

CHAPTER.....

AN ACT relating to taxation; temporarily redirecting a portion of the taxes ad valorem levied in Clark and Washoe Counties to the State General Fund; revising the provisions governing the imposition and use of a supplemental governmental services tax in certain counties; temporarily redirecting a portion of certain taxes imposed in Clark County to the county general fund; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law authorizes a county to impose an ad valorem tax for capital projects in the amount of 5 cents per \$100 of the assessed valuation of the county. (NRS 354.59815) **Section 1** of this bill requires the deposit into the State General Fund of a portion of the proceeds of any such tax imposed during the next 2 fiscal years in a county whose population is 100,000 or more (currently Clark and Washoe Counties).

Existing law authorizes a board of county commissioners, after receiving the approval of the voters, to impose a supplemental governmental services tax of 1 cent on each \$1 valuation of a vehicle. (NRS 371.045) **Section 4** of this bill authorizes the board of a county whose population is 100,000 or more but less than 400,000 (currently Washoe County) to impose such a tax without voter approval and expands the purposes for which such a county may expend the proceeds thereof. **Section 5** of this bill expands the purposes for which a county whose population is 400,000 or more (currently Clark County) may expend the proceeds of such a tax.

**Section 8** of this bill requires the deposit into the State General Fund of the portion of the property taxes levied for the next 2 fiscal years for operating purposes by Clark and Washoe Counties at the rate of 4 cents per \$100 of assessed valuation.

**Section 9** of this bill requires the transfer to the general fund for Clark County of certain proceeds for the next 2 fiscal years of taxes imposed in the County on revenues from the rental of transient lodging, on the privilege of new residential, commercial, industrial and other development, and on the privilege of operating a vehicle on the public streets, roads and highways.

---

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 354.59815 is hereby amended to read as follows:

354.59815 1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811, the board of county commissioners may levy a tax ad valorem on all taxable property in the county at a rate not to exceed 5 cents per \$100 of the assessed valuation of the county.

2. If a tax is levied pursuant to subsection 1 in:



(a) A county whose population is less than 100,000, the board of county commissioners shall direct the county treasurer to distribute quarterly the proceeds of the tax among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all of the local governments in the county for the 1990-1991 Fiscal Year.

(b) A county whose population is 100,000 or more, the board of county commissioners shall direct the county treasurer to distribute quarterly, from the proceeds of the tax for:

(1) The fiscal year beginning on July 1, 2008:

(I) Eighty-eight percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year; and

(II) Twelve percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

(2) The fiscal year beginning on July 1, 2009:

(I) ~~Seventy-six percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year;~~ *to the State Treasurer for deposit in the State General Fund;* and

(II) Twenty-four percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

(3) The fiscal year beginning on July 1, 2010:

(I) ~~Sixty-four percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year;~~ *to the State Treasurer for deposit in the State General Fund;* and



(II) Thirty-six percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

(4) The fiscal year beginning on July 1, 2011:

(I) Fifty-two percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year; and

(II) Forty-eight percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

(5) Each fiscal year beginning on or after July 1, 2012:

(I) Forty percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year; and

(II) Sixty percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

3. The board of county commissioners shall not reduce the rate of any tax levied pursuant to the provisions of subsection 1 without the approval of the State Board of Finance and each of the local governments that receives a portion of the tax, except that, if a local government declines to receive its portion of the tax in a particular year the levy may be reduced by the amount that local government would have received.

**Sec. 2.** NRS 244.33516 is hereby amended to read as follows:

244.33516 A board of county commissioners which, after ~~March 25, 1991,~~ **July 1, 2009**, imposes a tax pursuant to NRS 244.3351, 278.710, 365.203, 371.045, 373.030 or 377A.020 ~~or section 4 of this act,~~ shall, by January 1, ~~2001,~~ **2011**, and every 10 years thereafter:

1. Prepare a comprehensive report which includes:

(a) A statement of the proposed uses during the following 10 years of the revenues to be collected from each tax imposed; and

(b) A projection of the principal amount of any general or special obligation bonds or other securities proposed to be issued



during the following 10 years to fund projects described in paragraph (a) of subsection 2 of NRS 244.33512;

2. Hold a public hearing to consider and solicit comments on the report; and

3. Provide a copy of the report to the next regular session of the Legislature.

**Sec. 3.** NRS 244A.256 is hereby amended to read as follows:

244A.256 1. A county may pledge any money received from the proceeds of taxes imposed pursuant to paragraph (a) of subsection 1 of NRS 244.3351 or paragraph (a) of subsection 1 of NRS 278.710 or pursuant to NRS 371.045 *or section 4 of this act* or, with the consent of the regional transportation commission, received from the proceeds of the tax imposed pursuant to NRS 377A.020, or any combination of money from those sources with revenue derived from the project financed with the proceeds of the obligations for whose payment those taxes are pledged, including any existing or future extensions or enlargements thereof, for the payment of general or special obligations issued for projects described in paragraph (a) of subsection 2 of NRS 244.33512, if the project for which the securities are issued could be directly funded with the taxes whose proceeds are pledged for the payment of the securities.

