

ASSEMBLY BILL NO. 457—ASSEMBLYMEN BEERS
AND GOLDWATER

MARCH 19, 2001

Referred to Committee on Taxation

SUMMARY—Revises provisions governing distribution of basic vehicle privilege tax revenue to increase amount allocated for educational purposes. (BDR 43-1152)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

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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; revising the provisions governing the distribution of the basic vehicle privilege tax revenue to increase the amount allocated for educational purposes; specifying the educational purposes for which the additional allocation may be used; allowing an increase in the amount of revenue from taxes ad valorem that certain larger counties may receive to offset the reduction in revenue resulting from the reallocation; 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 482.180 is hereby amended to read as follows:
2 482.180 1. The motor vehicle fund is hereby created as an agency
3 fund. Except as otherwise provided in subsection 4 or by a specific statute,
4 all money received or collected by the department must be deposited in the
5 state treasury for credit to the motor vehicle fund.
6 2. The interest and income on the money in the motor vehicle fund,
7 after deducting any applicable charges, must be credited to the state
8 highway fund.
9 3. Any check accepted by the department in payment of vehicle
10 privilege tax or any other fee required to be collected pursuant to this
11 chapter must, if it is dishonored upon presentation for payment, be charged
12 back against the motor vehicle fund or the county to which the payment
13 was credited, in the proper proportion.
14 4. ~~All money~~ ***Money*** received or collected by the department for the
15 basic vehicle privilege tax ***for vehicles not subject to the provisions of***
16 ***chapter 706 of NRS and not engaged in interstate or intercounty***
17 ***operation, that was collected for:***



(a) A county whose population is 40,000 or more:

(1) One-half must be deposited in the local government tax distribution account, created by NRS 360.660, for credit to that county; and

(2) One-half must be deposited in the state distributive school account.

(b) A county whose population is less than 40,000, must be deposited in the local government tax distribution account, created by NRS 360.660, for credit to ~~the appropriate county pursuant to subsection 6.~~ that county.

5. Money for the administration of the provisions of this chapter must be provided by direct legislative appropriation from the state highway fund, upon the presentation of budgets in the manner required by law. Out of the appropriation, the department shall pay every item of expense.

6. The privilege tax collected on vehicles subject to the provisions of chapter 706 of NRS and engaged in interstate or intercounty operation must be distributed among the counties *and the state distributive school account* in the following percentages:

Carson City... 11.07 .535 percent	Lyon..... 2.90 percent
Churchill..... 5.21 percent	Mineral 2.40 percent
Clark..... 122.54 11.27 percent	Nye 4.09 percent
Douglas 12.52 1.26 percent	Pershing 7.00 percent
Elko 113.31 6.655 percent	Storey..... .19 percent
Esmeralda..... 2.52 percent	Washoe 112.24 6.12 percent
Eureka 3.10 percent	White Pine 5.66 percent
Humboldt..... 8.25 percent	<i>State distributive school</i>
Lander 3.88 percent	<i>account..... 25.84 percent</i>
Lincoln 3.12 percent	

The distributions *made to counties* must be allocated among local governments within the respective counties pursuant to the provisions of NRS 482.181.

7. The department shall withhold 6 percent from the amount of privilege tax collected by the department as a commission. From the amount of privilege tax collected by a county assessor, the state controller shall credit 1 percent to the department as a commission and remit 5 percent to the county for credit to its general fund as commission for the services of the county assessor.

8. When the requirements of this section and NRS 482.181 have been met, and when directed by the department, the state controller shall transfer monthly to the state highway fund any balance in the motor vehicle fund.

9. If a statute requires that any money in the motor vehicle fund be transferred to another fund or account, the department shall direct the controller to transfer the money in accordance with the statute.

Sec. 2. NRS 482.180 is hereby amended to read as follows:

482.180 1. The motor vehicle fund is hereby created as an agency fund. Except as otherwise provided in subsection 4 or by a specific statute, all money received or collected by the department must be deposited in the state treasury for credit to the motor vehicle fund.



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1 2. The interest and income on the money in the motor vehicle fund,
2 after deducting any applicable charges, must be credited to the state
3 highway fund.

4 3. Any check accepted by the department in payment of vehicle
5 privilege tax or any other fee required to be collected pursuant to this
6 chapter must, if it is dishonored upon presentation for payment, be charged
7 back against the motor vehicle fund or the county to which the payment
8 was credited, in the proper proportion.

