

SENATE BILL NO. 529—COMMITTEE ON GOVERNMENT AFFAIRS

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

MARCH 22, 1999

Referred to Committee on Government Affairs

SUMMARY—Requires segregation by use of proceeds for property tax levied within general improvement districts. (BDR 25-984)

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 ~~for omitted material~~ is material to be omitted.

AN ACT relating to general improvement districts; requiring segregation by the category of the use of the proceeds from property taxes levied within a district; clarifying that a board of trustees of a district may not continue the levy of tax that is used for capital expenditures or debt service on general obligations after those amounts are paid in full; 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 318.230 is hereby amended to read as follows:
2 318.230 1. To levy and collect taxes, the board shall determine, in
3 each year, the amount of money necessary to be raised by taxation, taking
4 into consideration other sources of revenue of the district, and shall fix a
5 rate of levy which, when levied upon every dollar of assessed valuation of
6 taxable property within the district, and together with other revenues, will
7 raise the amount required by the district annually to supply ~~funds~~ **money**
8 for paying :
9 **(a) The** expenses of organization and the costs of ~~acquiring,~~ operating
10 and maintaining the works and equipment of the district ~~[, and promptly to~~
11 pay ~~in full,~~ ; **and**

1 **(b) The costs of acquiring the works and equipment of the district and,**
2 when due, all interest on and principal of general obligation bonds and
3 other general obligations of the district.

4 In the event of accruing defaults or deficiencies, an additional levy may be
5 made as provided in NRS 318.235. **The board shall identify separately the**
6 **rate of tax which is levied pursuant to paragraph (a) and the rate which**
7 **is levied pursuant to paragraph (b) and shall make such information**
8 **available to the public upon request. The board shall not continue to levy**
9 **a rate of tax pursuant to paragraph (b) after the cost to the district of**
10 **acquiring the particular work or equipment for which the rate was levied**
11 **has been recovered in full.**

12 2. The board shall certify to the board of county commissioners, at the
13 same time as fixed by law for certifying thereto tax levies of incorporated
14 cities, the rate so fixed with directions that at the time and in the manner
15 required by law for levying taxes for county purposes such board of county
16 commissioners shall levy such tax upon the assessed valuation of all taxable
17 property within the district, in addition to such other taxes as may be levied
18 by such board of county commissioners at the rate so fixed and determined.

19 **Sec. 2.** NRS 318.235 is hereby amended to read as follows:

20 318.235 1. The board, in certifying annual levies, shall take into
21 account the maturing general obligation indebtedness for the ensuing year
22 as provided in its contracts, maturing general obligation bonds and interest
23 on such bonds, and deficiencies and defaults of prior years, and shall make
24 ample provision for the payment thereof.

25 2. In case the ~~{moneys}~~ **money** produced from such levies, together
26 with other revenues of the district, ~~{are}~~ **is** not sufficient punctually to pay
27 the annual installments on such obligations, and interest thereon, and to pay
28 defaults and deficiencies, the board shall make such additional levies of
29 taxes as may be necessary for such purposes, and, notwithstanding any
30 limitations, such taxes ~~{shall}~~ **must** be made and continue to be levied until
31 the general obligation indebtedness of the district ~~{shall be}~~ **is** fully paid ~~{-}~~
32 **but must not continue after that date.**

33 **Sec. 3.** This act becomes effective on July 1, 1999.