2. A county may pledge any money received from the proceeds of taxes imposed pursuant to paragraph (b) of subsection 1 of NRS 244.3351 or paragraph (b) of subsection 1 of NRS 278.710, or any combination of money from those taxes with revenue derived from the project financed with the proceeds of the obligations for whose payment those taxes are pledged, including any existing or future extensions or enlargements thereof, for the payment of general or special obligations issued for projects described in subsection 1 of NRS 244.33514, if the project for which the securities are issued could be directly funded with the taxes whose proceeds are pledged for the payment of the securities.

3. Any money pledged by the county pursuant to subsection 1 or 2 may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

**Sec. 4.** Chapter 371 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. A board of county commissioners of a county whose population is 100,000 or more but less than 400,000 may by ordinance, but not as in a case of emergency, impose a supplemental governmental services tax of not more than 1 cent on each \$1 of valuation of the vehicle for the privilege of*



*operating upon the public streets, roads and highways of the county on each vehicle based in the county except:*

*(a) A vehicle exempt from the governmental services tax pursuant to this chapter; or*

*(b) A vehicle subject to NRS 706.011 to 706.861, inclusive, which is engaged in interstate or intercounty operations.*

*2. Collection of the tax imposed pursuant to this section must not commence earlier than the first day of the second calendar month after adoption of the ordinance imposing the tax.*

*3. Except as otherwise provided in subsection 4 and NRS 371.047, the county shall use the proceeds of the tax to pay the cost of:*

*(a) Projects related to the construction and maintenance of sidewalks, streets, avenues, boulevards, highways and other public rights-of-way used primarily for vehicular traffic, including, without limitation, overpass projects, street projects or underpass projects, as defined in NRS 244A.037, 244A.053 and 244A.055, respectively:*

*(1) Within the boundaries of the county;*

*(2) Within 1 mile outside the boundaries of the county if the board of county commissioners finds that such projects outside the boundaries of the county will facilitate transportation within the county; or*

*(3) Within 30 miles outside the boundaries of the county and the boundaries of this State, where those boundaries are coterminous, if:*

*(I) The projects consist of improvements to a highway which is located wholly or partially outside the boundaries of this State and which connects this State to an interstate highway; and*

*(II) The board of county commissioners finds that such projects will provide a significant economic benefit to the county;*

*(b) Payment of principal and interest on notes, bonds or other obligations incurred to fund projects described in paragraph (a); or*

*(c) Any combination of those uses.*

*4. The county may expend:*

*(a) Any proceeds of the supplemental governmental services tax authorized by this section, or any borrowing in anticipation of that tax, pursuant to an interlocal agreement between the county and the regional transportation commission of the county with respect to any projects to be financed with the proceeds of the tax.*

*(b) Any proceeds of the supplemental governmental services tax authorized by this section to pay the operating costs of the*



*county and any other costs to carry out the governmental functions of the county.*

*5. As used in this section, "based" has the meaning ascribed to it in NRS 482.011.*

**Sec. 5.** NRS 371.045 is hereby amended to read as follows:

371.045 1. A board of county commissioners *of a county whose population is less than 100,000 or is 400,000 or more* may by ordinance, but not as in a case of emergency, after receiving the approval of a majority of the registered voters voting on the question at a primary, general or special election, impose a supplemental governmental services tax of not more than 1 cent on each \$1 of valuation of the vehicle for the privilege of operating upon the public streets, roads and highways of the county on each vehicle based in the county except:

(a) A vehicle exempt from the governmental services tax pursuant to this chapter; or

(b) A vehicle subject to NRS 706.011 to 706.861, inclusive, which is engaged in interstate or intercounty operations.

2. A county may combine this question with questions submitted pursuant to NRS 244.3351, 278.710 or 377A.020, or any combination thereof.

3. A special election may be held only if the board of county commissioners determines, by a unanimous vote, that an emergency exists. The determination made by the board is conclusive unless it is shown that the board acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the board must be commenced within 15 days after the board's determination is final. As used in this subsection, "emergency" means any unexpected occurrence or combination of occurrences which requires immediate action by the board of county commissioners to prevent or mitigate a substantial financial loss to the county or to enable the board to provide an essential service to the residents of the county.