9 4. ~~All money~~ *Money* received or collected by the department for the
10 basic vehicle privilege tax *for vehicles not subject to the provisions of*
11 *chapter 706 of NRS and not engaged in interstate or intercounty*
12 *operation, that was collected for:*

13 (a) *A county whose population is 40,000 or more, must be deposited in*
14 *the state distributive school account.*

15 (b) *A county whose population is less than 40,000, must be deposited in*
16 *the local government tax distribution account, created by NRS 360.660, for*
17 *credit to ~~the appropriate county pursuant to subsection 6.~~ that county.*

18 5. Money for the administration of the provisions of this chapter must
19 be provided by direct legislative appropriation from the state highway
20 fund, upon the presentation of budgets in the manner required by law. Out
21 of the appropriation, the department shall pay every item of expense.

22 6. The privilege tax collected on vehicles subject to the provisions of
23 chapter 706 of NRS and engaged in interstate or intercounty operation
24 must be distributed among the counties *and the state distributive school*
25 *account* in the following percentages:

26		
27	{Carson City 1.07 percent}	Lyon..... 2.90 percent
28	Churchill..... 5.21 percent	Mineral 2.40 percent
29	{Clark 22.54 percent}	Nye 4.09 percent
30	{Douglas 2.52 percent}	Pershing 7.00 percent
31	{Elko 13.31 percent}	Storey..... .19 percent
32	Esmeralda..... 2.52 percent	Washoe 12.24 percent
33	Eureka 3.10 percent	White Pine 5.66 percent
34	Humboldt..... 8.25 percent	<i>State distributive school</i>
35	Lander 3.88 percent	<i>account..... 51.68 percent</i>
36	Lincoln 3.12 percent	
37		

38 The distributions *made to counties* must be allocated among local
39 governments within the respective counties pursuant to the provisions of
40 NRS 482.181.

41 7. The department shall withhold 6 percent from the amount of
42 privilege tax collected by the department as a commission. From the
43 amount of privilege tax collected by a county assessor, the state controller
44 shall credit 1 percent to the department as a commission and remit 5
45 percent to the county for credit to its general fund as commission for the
46 services of the county assessor.

47 8. When the requirements of this section and NRS 482.181 have been
48 met, and when directed by the department, the state controller shall transfer
49 monthly to the state highway fund any balance in the motor vehicle fund.



1 9. If a statute requires that any money in the motor vehicle fund be
2 transferred to another fund or account, the department shall direct the
3 controller to transfer the money in accordance with the statute.

4 **Sec. 3.** Chapter 354 of NRS is hereby amended by adding thereto a
5 new section to read as follows:

6 *1. In addition to the allowed revenue from taxes ad valorem*
7 *determined pursuant to NRS 354.59811, the board of county*
8 *commissioners of each county whose population is 40,000 or more, may*
9 *levy a tax ad valorem on all taxable property in the county at a rate not to*
10 *exceed the rate necessary to produce an amount of revenue equal to the*
11 *revenue that the county estimates would have been received from the*
12 *basic vehicle privilege tax by the county, and all local governments,*
13 *special districts and enterprise districts within the county, if the county*
14 *had been eligible to receive a portion of the revenue from the basic*
15 *vehicle privilege tax pursuant to NRS 482.180 for the fiscal year for*
16 *which the allowed revenue from taxes ad valorem is being calculated. If*
17 *a local government, including the county, determines that an additional*
18 *levy is not required to make up the revenue, the portion of the levy*
19 *allocated to that entity must not be levied.*

20 *2. The estimate must be calculated by cumulatively increasing the*
21 *amount of revenue that the county and each of the local governments*
22 *and districts within the county received for fiscal year 2000-2001*
23 *pursuant to NRS 482.180 by 6 percent for each year between fiscal year*
24 *2000-2001 and the fiscal year for which the tax will be levied pursuant to*
25 *subsection 1.*

26 *3. The county shall distribute the revenue from any tax levied*
27 *pursuant to subsection 1 to the local governments, special districts and*
28 *enterprise districts within the county and the county treasury in the same*
29 *proportion that the revenue from the basic vehicle privilege tax was*
30 *distributed to those entities for fiscal year 2000-2001, except that an*
31 *entity that has determined that an additional levy is not required*
32 *pursuant to subsection 1 must not receive a share of the distribution.*

33 *4. A school district that receives a distribution of money pursuant to*
34 *subsection 3 shall deposit a portion of the distribution equal to the*
35 *amount of the basic vehicle privilege tax whose allocation to the school*
36 *district pursuant to NRS 482.180 for fiscal year 2000-2001 was based on*
37 *the amount of the property tax levy attributable to its debt service in the*
38 *county treasury to the credit of the fund for capital projects established*
39 *under subsection 1 of NRS 387.328 or the school district's debt service*
40 *fund.*

41 **Sec. 4.** NRS 354.476 is hereby amended to read as follows:

42 354.476 As used in NRS 354.470 to 354.626, inclusive, and section 3
43 of this act, unless the context otherwise requires, the words and terms
44 defined in NRS 354.478 to 354.580, inclusive, have the meanings ascribed
45 to them in those sections.

