

Nevada has seen significantly growth in its use of local option transportation taxes. Over the past fourteen years, counties representing over 90% of the state's population have adopted dedicated sales taxes for transportation. Within the past decade, the state legislature has also authorized local option vehicle license, lodging, and development taxes to provide more local revenue for transportation projects. The state's two largest metropolitan areas have adopted packages of these taxes to finance major infrastructure initiatives. The Las Vegas region has enacted a package of six taxes generating \$166 million annually (\$136 per capita) for a beltway, streets, and transit investments. The Reno area has also assembled a diverse range of local revenue sources for transit, road construction, and a major rail safety project.

Because of its rapid growth and its increasing reliance on local option taxes, we chose Nevada as one of our twelve survey states. Unfortunately, the Nevada Department of Transportation was not able to supply local jurisdictions' highway finance reports, so we had to rely on what data was available from the state's Department of Taxation. As part of our research, we surveyed Nevada's 10 largest cities, and all 16 counties. We received valid survey responses from four cities (40% response rate) and three counties (19% response rate), and supplemented these results through direct follow-up contacts.¹

1. Fuel and Vehicle Taxes

Nevada counties may levy gasoline taxes of up to 9¢ per gallon, to be used for streets and highways.² All 16 counties and the state's one independent city have adopted the tax. The counties then fall into two groups: half levy the full 9¢ per gallon tax, and the other half levy just 4¢ per gallon.³ In all, this tax generates \$74 million statewide (about \$41 per capita).⁴ Survey respondents, although few in number, showed some diversity in how they used the revenues from this tax. Eureka County reported spending 60% on new highway capacity; Douglas and White Pine counties reported using 100% for local streets.

Nevada also authorizes its counties to adopt local option taxes on jet fuel, for aviation-related infrastructure. Clark County has adopted a 3¢ per gallon tax to fund airport access road projects.

Counties may also adopt a "vehicle privilege tax" of up to 1%, an annual assessment based on the vehicle's value and age.⁵ Three counties have adopted this supplemental tax, with two counties using it for general revenues. Clark County is using the \$18 per capita that this tax generates annual to help construct a beltway around Las Vegas.⁶

¹ Respondents included the cities of Las Vegas, North Las Vegas, Reno, and Winnemucca; and Douglas, Eureka, and White Pine counties. In addition to these survey responses, we gathered data from Churchill, Clark, and Washoe counties.

² Nevada Revised Statutes § 373.030.

³ Information on taxation rates is from State of Nevada, Department of Taxation, "Motor Vehicle Fuel Tax Collection and Distribution Statistics" (June 2000). The reason for this floor of 4¢ per gallon is an interesting one. The legislature created several new revenue sources for local governments, but then prevented the governments from receiving revenue from these taxes unless it had adopted a County Fuel Tax of at least four cents per gallon (Acts 1987, ch. 740, § 42(2) as cited in N.R.S. Annotated § 373.300).

⁴ State of Nevada, Department of Taxation, *Annual Report, Fiscal Year 1998-99* (January 2000), p. 39.

⁵ Nevada Revised Statutes § 371.045.

⁶ Nevada Department of Motor Vehicles and Public Safety, "New Nevada Resident Guide" (2000); Letter from Clark County Department of Finance (December 6, 2000).

2. Property Taxes and Assessments

In a few areas across the state, voters have approved dedicated property tax levies for street and road maintenance. Such levies have been adopted in two cities: Reno raises about \$111 per resident for street repairs, and North Las Vegas generates about \$23 per resident. In Douglas County, ten separate “general improvement districts” have voted to establish levies for rural road maintenance and repair.⁷ Eureka County has a countywide levy. Statewide, these taxes generate over \$21 million (\$12 per capita), but Reno’s levy accounts for most of this. Reno also has a separate special assessment district that raises fund for its downtown railroad grade separation project (see below).

3. Sales and Other Taxes

Nevada has authorized numerous local option sales taxes.⁸ Six counties have adopted a 1/4% tax that can be used for mass transit and/or road construction. In Carson City, Churchill, and Nye counties, the funds are used exclusively for road construction and maintenance. In White Pine County, 10% of the funds are used for transit, with the remainder split between highways and local streets. In Nevada’s two most populous counties, Clark and Washoe, the funds are used to support public transit operations.

Two areas have adopted sales taxes for railroad-related projects. Storey County has adopted a 1/4% tax to fund the Tricounty Railway Commission, which will use the funds to straighten and upgrade a rail link between Virginia City and Carson City. An 1/8% tax in Washoe County will re-grade railroad tracks in Reno to below street level, in order to increase capacity, improve safety, and promote economic development.

Statewide, sales taxes generated \$70.5 million in revenues for transportation projects in 1999, about \$39 per capita.

A variety of other tax options are also available. Voters may adopt lodging taxes up to 1% to raise funds for streets, highways, and transit.⁹ These has been approved in Clark and Douglas counties, in the city of Reno, and possibly others areas as well. In Clark County, revenues go to street and road improvements in areas of high tourism (around Las Vegas Boulevard); in Douglas County, they are used for highway maintenance; and Reno they help finance the railroad grade separation project. Revenues in Clark and Douglas counties are in the range of \$17-\$19 per capita.

