

ASSEMBLY BILL NO. 457—ASSEMBLYMEN BEERS
AND GOLDWATER

MARCH 19, 2001

Referred to Committee on Taxation

SUMMARY—Temporarily revises provisions governing distribution of portion of basic governmental services tax revenue to increase amount allocated for educational purposes. (BDR S-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; temporarily revising the provisions governing the distribution of a portion of the basic governmental services tax revenue to increase the amount allocated for educational purposes; 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.** The Legislature hereby finds and declares that a general
2 law cannot be made applicable for the provisions of this act because of the
3 economic and geographic diversity of the local governments of this state,
4 the unusual growth patterns in certain of those local governments and the
5 special conditions experienced in certain counties related to the need to
6 provide basic services.
7 **Sec. 2.** Notwithstanding the provisions of chapter 482 of NRS to the
8 contrary:
9 1. For the fiscal year beginning on July 1, 2001, one-half of all money
10 received or collected by the Department of Motor Vehicles and Public
11 Safety for the basic governmental services tax for:
12 (a) Vehicles not subject to the provisions of chapter 706 of NRS and not
13 engaged in interstate or intercounty operation, for Clark, Douglas and
14 Washoe counties and Carson City must be deposited in the state
15 distributive school account after the portion of those tax proceeds required
16 by NRS 482.181 has been distributed to the school districts in those
17 counties.



1 (b) Vehicles subject to the provisions of chapter 706 of NRS and
2 engaged in interstate or intercounty operation that would otherwise be
3 distributed to Clark, Douglas and Washoe counties and Carson City
4 pursuant to subsection 6 of NRS 482.180 must be deposited in the state
5 distributive school account after the portion of those tax proceeds required
6 by NRS 482.181 has been distributed to the school districts in those
7 counties.

8 2. For the fiscal year beginning on July 1, 2002, all money received or
9 collected by the Department of Motor Vehicles and Public Safety for the
10 basic governmental services tax for:

11 (a) Vehicles not subject to the provisions of chapter 706 of NRS and not
12 engaged in interstate or intercounty operation, for Clark, Douglas and
13 Washoe counties and Carson City must be deposited in the state
14 distributive school account after the portion of those tax proceeds required
15 by NRS 482.181 has been distributed to the school districts in those
16 counties.

17 (b) Vehicles subject to the provisions of chapter 706 of NRS and
18 engaged in interstate or intercounty operation that would otherwise be
19 distributed to Clark, Douglas and Washoe counties and Carson City
20 pursuant to subsection 6 of NRS 482.180 must be deposited in the state
21 distributive school account after the portion of those tax proceeds required
22 by NRS 482.181 has been distributed to the school districts in those
23 counties.

24 **Sec. 3.** Notwithstanding the provisions of chapter 354 of NRS to the
25 contrary:

26 1. In addition to the allowed revenue from taxes ad valorem
27 determined pursuant to NRS 354.59811, each local government whose
28 revenue from the basic governmental services tax is reduced as a direct
29 result of the provisions of section 2 of this act may levy a property tax on
30 all taxable property within the boundaries of the local government, for the
31 fiscal year in which the revenue will be reduced, at a rate not to exceed the
32 rate necessary to produce an amount of revenue equal to the revenue that
33 the local government estimates would have been received from the basic
34 governmental services tax in that fiscal year but for the provisions of
35 section 2 of this act.

36 2. The revenue received by a local government from the property tax
37 levied pursuant to subsection 1 must be deposited in the general fund of the
38 local government.

39 **Sec. 4.** Notwithstanding the provisions of NRS 377.080 to the
40 contrary, each local government whose revenue from the basic
41 governmental services tax is reduced as a direct result of the provisions of
42 section 2 of this act shall, if any portion of that revenue is pledged for
43 payment of a general obligation bond pursuant to NRS 377.080, pledge an
44 additional percentage of the revenue from NRS 360.680, 360.690 and
45 360.700 to be substituted for the pledge of revenue that is redistributed
46 pursuant to section 2 of this act in an amount necessary to avoid an
47 impairment of the underlying bond contract pursuant to which the revenue
48 was pledged. To carry out the provisions of this subsection, the percentage
49 of revenue pledged may exceed the 15 percent allowed by NRS 377.080.



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1 **Sec. 5.** 1. Money deposited in the state distributive school account
2 pursuant to section 2 of this act must be accounted for separately and
3 distributed monthly among the several county school districts by the
4 superintendent of public instruction in the same proportion that the total
5 salaries paid to all educational personnel in the county bears to the total
6 salaries paid to all educational personnel in all counties. The money must
7 be deposited in the county school district fund.
8 2. On or before June 1, 2001, and June 1, 2002, the superintendent of
9 public instruction shall determine the estimated percentage of increase in
10 the salaries of all educational personnel in all the counties that could be
11 fully funded by the money he estimates will be distributed during the fiscal
12 year beginning on the next July 1. The estimated percentage of increase
13 may not exceed 2 percent per year.
14 3. Each school district shall use the money distributed pursuant to
15 subsection 1 to increase the salaries of the educational personnel in the
16 district by the percentage of increase determined by the superintendent of
17 public instruction pursuant to subsection 2 for the year for which the
18 percentage was established. Each school district may use any revenue not
19 necessary to fund the salary increases for expenses relating to the
20 recruitment of educational personnel.
21 **Sec. 6.** This act becomes effective upon passage and approval and
22 expires by limitation on July 1, 2003.

