

(REPRINTED WITH ADOPTED AMENDMENTS)  
FIRST REPRINT A.B. 653

---

ASSEMBLY BILL NO. 653—COMMITTEE ON TAXATION

MARCH 26, 2001

---

Referred to Committee on Taxation

SUMMARY—Makes various changes to formula for distribution of certain revenues.  
(BDR 32-1459)

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

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

---

AN ACT relating to taxation; revising the formula for the distribution of certain revenues among local governments; providing for an adjustment to the base allocation of certain local governments; extending the date for expiration of the legislative committee to study distribution among local governments of revenue from state and local taxes; requiring the advisory committee to the committee to conduct a study; 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 360.680 is hereby amended to read as follows:  
2     360.680 1. On or before July 1 of each year, the executive director  
3     shall allocate to each enterprise district an amount equal to the amount that  
4     the enterprise district received from the account in the immediately  
5     preceding fiscal year.  
6     2. Except as otherwise provided in NRS 360.690 and 360.730, the  
7     executive director, after subtracting the amount allocated to each enterprise  
8     district pursuant to subsection 1, shall allocate to each local government or  
9     special district which is eligible for an allocation from the account pursuant  
10    to NRS 360.670 ~~and~~ :  
11    *(a) If the local government or special district is located in a county*  
12    *whose population is 400,000 or more, an* amount from the account that is  
13    equal to the amount allocated to the local government or special district for  
14    the preceding fiscal year, *minus any excess amount allocated pursuant to*  
15    *subsection 4 of NRS 360.690,* multiplied by one plus the percentage  
16    change in the Consumer Price Index (All Items) for the year ending on  
17    December 31 immediately preceding the year in which the allocation is  
18    made.  
19    *(b) If the local government or special district is located in a county*  
20    *whose population is less than 400,000, an amount from the account that*



1 *is equal to the amount allocated to the local government or special*  
2 *district for the preceding fiscal year multiplied by one plus the percentage*  
3 *change in the Consumer Price Index (All Items) for the year ending on*  
4 *December 31 immediately preceding the year in which the allocation is*  
5 *made.*

6 **Sec. 2.** NRS 360.690 is hereby amended to read as follows:

7 360.690 1. Except as otherwise provided in NRS 360.730, the  
8 executive director shall estimate monthly the amount each local  
9 government, special district and enterprise district will receive from the  
10 account pursuant to the provisions of this section.

11 2. The executive director shall establish a base monthly allocation for  
12 each local government, special district and enterprise district by dividing  
13 the amount determined pursuant to NRS 360.680 for each local  
14 government, special district and enterprise district by 12 and the state  
15 treasurer shall, except as otherwise provided in subsections 3 ~~4 and 5,~~ to  
16 *6, inclusive,* remit monthly that amount to each local government, special  
17 district and enterprise district.

18 3. If, after making the allocation to each enterprise district for the  
19 month, the executive director determines there is not sufficient money  
20 available in the county's subaccount in the account to allocate to each local  
21 government and special district the base monthly allocation determined  
22 pursuant to subsection 2, he shall prorate the money in the county's  
23 subaccount and allocate to each local government and special district an  
24 amount equal to the percentage of the amount that the local government or  
25 special district received from the total amount which was distributed to all  
26 local governments and special districts within the county for the fiscal year  
27 immediately preceding the year in which the allocation is made. The state  
28 treasurer shall remit that amount to the local government or special district.

