



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** May 21, 2020

Staff Contact: Nancy Paulson, City Manager

Agenda Title: For Possible Action: Discussion and possible action regarding a Business Impact Statement concerning a proposed ordinance amending Title 21 of the Carson City Municipal Code to impose a 5 cent per gallon diesel tax. (Lucia Maloney, LMaloney@carson.org; Darren Schulz, Dschulz@carson.org)

Staff Summary: NRS 237.080 requires that Carson City prepare a Business Impact Statement when a new ordinance is proposed. The proposed ordinance, if adopted, will impose a 5 cent per gallon tax on diesel fuel sold in Carson City and will expire by its terms on December 31, 2022, unless a majority of registered voters vote at a general election to continue the diesel tax. The tax was authorized by the Nevada Legislature in 2019.

Agenda Action: Formal Action / Motion **Time Requested:** 10 minutes

Proposed Motion

I move to accept the Business Impact Statement as presented.

Board's Strategic Goal

Economic Development

Previous Action

None

Background/Issues & Analysis

In 2019, the Nevada Legislature adopted Senate Bill 48 (2019) (SB 48), which was codified as NRS 373.062 and authorizes rural Nevada counties to implement a 1 to 5 cent per gallon diesel tax. The tax could generate approximately \$400,000 in revenue if implemented in Carson City. The tax may be imposed by an ordinance adopted by a two-thirds majority of the Board of Supervisors, or by a majority of the registered voters in the county who vote on a ballot question concerning the imposition of the tax.

On November 7, 2019, the Carson City Board of Supervisors directed Carson City staff to develop an ordinance imposing a 5 cent per gallon tax on diesel fuel sold in Carson City consistent with the Board of Supervisors' direction, staff developed a proposed draft ordinance imposing the tax until December 31, 2022, unless voters approve a ballot initiative before that date to continue the diesel tax.

Under NRS 237.080, before adopting the ordinance, Carson City must make a concerted effort to determine whether the proposed ordinance will impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business. In order to meet these requirements, on April 21, 2020, City staff issued a Notice to Business Owners regarding development of an ordinance imposing a 5 cent per gallon tax on diesel fuel sold in Carson City. The Notice to Business Owners, proposed Ordinance, and SB 48 were provided to the Carson City Chamber of Commerce, the Downtown Neighborhood

Improvement District, the Northern Nevada Development Authority, the Nevada Trucking Association, and the Nevada Petroleum Marketers Association. The letter requested that any data or arguments as to whether the proposed rule will impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business be provided to Carson City by May 12, 2020. The City has received no comments to date which expresses concern generally with regard to the ordinance.

Because an ordinance is being adopted to amend Carson City Municipal Code Chapter 21.05, NRS Chapter 237 requires Carson City to prepare a Business Impact Statement. As further discussed in the Business Impact Statement, there is little impact to local businesses with diesel-fueled vehicles, and no impact to businesses without diesel-fueled vehicles.

A copy of the Business Impact Statement, along with the appeal petition form, is available at the public counter of the Public Works Department, 3505 Butti Way, Carson City, Nevada. A copy of the appeal petition form can also be obtained at the Carson City Clerk-Recorder's office.

Applicable Statute, Code, Policy, Rule or Regulation

NRS Chapter 237 (Business Impact Statements)

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Regional Transportation Fund / 250

Is it currently budgeted? No

Explanation of Fiscal Impact: It is estimated that the Carson City Regional Transportation Fund would collect an additional \$400,000 annually if the proposed ordinance is adopted.

Alternatives

1. Make the finding that the proposed ordinance does impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business.
2. Decline to make a finding and provide alternative direction to staff.

Attachments:

[SB48Diesel_BISFullPacket_All.pdf](#)

[Diesel Fuel Business Impact Statement.pdf](#)

Board Action Taken:

Motion: _____

1) _____
2) _____

Aye/Nay

(Vote Recorded By)



CARSON CITY NEVADA

Consolidated Municipality and State Capital

PUBLIC WORKS

April 21, 2020

Dear Carson City Chamber of Commerce:

Subject: Notice to Business Owner
 Five cent tax on Diesel Fuel under NRS 373.062

On November 7, 2019, the Carson City Board of Supervisors directed Carson City staff to develop an ordinance imposing a 5 cent tax on diesel fuel sold in Carson City. Consistent with the Board of Supervisors' directive, the attached proposed draft ordinance imposes the tax until December 31, 2022, unless voters approving a ballot initiative before that date to continuing the diesel tax. The ordinance will be introduced, on first reading, to the Board of Supervisors on May 21, 2020. Please be aware, however, that the ordinance may be further revised before introduction to the Board of Supervisors.