46 **Sec. 5.** Chapter 387 of NRS is hereby amended by adding thereto a
47 new section to read as follows:

48 *1. Money deposited in the state distributive school account pursuant*
49 *to the provisions of NRS 482.180 must be accounted for separately and*



1 *distributed monthly among the several county school districts by the*
2 *superintendent of public instruction in the same proportion that the total*
3 *salaries paid to all educational personnel in each county bears to the*
4 *total salaries paid to all educational personnel in all counties.*

5 2. *On or before June 1 of each year, the superintendent of public*
6 *instruction shall determine the estimated percentage of increase in the*
7 *salaries of all educational personnel in all the counties that could be*
8 *fully funded by the money he estimates will be distributed during the*
9 *fiscal year beginning on the next July 1. The estimated percentage of*
10 *increase may not exceed 2 percent per year.*

11 3. *Each school district shall use the money distributed pursuant to*
12 *subsection 1 to increase the salaries of the educational personnel in the*
13 *district by the percentage of increase determined by the superintendent of*
14 *public instruction pursuant to subsection 2 for the year for which the*
15 *percentage was established. Each school district may use any revenue not*
16 *necessary to fund the salary increases for expenses relating to the*
17 *recruitment of educational personnel.*

18 **Sec. 6.** NRS 387.124 is hereby amended to read as follows:

19 387.124 Except as otherwise provided in NRS 387.528:

20 1. On or before August 1, November 1, February 1 and May 1 of each
21 year, the superintendent of public instruction shall, except as otherwise
22 provided in subsections 2 and 3 ~~§~~ *and section 5 of this act*, apportion the
23 state distributive school account in the state general fund among the several
24 county school districts and charter schools in amounts approximating one-
25 fourth of their respective yearly apportionments less any amount set aside
26 as a reserve. The apportionment to a school district, computed on a yearly
27 basis, equals the difference between the basic support and the local funds
28 available pursuant to NRS 387.1235, minus all the funds attributable to
29 pupils who reside in the county but attend a charter school. No
30 apportionment may be made to a school district if the amount of the local
31 funds exceeds the amount of basic support. The apportionment to a charter
32 school, computed on a yearly basis, is equal to the sum of the basic support
33 per pupil in the county in which the pupil resides plus the amount of local
34 funds available per pupil pursuant to NRS 387.1235 and all other funds
35 available for public schools in the county in which the pupil resides. If the
36 apportionment per pupil to a charter school is more than the amount to be
37 apportioned to the school district in which a pupil who is enrolled in the
38 charter school resides, the school district in which the pupil resides shall
39 pay the difference directly to the charter school.

40 2. The governing body of a charter school may submit a written
41 request to the superintendent of public instruction to receive, in the first
42 year of operation of the charter school, an apportionment 30 days before
43 the apportionment is required to be made pursuant to subsection 1. Upon
44 receipt of such a request, the superintendent of public instruction may
45 make the apportionment 30 days before the apportionment is required to be
46 made. A charter school may receive all four apportionments in advance in
47 its first year of operation.

48 3. If the state controller finds that such an action is needed to maintain
49 the balance in the state general fund at a level sufficient to pay the other



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- 1 appropriations from it, he may pay out the apportionments monthly, each
2 approximately one-twelfth of the yearly apportionment less any amount set
3 aside as a reserve. If such action is needed, the state controller shall submit
4 a report to the department of administration and the fiscal analysis division
5 of the legislative counsel bureau documenting reasons for the action.
- 6 **Sec. 7.** NRS 387.175 is hereby amended to read as follows:
7 387.175 The county school district fund is composed of:
8 1. All local taxes for the maintenance and operation of public schools.
9 2. All money received from the Federal Government for the
10 maintenance and operation of public schools.
11 3. Apportionments by this state as provided in NRS 387.124.
12 4. *Distributions made pursuant to section 5 of this act.*
13 5. Any other receipts, including gifts, for the operation and
14 maintenance of the public schools in the county school district.
- 15 **Sec. 8.** 1. This section and sections 1, 3, 4, 6 and 7 of this act
16 become effective on July 1, 2001.
17 2. Section 5 of this act becomes effective upon passage and approval
18 for the purpose of requiring the superintendent of public instruction to
19 determine the estimated percentage of increase in salaries on or before
20 June 1, 2001, and on July 1, 2001, for all other purposes.
21 3. Section 1 of this act expires by limitation on June 30, 2002.
22 4. Section 2 of this act becomes effective on July 1, 2002.

