of this act
49 become effective upon passage and approval.

50 2. Sections 1, 4, 7, 9 and 12 of this act become effective on November 9,
51 2016, if the question placed on the ballot at the general election on November 8,
52 2016, pursuant to NRS 373.0663, as amended by section 2 of this act, is approved
53 by a majority of the registered voters in Clark County voting on the question.

1 3. Sections 3, 4.5, 6, 7.5, 9.5, 11, 12.5, 14 and 14.5 of this act become
2 effective on January 1, 2017, if:

3 (a) The question placed on the ballot at the general election on November 8,
4 2016, pursuant to NRS 373.0663, as amended by section 2 of this act, is not
5 approved by a majority of the registered voters in Clark County voting on the
6 question; and

7 (b) The question placed on the ballot at the general election on November 8,
8 2016, pursuant to section 17 of this act is approved by a majority of the registered
9 voters in any county in this State voting on the question.

10 4. Sections 3, 5, 6, 8, 10, 11, 13, 14 and 15 of this act become effective on
11 January 1, 2017, if:

12 (a) The question placed on the ballot at the general election on November 8,
13 2016, pursuant to NRS 373.0663, as amended by section 2 of this act, is approved
14 by a majority of the registered voters in Clark County voting on the question; and

15 (b) The question placed on the ballot at the general election on November 8,
16 2016, pursuant to section 17 of this act is approved by a majority of the registered
17 voters in any county in this State voting on the question.

TEXT OF REPEALED SECTIONS

373.0665 Additional taxes in all counties: Impositions; rates and annual increases; money received credited to State Highway Fund.

1. In addition to any other tax imposed pursuant to chapter 365 or 366 of NRS:

(a) There is hereby imposed:

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

(2) Except as otherwise provided in subsection 3, an annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in the amount determined by adding 18.455 cents per gallon to the amount of the tax imposed pursuant to subparagraph (1) during the immediately preceding fiscal year, then multiplying that sum by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which the increase becomes effective.

(b) There is hereby imposed:

(1) An excise tax on each gallon of special fuel that consists of an emulsion of water-phased hydrocarbon fuel sold in this State in an amount equal to the product obtained by multiplying 19 cents per gallon by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which this section becomes effective; and

(2) Except as otherwise provided in subsection 3, an annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in the amount determined by adding 19 cents per gallon to the amount of the tax imposed pursuant to subparagraph (1) during the immediately preceding fiscal year, then multiplying that sum by the lesser of the applicable percentage or the adjusted average highway

and street construction inflation index for the fiscal year in which the increase becomes effective.

(c) There is hereby imposed:

(1) An excise tax on each gallon of special fuel that consists of liquefied petroleum gas sold in this State in an amount equal to the product obtained by multiplying 22 cents per gallon by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which this section becomes effective; and

(2) Except as otherwise provided in subsection 3, an annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in the amount determined by adding 22 cents per gallon to the amount of the tax imposed pursuant to subparagraph (1) during the immediately preceding fiscal year, then multiplying that sum by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which the increase becomes effective.

(d) There is hereby imposed:

(1) An excise tax on each gallon of special fuel that consists of compressed natural gas sold in this State in an amount equal to the product obtained by multiplying 21 cents per gallon by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which this section becomes effective; and

(2) Except as otherwise provided in subsection 3, an annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in the amount determined by adding 21 cents per gallon to the amount of the tax imposed pursuant to subparagraph (1) during the immediately preceding fiscal year, then multiplying that sum by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which the increase becomes effective.

(e) There is hereby imposed:

(1) An excise tax on each gallon of special fuel sold in this State, other than any special fuel described in paragraph (b), (c) or (d), in an amount equal to the product obtained by multiplying 27.75 cents per gallon by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which this section becomes effective; and

(2) Except as otherwise provided in subsection 3, an annual increase in the tax imposed pursuant to subparagraph (1), on the first day of each fiscal year following the fiscal year in which that tax becomes effective, in the amount determined by adding 27.75 cents per gallon to the amount of the tax imposed pursuant to subparagraph (1) during the immediately preceding fiscal year, then multiplying that sum by the lesser of the applicable percentage or the adjusted average highway and street construction inflation index for the fiscal year in which the increase becomes effective.

2. The applicable percentage for the taxes imposed pursuant to this section must be the same percentage for each tax imposed pursuant to this section. Except as otherwise provided in subsection 3, the Legislature may amend the applicable percentage from time to time, but any such amendment must not become effective earlier than 90 days after the date of the action by the Legislature amending the applicable percentage. Except as otherwise provided in NRS 373.165, the applicable percentage must not be amended to reduce the applicable percentage at any time that bonds are outstanding which are secured by the taxes imposed pursuant to this section.

3. For the period:

(a) Beginning on January 1, 2017, and ending on December 31, 2026, no further action by the Legislature is necessary to effectuate the annual increases in the taxes imposed by this section.

