



MEMORANDUM

Date: November 30, 2016

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator *CHH*

Re: **Local Transportation Financing**

Attached is information related to Question 5 on the Clark County, Nevada Ballot of November 8, 2016. This question was a tax measure to extend the gas tax increase from 2016 to 2026. A 10-year extension of that fuel revenue tax will result in approximately \$300 million per year for transportation projects in Clark County. Total revenues from the tax increase over the 10-year period will be \$3 billion – nearly double what our regional half-cent sales tax will raise in 20 years.

Clark County's Ballot Question 5 was approved by nearly 100,000 votes.

CHH/anc

Attachment

c: John Bernal, Deputy County Administrator for Public Works
Priscilla Cornelio, Director, Transportation Department

QUESTION 5

VITAL TO LOCAL ECONOMY



FIX-OUR-ROADS

YES ON 5 ✓

By Hugh Anderson and Danny Thompson | Originally appeared in the Las Vegas Review-Journal

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rowing communities need efficient, safe, well-maintained and convenient transportation infrastructure. The

county's current fuel revenue indexing policy, which began in 2013, is scheduled to sunset this year. Unless voters approve an extension in the November election, Clark County will not have the resources to keep up with our growing transportation infrastructure needs.

That's why the Las Vegas Metro Chamber of Commerce, Council for a Better Nevada, Nevada State AFL-CIO, and Nevada Economic Development Coalition have come together to support Question 5 on the November 2016 ballot.

The fuel revenue indexing concept was originally approved by the Legislature, Gov. Brian Sandoval and the Clark County Commission as a way to improve transportation and infrastructure by tying a portion of fuel tax that motorists pay at the pump to inflation for a three-year period. Question 5 — Fix Our Roads — will ask voters to approve

the continuation of fuel revenue indexing for 10 years.

It is estimated that the increase will be affordable — fewer than 2 cents per gallon in the first few years and never increasing more than 4 cents per gallon in any year.

Voting yes on this ballot question will provide for safer roads and highways, the maintenance of our roads, reduced traffic congestion and shorter commutes — thus saving residents money from wasted time, fuel and traffic incidents. In addition, up to 25,000 additional jobs will be created. The fuel tax can be used only for road and highway improvements in Clark County and will be subject to public disclosure, accountability and audits.

So far, the tax has funded more than 220 critically needed road and highway projects in Clark County and created thousands of direct and indirect jobs. These projects ensure residents, visitors and commercial goods efficient and safe transport and travel through our area.

Still, population and economic

growth in Clark County continue to put a strain on the county's roads and highways. By 2025, Clark County is expected to grow to 2.7 million people. This, along with more than 53 million visitors traveling to Las Vegas, could lead to increased traffic congestion and longer commute times. Extending the fuel tax indexing will help us meet the transportation needs of our growing community, while also supporting thousands of jobs.

Please join us in voting yes on Question 5. Approval of this measure will ensure we have the means to fix our roads, improve public safety for all citizens, and build the infrastructure we need to create jobs and keep up with our growing economy.

Hugh Anderson is government affairs chairman for the Las Vegas Metro Chamber of Commerce. Danny Thompson is executive secretary-treasurer of the Nevada State AFL-CIO. The essay was also signed by John Ritter, chairman of Council for a Better Nevada, and Jay Barrett, a board member with the Nevada Economic Development Coalition.



A **gas tax measure** was on the ballot for Clark County voters in Clark County, Nevada, on November 8, 2016. It was **approved**.

A **yes** vote was a vote in favor of the county continuing to index fuel taxes based on inflation through December 31, 2026, with proceeds used for public safety and roads.

A **no** vote was a vote against the county continuing to index fuel taxes based on inflation through December 31, 2026, with proceeds used for public safety and roads.

Election results

This ballot measure article has preliminary election results. Certified election results will be added as soon as they are made available by the state or county election office. The following totals are as of **100 percent** of precincts reporting. For more ballot measure results, [click here](#).

Question No. 5		
Result	Votes	Percentage
Yes	417,320	56.28%
No	324,252	%

Election results from Clark County, Nevada
(<http://elections.clarkcountynv.gov/electionresults/enr.aspx>)

Text of measure

Ballot question

The following question appeared on the ballot:^[1]

“ Shall Clark County continue indexing fuel taxes to the rate of inflation, through December 31, 2026, the proceeds of which will be used solely for the purpose of improving public safety for roadway users and reducing traffic congestion by constructing and maintaining streets and highways in Clark County?^[2] ”

Full text

The full text of the measure is available here (http://www.clarkcountynv.gov/election/Pages/2016_QuestsGen.aspx).

Path to the ballot

See also: Laws governing local ballot measures in Nevada

This measure was put on the ballot through a vote of the governing officials of Clark County, Nevada.

