STOREY COUNTY BOARD OF COUNTY COMMISSIONERS MEETING

WEDNESDAY, JULY 27TH, 2016 9:00 A.M.

DISTRICT COURTROOM

26 SOUTH B STREET, VIRGINIA CITY, NEVADA

SPECIAL MEETING AGENDA

MARSHALL MCBRIDE
CHAIRMAN

ANNE LANGER
DISTRICT ATTORNEY

LANCE GILMAN
VICE-CHAIRMAN

JACK MCGUFFEY
COMMISSIONER

VANESSA STEPHENS
CLERK-TREASURER

Members of the Board of County Commissioners also serve as the Board of Fire Commissioners for the Storey County Fire Protection District, Storey County Brothel License Board, Storey County Water and Sewer System Board and the Storey County Liquor and Gaming Board and during this meeting may convene as any of those boards as indicated on this or a separately posted agenda.

All items include discussion and possible action to approve, modify, deny, or continue unless marked otherwise.

1. **CALL TO ORDER REGULAR MEETING AT 9:00 A.M.**

2. **PLEDGE OF ALLEGIANCE**

3. **DISCUSSION/POSSIBLE ACTION:** Approval of Agenda for July 27, 2016

4. **DISCUSSION ONLY (No Action – No Public Comment):** Committee/Staff

5. **BOARD COMMENT (No Action – No Public Comment)**

6. **DISCUSSION/POSSIBLE ACTION:** Approval of ballot language for Storey County Ballot Question 16-001, "Shall the Storey County Board of Commissioners enact an ordinance to impose, for the period beginning on January 1, 2017 and ending on December 31, 2026, annual increases to the taxes on certain vehicle fuels based on construction inflation in an amount not to exceed 8 cents per gallon the first year and 3 cents per gallon for remaining years for the sole purpose of building, maintaining and repairing roads (and projects that will reduce traffic congestion and enhance public safety) located only in Storey County?"

7. **PUBLIC COMMENT (No Action)**

8. **ADJOURNMENT**

NOTICE:

- Anyone interested may request personal notice of the meetings.
- Agenda items must be received in writing by 12:00 noon on the Monday of the week preceding the regular meeting. For information call (775) 847-0969.
- Items may not necessarily be heard in the order that they appear.
- Public Comment will be allowed at the end of each meeting (this comment should be limited to matters not on the agenda). Public Comment will also be allowed during each item upon which action will be taken on the agenda (this comment should be limited to the item on the agenda). Time limits on Public Comment will be at the discretion of the Chairman of the Board. Please limit your comments to three minutes.
- Storey County recognizes the needs and civil rights of all persons regardless of race, color, religion, gender, disability, family status, or nation origin.
- In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

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(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov.

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Notice to persons with disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the Commissioners' Office in writing at PO Box 176, Virginia City, Nevada 89440.

CERTIFICATION OF POSTING

I, Wendy Bacus, Clerk to the Board of Commissioners, do hereby certify that I posted, or caused to be posted, a copy of this agenda at the following locations on or before July 22, 2016; Virginia City Post Office at 132 S C St, Virginia City, NV, the Storey County Courthouse located at 26 S B St, Virginia City, NV, the Virginia City Fire Department located at 145 N C St, Virginia City, NV, the Virginia City Highlands Fire Department located a 2610 Cartwright Rd, VC Highlands, NV and Lockwood Fire Department located at 431 Canyon Way, Lockwood, NV.

By Wendy Bacus

Wendy Bacus Deputy Clerk-Treasurer

Storey County Board of County Commissioners
Agenda Action Report

Meeting date: 07/27/16 **Estimate of time required:** 30 min.

Agenda: Consent [ ] Regular agenda [x] Public hearing required [x]

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1. **Title:** Discussion/Possible Action: Approval of ballot language for Storey Couny Ballot Question 16-001, "Shall the Storey County Board of Commissioners enact an ordinance to impose, for the period beginning on January 1, 2017 and ending on December 31, 2026, annual increases to the taxes on certain vehicle fuels based on construction inflation in an amount not to exceed 8 cents per gallon the first year and 3 cents per gallon for remaining years for the sole purpose of building, maintaining and repairing roads (and projects that will reduce traffic congestion and enhance public safety) located only in Storey County?"

