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Office of the Governor

June 1, 2023

The Honorable Steve Yeager
Speaker of the Nevada State Assembly
Nevada Legislature
401 South Carson Street
Carson City, Nevada 89701

Re: Assembly Bill 359 of the 82nd Legislative Session

Dear Speaker Yeager:

I am forwarding to you, for filing within the time limit set forth in the Nevada Constitution and without my approval, Assembly Bill 359 ("AB 359"), which is titled as follows:

> AN ACT relating to taxation; revising provisions governing the effectuation of additional annual increases in certain taxes imposed on fuels for motor vehicles in certain larger counties; and providing other matters properly relating thereto.

Ensuring well-maintained roads for Clark County residents and visitors is an important goal. However, the mechanism proposed in AB 359—circumventing an affirmative vote of the people—is concerning to me. The arguments in favor of fuel revenue indexing are compelling, but a decision on this issue, which impacts household budgets every day, is most appropriately rendered by the voters.

There is no question that the increasing number of hybrid and electric vehicles is diminishing fuel tax revenues, shifting the cost burden for keeping our roads in good repair to those driving vehicles powered by traditional gasoline engines. The high upfront cost for the most fuel-efficient vehicles is a significant barrier to many Nevadans, leaving those with fewer resources shouldering a disproportionate share of the expense for the care and upkeep of our transportation infrastructure. AB 359 does not adequately address how to ensure that all drivers contribute fairly towards the shared resource of well-maintained streets.

The current, voter-authorized fuel revenue indexing does not expire until 2026, leaving sufficient time for further consideration of solutions that more equitably allocate responsibility for roadway improvements among all users.

For these reasons, I veto this bill and return it without my signature or approval.

Respectfully submitted,

JOE LOMBARDO
Governor of Nevada

Enclosure

cc: The Honorable Stavros Anthony, President of the Senate (without enclosure)
The Honorable Nicole Cannizzaro, Senate Majority Leader (without enclosure)
The Honorable Francisco Aguilar, Secretary of State (without enclosure)
Brendan Bucy, Secretary of the Senate (without enclosure)
Susan Furlong, Chief Clerk of the Assembly (without enclosure)
Brenda Erdoes, Esq., Legislative Counsel (without enclosure)