Counties may also adopt development privilege taxes of up to \$500 per new home and 50¢ per square foot of new commercial space. Revenues can be used for growth-related projects, including the costs of sidewalks, streets, highways, and transit.¹⁰ Three counties have adopted this tax: Clark County uses its revenues to fund its beltway projects; Douglas and Washoe Counties use the revenues to fund capacity improvements to road and streets. Revenues from this tax range from \$4 per capita in Douglas County to \$41 per capita in Washoe County.

⁷ State of Nevada, Department of Taxation, “Fiscal Year 1999-2000 Property Tax Rates for Nevada Local Governments” (1999).

⁸ State of Nevada, Department of Taxation, “Tax Rates by County,” (1999).

⁹ Nevada Revised Statutes § 244.3351.

¹⁰ Nevada Revised Statutes § 278.710.

NEVADA

Overview of County, District, and Local Transportation Tax Laws

| Tax Type | State Statute | Tax Name | Areas | Statute Year | Permitted Rates | Maximum Duration | Purposes | Adoption Process |
|-----------------|------------------------------|---|-------------------------------|--------------|--|-------------------------------|--|------------------|
| Gasoline | NRS 373.030 | County Tax on Fuel | Any (w/street/highway plan) | 1965 | Up to 9¢/gal | - | Construction and maintenance of highways | B |
| Vehicle | NRS 371.045 | Supplemental Vehicle Privilege Tax | Counties | 1991 | 1% of assessed value | - | General revenues or streets and highways | C |
| Property | NRS 320.110 | Road Maintenance Assessments | Road Maintenance Districts | 1999 | | - | Road improvements | B (county) |
| | NRS 318.225 | General Improvement Assessments | General Improvement Districts | 1959 | | - | Streets and sidewalks | B (county) |
| Sales | NRS 377A.020 | Sales Tax for Mass Transportation & Roads | Counties | 1985 | 0.500% | - | Mass Transit & Roads | C |
| | NRS 377B | Sales Tax for Infrastructure | Counties | 1997 | 0.125% in Washoe Co; Up to 0.25% elsewhere | Until 2025 or \$2.3B in revs. | Infrastructure (Water and waste mgmt-related)* | B(2/3) |
| | Stats 1997, ch. 506, sec. 23 | Sales Tax for RR Grade Separation | Washoe County | 1997 | 0.125% | - | RR Grade Separation | B |
| | Stats 1993, ch. 566 | Railroad Sales Tax | Carson, Lyon, Storey Counties | 1993 | 0.250% | - | Tricounty Railway Commn | B |
| Misc | NRS 244.3351 | County lodging tax | Counties | 1991 | 1% of gross receipts | - | Sidewalks, streets, highways, and transit | C |
| | NRS 278.710 | County development privilege tax | Counties | 1991 | Up to \$500/house or 50¢/sq. ft. | - | Sidewalks, streets, and highways | C |

*Projects must be specified in advance

A = State Law
 B = County/Local Law
 C = Popular Vote

NEVADA

Adopted County, District, and Local Transportation Sales & Fuel Taxes

| Jurisdictions | Population 1999 | Sales Taxes for Transportation | | | | | Motor Fuel Taxes | | | |
|-----------------------------------|--------------------|--------------------------------|-------------------|--|--------------------------------|--------------------|------------------|-----------------|--------------------------------|--------------------|
| | | Rate (%) | Effective Date | Purpose | FY99 Revenue (\$1,000's) | Revs per capita | Notes | Rate (¢/gal) | FY99 Revenue (\$1,000's) | Revs per capita |
| CARSON CITY (Independent city) | 50,046 | 0.25% | 1988 | Roads | 1,837.4 | \$36.71 | [1] | 9 | 3,154.0 | \$63.02 |
| CHURCHILL | 23,405 | 0.25% | 1986 | Roads | 553.0 | \$23.63 | [2] | 9 | 681.3 | \$29.11 |
| CLARK | 1,217,155 | 0.25% | 1991 | Transit | 49,546.2 | \$40.71 | [3] [4a] | 9 | 49,598.4 | \$40.75 |
| DOUGLAS | 37,602 | | | | | | [2] | 4 | 829.1 | \$22.05 |
| ELKO | 45,465 | | | | | | | 4 | 1,175.7 | \$25.86 |
| ESMERALDA | 1,121 | | | | | | | 4 | 21.2 | \$18.91 |
| EUREKA | 1,854 | | | | | | | 4 | 75.9 | \$40.94 |
| HUMBOLDT | 17,876 | | | | | | | 9 | 1,221.5 | \$68.33 |
| LANDER | 6,709 | | | | | | | 4 | 175.9 | \$26.22 |
| LINCOLN | 4,226 | | | | | | | 4 | 118.0 | \$27.92 |
| LYON | 31,459 | | | | | | | 9 | 1,344.7 | \$42.74 |
| MINERAL | 5,176 | | | | | | | 9 | 288.3 | \$55.70 |
| NYE | 29,709 | 0.25% | 1986 | Roads | 693.2 | \$23.33 | | 4 | 689.8 | \$23.22 |
| PERSHING | 4,803 | | | | | | | 9 | 453.5 | \$94.42 |
| STOREY | 2,988 | 0.25% | 1996 | Tricounty Railway | 106.1 | \$35.52 | [5] | 4 | 15.8 | \$5.29 |
| WASHOE | 319,816 | 0.25% | 1982 | Transit | 11,673.7 | \$36.50 | [2] [4b] | 9 | 13,989.5 | \$43.74 |
| " | " | 0.125% | 1999 | RR Grade Project | 5,836.9 | \$18.25 | | | | |
| WHITE PINE | 9,843 | 0.25% | 1986 | 10% Transit, 45% Hwy maint., 45% Streets | 274.8 | \$27.92 | [6] | 4 | 295.4 | \$30.01 |
| Total | 1,809,253 | | | (Streets/Roads) | 3,331.0 | \$1.84 | | | 74,128.0 | \$40.97 |
| | | | | (Railroads) | 5,943.0 | \$3.28 | | | | |
| | | | | (Transit) | 61,247.4 | \$33.85 | | | | |