2. **Recommended motion:** I [commissioner] move to approve the following ballot language for the Storey County Ballot Question 16-001" Shall the Storey County Board of Commissioners enact an ordinance to impose, for the period beginning on January 1, 2017 and ending on December 31, 2026, annual increases to the taxes on certain vehicle fuels based on construction inflation in an amount not to exceed 8 cents per gallon the first year and 3 cents per gallon for remaining years for the sole purpose of building, maintaining and repairing roads (and projects that will reduce traffic congestion and enhance public safety) located only in Storey County?"

3. **Prepared by:** Jason VanHavel

   Department: Planning **Telephone:** 847-1144

4. **Staff summary:** See enclosed Staff Report Storey County Ballot Question 16-001.

5. **Supporting materials:** See enclosed Staff Report Storey County Ballot Question 16-001.

6. **Fiscal impact:** Positive revenue generation into Road Fund.

   Funds Available: Fund: ____ Comptroller

7. **Legal review required:**

   ____ District Attorney

8. **Reviewed by:**

   ____ Department Head Department Name:

   ____ County Manager Other agency review: _____

9. **Board action:**

   [ ] Approved [ ] Approved with Modifications
   [ ] Denied [ ] Continued

Agenda Item No. 6

Storey County Ballot Question 16-001

Staff Summary:

Pursuant to Assembly Bill 191 enacted during the 78th (2015) session of the Nevada Legislature, all counties except Washoe and Clark are required to place on the ballot at the 2016 General Election a question which asks the voters in the county whether to authorize the Board of County Commissioners to impose, for the period beginning on January 1, 2017 and ending on December 31, 2026 annual increases to taxes on certain motor vehicle fuels (e.g. gasoline and diesel). If voters approve the ballot question the Board of County Commissioners is required to impose an ordinance to index motor vehicle fuels based on street and highway construction inflation which cannot exceed 7.8% annually. However, the Board of County Commissioners would most likely establish a substantially lower rate of indexing in the ordinance. If approved, Board of County Commissioners would be required to increase the county optional gas tax from the current $0.04 per gallon up to $0.09 per gallon. Then the inflation increases can be implemented annually.

Staff Recommendation:

Staff recommends approval of the following ballot information.

Question

Shall the Storey County Board of Commissioners enact an ordinance to impose, for the period beginning on January 1, 2017 and ending on December 31, 2026, annual increases to the taxes on certain vehicle fuels based on construction inflation in an amount not to exceed 8 cents per gallon the first year and 3 cents per gallon for remaining years for the sole purpose of building, maintaining and repairing roads (and projects that will reduce traffic congestion and enhance public safety) located only in Storey County?

Explanation

Currently, counties in Nevada may impose certain taxes on motor vehicle fuel and special fuels used in motor vehicles (collectively, "Fuels"), and the board of county commissioners in all counties, other than in Clark and Washoe County, are required to impose additional county taxes on those Fuels if approved by a majority of the voters in those counties at the general election in November 2016. After voter approval, the board of county commissioners of those counties may also impose annual increases in the taxes for the period beginning on January 1, 2017, and ending on December 31, 2026. Before the 78th (2015) Session of the Nevada Legislature, state law required a statewide measure to be placed on the November 2016 ballot for Nevada voters to decide whether to authorize the State to impose additional state taxes to the Fuels. After the enactment of Assembly Bill No. 191, the requirements for the statewide ballot measure were repealed and instead, upon approval by a majority of the voters in the county at the general election in November 2016, the board of county commissioners of a county other than Clark or Washoe County is required to impose the state taxes in the same manner as the board is required to impose the additional county taxes on the Fuels. If this ballot question is approved, the Storey County Board of Commissioners would be required to impose these state taxes.

These additional county and state taxes are required to be calculated by applying a formula factoring a certain percentage based on certain construction inflation, and the percentage cannot exceed 7.8 percent. This practice of tying the fuel tax rate to the rate of certain construction inflation is known as fuel indexing. However, because a board of county commissioners is also authorized to use a percentage that is lower than 7.8 percent, the Storey County Board of Commissioners will apply a percentage which will result in annual increases to the motor vehicle fuel tax in an amount not to exceed in each year a total of three cents ($0.03) for every gallon sold in Storey County if this ballot question is approved. If this ballot question is approved, the Storey County Board of Commissioners will be required to adopt an ordinance to impose the annual tax increases and the revenue collected from the annual increases in these taxes will be required to be used in accordance with state law and for purposes related to the construction, maintenance and repair of roads and highways located only in Storey County.

