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; making an appropriation; 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. The Legislature hereby finds and declares that a general law cannot be made applicable for the provisions of this act because of the economic and geographic diversity of the local governments of this state, the unusual growth patterns in certain of those local governments and the special conditions experienced in certain counties related to the need to provide basic services.

Sec. 2. Notwithstanding the provisions of chapter 482 of NRS to the contrary:

1. For the fiscal year beginning on July 1, 2001, one-half of all money received or collected by the Department of Motor Vehicles and Public Safety for the basic governmental services tax for:

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

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

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

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

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

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

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

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

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

Sec. 5. 1. Money deposited in the state distributive school account pursuant to section 2 of this act must be accounted for separately and distributed monthly among the several county school districts by the superintendent of public instruction in the same proportion that the total salaries paid to all educational personnel in the county bears to the total salaries paid to all educational personnel in all counties. The money must be deposited in the county school district fund.

2. On or before June 1, 2001, and June 1, 2002, the superintendent of public instruction shall determine the estimated percentage of increase in the salaries of all educational personnel in all the counties that could be fully funded by the money he estimates will be distributed during the fiscal year beginning on the next July 1. The estimated percentage of increase may not exceed 2 percent per year.

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

Sec. 6. 1. There is hereby appropriated from the state general fund to the state distributive school account the sum of $1,000,000 to be distributed pursuant to subsection 1 of section 5 of this act as necessary to ensure that salaries paid to educational personnel pursuant to subsection 3 of section 5 of this act are not interrupted during any period in which the revenue from the basic governmental services tax is less than estimated by the superintendent of public instruction pursuant to subsection 2 of section 5 of this act.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2003, and reverts to the state general fund as soon as all payments of money committed have been made.

Sec. 7. This act becomes effective upon passage and approval and expires by limitation on July 1, 2003.