(b) Beginning on January 1, 2027, the annual increases in the taxes imposed by this section must not be effectuated unless a question is placed on the ballot at the general election on November 3, 2026, which asks the voters in this State whether to authorize the Legislature to impose, for the period beginning on January 1, 2027, the increases authorized by this section in the taxes imposed by this section and the question is approved by a majority of the registered voters in this State voting on the question. If the question is approved by a majority of such voters, no further action by the Legislature is necessary to effectuate the annual increases in the taxes imposed by this section. If the question is not approved by a majority of such voters, the Legislature shall not impose any additional annual increases in the taxes imposed by this section after November 3, 2026, but any annual increases in the taxes imposed by this section in effect on or before November 3, 2026, are not affected, amended, reduced or eliminated and must be continued for any period during which bonds are outstanding that are secured by the taxes imposed by this section.

4. All money received from the taxes imposed pursuant to this section must be deposited with the State Treasurer to the credit of the State Highway Fund.

5. As used in this section:

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

(1) For the fiscal year in which this section becomes effective, the percentage obtained by adding the average highway and street construction inflation index for that fiscal year to:

(I) If the average highway and street construction inflation index for the immediately preceding fiscal year is greater than the applicable percentage, the remainder obtained by subtracting the applicable percentage from the average highway and street construction inflation index for the immediately preceding fiscal year; or

(II) If the average highway and street construction inflation index for the immediately preceding fiscal year is less than or equal to the applicable percentage, zero; and

(2) For each fiscal year following the fiscal year in which this section becomes effective, the percentage obtained by adding the average highway and street construction inflation index for that fiscal year to:

(I) If the adjusted average highway and street construction inflation index for the immediately preceding fiscal year is greater than the applicable percentage, the remainder obtained by subtracting the applicable percentage from the adjusted average highway and street construction inflation index for the immediately preceding fiscal year; or

(II) If the adjusted average highway and street construction inflation index for the immediately preceding fiscal year is less than or equal to the applicable percentage, zero.

(b) “Applicable percentage” means the lesser of 7.8 percent or the percentage specified by the Legislature in any act amending the applicable percentage of a tax imposed pursuant to this section.

(c) “Average highway and street construction inflation index” means for a fiscal year the average percentage increase in the highway and street construction inflation index for the 10 calendar years immediately preceding the beginning of that fiscal year.

(d) “Highway and street construction inflation index” means:

(1) The Producer Price Index for Highway and Street Construction until that index ceased to be published; and

(2) The Producer Price Index for Other Nonresidential Construction thereafter or, if that index ceases to be published by the United States Department of Labor, the published index that most closely measures inflation in the costs of highway and street construction, as determined by the Legislature.

(e) "Special fuel" has the meaning ascribed to it in NRS 366.060.

373.165 Pledge of continuing increases in taxes imposed pursuant to NRS 373.0665.

1. Except as otherwise provided in subsection 2, any continuing increases in any taxes imposed pursuant to NRS 373.0665 must not be pledged beyond June 30 of the fiscal year that is 5 full fiscal years after bonds or other obligations which are secured by the taxes imposed pursuant to NRS 373.0665 are issued or incurred, but the taxes imposed pursuant to NRS 373.0665 that are in effect on that June 30 must continue to be pledged to those bonds or other obligations until they are paid in full.

2. At any time after bonds are issued or other obligations incurred with a pledge of the taxes imposed pursuant to NRS 373.0665, the Legislature may, except as otherwise provided in paragraph (b) of subsection 3 of NRS 373.0665:

(a) Continue the pledge of the increase in taxes imposed pursuant to NRS 373.0665 beyond June 30 of the fiscal year that is 5 full fiscal years after bonds or other obligations secured by the taxes imposed pursuant to NRS 373.0665 are issued or incurred, but not beyond June 30 of the fiscal year that is 5 full fiscal years after the action by the Legislature authorized by this paragraph. The process set forth in this paragraph may be repeated until all bonds or other obligations secured by the taxes imposed pursuant to NRS 373.0665 have been paid in full.

(b) Specify a different applicable percentage, including an applicable percentage of zero, but:

(1) The applicable percentage must not exceed 7.8 percent;

(2) The applicable percentage must not be reduced with respect to any fiscal year preceding the fiscal year following the effective date of any action of the Legislature authorized by this subsection; and

(3) The effective date of any action by the Legislature reducing the applicable percentage must not be sooner than the later of:

(I) June 30 of the fiscal year that is 5 full fiscal years after bonds or other obligations secured by the taxes imposed pursuant to NRS 373.0665 are issued or incurred; or

(II) June 30 of the fiscal year that is 5 full fiscal years after the date of any action by the Legislature authorized by paragraph (a).

3. As used in this section, "applicable percentage" has the meaning ascribed to it in paragraph (b) of subsection 5 of NRS 373.0665.