A "YES" vote would require Storey County to enact an ordinance to impose, for the period beginning on January 1, 2017 and ending on December 31, 2026, annual increases to the taxes on certain motor vehicle fuels sold in Storey County, with the revenue from those increases to be used solely for improvements to roads, streets and highways located in Storey County.

A "NO" vote would prohibit Storey County from enacting an ordinance to impose, for the period beginning on January 1, 2017 and ending on December 31, 2026, annual increases to the taxes on certain motor vehicle fuels sold in Storey County, and also prevent improvements to roads, streets and highways located in Storey County that would have been funded by the increases.

Digest

If passed, this measure would create, generate or increase public revenue. Passage or defeat of this measure by the voters of Storey County would not add to, change or repeal Nevada state laws which govern county taxes on fuel (NRS chapter 373) and how such taxes must be spent (NRS chapter 365). If passed, this measure would require the Storey County Board of Commissioners to enact an ordinance before imposing the additional taxes authorized by Assembly Bill No. 191. Ordinances adopted by the Storey County Board of Commissioners that concern motor vehicle fuel taxes are codified in Chapter 3.80 of the Storey County Code. Therefore, passage of this ballot measure would require additions or amendments to Chapter 3.80 of the Storey County Code.

Description of Anticipated Financial Effect

If passed, this measure would authorize taxes that are cumulative where subsequent increases are added to prior years' taxes. The Nevada Department of Motor Vehicles has prepared a document titled the "County Index Tax Revenue Projections FY17-FY26" which estimates that the additional taxes could potentially generated by the end of 2026 approximately $5.3 million of additional revenue for Storey County and $4.8 million of additional revenue for the Nevada Department of Transportation to be utilized on state highways in Storey County.

ARGUMENTS FOR PASSAGE pursuant to NRS 295.121:

Storey County maintains about 100 miles of public roads. Many of those are in poor condition or worse. There is just not enough money to fix those roads. What little maintenance that is able to be performed, comes from sizable transfers from the county general fund to support the roads.

While nonresident drivers benefit from the use of our roads and contribute to the wear and tear, it is the people living here who suffer the consequences. If this ballot question passes, any person who buys fuel here will contribute money to help maintain the roads for the use of everyone. Those contributions would be no more than 3 cents for each gallon of fuel that is purchased.

Inflation in the cost of street and highway construction has eroded the purchasing power of money from motor vehicle fuel taxes. This measure simply indexes the current rates to inflation so that the purchasing power of money collected from the tax will keep up with the rate of inflation for road repairs. If there is no inflation, there is no annual increase.

100 percent of the indexed revenue from the county and federal fuel taxes will be spent in Storey County and not sent elsewhere. This measure provides local control over money to fix roads and increase safety, instead of putting the money in the hands of the state or federal government.

The financial impact of this measure is nominal on taxpayers who buy gas, there is no environmental impact and by its passage, there will be more money to fix dangerous roads to promote public health, safety and welfare.

ARGUMENTS AGAINST PASSAGE pursuant to NRS 295.121:

This ballot measure is just a series of separate tax hikes, one for each year of increase. Even worse, these tax hikes are a form of taxation without representation because neither the Legislature nor the citizens of Storey County vote for each year's tax increase separately. If the Legislature wants to increase taxes, they should have to vote for each increase one at a time.

Burdening the citizens of this County with these tax increases is just passing the failures of government onto the people. The annual increases are also cumulative, which means every year's increase rolls into the next year and so the tax becomes higher and higher in what is a snowballing effect.

Nevadans already pay over 50 cents per gallon in fuel tax. Fuel prices are volatile and fluctuate all the time, helping to drive up the cost of food, medicine, clothing, utilities and other necessities. An automatic fuel tax index would just add to high energy costs that Nevadans have to pay.

This tax is not an adequate response to our transportation needs. Nevada needs a real plan to repair roads. What happens after the tax increases go away and our roads are still in bad shape? Does that mean the government will simply impose a new tax? This cycle of taxation does not fix long-term problems because it is not a long-term solution.

The financial impact of this measure is a burden on taxpayers who buy gas. There is no environmental impact but there is no guarantee that this measure will ensure public health, safety and welfare because no one knows if our government will use the tax money wisely.