

SENATE BILL NO. 476—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF LEGISLATIVE COMMITTEE TO STUDY THE DISTRIBUTION AMONG
LOCAL GOVERNMENTS OF REVENUE
FROM STATE AND LOCAL TAXES)

MARCH 18, 1999

Referred to Committee on Taxation

SUMMARY—Changes limitation on total ad valorem tax levy. (BDR 32-705)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: 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; exempting certain ad valorem tax levies from the limitation on the total ad valorem tax levy for all public purposes; requiring the publication of a notice if the highest combined tax rate in the county exceeds a certain level; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 361.453 is hereby amended to read as follows:
2 361.453 ***1.*** Except as otherwise provided in NRS 354.705 ~~H~~ ***and this***
3 ***section,*** the total ad valorem tax levy for all public purposes must not
4 exceed \$3.64 on each \$100 of assessed valuation, or a lesser or greater
5 amount fixed by the state board of examiners if the state board of
6 examiners is directed by law to fix a lesser or greater amount for that fiscal
7 year.
8 ***2.*** ***If the combined tax rate of a local government certified by the***
9 ***Nevada tax commission pursuant to NRS 361.4547 was at least \$3.50 on***
10 ***each \$100 of assessed valuation on June 25, 1998:***
11 ***(a) Any levy imposed by the legislature for the repayment of bonded***
12 ***indebtedness or the operating expenses of the State of Nevada; and***
13 ***(b) Any levy imposed by the board of county commissioners pursuant***
14 ***to NRS 387.195 that is in excess of 50 cents on each \$100 of assessed***
15 ***valuation of taxable property within that county,***

1 *must not be included in calculating the limitation set forth in subsection*
2 *1 on the total ad valorem tax levied within the boundaries of that local*
3 *government.*

4 *3. If the combined tax rate of a local government certified by the*
5 *Nevada tax commission pursuant to NRS 361.4547 was less than \$3.50*
6 *on each \$100 of assessed valuation on June 25, 1998:*

7 *(a) Any levy imposed by the legislature for the repayment of bonded*
8 *indebtedness or the operating expenses of the State of Nevada that is in*
9 *excess of the certified rate which was in effect on June 25, 1998; and*

10 *(b) Any levy imposed by the board of county commissioners pursuant*
11 *to NRS 387.195 that is in excess of 75 cents on each \$100 of assessed*
12 *valuation of taxable property within the county,*
13 *must not be included in calculating the limitation set forth in subsection*
14 *1 on the total ad valorem tax levied within the boundaries of that local*
15 *government.*

16 **Sec. 2.** NRS 361.4545 is hereby amended to read as follows:

17 361.4545 1. On or before May 5 of each year or within 5 days after
18 receiving the projections of revenue from the department, whichever is
19 later, the ex officio tax receivers shall prepare and cause to be published in
20 a newspaper of general circulation in their respective counties, a notice
21 which contains at least the following information:

22 (a) A statement that the notice is not a bill for taxes owed but an
23 informational notice. The notice must state:

24 (1) That public hearings will be held on the dates listed in the notice
25 to adopt budgets and tax rates for the fiscal year beginning on July 1;

26 (2) That the purpose of the public hearings is to receive opinions from
27 members of the public on the proposed budgets and tax rates before final
28 action is taken thereon; and

29 (3) The tax rate to be imposed by the county and each political
30 subdivision within the county for the ensuing fiscal year if the tentative
31 budgets which affect the property in those areas become final budgets.

32 (b) A brief description of the limitation imposed by the legislature on
33 the revenue of the local governments.

34 (c) The dates, times and locations of all of the public hearings on the
35 tentative budgets which affect the taxes on property.

36 (d) The names and addresses of the county assessor and ex officio tax
37 receiver who may be consulted for further information.

38 (e) A brief statement of how property is assessed and how the combined
39 tax rate is determined.

40 The notice must be displayed in the format used for news and must be
41 printed on at least one-half of a page of the newspaper.

42 2. Each ex officio tax receiver shall prepare and cause to be published
43 in a newspaper of general circulation within the county ~~{a}~~ :

1 (a) A notice, displayed in the format used for news and printed in not
2 less than 8-point type, disclosing any increase in the property taxes as a
3 result of any change in the tentative budget. ~~{This notice}~~

4 (b) A notice, displayed in the format used for advertisements and
5 printed in not less than 8-point type on at least one quarter of a page of
6 the newspaper, disclosing any amount in cents on each \$100 of assessed
7 valuation by which the highest combined tax rate for property in the
8 county exceeds \$3.64 on each \$100 of assessed valuation.

9 These notices must be published within 10 days after the receipt of the
10 information pursuant to NRS 354.596.

11 Sec. 3. NRS 361.455 is hereby amended to read as follows:

12 361.455 1. Unless individual tax rates are reduced pursuant to NRS
13 361.4547, immediately upon adoption of the final budgets, if the combined
14 tax rate ~~{together with the established state tax rate}~~ exceeds the limit
15 imposed by NRS 361.453, the chairman of the board of county
16 commissioners in each county concerned shall call a meeting of the
17 governing boards of each of the local governments within the county for the
18 purpose of establishing a combined tax rate that conforms to the statutory
19 limit. The chairman shall convene the meeting no later than June 13 of each
20 year.

21 2. The governing boards of the local governments shall meet in public
22 session and the county clerk shall keep appropriate records, pursuant to
23 regulations of the department, of all proceedings. The costs of taking and
24 preparing the record of the proceedings, including the costs of transcribing
25 and summarizing tape recordings, must be borne by the county and
26 participating incorporated cities in proportion to the final tax rate as
27 certified by the department. The chairman of the board of county
28 commissioners or his designee shall preside at the meeting. The governing
29 boards shall explore areas of mutual concern so as to agree upon a
30 combined tax rate that does not exceed the statutory limit.

31 3. The governing boards shall determine final decisions by a
32 unanimous vote of all entities present and qualified to vote, as defined in
33 this subsection. No ballot may be cast on behalf of any governing board
34 unless a majority of the individual board is present. A majority vote of all
35 members of each governing board is necessary to determine the ballot cast
36 for that entity. All ballots must be cast not later than the day following the
37 day the meeting is convened. The district attorney is the legal adviser for
38 such proceedings.

39 4. The county clerk shall immediately thereafter advise the department
40 of the results of the ballots cast and the tax rates set for local governments
41 concerned. If the ballots for the entities present at the meeting in the county
42 are not unanimous, the county clerk shall transmit all records of the
43 proceedings to the department within 5 days after the meeting.

1 5. If a unanimous vote is not obtained and the combined rate in any
2 county together with the established state tax rate exceeds the statutory
3 limit, the department shall examine the record of the discussions and the
4 budgets of all local governments concerned. On June 25 or, if June 25 falls
5 on a Saturday or Sunday, on the Monday next following, the Nevada tax
6 commission shall meet to set the tax rates for the next succeeding year for
7 all local governments so examined. In setting the tax rates for the next
8 succeeding year the Nevada tax commission shall not reduce that portion of
9 the proposed tax rate of the county school district for the operation and
10 maintenance of public schools.

11 6. Any local government affected by a rate adjustment, made in
12 accordance with the provisions of this section, which necessitates a budget
13 revision shall file a copy of its revised budget by July 30 next after the
14 approval and certification of the rate by the Nevada tax commission.

15 7. A copy of the certificate of the Nevada tax commission sent to the
16 board of county commissioners must be forwarded to the county auditor.

17 **Sec. 4.** This act becomes effective on July 1, 1999.

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