STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

NEVADA COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- Each county receives a portion of the revenues from a state privilege tax (Basic Governmental Service Tax) on motor vehicles. A county may impose an additional tax (Supplemental Government Services Tax) on motor vehicles at a rate up to $0.01 per $1 of valuation and use the revenues for road purposes with voter approval.
- Ninety-four percent of revenues from the Basic Governmental Service Tax for vehicles registered at a DMV office are distributed to local governments; ninety-nine percent of revenues from vehicles registered at a county assessor's office are distributed to local governments. Local governments use the funds primarily for school and current debt service.
- Supplemental Government Services Taxes are collected for vehicles in Clark, Churchill and White Pine counties. The revenues collected from this additional fee are returned to those counties to be used specifically for road construction.

From Federal Funds:

- The state's three Metropolitan Planning Organizations receive federal funding for planning and Regional Transportation Commissions receive capital funding for transit.

From County Funds:

- The main source of funding for county transportation is the county gasoline tax used for bond service, road construction, maintenance and repair. The county gas tax consists of a 6.35 cent per gallon mandatory county rate that is distributed among the counties, incorporated cities and towns based on population and mileage of locally maintained roads.
- Counties can also impose up to a nine cent optional gas tax administered by the local Regional Transportation Authority. Counties have the authority to annually index both taxes on gasoline to the rate of inflation. In 2016, each county will have a ballot questions to decide whether to inflation index all county motor vehicle fuels.
- Additional revenues for county transportation can come from optional sales taxes for mass transit and/or road construction.

Share of County Owned **Road Miles** Out of Public Roads Statewide	**65%**
Share of County Owned **Bridges** Out of Public Bridges Statewide	**20%**
Share of **Structurally Deficient Bridges** Out of County Owned Bridges	**3%**

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	The state imposes a cap on property tax rates, and on increases in total property taxes collected by the county annually.
Levy Personal Property Taxes	X	Counties collect personal property tax on motor vehicles based on the valuation of the vehicle, determined at 35% of MSRP and subsequent depreciation.
Levy Local Option Sales Taxes	X	The rate is limited to 0.5%.
Levy a Local Gas Tax	X	The rate is limited to 9 cents per gallon.*
Charge a Motor Vehicle License or Registration Fee		
Form Special Districts for Transportation	X	

** Counties with less than 400,000 in population may levy a gas tax based on the state tax rate. Counties also have the authority to annually index gas taxes to the rate of inflation.*

- Counties may also levy a one percent tax on rental lodging with all revenue going transportation purposes. A two percent tax on rental lodging is mandatory for counties with population over 400,000, with three-eighths of the profit going to the state transportation commissioner.
- Additionally, two rural counties collect vehicle registration fees , using revenues for road maintenance.
- Counties issue general obligation bonds, not exceeding 15 percent of the total last assessed valuation of county property, to finance transportation projects.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Nevada is not a home rule state, and therefor counties need state approval to impose any additional taxes, requiring state legislation for any county measures. The state legislature is on a biennial schedule and meets only every two years. Counties do not have the flexibility to generate additional revenues without state approval.
- The state has not raised the gas tax rate since 1992, and the revenues generated have lost their purchasing power over the last 22 years.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- In 2009, the state passed legislation allowing counties to introduce flexible rate gas taxes annually indexed to inflation. Counties have the authority to impose up to a nine cents per gallon county optional gas tax, in addition to the 6.35 cent per gallon county mandatory gas tax.
- Clark County constructed an interstate beltway using almost all local funds. The county was experiencing a population surge and to address the demands of explosive growth, Clark County constructed a freeway facility primarily funded with local tax revenues. Originally, the beltway was to be built as a full freeway, incrementally, with an ultimate completion date of 2025. Due to the population surge, the county adopted an accelerated approach, completing the initial configuration consisting of four lanes of the 53 miles of beltway, in 2003. The county continues building out the beltway, as funding is available.