Nevada Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

• All counties may levy a special purposes and local option tax at a rate of 0.5 percent for the purpose of Public transit, the construction and maintenance of roads, improvement of air quality, or any combination of the above.

• Any county with a streets and highways plan may impose a tax on the sale of motor fuels not including aviation fuel or leaded racing fuel at a rate of 9 cents per gallon. Such a county, if it has less than 400,000 residents, may also levy a tax on motor fuels at a rate equivalent to the rate at which the State imposes such taxes multiplied by 4.5 percent or the current rate of inflation, whichever is lesser. The proceeds of both of these taxes must be deposited into a regional street and highway fund in the county treasury.

• Commissions may opt to levy a 1 percent tax on the gross receipts of any rental lodge and must put all revenue in the county general fund to be used for construction and maintenance of sidewalks, streets, avenues, boulevards, and other public rights-of-way used primarily by motor vehicles or on the interest payment of bonds, notes, and other obligations of indebtedness the county may incur. When the tax is collected by a transportation service district, the money must be used but the transportation authority for improvements and operating costs.

• For counties with population over 400,000, the county must impose a 2 percent tax on rental and transient lodging and provide the state transportation commissioner with three-eighths of the profit.

• The county board may issue general obligation bonds in order to fund public improvements – including maintenance, operation, construction, and land acquisition – so long as such bonds do not exceed 15 percent of the total last assessed valuation of county property.

• Counties and special service districts may issue general obligations bonds in anticipation of tax revenue for the purpose of pursuing projects related to public interest. In special service districts, the contracted debt may not exceed 50 percent of all taxable property, excluding motor vehicles, in the district.

• The county may subsidize and otherwise expend funds to reduce competition among ambulance service providers, taxicabs or other public transportation, collection and disposal of garbage, airport operations and water and sewage treatment.

• All counties have the authority to annually index the county mandatory and county optional tax on gasoline to the rate of inflation. Additionally, the two largest counties, Clark and Washoe, currently inflation index the federal and state tax on all motor vehicle fuels, including diesel. In 2016 each county will have a ballot question to decide whether to inflation index all federal and county motor vehicle fuels.

Mandated/Authorized Transportation Services:

• The county commission may create a public works department, which will oversee roads and bridges, including construction and maintenance and provide engineering services for public roads. The county may create a transit authority, either alone or jointly with other governments, to administer transportation services

• The county may provide similar services for private roads, including snow plows and highway patrols, if the county has a legitimate interest in offering the service on a private road. The county may charge the appropriate party the prevailing rental rate for use of county equipment

• Counties may establish airports and operate them by levying a tax on the county or, alternately, may establish a commission to operate and maintain the airport. The commission may subsequently lease the airport to a private corporation for operation of the facility.

## **Funding Sources for County Transportation Projects:**

• 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.

• Additional revenues for county transportation can come from optional sales taxes for mass transit and/or road construction. Counties may levy up to 9 cents per gallon optional gas tax.

• Two rural counties have a vehicle registration fee, revenues from which are used for road maintenance.

• Each county receives a portion of the revenues from state taxes on motor fuels which must be dedicated to the construction and maintenance of roads.

• Each county receives a portion of the revenues from a state privilege tax on motor vehicles. A county may impose an additional tax on motor vehicles at a rate up to $0.01 per $1 of valuation and use the revenues for road purposes.

• 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.

## **Challenges in Funding and Financing Transportation Projects:**

## **Innovative Solutions to Funding and Financing Challenges**