Under NRS 237.080, before adopting the ordinance Carson City must make a concerted effort to determine whether the proposed ordinance will impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business. Accordingly, please review the attached draft ordinance and submit to the City any data or arguments you may have as to whether the diesel tax and the proposed ordinance will impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. Also attached for your review is SB 48 (2019), which authorized the imposition of the diesel tax.

Please provide any data or arguments to the City by May 12, 2020, by email to lmaloney@carson.org or by mail or delivery to the Carson City Public Works Department, 3505 Butti Way, Carson City, Nevada 89701.

Should you have any questions, please feel free to contact me directly at (775) 283-7396. Thank you for your attention to this matter.

Sincerely,

Lucia Maloney
 Transportation Manager
 Carson City Public Works



CARSON CITY NEVADA

Consolidated Municipality and State Capital

PUBLIC WORKS

April 21, 2020

Dear Carson City Downtown Neighborhood Improvement District:

Subject: Notice to Business Owner
 Five cent tax on Diesel Fuel under NRS 373.062

On November 7, 2019, the Carson City Board of Supervisors directed Carson City staff to develop an ordinance imposing a 5 cent tax on diesel fuel sold in Carson City. Consistent with the Board of Supervisors' directive, the attached proposed draft ordinance imposes the tax until December 31, 2022, unless voters approving a ballot initiative before that date to continuing the diesel tax. The ordinance will be introduced, on first reading, to the Board of Supervisors on May 21, 2020. Please be aware, however, that the ordinance may be further revised before introduction to the Board of Supervisors.

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Please provide any data or arguments to the City by May 12, 2020, by email to Imaloneyn@carson.org or by mail or delivery to the Carson City Public Works Department, 3505 Butti Way, Carson City, Nevada 89701.

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Sincerely,

Lucia Maloney
 Transportation Manager
 Carson City Public Works



CARSON CITY NEVADA

Consolidated Municipality and State Capital

PUBLIC WORKS

April 21, 2020

Dear Northern Nevada Development Authority:

Subject: Notice to Business Owner
 Five cent tax on Diesel Fuel under NRS 373.062

On November 7, 2019, the Carson City Board of Supervisors directed Carson City staff to develop an ordinance imposing a 5 cent tax on diesel fuel sold in Carson City. Consistent with the Board of Supervisors' directive, the attached proposed draft ordinance imposes the tax until December 31, 2022, unless voters approving a ballot initiative before that date to continuing the diesel tax. The ordinance will be introduced, on first reading, to the Board of Supervisors on May 21, 2020. Please be aware, however, that the ordinance may be further revised before introduction to the Board of Supervisors.

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Sincerely,

Lucia Maloney
 Transportation Manager
 Carson City Public Works



CARSON CITY NEVADA

Consolidated Municipality and State Capital

PUBLIC WORKS

April 21, 2020

Dear Nevada Trucking Association:

Subject: Notice to Business Owner
 Five cent tax on Diesel Fuel under NRS 373.062

On November 7, 2019, the Carson City Board of Supervisors directed Carson City staff to develop an ordinance imposing a 5 cent tax on diesel fuel sold in Carson City. Consistent with the Board of Supervisors' directive, the attached proposed draft ordinance imposes the tax until December 31, 2022, unless voters approving a ballot initiative before that date to continuing the diesel tax. The ordinance will be introduced, on first reading, to the Board of Supervisors on May 21, 2020. Please be aware, however, that the ordinance may be further revised before introduction to the Board of Supervisors.

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Should you have any questions, please feel free to contact me directly at (775) 283-7396. Thank you for your attention to this matter.

Sincerely,

Lucia Maloney
 Transportation Manager
 Carson City Public Works



CARSON CITY NEVADA

Consolidated Municipality and State Capital

PUBLIC WORKS

April 21, 2020

Dear Nevada Petroleum Marketers Association:

Subject: Notice to Business Owner
 Five cent tax on Diesel Fuel under NRS 373.062

On November 7, 2019, the Carson City Board of Supervisors directed Carson City staff to develop an ordinance imposing a 5 cent tax on diesel fuel sold in Carson City. Consistent with the Board of Supervisors' directive, the attached proposed draft ordinance imposes the tax until December 31, 2022, unless voters approving a ballot initiative before that date to continuing the diesel tax. The ordinance will be introduced, on first reading, to the Board of Supervisors on May 21, 2020. Please be aware, however, that the ordinance may be further revised before introduction to the Board of Supervisors.