29 4. ~~Except~~ *In a county whose population is 400,000 or more, except*  
30 *as otherwise provided in subsection ~~5,~~ 6,* if the executive director  
31 determines that there is money remaining in the county's subaccount in the  
32 account after the base monthly allocation determined pursuant to  
33 subsection 2 has been allocated to each local government, special district  
34 and enterprise district, he shall immediately determine and allocate each:

35 (a) Local government's share of the remaining money by:

36 (1) Multiplying one-twelfth of the amount allocated pursuant to  
37 NRS 360.680 by ~~one~~ *0.75* plus the sum of the:

38 (I) ~~Percentage~~ *Average percentage of* change in the population of  
39 the local government for the fiscal year immediately preceding the year in  
40 which the allocation is *made and the 4 fiscal years immediately preceding*  
41 *the year in which the allocation is* made, as certified by the governor  
42 pursuant to NRS 360.285 except as otherwise provided in subsection ~~6;~~  
43 *7;* and

44 (II) Average percentage of change in the assessed valuation of the  
45 taxable property in the local government, including assessed valuation  
46 attributable to a redevelopment agency but excluding the portion  
47 attributable to the net proceeds of minerals, over the year in which the  
48 allocation is made, as projected by the department pursuant to NRS



\* A B 6 5 3 R 1 \*

1 361.390, and the 4 fiscal years immediately preceding the year in which the  
2 allocation is made; and

3 (2) Using the figure calculated pursuant to subparagraph (1) to  
4 calculate and allocate to each local government an amount equal to the  
5 proportion that the figure calculated pursuant to subparagraph (1) bears to  
6 the total amount of the figures calculated pursuant to subparagraph (1) of  
7 this paragraph and subparagraph (1) of paragraph (b), respectively, for the  
8 local governments and special districts located in the same county  
9 multiplied by the total amount available in the subaccount; and

10 (b) Special district's share of the remaining money by:

11 (1) Multiplying one-twelfth of the amount allocated pursuant to NRS  
12 360.680 by ~~one~~ 0.75 plus the average change in the assessed valuation of  
13 the taxable property in the special district, including assessed valuation  
14 attributable to a redevelopment agency but excluding the portion  
15 attributable to the net proceeds of minerals, over the 5 fiscal years  
16 immediately preceding the year in which the allocation is made; and

17 (2) Using the figure calculated pursuant to subparagraph (1) to  
18 calculate and allocate to each special district an amount equal to the  
19 proportion that the figure calculated pursuant to subparagraph (1) bears to  
20 the total amount of the figures calculated pursuant to subparagraph (1) of  
21 this paragraph and subparagraph (1) of paragraph (a), respectively, for the  
22 local governments and special districts located in the same county  
23 multiplied by the total amount available in the subaccount.

24 The state treasurer shall remit the amount allocated to each local  
25 government or special district pursuant to this subsection.

26 5. *In a county whose population is less than 400,000, except as*  
27 *otherwise provided in subsection 6, if the executive director determines*  
28 *that there is money remaining in the county's subaccount in the account*  
29 *after the base monthly allocation determined pursuant to subsection 2*  
30 *has been allocated to each local government, special district and*  
31 *enterprise district, he shall immediately determine and allocate each:*

32 (a) Local government's share of the remaining money by:

33 (1) *Multiplying one-twelfth of the amount allocated pursuant to*  
34 *NRS 360.680 by one plus the sum of the:*

35 (I) *Percentage change in the population of the local government*  
36 *for the fiscal year immediately preceding the year in which the allocation*  
37 *is made, as certified by the governor pursuant to NRS 360.285 except as*  
38 *otherwise provided in subsection 7; and*

39 (II) *Average percentage of change in the assessed valuation of*  
40 *the taxable property in the local government, including assessed*  
41 *valuation attributable to a redevelopment agency but excluding the*  
42 *portion attributable to the net proceeds of minerals, over the year in*  
43 *which the allocation is made, as projected by the department pursuant to*  
44 *NRS 361.390, and the 4 fiscal years immediately preceding the year in*  
45 *which the allocation is made; and*

46 (2) *Using the figure calculated pursuant to subparagraph (1) to*  
47 *calculate and allocate to each local government an amount equal to the*  
48 *proportion that the figure calculated pursuant to subparagraph (1) bears*  
49 *to the total amount of the figures calculated pursuant to subparagraph*



