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 in certain counties from the limitation on the total ad valorem tax levy for all public purposes under certain circumstances; 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:

Section 1. NRS 361.453 is hereby amended to read as follows:

361.453 ***1.*** Except as otherwise provided in NRS 354.705, section 1 of ***Assembly Bill No. 275 of*** this ~~[act,]~~ ***session and this section,*** the total ad valorem tax levy for all public purposes must not exceed $3.64 on each $100 of assessed valuation, or a lesser or greater amount fixed by the state board of examiners if the state board of examiners is directed by law to fix a lesser or greater amount for that fiscal year.

2. Any levy imposed by the legislature for the repayment of bonded indebtedness or the operating expenses of the State of Nevada and any levy imposed by the board of county commissioners pursuant to NRS 387.195 that is in excess of 50 cents on each $100 of assessed valuation of taxable property within the county must not be included in calculating the limitation set forth in subsection 1 on the total ad valorem tax levied within the boundaries of the county, city or unincorporated town, if, in a

county whose population is 25,000 or less, or in a city or unincorporated town located within that county:

(a) The combined tax rate certified by the Nevada tax commission was at least $3.50 on each $100 of assessed valuation on June 25, 1998;

(b) The governing body of that county, city or unincorporated town proposes to its registered voters an additional levy ad valorem above the total ad valorem tax levy for all public purposes set forth in subsection 1;

(c) The proposal specifies the amount of money to be derived, the purpose for which it is to be expended and the duration of the levy; and

(d) The proposal is approved by a majority of the voters voting on the question at a general election or a special election called for that purpose.

3. The duration of the additional levy ad valorem levied pursuant to subsection 2 must not exceed 5 years. The governing body of the county, city or unincorporated town may discontinue the levy before it expires and may not thereafter reimpose it in whole or in part without following the procedure required for its original imposition set forth in subsection 2.

4. A special election may be held pursuant to subsection 2 only if the governing body of the county, city or unincorporated town determines, by a unanimous vote, that an emergency exists. The determination made by the governing body is conclusive unless it is shown that the governing body acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the governing body must be commenced within 15 days after the governing body's determination is final. As used in this subsection, "emergency" means any unexpected occurrence or combination of occurrences which requires immediate action by the governing body of the county, city or unincorporated town to prevent or mitigate a substantial financial loss to the county, city or unincorporated town or to enable the governing body to provide an essential service to the residents of the county, city or unincorporated town.

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

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

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

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

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

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

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

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

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

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

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

2. Each ex officio tax receiver shall prepare and cause to be published in a newspaper of general circulation within the county ~~[a]~~ ***:***

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

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

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

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

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

2. The governing boards of the local governments shall meet in public session and the county clerk shall keep appropriate records, pursuant to regulations of the department, of all proceedings. The costs of taking and preparing the record of the proceedings, including the costs of transcribing and summarizing tape recordings, must be borne by the county and

participating incorporated cities in proportion to the final tax rate as certified by the department. The chairman of the board of county commissioners or his designee shall preside at the meeting. The governing boards shall explore areas of mutual concern so as to agree upon a combined tax rate that does not exceed the statutory limit.

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

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

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

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

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

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

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