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Sincerely,

Lucia Maloney
 Transportation Manager
 Carson City Public Works

SUMMARY: An ordinance imposing a tax on diesel fuel sold in Carson City.

BILL NO. ____

ORDINANCE NO. 2020-____

AN ORDINANCE RELATING TO TAXATION; AMENDING TITLE 21 (TAXATION), CHAPTER 21.05 (PUBLIC ROAD REPAIR AND RESTORATION (MOTOR VEHICLE FUEL EXCISE) TAX) OF THE CARSON CITY MUNICIPAL CODE TO IMPOSE A TAX ON DIESEL FUEL; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

The Board of Supervisors of Carson City do ordain:

SECTION I:

That Title 21 (TAXATION), Chapter 21.05 (PUBLIC ROAD REPAIR AND RESTORATION (MOTOR VEHICLE FUEL EXCISE) TAX) is hereby amended (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

Chapter 21.05 - PUBLIC ROAD REPAIR AND RESTORATION ~~{MOTOR VEHICLE FUEL EXCISE}~~ TAX

SECTION II:

That Title 21 (TAXATION), Chapter 21.05 (PUBLIC ROAD REPAIR AND RESTORATION (MOTOR VEHICLE FUEL EXCISE) TAX), is hereby amended (**bold, underlined text** is added) by adding thereto a new section as follows:

21.05.020 – Imposition of excise tax on diesel fuel. [Expires by limitation on December 31, 2022, unless at a general election before December 31, 2022, the majority of the registered voters of Carson City vote upon a question on a ballot to continue the imposition of the tax.]

1. Pursuant to NRS 373.062, there is hereby imposed an excise tax of 5 cents per gallon on diesel fuel sold in Carson City.

2. The receipts of the excise tax imposed by subsection 1, as apportioned to Carson City, must be deposited in the Carson City Regional Transportation Fund, or an equivalent successor fund, for the sole purpose of construction, maintenance, or repair of public highways, roads, streets and alleys, other than those maintained by the federal government and State of Nevada.

3. An amendment to a provision of chapter 366 of NRS that becomes effective on or after the effective date of this section, relates to the tax imposed by subsection 1 and does not conflict with any provision of chapter 373 of NRS is

deemed to be incorporated by reference to this chapter on the effective date of any such amendment.

SECTION III:

That no other provisions of Title 21 of the Carson City Municipal Code are affected by this ordinance.

SECTION IV:

The contract made under NRS 373.070(1)(d) between Carson City and the State of Nevada, by and through the Nevada Department of Motor Vehicles (DMV), for the DMV to perform all functions incident to the administration or operation of the fuel tax ordinance shall be amended before the effective date below to include the diesel fuel tax imposed by this ordinance, unless the Board of Supervisors, with the written concurrence of the Carson City Regional Transportation Commission, determines that no amendment of the contract is necessary or desirable.

SECTION V:

This ordinance:

1. Becomes effective:

(a) Upon adoption and required publication for the purpose of performing any preparatory administrative tasks to carry out the provisions of this ordinance; and
(b) On August 1, 2020, for all other purposes.

2. Expires by limitation on December 31, 2022, unless at a general election before December 31, 2022, the majority of the registered voters of Carson City vote upon a question on a ballot to continue the imposition of the tax described in Section II of this ordinance.

PROPOSED on _____, 2020.

PROPOSED by Supervisor _____.

PASSED on _____, 2020.

VOTE: AYES: SUPERVISORS: _____

NAYS: _____

SUPERVISORS: _____

ABSENT: _____

SUPERVISORS: _____

Robert Crowell, Mayor

ATTEST:

AUBREY ROWLATT, Clerk-Recorder

Senate Bill No. 48—Committee on Revenue
and Economic Development

CHAPTER.....

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

Legislative Counsel's Digest:

