

CITY OF FERNLEY  
RESOLUTION # 18-006

A RESOLUTION TO PLACE AN ADVISORY QUESTION ON THE NOVEMBER 2018  
BALLOT REGARDING THE PURSUIT OF LEGISLATION AUTHORIZING UP TO A  
\$.05 PER GALLON INCREASE IN THE FUEL TAX ON THE SALE OF DIESEL FUEL  
IN THE CITY OF FERNLEY FOR THE SOLE PURPOSE OF ROAD MAINTENANCE  
AND IMPROVEMENTS IN THE CITY OF FERNLEY.

WHEREAS, the City of Fernley City Council is authorized under NRS 205.230 to place advisory questions on general election ballots;

WHEREAS, the legal authority to impose a tax to fund road maintenance and improvements in Fernley is vested with the Nevada Legislature;

WHEREAS, the current tax on diesel fuel in Fernley is imposed at a rate of \$.27 per gallon. The tax is imposed pursuant to the provisions of NRS 366.010 et. seq.;

WHEREAS, the City of Fernley City Council has determined that the City of Fernley has experienced, and will continue to experience, a severe shortfall in municipal revenue and a corresponding inability to adequately fund road maintenance and road improvements, due to inherent and unresolvable inequities unique to the City of Fernley in the consolidated tax funding formula;

WHEREAS, it is desired to have the voters of the City of Fernley express their opinion on the pursuit of legislation authorizing an increase in the tax on diesel fuel sold in Fernley, by up to \$.05 per gallon;

WHEREAS, the estimated fiscal impact of the question will depend on whether legislation is pursued and adopted, but may result in an increase in the tax on diesel fuel by up to \$.05 per gallon;

WHEREAS, the period of time for which the proposed increase in the tax on diesel fuel will be in effect will depend on whether legislation is pursued and adopted, but no expiration date is anticipated;

WHEREAS, whether the proposed increase in the tax on diesel fuel will be utilized to sell bonds which may be backed by the full faith and credit of the City of Fernley will depend on whether the legislation is pursued and adopted, but it is anticipated that bonds will be explored and issued if in the best financial interests of the City of Fernley and its residents; and

WHEREAS, the ultimate decision on whether to pursue legislation to authorize an increase in the tax on diesel fuel in Fernley lies with the Fernley City Council, and the results of the proposed advisory question are not binding on the Fernley City Council, the Mayor, or any other Fernley officer, agent or employee.

NOW, THEREFORE, BE IT RESOLVED, the City of Fernley City Council does hereby resolve to place the following advisory question, explanation of the question on the November 2018 general election ballot:

*Advisory Question Only: Do you support the City of Fernley pursuing legislation to authorize an increase of up to \$.05 per gallon in the tax on diesel fuel sold in Fernley, with the proceeds to be controlled by and used by the City of Fernley for the sole purpose of construction, maintenance and repair of public roads within the City of Fernley?*

AND BE IT FURTHER RESOLVED, the City of Fernley City Council sets forth the following explanation of the question and estimated fiscal impact of the question:

Explanation: *The tax on diesel fuel is set by the Nevada Legislature. Currently, that tax is imposed at a rate of \$.27 per gallon. All proceeds from the tax are distributed to the State Highway Fund and primarily used by the Nevada Department of Transportation for the construction, maintenance and repair of public highways throughout Nevada. This advisory question will measure support among Fernley voters for efforts to seek legislation to increase the tax on diesel fuel in Fernley by up to an additional \$.05 per gallon, with the proceeds of any such increase to be controlled and used exclusively by the City of Fernley for the sole purpose of construction, maintenance and repair of public roads within the City of Fernley. The proposed question is advisory only and is not binding on the City of Fernley City Council, but may ultimately result in the creation, generation, or increase of public revenues.*

Estimated Fiscal Impact: *The aggregate fiscal impact is unknown and is dependent on whether legislation to increase the tax on diesel fuel sold in Fernley is adopted. However, if such legislation is ultimately adopted then any person purchasing diesel fuel in Fernley will experience an increase in the tax on diesel fuel by up to \$.05 per gallon. The City of Fernley City Council may issue bonds based on increased revenues if deemed appropriate and viable. If such an increase is enacted, there is no anticipated expiration date.*

PASSED, APPROVED AND ADOPTED this 16<sup>th</sup> day of May 2018, by the following vote of the Council:

AYES: 5    NAYS: 0    ABSTENTIONS: 0    ABSENT: 0

FERNLEY CITY COUNCIL

By:   
Roy Edgington Jr., Mayor

ATTEST:

  
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Kim Swanson, City Clerk