CLARK COUNTY BALLOT QUESTION NO. 5
Fuel Revenue Indexing

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?

Yes……………… ☐

No……………….. ☐

EXPLANATION & DIGEST

Voting to continue the indexing would permit Clark County, for a period of ten years beginning January 1, 2017 through December 31, 2026 to continue to adjust motor vehicle and special fuel taxes to an averaged annual rate of inflation not to exceed 7.8%. The proceeds may only be used for construction and maintenance of street and highway improvements within Clark County, including improving public safety on roadways and reducing traffic congestion. The funds would continue to be subject to full public disclosure and transparency and would be subject to annual independent audits.

If the ballot question is approved, the Clark County Board of Commissioners may amend its ordinance consistent with the ballot question.

Revenues collected from the indexed increases in these taxes are required to be used in accordance with requirements established by state law, including the construction, maintenance, and repair of public roadways and highways located within Clark County only, and as necessary for the safe and efficient use of such improvements. Revenues generated pursuant to the passage of this question shall not be used for the purpose of constructing transit facilities, transit operation or maintenance of a transit system which are supported by other programs unrelated to fuel revenue indexing.

Currently the Regional Transportation Commission receives the revenue and awards it to each local government's approved project request. As of March 31, 2016 at least 140 projects have been awarded with a total allocation of $338 million, and at least 4,368 jobs being formed.

Voting to not index would require Clark County to stop future indexing of fuel taxes and limit local governments from beginning any new street and highway improvement projects, maintenance of existing roadways, and public safety enhancements that would have otherwise been financed through the continuation of fuel revenue indexing.

ARGUMENT FOR PASSAGE

Continuation of fuel revenue indexing will improve roads throughout Clark County, reduce traffic congestion, make for safer and shorter commutes and save commuters money annually.

All proceeds can only be used in Clark County for road maintenance and improvements and will be subject to full public disclosure and oversight, including annual audits.

A vote to continue indexing will cost an estimated 2.8 cents per gallon in 2018. Based upon a 25-mpg average, that's less than one-tenth of 1 cent per mile, or roughly 1 cent per 10 miles traveled. Indexes in succeeding years would continue to depend upon the rate of inflation, as they have been in the previous 3 years of indexing.

In return, commuters will *save money*. Poor roads impose hidden costs on Clark County families and businesses, including an estimated $906 in excess fuel and lost time and $365 in vehicle operating costs annually. Road improvements will reduce these annual costs for drivers, and the projects will be a major boost in economic activity, creating roughly 25,000 good-paying jobs and $1.5 billion in wages in Clark County.

Without passage of Question 5, we will not have the funding necessary to complete at least 186 vital road improvement projects. The measure will keep every penny in southern Nevada and allow Clark County to access state and federal matching dollars that will otherwise go outside our County.

Road improvements will also improve safety by providing safer alternatives for bicyclists and pedestrians, thereby improving travel for all users, including safer routes to school for our children. Safer roads equal safer commutes and fewer crashes and injuries, which saves commuters through reduced insurance rates, saves taxpayer dollars through reduced demand for public safety personnel, and allows law enforcement to focus more on crime rather than on traffic related issues.

Our quality of life will also improve. The average Clark County motorist spends 44 hours annually stuck in traffic congestion, collectively burning over 30 million gallons of fuel by motorists annually and polluting the air through CO_2 emissions. Shortening our commutes will reduce emissions, improve our air quality and provide more time with family, recreation or more efficient business operations.

Continuing fuel indexing is an investment in our community that will save us money, reduce congestion, shorten our commutes and improve safety and our quality of life in southern Nevada.

Vote YES on Question 5!

Submitted by Ballot Question Committee as provided for in NRS 295.121

REBUTTAL TO ARGUMENT FOR PASSAGE

Commuters will not save money. They may be forced to pay billions of dollars of increased fuel taxes to the government. A vote to approve this bloated spending plan may increase the tax on a gallon of fuel to about 65 cents per gallon in 2018 and the tax may go up an additional 3-6 cents per gallon each year with the possibility of rising to $1.25 cents per gallon by 2026. Almost all of the road projects currently underway will be completed without any additional tax increases. If additional taxes are approved, drivers will spend even more time stuck in traffic. Traffic congestion will just get worse with the extra construction. There are presently orange cones on almost every major street. We cannot deal with more delays. We don't need ten more tax increases and several billions of dollars in contracts, especially when none of this money can go to schools or other important projects. This tax increase, which could be one of the largest in Nevada history, needs to be defeated.