Existing law authorizes counties to impose taxes on motor vehicle fuel. (Chapter 373 of NRS) Under existing law, the board of county commissioners of a county whose population is 100,000 or more (currently Clark and Washoe Counties) is authorized, under certain circumstances, to impose county taxes on motor vehicle fuel and various special fuels used in motor vehicles. (NRS 373.030, 373.066, 373.0663) However, the board of county commissioners of a county whose population is less than 100,000 (currently all counties other than Clark and Washoe Counties) is authorized to impose county taxes on motor vehicle fuel and is not authorized to impose county taxes on special fuel. (NRS 373.030, 373.065) **Section 3** of this bill authorizes the board of county commissioners of a county whose population is less than 100,000 to impose a tax on special fuel that consists of diesel fuel sold in the county in an amount not to exceed 5 cents per gallon. Under **section 3**, an ordinance imposing such a tax must be adopted by a two-thirds majority of the board of county commissioners or by a majority of the registered voters in the county who vote on a question concerning the imposition of the tax which is submitted to the voters at a general election. In addition, under **section 3**, if the tax is imposed in a county, certain sales or uses of diesel fuel which are exempt from the taxes imposed on diesel fuel under existing law, including, without limitation, sales or uses of diesel fuel to which dye has been added in accordance with existing federal and state law, are exempt from the tax imposed pursuant to **section 3**. **Sections 9-14** of this bill provide a tax imposed pursuant to **section 3** would be administered, allocated, disbursed and used in the same manner as the existing county tax imposed on motor vehicle fuel.

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

The Department of Motor Vehicles is a party to the International Fuel Tax Agreement, a multistate agreement which facilitates the calculation and collection of certain fuel taxes from interstate trucking companies and others who use special



fuel (primarily diesel fuel) in vehicles operated or intended to operate interstate. (NRS 366.175) Existing law: (1) authorizes certain special fuel users to file with the Department a request for reimbursement of amounts owed to the special fuel user as a result of the Department's entering into the International Fuel Tax Agreement and the imposition of a tax on special fuels consumed outside this State; and (2) requires the Department to adopt regulations establishing a system to provide for the reimbursement of a person who files such a request. (NRS 373.083) **Section 7** of this bill authorizes a person who pays a tax imposed pursuant to **section 3** in a county in which the total number of gallons of diesel fuel sold in the county in the immediately preceding fiscal year is 10,000,000 gallons or more to file such a request and obtain from the Department a reimbursement of the tax on diesel fuel which is consumed outside this State. **Section 8** of this bill makes a conforming change related to such reimbursements.

Under existing regulations, for the purpose of paying reimbursements to special fuel users who file requests for reimbursement with the Department, the Department establishes a trust account for a county for which reimbursements are paid and deposits 20 percent of the amount of taxes collected for the county in that trust account. Money in the trust account of a county must be used to pay requests for reimbursement of the tax imposed in the county which are approved by the Department, and any money remaining in the trust account after the payment of such reimbursements, including all accrued interest, must be distributed to the county for which the trust account was created. (NAC 373.160) **Section 7** requires the Department to use this system to reimburse a person who pays a tax imposed pursuant to **section 3** in a county in which the total number of gallons of diesel fuel sold in the county in the immediately preceding fiscal year is 10,000,000 gallons or more. **Section 7** also provides that under certain circumstances, a portion of the money in the trust account for such a county may be distributed to the Department of Transportation for use to construct, maintain or repair, or any combination thereof, highway truck parking, as defined in **section 2**, in the county. **Section 6** of this bill makes a conforming change.

Existing law requires the regional transportation commission in a county whose population is less than 100,000 to submit an annual report to the Department of Motor Vehicles showing for the fiscal year the amount of receipts from county motor vehicle fuel taxes and the nature of the expenditures for each project. (NRS 277A.360) **Section 15** of this bill requires this annual report to show the amount of receipts from any tax imposed pursuant to **section 3**.

Section 16 of this bill provides that the authority to impose any tax pursuant to **section 3** and the other provisions of this bill becomes effective on July 1, 2019. However under **section 3**, an ordinance imposing the tax authorized by that section may not become effective earlier than January 1, 2020.

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

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

Section 1. Chapter 373 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.5, 2 and 3 of this act.

Sec. 1.5. *"Diesel fuel" means any petroleum-based fuel meeting the ASTM D975 standards. The term includes, without*



limitation, diesel, biodiesel, as defined in NRS 366.022, biodiesel blend, as defined in NRS 366.023, biomass-based diesel, as defined in NRS 366.0235, biomass-based diesel blend, as defined in NRS 366.024, and kerosene blended with diesel.

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

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

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

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

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

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

4. If an ordinance adopted pursuant to this section imposes the tax in an amount that is less than 5 cents per gallon, any increase in the amount of the tax must be approved in the manner set forth in subsection 2. Any such increase must not cause the amount of the tax authorized by this section to exceed 5 cents per gallon.

5. Except as otherwise provided in this subsection, any ordinance enacted pursuant to this section must provide that the tax authorized by this section, or any change in the amount of the



tax, will become effective on the first day of the second calendar month following enactment of the ordinance imposing, or changing the amount of, the tax. An ordinance adopted pursuant to this section to impose the tax authorized by this section may not become effective earlier than January 1, 2020.