\* A B 6 5 3 R 1 \*

1 (1) of this paragraph and subparagraph (1) of paragraph (b),  
2 respectively, for the local governments and special districts located in the  
3 same county multiplied by the total amount available in the subaccount;  
4 and

5 (b) Special district's share of the remaining money by:

6 (1) Multiplying one-twelfth of the amount allocated pursuant to  
7 NRS 360.680 by one plus the average change in the assessed valuation of  
8 the taxable property in the special district, including assessed valuation  
9 attributable to a redevelopment agency but excluding the portion  
10 attributable to the net proceeds of minerals, over the 5 fiscal years  
11 immediately preceding the year in which the allocation is made; and

12 (2) Using the figure calculated pursuant to subparagraph (1) to  
13 calculate and allocate to each special district an amount equal to the  
14 proportion that the figure calculated pursuant to subparagraph (1) bears  
15 to the total amount of the figures calculated pursuant to subparagraph  
16 (1) of this paragraph and subparagraph (1) of paragraph (a),  
17 respectively, for the local governments and special districts located in the  
18 same county multiplied by the total amount in the subaccount.

19 The state treasurer shall remit the amount allocated to each local  
20 government or special district.

21 6. The executive director shall not allocate any amount to a local  
22 government or special district pursuant to subsection 4 ~~H~~ or 5, as  
23 applicable, unless the amount distributed and allocated to each of the local  
24 governments and special districts in the county in each preceding month of  
25 the fiscal year in which the allocation is to be made was at least equal to  
26 the base monthly allocation determined pursuant to subsection 2. If the  
27 amounts distributed to the local governments and special districts in the  
28 county for the preceding months of the fiscal year in which the allocation is  
29 to be made were less than the base monthly allocation determined pursuant  
30 to subsection 2 and the executive director determines there is money  
31 remaining in the county's subaccount in the account after the distribution  
32 for the month has been made, he shall:

33 (a) Determine the amount by which the base monthly allocations  
34 determined pursuant to subsection 2 for each local government and special  
35 district in the county for the preceding months of the fiscal year in which  
36 the allocation is to be made exceeds the amounts actually received by the  
37 local governments and special districts in the county for the same period;  
38 and

39 (b) Compare the amount determined pursuant to paragraph (a) to the  
40 amount of money remaining in the county's subaccount in the account to  
41 determine which amount is greater.

42 If the executive director determines that the amount determined pursuant to  
43 paragraph (a) is greater, he shall allocate the money remaining in the  
44 county's subaccount in the account pursuant to the provisions of subsection  
45 3. If the executive director determines that the amount of money remaining  
46 in the county's subaccount in the account is greater, he shall first allocate  
47 the money necessary for each local government and special district to  
48 receive the base monthly allocation determined pursuant to subsection 2  
49 and the state treasurer shall remit that money so allocated. The executive



\* A B 6 5 3 R 1 \*

1 director shall allocate any additional money in the county's subaccount in  
2 the account pursuant to the provisions of subsection 4 ~~+~~

3 ~~—6+~~ or 5, as applicable.

4 7. The percentage change calculated pursuant to paragraph (a) of  
5 subsection 4 ~~or paragraph (a) of subsection 5~~ must:

6 (a) If the Bureau of the Census of the United States Department of  
7 Commerce issues population totals that conflict with the totals certified by  
8 the governor pursuant to NRS 360.285, be an estimate of the change in  
9 population for the calendar year, based upon the population totals issued by  
10 the Bureau of the Census.

11 (b) If a new method of determining population is established pursuant to  
12 NRS 360.283, be adjusted in a manner that will result in the percentage  
13 change being based on population determined pursuant to the new method  
14 for both the fiscal year in which the allocation is made and the fiscal year  
15 immediately preceding the year in which the allocation is made.

