

SENATE BILL NO. 1—COMMITTEE OF THE WHOLE

JUNE 4, 2013

Referred to Committee of the Whole

SUMMARY—Makes various changes relating to the Clark County Sales and Use Tax Act of 2005. (BDR S-10)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; providing the legislative approval required for an increase in the tax imposed pursuant to the Clark County Sales and Use Tax Act of 2005; imposing certain conditions on the allotment and use of the proceeds of the increase of the tax; suspending temporarily the application of certain provisions of the Act; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Board of County Commissioners of Clark County to impose a sales and use tax in Clark County of one-quarter of 1 percent to employ and equip additional police officers for the Boulder City Police Department, Henderson Police Department, Las Vegas Metropolitan Police Department, Mesquite Police Department and North Las Vegas Police Department, and allows the imposition of an increase in that tax of not more than one-quarter of 1 percent if the date on which the increased rate is first imposed is on or after October 1, 2009, and if the Legislature first approves the increased rate. (Clark County Sales and Use Tax Act of 2005) **Section 3** of this bill provides the legislative approval required for the imposition of an increase in that tax of not more than fifteen-hundredths of 1 percent on or after October 1, 2013, if the increase is approved by two-thirds of the members of the Board of County Commissioners of Clark County and if the increased rate is first imposed before July 1, 2016. **Section 3.5** of this bill imposes conditions on allotments to police departments of the proceeds of the increase in the tax. **Section 3.7** of this bill imposes conditions on the use by police departments of the proceeds of the increase in the tax, authorizes the Committee on Local Government Finance to grant waivers of those conditions and requires the Committee to submit annual reports to the Legislative Commission concerning any waivers granted by the Committee.

Section 1 of this bill amends the Clark County Sales and Use Tax Act of 2005 to suspend temporarily certain provisions of the Act which require a governing body to approve expenditures by a police department of proceeds received from the



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taxes imposed pursuant to the Act if the governing body determines that the proposed expenditure will not replace or supplant existing funding for the police department. **Section 1** also requires that certain periodic reports required by the Act include a separate detailed description of any expenditures as a result of the temporary suspension of those provisions of the Act. Additionally, **section 1** requires that a copy of the separate detailed description be submitted to the Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee. **Section 2** of this bill amends the Act to specify the method for calculating the base fiscal year for certain purposes of the Act.

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

Section 1. The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 13.3, immediately following section 13, to read as follows:

Sec. 13.3. 1. The provisions of paragraph (b) of subsection 1 and subsections 3 to 8, inclusive, of section 13 of this act do not apply to any expenditure of proceeds from any sales and use tax imposed pursuant to this act on or after July 1, 2013, but before July 1, 2016.

2. In addition to the requirements of section 13.5 of this act:

(a) The periodic reports required by that section must include, with respect to the period covered by the report, a separate detailed description of the expenditure of any proceeds from the sales and use tax imposed pursuant to this act as a result of the provisions of subsection 1; and

(b) A governing body that is required to submit a report pursuant to section 13.5 of this act shall submit a copy of the separate detailed description required by paragraph (a) for the period covered by the report to the Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee on or before the date by which the governing body is required to submit the report for that period to the Department pursuant to section 13.5 of this act.

Sec. 2. The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 13.7, immediately following section 13.5, to read as follows:

Sec. 13.7. Notwithstanding the provisions of subsection 8 of section 13 of this act, for Fiscal Year 2015-2016, the base fiscal year for each body must be adjusted for the purposes of section 13 of this act as provided in this



section, and that adjusted base fiscal year must be used as the base fiscal year for all purposes, including future calculations of base fiscal years. To determine the adjusted base fiscal year for Fiscal Year 2015-2016, any expenditures authorized as a result of the provisions of subsection 1 of section 13.3 of this act must not be included when calculating the amount of money received or expended in that fiscal year.

Sec. 3. The Legislature hereby approves an increase, pursuant to paragraph (b) of subsection 1 of section 10 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, in the rate of the tax imposed pursuant to that Act in the amount of not more than fifteen-hundredths of 1 percent, if:

1. The increase authorized by this section is enacted by an ordinance approved by a two-thirds majority of the members of the Board of County Commissioners of Clark County; and

2. The date on which that increased rate is first imposed is on or after October 1, 2013, but before July 1, 2016.

Sec. 3.5. 1. If the increase in the rate of the tax authorized by section 3 of this act is enacted pursuant to that section, the County Treasurer of Clark County shall not make any allotment to a police department pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005 of any portion of the proceeds of the increase unless the County Treasurer is satisfied that the police department will meet the requirements of subsection 1 of section 3.7 of this act.

2. If the County Treasurer determines pursuant to subsection 1 that an allotment will not be made to a police department, any other police department may apply to the County Treasurer requesting approval for the use by the requesting police department of the unused allotment. If the County Treasurer is satisfied that the requesting police department will meet the requirements of subsection 1 of section 3.7 of this act, the County Treasurer shall make the requested allotment to the requesting police department.

Sec. 3.7. 1. A police department shall not expend any portion of an allotment made to it by the County Treasurer pursuant to section 3.5 of this act to employ and equip additional police officers unless:

(a) The police department employs and equips an equal number of police officers in unfilled budgeted positions for police officers using money other than the proceeds of the increase in the rate of the tax authorized by section 3 of this act; or

(b) If, based on the number of budgeted positions for police officers in the police department for the 2013-2014 fiscal year, the police department does not have a sufficient number of unfilled



1 budgeted positions for police officers to match all of the positions
2 that are available for funding with the proceeds of the increase in the
3 rate of the tax authorized by section 3 of this act, the police
4 department applies for and is granted a waiver from the
5 requirements of paragraph (a) by the Committee on Local
6 Government Finance.

7 2. The Committee on Local Government Finance shall, on or
8 before September 1 of each year, submit a report to the Legislative
9 Commission that sets forth the number of waivers granted by the
10 Committee pursuant to this section during the immediately
11 preceding fiscal year and the reasons for each such waiver.

12 **Sec. 4.** This act becomes effective upon passage and approval
13 and expires by limitation on October 1, 2025.