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

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

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

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

373.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 373.0205 to 373.029, inclusive, **and sections 1.5 and 2 of this act** have the meanings ascribed to them in those sections.

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

373.028 “Project” means:

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

2. In a county whose population is less than 100,000, street and highway construction, maintenance or repair, or any combination thereof, including, without limitation, the acquisition, maintenance, repair and improvement of **highway truck parking or** any street, avenue, boulevard, alley, highway or other public right-of-way used for any vehicular traffic, and including a sidewalk designed



primarily for use by pedestrians, and also, including, without limitation, grades, regrades, gravel, oiling, surfacing, macadamizing, paving, crosswalks, sidewalks, pedestrian rights-of-way, driveway approaches, curb cuts, curbs, gutters, culverts, catch basins, drains, sewers, manholes, inlets, outlets, retaining walls, bridges, overpasses, tunnels, underpasses, approaches, sprinkling facilities, artificial lights and lighting equipment, parkways, grade separators, traffic separators, and traffic control equipment, and all appurtenances and incidentals, or any combination thereof, including, without limitation, the acquisition, maintenance, repair and improvement of all types of property therefor.

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

373.080 ~~FAH~~ **Except as otherwise provided in NRS 373.083, all** fuel taxes collected during any month by the Department pursuant to a contract with a county must be transmitted each month by the Department to the county and the Department shall, in accordance with the terms of the contract, charge the county for the Department's services specified in this section and in NRS 373.070, except that in the case of a fuel tax imposed pursuant to NRS 373.065, 373.066 ~~for~~, 373.0663 ~~H~~ or section 3 of this act, the charge must not exceed 1 percent of the tax collected by the Department.

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

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

(a) *Special* fuels pursuant to NRS 373.066 or 373.0663 ~~may~~ ; or

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

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

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



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

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

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

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

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

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

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

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

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



5. For each county in which a tax is imposed pursuant to section 3 of this act and in which the total number of gallons of diesel fuel sold in the county during the immediately preceding fiscal year, as determined by the Department, is 10,000,000 gallons or more, the Department shall use the system established by the regulations adopted pursuant to subsection 2 to pay requests for reimbursement of the tax imposed in the county pursuant to section 3 of this act which are filed with the Department pursuant to paragraph (b) of subsection 1. The Department shall, at the end of each fiscal year, distribute the remaining balance of any money retained by the Department to pay requests for reimbursement of the tax imposed in a county described in this subsection which are filed with the Department pursuant to paragraph (b) of subsection 1 and are approved by the Department, including the amount of any accrued interest, to the county and provide the county with an accounting of the total amount of the tax imposed pursuant to section 3 of this act which was collected for the county during the fiscal year, the amount of money retained by the Department to pay requests for reimbursement filed with the Department pursuant to paragraph (b) of subsection 1, the amount of interest accrued on such money retained by the Department and the amount of reimbursements of the tax paid. Using the accounting provided by the Department, the county shall, within 45 days after receiving the accounting and the distribution of money from the Department:

(a) Deposit in the regional street and highway fund in the county treasury an amount equal to:

(1) Fifty percent of the total amount of money retained by the Department to pay requests for reimbursement filed with the Department pursuant to paragraph (b) of subsection 1 during the fiscal year, plus any accrued interest; or

(2) The entire amount of money distributed to the county pursuant to this paragraph, if that amount is less than 50 percent of the total amount of money retained by the Department to pay requests for reimbursement filed with the Department pursuant to paragraph (b) of subsection 1 during the fiscal year.

(b) Transmit to the Department of Transportation the remaining amount of the distribution received from the Department of Motor Vehicles after making the deposit required by paragraph (a), which amount must be used by the Department of Transportation only to construct, maintain or repair, or any combination thereof, highway truck parking in the county.



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

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

373.087 1. The Local Fuel Tax ~~Indexing~~ Fund is hereby created as an enterprise fund. The Department shall deposit in the Fund all fees collected by the Department pursuant to subsection 3 of NRS 373.083. The Director of the Department shall administer the Fund.

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

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

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

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

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

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

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

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

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

373.110 All the net proceeds of any county fuel tax:

1. Imposed pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 *or section 3 of this act* which are received by the county pursuant to NRS 373.080 must, except as otherwise provided in NRS 373.0675 and 373.119, be deposited by the county treasurer in a fund to be known as the regional street and highway fund in the county treasury, and disbursed only in accordance with the provisions of this chapter and chapter 277A of NRS. After July 1, 1975, the regional street and highway fund must be accounted for as a separate fund and not as a part of any other fund.