16 ~~17+~~ 8. On or before February 15 of each year, the executive director  
17 shall provide to each local government, special district and enterprise  
18 district a preliminary estimate of the revenue it will receive from the  
19 account for that fiscal year.

20 ~~18+~~ 9. On or before March 15 of each year, the executive director  
21 shall:

22 (a) Make an estimate of the receipts from each tax included in the  
23 account on an accrual basis for the next fiscal year in accordance with  
24 generally accepted accounting principles, including an estimate for each  
25 county of the receipts from each tax included in the account; and

26 (b) Provide to each local government, special district and enterprise  
27 district an estimate of the amount that local government, special district or  
28 enterprise district would receive based upon the estimate made pursuant to  
29 paragraph (a) and calculated pursuant to the provisions of this section.

30 ~~19+~~ 10. A local government, special district or enterprise district may  
31 use the estimate provided by the executive director pursuant to subsection  
32 ~~18+~~ 9 in the preparation of its budget.

33 **Sec. 2.5.** NRS 360.690 is hereby amended to read as follows:

34 360.690 1. Except as otherwise provided in NRS 360.730, the  
35 executive director shall estimate monthly the amount each local  
36 government, special district and enterprise district will receive from the  
37 account pursuant to the provisions of this section.

38 2. The executive director shall establish a base monthly allocation for  
39 each local government, special district and enterprise district by dividing  
40 the amount determined pursuant to NRS 360.680 for each local  
41 government, special district and enterprise district by 12 and the state  
42 treasurer shall, except as otherwise provided in subsections 3 to 6,  
43 inclusive, remit monthly that amount to each local government, special  
44 district and enterprise district.

45 3. If, after making the allocation to each enterprise district for the  
46 month, the executive director determines there is not sufficient money  
47 available in the county's subaccount in the account to allocate to each local  
48 government and special district the base monthly allocation determined  
49 pursuant to subsection 2, he shall prorate the money in the county's



\* A B 6 5 3 R 1 \*

1 subaccount and allocate to each local government and special district an  
2 amount equal to the percentage of the amount that the local government or  
3 special district received from the total amount which was distributed to all  
4 local governments and special districts within the county for the fiscal year  
5 immediately preceding the year in which the allocation is made. The state  
6 treasurer shall remit that amount to the local government or special district.

7 4. In a county whose population is 400,000 or more, except as  
8 otherwise provided in subsection 6, if the executive director determines  
9 that there is money remaining in the county's subaccount in the account  
10 after the base monthly allocation determined pursuant to subsection 2 has  
11 been allocated to each local government, special district and enterprise  
12 district, he shall immediately determine and allocate each:

13 (a) Local government's share of the remaining money by:  
14 (1) Multiplying one-twelfth of the amount allocated pursuant to NRS  
15 360.680 by ~~10.751~~ 0.5 plus the sum of the:  
16 (I) Average percentage of change in the population of the local  
17 government for the fiscal year immediately preceding the year in which the  
18 allocation is made and the 4 fiscal years immediately preceding the year in  
19 which the allocation is made, as certified by the governor pursuant to NRS  
20 360.285 except as otherwise provided in subsection 7; and  
21 (II) Average percentage of change in the assessed valuation of the  
22 taxable property in the local government, including assessed valuation  
23 attributable to a redevelopment agency but excluding the portion  
24 attributable to the net proceeds of minerals, over the year in which the  
25 allocation is made, as projected by the department pursuant to NRS  
26 361.390, and the 4 fiscal years immediately preceding the year in which the  
27 allocation is made; and  
28 (2) Using the figure calculated pursuant to subparagraph (1) to  
29 calculate and allocate to each local government an amount equal to the  
30 proportion that the figure calculated pursuant to subparagraph (1) bears to  
31 the total amount of the figures calculated pursuant to subparagraph (1) of  
32 this paragraph and subparagraph (1) of paragraph (b), respectively, for the  
33 local governments and special districts located in the same county  
34 multiplied by the total amount available in the subaccount; and  
35 (b) Special district's share of the remaining money by:  
36 (1) Multiplying one-twelfth of the amount allocated pursuant to NRS  
37 360.680 by ~~10.751~~ 0.5 plus the average change in the assessed valuation of  
38 the taxable property in the special district, including assessed valuation  
39 attributable to a redevelopment agency but excluding the portion  
40 attributable to the net proceeds of minerals, over the 5 fiscal years  
41 immediately preceding the year in which the allocation is made; and  
42 (2) Using the figure calculated pursuant to subparagraph (1) to  
43 calculate and allocate to each special district an amount equal to the  
44 proportion that the figure calculated pursuant to subparagraph (1) bears to  
45 the total amount of the figures calculated pursuant to subparagraph (1) of  
46 this paragraph and subparagraph (1) of paragraph (a), respectively, for the  
47 local governments and special districts located in the same county  
48 multiplied by the total amount available in the subaccount.