4. Collection of the tax imposed pursuant to this section must not commence earlier than the first day of the second calendar month after adoption of the ordinance imposing the tax.

5. Except as otherwise provided in subsection 6 and NRS 371.047, the county shall use the proceeds of the tax to pay the cost of:

(a) Projects related to the construction and maintenance of sidewalks, streets, avenues, boulevards, highways and other public rights-of-way used primarily for vehicular traffic, including, without



limitation, overpass projects, street projects or underpass projects, as defined in NRS 244A.037, 244A.053 and 244A.055, respectively:

- (1) Within the boundaries of the county;
- (2) Within 1 mile outside the boundaries of the county if the board of county commissioners finds that such projects outside the boundaries of the county will facilitate transportation within the county; or

(3) Within 30 miles outside the boundaries of the county and the boundaries of this State, where those boundaries are coterminous, if:

(I) The projects consist of improvements to a highway which is located wholly or partially outside the boundaries of this State and which connects this State to an interstate highway; and

(II) The board of county commissioners finds that such projects will provide a significant economic benefit to the county;

(b) Payment of principal and interest on notes, bonds or other obligations incurred to fund projects described in paragraph (a); or

(c) Any combination of those uses.

6. The county may ~~expend the~~ :

(a) *Expend any* proceeds of the supplemental governmental services tax authorized by this section, ~~[and NRS 371.047.]~~ or any borrowing in anticipation of that tax, pursuant to an interlocal agreement between the county and the regional transportation commission of the county with respect to ~~[the]~~ *any* projects to be financed with the proceeds of the tax.

*(b) If the population of the county is 400,000 or more, expend any proceeds of the supplemental governmental services tax authorized by this section to pay the operating costs of the county and any other costs to carry out the governmental functions of the county.*

7. As used in this section, “based” has the meaning ascribed to it in NRS 482.011.

**Sec. 6.** NRS 371.047 is hereby amended to read as follows:

371.047 1. A county may use the proceeds of the tax imposed pursuant to NRS 371.045 ~~[ ]~~ *or section 4 of this act*, or of bonds, notes or other obligations incurred to which the proceeds of those taxes are pledged to finance a project related to the construction of a highway with limited access, to:

(a) Purchase residential real property which shares a boundary with a highway with limited access or a project related to the construction of a highway with limited access, and which is adversely affected by the highway. Not more than 1 percent of the



proceeds of the tax or of any bonds to which the proceeds of the tax are pledged may be used for this purpose.

(b) Pay for the cost of moving persons whose primary residences are condemned for a right-of-way for a highway with limited access and who qualify for such payments. The board of county commissioners shall, by ordinance, establish the qualifications for receiving payments for the cost of moving pursuant to this paragraph.

2. A county may, in accordance with NRS 244.265 to 244.296, inclusive, dispose of any residential real property purchased pursuant to this section, and may reserve and except easements, rights or interests related thereto, including, but not limited to:

(a) Abutter's rights of light, view or air.

(b) Easements of access to and from abutting land.

(c) Covenants prohibiting the use of signs, structures or devices advertising activities not conducted, services not rendered or goods not produced or available on the real property.

3. Proceeds from the sale or lease of residential real property acquired pursuant to this section must be used for the purposes set forth in this section and in NRS 371.045 ~~§~~ *or section 4 of this act, as applicable.*

4. For the purposes of this section, residential real property is adversely affected by a highway with limited access if the construction or proposed use of the highway:

(a) Constitutes a taking of all or any part of the property, or interest therein;

(b) Lowers the value of the property; or

(c) Constitutes a nuisance.

5. As used in this section:

(a) "Highway with limited access" means a divided highway for through traffic with full control of access and with grade separations at intersections.

(b) "Primary residence" means a dwelling, whether owned or rented by the occupant, which is the sole principal place of residence of that occupant.

(c) "Residential real property" means a lot or parcel of not more than 1.5 acres upon which a single-family or multifamily dwelling is located.

**Sec. 7.** NRS 482.181 is hereby amended to read as follows:

482.181 1. Except as otherwise provided in subsection 5, after deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180, the Department shall certify monthly to the State Board of





Examiners the amount of the basic and supplemental governmental services taxes collected for each county by the Department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental governmental services tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.045 and 371.047 **and section 4 of this act.**

3. The distribution of the basic governmental services tax received or collected for each county must be made to the county school district within each county before any distribution is made to a local government, special district or enterprise district. For the purpose of calculating the amount of the basic governmental services tax to be distributed to the county school district, the taxes levied by each local government, special district and enterprise district are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. After making the distributions set forth in subsection 3, the remaining money received or collected for each county must be deposited in the Local Government Tax Distribution Account created by NRS 360.660 for distribution to local governments, special districts and enterprise districts within each county pursuant to the provisions of NRS 360.680 and 360.690.