2. Imposed pursuant to the provisions of paragraph (a), (b) or (c) of subsection 1 of NRS 373.065, paragraph (a), (b) or (c) of



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

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

373.119 1. Except to the extent pledged before July 1, 1985, and except as otherwise provided in NRS 373.0675, the board may use that portion of the revenue collected pursuant to the provisions of this chapter from any taxes imposed pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 *or section 3 of this act* that represents collections from the sale of fuel for use in boats at marinas in the county to make capital improvements or to conduct programs to encourage safety in boating. If the county does not control a body of water, where an improvement or program is appropriate, the board may contract with an appropriate person or governmental organization for the improvement or program.

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

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

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

2. The faith of the State of Nevada is hereby pledged that this chapter, NRS 365.180 to 365.200, inclusive, and 365.562, and any law supplemental thereto, including without limitation, provisions for the distribution to any county designated in NRS 373.030, 373.065, 373.066 or 373.0663, *or section 3 of this act*, of the proceeds of the fuel taxes collected thereunder will not be repealed, amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding bonds issued under this chapter or other obligations incurred under this chapter, until all



obligations for which any such tax proceeds have been pledged or otherwise made payable from such tax proceeds pursuant to this chapter have been discharged in full, but the State of Nevada may at any time provide by act that no further obligations may be incurred thereafter.

3. Except as otherwise provided in subsection 4, any continuing increases in any taxes imposed pursuant to NRS 373.0663 must not be pledged 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 373.0663 are issued or incurred, but the taxes imposed pursuant to NRS 373.0663 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.

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

(a) Continue the pledge of the increase in taxes imposed pursuant to NRS 373.0663 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 373.0663 are issued or incurred, but not beyond June 30 of the fiscal year that is 5 full fiscal years after the adoption of the ordinance pursuant to 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 373.0663 have been paid in full.

(b) Amend the ordinance imposing the tax to 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 an ordinance adopted pursuant to this subsection; and

(3) The effective date of any ordinance 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 373.0663 are issued or incurred; or

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



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

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

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

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

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

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

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



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

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

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

6. Except for:

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

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

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

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

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

→ all bonds and other securities issued pursuant to the provisions of this chapter must be payable solely from the proceeds of fuel taxes collected by or remitted to the county pursuant to chapter 365 of NRS, as supplemented by this chapter. Receipts of the taxes levied in NRS 365.180 and 365.190 and pursuant to the provisions of paragraphs (a) and (b) of subsection 1 of NRS 373.065, paragraphs (a) and (b) of subsection 1 of NRS 373.066 and paragraphs (a) and (b) of subsection 1 of NRS 373.0663 may be used by the county for the payment of securities issued pursuant to the provisions of this chapter and may be pledged therefor. Such taxes may also be used by a commission in a county whose population is 100,000 or more for the payment of bonds or other securities issued pursuant to the provisions of this chapter and may be pledged therefor if the board



of the county consents to such use. If during any period any securities payable from these tax proceeds are outstanding, the tax receipts must not be used directly for the construction, maintenance and repair of any streets, roads or other highways nor for any purchase of equipment therefor, and the receipts of the tax levied in NRS 365.190 must not be apportioned pursuant to subsection 2 of NRS 365.560 unless, at any time the tax receipts are so apportioned, provision has been made in a timely manner for the payment of such outstanding securities as to the principal of, any prior redemption premiums due in connection with, and the interest on the securities as they become due, as provided in the securities, the ordinance, in the case of securities issued by a county, or the resolution, in the case of securities issued by a commission, authorizing their issuance and any other instrument appertaining to the securities.

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

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

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

373.140 1. After the enactment of ordinances as authorized in NRS 277A.170 and 373.030 ~~1.~~ **and section 3 of this act**, all street and highway construction, surfacing or resurfacing projects in the county which are proposed to be financed from any county fuel tax imposed pursuant to the provisions of NRS 373.030, paragraph (d)



of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 or paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 *or section 3 of this act* must first be submitted to the commission.

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

- (a) The priorities established by the plan;
- (b) The relation of the proposed work to other projects already constructed or authorized;
- (c) The relative need for the project in comparison with others proposed; and
- (d) The money available.

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

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



governmental entity represented on the commission ratifies the written master agreement.

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

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

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

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

(d) The availability of money.