[1] Also has a 1/4% tax for open space

[2] Also has a 1/4% tax for general revenues

[3] Also has a 1/4% tax for flood control

[4a] Also has a 1/4% tax for infrastructure (Southern Nevada Water Authority)

[4b] Also has a 1/8% tax for infrastructure

[5] Also has a 1/4% tax for promotion of tourism

[6] Also has a 1/8% tax for school capital projects

NEVADA

Adopted County, District, and Local Transportation Property & Other Taxes

| Jurisdictions | Population 1999 | Property Taxes | | | Other Taxes for Transportation | | | | |
|--------------------------------|-----------------|----------------|-----------------------------|-----------------|--------------------------------|------------|--------------------|--------------------------|-----------------|
| | | Purpose | FY 2000 Revenue (\$1,000's) | Revs per capita | Type | Rate | Purpose | 1999 Revenue (\$1,000's) | Revs per capita |
| Counties: | | | | | | | | | |
| CARSON CITY (Independent city) | 50,046 | | | | | | | | |
| CHURCHILL | 23,405 | | | | | | | | |
| CLARK | 1,217,155 | | | | Lodging | 1.0% | Streets & Roads | 20,444.4 | \$16.80 |
| | | | | | Development | \$500/home | Highways (beltway) | 24,349.2 | \$20.00 |
| | | | | | Vehicle | | Highways (beltway) | 22,642.1 | \$18.60 |
| DOUGLAS | 37,602 | | | | Lodging | 1.2% | Highway maint. | 696.0 | \$18.51 |
| | | | | | Development | \$500/home | Streets | 138.0 | \$3.67 |
| ELKO | 45,465 | | | | | | | | |
| ESMERALDA | 1,121 | | | | | | | | |
| EUREKA | 1,854 | Roads | 598.5 | \$322.82 | | | | | |
| HUMBOLDT | 17,876 | | | | | | | | |
| LANDER | 6,709 | | | | | | | | |
| LINCOLN | 4,226 | | | | | | | | |
| LYON | 31,459 | | | | | | | | |
| MINERAL | 5,176 | | | | | | | | |
| NYE | 29,709 | | | | | | | | |
| PERSHING | 4,803 | | | | | | | | |
| STOREY | 2,988 | | | | | | | | |
| WASHOE | 319,816 | | | | Development | | Road construction | 13,160.2 | \$41.15 |
| WHITE PINE | 9,843 | | | | | | | | |
| Cities: | | | | | | | | | |
| N. Las Vegas (CLARK) | 94,218 | Streets | 2,187.4 | \$23.22 | | | | | |
| Reno (WASHOE) | 163,334 | Streets | 18,184.7 | \$111.33 | Lodging | 1.0% | RR Grade Project | | |
| Special Districts: [3] | | | | | | | | | |
| Cave Rock Estates GID | | Roads | 29.5 | | | | | | |
| Lakeridge GID | | Roads | 39.5 | | | | | | |
| Logan Creek GID | | Roads | 10.7 | | | | | | |
| Marla Bay GID | | Roads | 41.7 | | | | | | |
| Oliver Park GID | | Roads | 35.1 | | | | | | |
| Skyland GID | | Roads | 120.8 | | | | | | |
| Topaz Ranch Est GID | | Roads | 72.9 | | | | | | |
| Zephyr Cove GID | | Roads | 25.3 | | | | | | |
| Zephyr Heights GID | | Roads | 63.3 | | | | | | |
| Zephyr Knolls GID | | Roads | 16.0 | | | | | | |
| Statewide Total: | 1,809,253 | | 21,425.4 | \$11.84 | Lodging | | | 21,140.4 | \$11.68 |
| | | | | | Development | | | 37,647.4 | \$20.81 |
| | | | | | Vehicle | | | 22,642.1 | \$12.51 |

[1] Also has vehicle privilege tax that is used for general revenues

[2] Lodging and development privilege revenue data shown for 1997