Recent news

Question No. 5: Clark County Fuel Revenue indexing



The basics

Election date:

November 8, 2016

Status:

Approved

Topic:

County tax

Related articles

County tax on the ballot

November 8, 2016 ballot measures in Nevada

Clark County, Nevada ballot measures

County tax on the ballot

See also

Clark County, Nevada

LAS VEGAS REVIEW JOURNAL

<http://www.reviewjournal.com/>

Posted October 22, 2016 - 11:44pm Updated October 23, 2016 - 8:12am

Clark County's Question 5, extension of fuel revenue index tax, attracts few foes

By ART MARROQUIN
LAS VEGAS REVIEW-JOURNAL

Three short years ago, Steve Sisolak was the only county commissioner opposed to incrementally increasing Clark County's fuel tax to pay for local road construction, maintenance and repair projects.

Now, the board chairman embraces a ballot measure that calls for extending that same tax over the next decade.

Although he remains skeptical, Sisolak said the change of heart came from watching a series of fuel tax-funded road improvements come to fruition under the guidance of the Regional Transportation Commission of Southern Nevada.

"I think that the RTC has demonstrated that they can put projects on the street, and I think they do it responsibly," Sisolak said, noting an audit released earlier this month that found revenue generated by the current fuel tax was properly accounted for.

"I would have preferred a shorter time limit on the tax, probably another three-year deal," Sisolak said. "But we got 10 years on the ballot, so I'm supporting it."

Clark County voters will be asked Nov. 8 whether to approve Question 5, which calls for a 10-year extension of the fuel revenue index tax that took effect in 2013. About \$3 billion would be generated by the tax, which would help pay for nearly 200 transportation projects.

If approved by a majority of county voters, gasoline taxes would rise about 3.6 cents per gallon annually, according to RTC projections. That comes to 36.32 cents more per gallon between now and 2026, based on a 4.54 percent annual inflation rate forecast for the producer price index.

"We want to raise only the money we can immediately invest in infrastructure," said County Commissioner Larry Brown, who serves as the RTC's board chairman.

"We're not trying to build up an account," he said. "We want to raise the dollars that are needed today for safety, improved mobility and less congestion."

The only glimmer of resistance has come from brief "Vote no on Question 5" advertisements that are looped on television screens at a handful of gas stations. The operators of those gas station companies did not return phone calls seeking comment.

Along with Sisolak, groups and individuals that typically would oppose such tax hikes or increased fuel prices have come out in favor of Question 5. The lack of organized opposition prompted Clark County staffers to write the sample ballot arguments against the measure.

Anna Thornley, president of the Nevada Taxpayers Association, said her group supports fuel tax indexing measures appearing on every county ballot except Washoe.

"The Nevada Taxpayers Association has historically supported measures in which there is a clear user-benefit relationship, and we believe that the fuel tax indexing is one of those cases," Thornley said.

Paul Enos, CEO of the Nevada Trucking Association, said he believes the fuel tax is the most efficient way to collect money for street and freeway improvements.

"It's used to maintain and build roads that the trucking industry and drivers in the state of Nevada use," Enos said. "We worked really hard to make sure this tax would be devised in a fair way, so we feel really good about it."

For now, the RTC receives \$58 million annually from state and federal sources, along with the fuel tax approved in 2013 — just about enough money to "build an interchange or two," Brown, the RTC chairman, said.

That funding likely would stay flat if Question 5 fails and several projects might not be completed as planned, including a \$20 million study of how Interstate 11 would connect from Boulder City through the Las Vegas Valley or a new Skye Pointe interchange for the Centennial Bowl at U.S. Highway 95 and the 215 Beltway estimated at \$155 million.

A 10-year extension of the fuel indexing tax would pump about \$300 million annually toward completing nearly 200 projects. Although the fuel tax would stop climbing by 2026, the increases would stay in effect for another 20 years to pay for the county bonds that initially will cover the cost of the transit projects.

"In another 10 years, maybe funding will improve at the state and federal level, but few people are optimistic," Brown said. "That's why local government is taking on the burden, more than ever, to build local projects."

Along with Nevada, six other states tie their fuel taxes to inflation: Utah, Florida, Georgia, Maryland, New Hampshire and Rhode Island, according to a study released in September by the Guinn Center, a nonprofit, bipartisan research group in Las Vegas. Michigan and North Carolina soon will implement fuel indexing, while similar taxes were repealed in Maine, Massachusetts, Wisconsin and Washington, D.C.

The Guinn study of the benefits and drawbacks of fuel revenue indexing noted that Nevada drivers already pay the seventh-highest gasoline prices in the United States, and the country's 10th-highest gasoline tax.

One argument against the tax, according to the study, is that it takes a larger percentage of income from poor people.

Sisolak, the county commission chairman, said the tax was “regressive” because owners of older, gas guzzling-vehicles would pay more at the pump, while drivers of expensive hybrid and electric cars are able to avoid the tax.

“At some point, we have to come up with a mechanism where everyone pays equally,” Sisolak said. “But no one seems to be able to come up with a better way to make money for these projects, and we’re in a situation where our roads need to be improved.”

Some high-profile projects that could be delayed if Question 5 does not pass