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

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

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

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

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



2. If the board or, in the case of bonds or other securities issued by a commission, the commission, determines in any ordinance or resolution authorizing the issuance of any bonds or other securities under this chapter that the proceeds of the taxes levied and collected pursuant to the provisions of NRS 373.030, paragraph (d) of subsection 1 of NRS 373.065, paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.066 and paragraphs (d) to (m), inclusive, of subsection 1 of NRS 373.0663 *or section 3 of this act* are sufficient to pay all bonds and securities, including the proposed issue, from the proceeds thereof, the board or, in the case of bonds or other securities issued by a commission, the commission with the consent of the board as provided in subsection 6 of NRS 373.131, may additionally secure the payment of any bonds or other securities issued pursuant to the ordinance or resolution under this chapter by a pledge of and the creation of a lien upon not only the proceeds of any fuel tax authorized at the time of the issuance of such securities to be used for such payment in subsection 6 of NRS 373.131, but also the proceeds of any such tax thereafter authorized to be used or pledged, or used and pledged, for the payment of such securities, whether such tax be levied or collected by the county, the State of Nevada, or otherwise, or be levied in at least an equivalent value in lieu of any such tax existing at the time of the issuance of such securities or be levied in supplementation thereof.

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

Sec. 15. NRS 277A.360 is hereby amended to read as follows:

277A.360 In counties having a population of less than 100,000, the commission shall submit an annual report to the Department for the fiscal year showing the amount of receipts from the county ~~motor vehicle~~ fuel ~~tax~~ taxes imposed pursuant to chapter 373 of NRS and the nature of the expenditures for each project.

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





BUSINESS IMPACT STATEMENT

This Business Impact Statement was prepared in accordance with the provisions of NRS (Nevada Revised Statutes) 237.030 to 237.150, inclusive, as a statutory prerequisite to the adoption of any rule***, as that term is defined in NRS 237.060, by the Carson City Board of Supervisors.

*** A "rule" may include an ordinance, or an action taken by the Board, that imposes, increases or changes the basis for the calculation of a fee which is paid in whole or in substantial part by businesses. A "rule" **does not** include actions that impose, increase or change the basis for the calculation of: (1) special assessments imposed pursuant to NRS chapter 271; (2) impact fees imposed pursuant to NRS chapter 278B; (3) fees for remediation imposed pursuant to NRS chapter 540A; (4) taxes ad valorem; (5) sales and use taxes; or (6) a fee that has been negotiated pursuant to a contract between a business and Carson City. A "rule" also **does not** include: an action taken by the Board that approves, amends or augments the annual budget of Carson City; an ordinance adopted by the Board pursuant to a provision of NRS chapter 271, 271A, 278, 278A, 278B or 350; an ordinance adopted or action taken by the Board that authorizes or relates to the issuance of bonds or other evidence of debt of Carson City; or any rule for which Carson City does not have the authority to consider less stringent alternatives, including, for example, a rule that Carson City is required to adopt pursuant to a federal or state statute or regulation or to a contract into which Carson City has entered.

ORDINANCE OR ACTION PROPOSED FOR ADOPTION

Chapter 21.05 Motor Vehicle Fuel Excise Tax on Diesel Fuel

1. *The manner in which notice was provided to the applicable trade associations and officers of businesses likely to be affected by the proposed ordinance or action, and a summary of any data, arguments or comments received from those recipients:*

a. Notice

On November 7, 2019, the Carson City Board of Supervisors directed Carson City staff to develop an ordinance imposing a 5 cent tax on diesel fuel sold in Carson City. Consistent with the Board of Supervisors' directive, staff prepared a proposed draft ordinance imposing the tax until December 31, 2022, unless voters approve a ballot initiative before that date to continue the diesel tax.

In order to meet the requirements of NRS 237.080, on April 21, 2020, City staff issued a Notice to Business Owners regarding development of an ordinance imposing a 5 cent per gallon tax on diesel fuel sold in Carson City. The Notice to Business Owners, proposed Ordinance, and Senate Bill No. 48 were provided to the Carson City Chamber of Commerce, the Downtown Neighborhood Improvement District, the Northern Nevada Development Authority, the Nevada Trucking Association, and the Nevada Petroleum Marketers Association. The letter requested that any data or

arguments as to whether the proposed rule will impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business be provided to Carson City by May 12, 2020.

A copy of this Business Impact Statement, along with the appeal petition form, is available at the Carson City Public Works Department, 3505 Butti Way, Carson City, Nevada, 89701. A copy of the appeal petition form can also be obtained at the Carson City Clerk/Recorder's office.

b. Summary of comments

The City has received no comments to date which expresses concern generally with regard to the ordinance.