5. An amount equal to any basic governmental services tax distributed to a redevelopment agency in the Fiscal Year 1987-1988 must continue to be distributed to that agency as long as it exists but must not be increased.

6. The Department shall make distributions of the basic governmental services tax directly to county school districts.

7. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Received or collected for each county" means:



(1) For the basic governmental services tax collected on vehicles subject to the provisions of chapter 706 of NRS, the amount determined for each county based on the following percentages:

Carson City.....	1.07 percent	Lincoln.....	3.12 percent
Churchill.....	5.21 percent	Lyon.....	2.90 percent
Clark.....	22.54 percent	Mineral.....	2.40 percent
Douglas.....	2.52 percent	Nye.....	4.09 percent
Elko.....	13.31 percent	Pershing.....	7.00 percent
Esmeralda.....	2.52 percent	Storey.....	.19 percent
Eureka.....	3.10 percent	Washoe.....	12.24 percent
Humboldt.....	8.25 percent	White Pine.....	5.66 percent
Lander.....	3.88 percent		

(2) For all other basic and supplemental governmental services tax received or collected by the Department, the amount attributable to each county based on the county of registration of the vehicle for which the tax was paid.

(d) "Special district" has the meaning ascribed to it in NRS 360.650.

**Sec. 8.** 1. Notwithstanding any other statutory provision to the contrary, the County Treasurer of Clark County shall distribute quarterly to the State Treasurer for deposit in the State General Fund, from the proceeds of the taxes ad valorem levied by that County for the operating expenses of the County during the fiscal years beginning on July 1, 2009, and July 1, 2010, the amount of those proceeds attributable to the levy of those taxes on all taxable property in the County at the rate of 4 cents per \$100 of assessed valuation. For the purposes of NRS 354.59811, the amount of the proceeds distributed to the State Treasurer pursuant to this subsection shall be deemed to constitute revenue received by Clark County from taxes ad valorem.

2. Notwithstanding any other statutory provision to the contrary, the County Treasurer of Washoe County shall distribute quarterly to the State Treasurer for deposit in the State General Fund, from the proceeds of the taxes ad valorem levied by that County for the operating expenses of the County during the fiscal years beginning on July 1, 2009, and July 1, 2010, the amount of those proceeds attributable to the levy of those taxes on all taxable property in the County at the rate of 4 cents per \$100 of assessed valuation. For the purposes of NRS 354.59811, the amount of the proceeds distributed to the State Treasurer pursuant to this



subsection shall be deemed to constitute revenue received by Washoe County from taxes ad valorem.

**Sec. 9.** Notwithstanding any other statutory provision to the contrary:

1. The Chief Financial Officer of Clark County shall:

(a) Determine the amount of:

(1) Any revenue for the fiscal years beginning on July 1 2009, and July 1, 2010, which is retained by the County pursuant to paragraph (b) of subsection 1 of NRS 244.33512;

(2) Any revenue for the fiscal years beginning on July 1 2009, and July 1, 2010, from any tax imposed in the County pursuant to NRS 278.710; and

(3) Any revenue for the fiscal years beginning on July 1 2009, and July 1, 2010, from any tax imposed in the County pursuant to NRS 371.045,

↳ which is not needed for debt service on any bonds or other securities which are payable from or secured by any of that revenue, or for any reserves therefor or any other expenses related to those bonds or other securities, or for any other existing contractual obligations, and which may be available, under the terms of any bonds or other securities to which all or any combination of such revenue has been pledged, for distribution pursuant to paragraph (b); and

(b) Transfer to the county general fund such a portion of the amount determined pursuant to paragraph (a) as the Board of County Commissioners of Clark County determines to be appropriate based upon any financial needs for existing contractual obligations, for bonds anticipated to be issued in the future, for anticipated future debt service on outstanding bonds and bonds anticipated to be issued in the future, and for any reserves therefor.

2. Any money transferred to the county general fund pursuant to subsection 1 may be expended to pay the operating costs of the county and any other costs to carry out the governmental functions of the county.

**Sec. 10.** The amendatory provisions of section 1 of this act must not be applied to modify, directly or indirectly, any taxes levied or revenues pledged in such a manner as to impair adversely any outstanding obligations of any county, city or town, including, without limitation, bonds, medium-term financing, letters of credit and any other financial obligation, until all such obligations have been discharged in full or provision for their payment and redemption has been fully made.



**Sec. 11.** This act becomes effective on July 1, 2009.

20 ~~~~~ 09