Submitted by Clark County Registrar of Voters as provided for in NRS 295.121

ARGUMENT AGAINST PASSAGE

Voting yes on this question could mean TEN separate tax increases, nearly doubling our gas tax related to indexing. The gas tax started at 52 cents a gallon in 2014 and may go up another 46.32 cents through July, 2026, based on conservative estimates. If the highway and street construction inflation index tied to this tax increases more than conservative estimates, that increase could double before it is capped. This is too long a period of tax growth in our uncertain market conditions.

If passed, this question could arguably result in one of the largest local tax increases, generating $3 Billion in bonding capacity over the next ten years. This tax is a *new* source of revenue which cannot be used for any other purpose, even though traditional sources of revenue for highway construction will continue to be an option. The hands of local leaders should not be tied so far into the future to determine the best use of our tax dollars.

The ordinance allowing indexing was first effective in 2014, and imposed an additional gas tax which increased in 2015 and 2016. These taxes already in place will stay in place for a minimum of ten years, and maybe longer, depending on the bonds issued. If the voters approve ADDITIONAL increases with this question, those increases may stay in place until thirty years after the last increase, and if bonded, cannot be changed by our leaders for five years. This is way too long for a tax to stay in place without the opportunity for leaders or voters to have the ability to review it and determine if it meets the needs of our community.

Our income may not keep up with this rate of tax increases. The inflation rate used in this index, the street and construction inflation index is currently much higher than the general population cost of living index. Since this proposed tax increase is essentially a flat tax, it will hurt the pocketbooks of lower income people who have to travel to work each day much harder than others.

Finally, this method of funding is not fair. It puts the whole burden of funding roads and highways on gasoline operated vehicles, and does not assess the users of alternative fuel vehicles, like electric cars, which should have to pay their share of the burden on our roadways.

Vote No! on this question.

Submitted by Clark County Registrar of Voters as provided for in NRS 295.121

REBUTTAL TO ARGUMENT AGAINST PASSAGE

Opponents do not deny the critical need to repair and improve our roads and to make them safer for commuters and for school children. Rather, they argue that other "traditional sources of revenue" are an option, suggesting instead that property or sales taxes be raised. Indexing is the most FAIR AND REASONABLE way to ensure that those who use the roads pay for the roads.

Question 5 PROTECTS taxpayers' wallets by limiting the index rate to the previous 10-year average rate of inflation, which includes NEGATIVE inflation in some years, thereby keeping the rate low and limiting the cost to less than 1 cent for every 10 miles driven. Moreover, all revenues are subject to public oversight and transparency through annual audits.

Addressing necessary repairs and maintenance NOW will avoid the need for even more road construction in the future, thereby helping to REDUCE the number of orange cones on the roads and giving drivers unobstructed, smoother and faster commutes.

Question 5 will keep ALL of the money in Clark County, and the benefits of cost savings for commuters, less congestion, improved safety and shorter commutes will be enjoyed throughout southern Nevada.

Vote YES on Question 5!

Submitted by Ballot Question Committee as provided for in NRS 295.121

ANTICIPATED FINANCIAL EFFECT

Indexing fuel taxes to inflation is expected to increase fuel taxes annually for ten years beginning on January 1, 2017 and continuing every July thereafter through December 31, 2026. The maximum annual increase of the additional taxes are required to be calculated by applying a formula factoring the average rate of the previous 10-Years of street and highway construction inflation, the percentage of which cannot exceed 7.8 percent in any one year. Official projections commissioned by the Regional Transportation Commission for extending the indexing program is expected to cost an additional 2.8 cents per gallon in fiscal year 2018. This equates to 4 cents per day for the average motorist driving a vehicle approximately 13,500 miles/year and averaging 25 mpg in fiscal year 2018.