2. *The estimated economic effect of the proposed ordinance or rule on businesses, including both adverse and beneficial effects, and both direct and indirect effects:*

a. Adverse effects:

If the ordinance is adopted, businesses that purchase diesel fuel in Carson City will incur an additional \$0.05 per gallon tax at the fueling station. The total per-gallon diesel tax collected today is \$0.52 per gallon; imposition of the additional tax would equate to \$0.57 per gallon. Overall, businesses will, in most cases, see an insignificant increase in diesel fuel expenditures. For example, a standard Class B (medium-duty) delivery truck, with a 60 gallon diesel tank fueling twice per week currently pays \$0.52 per gallon diesel tax, totaling \$62.40 per week. After imposition of the proposed tax, weekly fueling of that same delivery truck would result in a weekly diesel tax expenditure of \$68.40, an increase of \$6.00 per week.

c. Beneficial effects:

Currently, Nevada's rural counties lack the ability to impose a tax on diesel fuel. Carson City roads maintenance costs have not kept pace with maintenance needs. Without the ability to raise revenue from diesel taxes, the gap in needed road repairs and available funds will continue to grow, with roads continuing to deteriorate, resulting in increased cost of vehicle repairs, negative impacts to economic development and public safety. Adoption of the proposed ordinance will have the beneficial impact to businesses of mitigating those negative consequences of long-term road maintenance funding deficits.

d. Direct effects:

Adoption of the proposed ordinance will have an insignificant, direct negative effect, as it will impose an additional tax burden on businesses with diesel vehicle fleets that purchase diesel fuel in Carson City. Businesses without diesel vehicles will see no direct negative effect.

e. Indirect effects:

Funding for streets and roadways is critical to the economic development needs of Carson City. An efficient and well-maintained network of roads, attracts new businesses, keeps residents safe, and protects the environment. Approval of the proposed ordinance will provide a benefit to the businesses by providing improved ability of Carson City to maintain its roadways, thereby indirectly reducing vehicle maintenance costs, improving vehicle fuel efficiency, and improving general public safety.

3. The methods considered by the Carson City Board of Supervisors to reduce the impact of the proposed ordinance or action on businesses and whether any of those methods were used:

The Carson City Board of Supervisors and Carson City Regional Transportation Commission has explored reduction of road miles to reduce ongoing maintenance liability, has explored a ballot initiative to raise gas tax revenues (most recently November 2016), and has explored abilities to shift general fund revenues to support roadway maintenance, however, these efforts have not succeeded in adequately funding roadway maintenance.

4. Estimate of the annual cost to Carson City for enforcement of the proposed ordinance or action:

Carson City anticipates that it will incur no costs associated with implementation of the ordinance, should it be adopted. Revenue will be collected by the State of Nevada and passed through to the City, to be administered consistent with existing fuel tax revenues.

5. The total annual amount of money expected to be collected as a result of the new fee or increase in fee proposed by the ordinance or action, and the manner in which the money will be used:

Based on Fiscal Year 2017/2018 clear diesel gallons sold in Carson City, the proposed 5 cent diesel tax is estimated to generate approximately \$400,000 annually. Aside from paying the State of Nevada for required collection/administration of the funds, all revenue will be utilized directly

on Carson City roadway maintenance.

6. *The proposed ordinance or action [] DOES [X] DOES NOT include any provisions which duplicate or are more stringent than Federal, State or local standards regulating the same activity.*

7. *The reasons for the conclusions regarding the impact of the proposed ordinance or action:*

The proposed ordinance provides a revenue source that will help fill Carson City's roadway maintenance funding gap. The direct impact to businesses is expected to be nominal, while the indirect benefits of a properly maintained roadway system are numerous.

8. *Based on the information considered, it has been determined that this proposed ordinance or rule:*

[] DOES [X] DOES NOT impose a direct and significant economic burden upon a business.

[] DOES [X] DOES NOT directly restrict the formation, operation or expansion of a business.

Pursuant to NRS 237.090(3), this Business Impact Statement was prepared and made available for public inspection by Carson City Public Works at the time the agenda notice on which the proposed ordinance or rule described in this statement is included was posted.

Pursuant to NRS 237.090(2), I, Nancy Paulson, the City Manager of Carson City, hereby certify that to the best of my knowledge and belief, the information contained herein was properly prepared and accurate.

Nancy Paulson
Signature

5/13/20
Date

Nancy Paulson
Printed Name