\* A B 6 5 3 R 1 \*

1 The state treasurer shall remit the amount allocated to each local  
2 government or special district pursuant to this subsection.

3 5. In a county whose population is less than 400,000, except as  
4 otherwise provided in subsection 6, if the executive director determines  
5 that there is money remaining in the county's subaccount in the account  
6 after the base monthly allocation determined pursuant to subsection 2 has  
7 been allocated to each local government, special district and enterprise  
8 district, he shall immediately determine and allocate each:

9 (a) Local government's share of the remaining money by:

10 (1) Multiplying one-twelfth of the amount allocated pursuant to NRS  
11 360.680 by one plus the sum of the:

12 (I) Percentage change in the population of the local government for  
13 the fiscal year immediately preceding the year in which the allocation is  
14 made, as certified by the governor pursuant to NRS 360.285 except as  
15 otherwise provided in subsection 7;

16 (II) Average percentage of change in the assessed valuation of the  
17 taxable property in the local government, including assessed valuation  
18 attributable to a redevelopment agency but excluding the portion  
19 attributable to the net proceeds of minerals, over the year in which the  
20 allocation is made, as projected by the department pursuant to NRS  
21 361.390, and the 4 fiscal years immediately preceding the year in which the  
22 allocation is made; and

23 (2) Using the figure calculated pursuant to subparagraph (1) to  
24 calculate and allocate to each local government an amount equal to the  
25 proportion that the figure calculated pursuant to subparagraph (1) bears to  
26 the total amount of the figures calculated pursuant to subparagraph (1) of  
27 this paragraph and subparagraph (1) of paragraph (b), respectively, for the  
28 local governments and special districts located in the same county  
29 multiplied by the total amount available in the subaccount; and

30 (b) Special district's share of the remaining money by:

31 (1) Multiplying one-twelfth of the amount allocated pursuant to NRS  
32 360.680 by one plus the average change in the assessed valuation of the  
33 taxable property in the special district, including assessed valuation  
34 attributable to a redevelopment agency but excluding the portion  
35 attributable to the net proceeds of minerals, over the 5 fiscal years  
36 immediately preceding the year in which the allocation is made; and

37 (2) Using the figure calculated pursuant to subparagraph (1) to  
38 calculate and allocate to each special district an amount equal to the  
39 proportion that the figure calculated pursuant to subparagraph (1) bears to  
40 the total amount of the figures calculated pursuant to subparagraph (1) of  
41 this paragraph and subparagraph (1) of paragraph (a), respectively, for the  
42 local governments and special districts located in the same county  
43 multiplied by the total amount in the subaccount.

44 The state treasurer shall remit the amount allocated to each local  
45 government or special district.

46 6. The executive director shall not allocate any amount to a local  
47 government or special district pursuant to subsection 4 or 5, as applicable,  
48 unless the amount distributed and allocated to each of the local  
49 governments and special districts in the county in each preceding month of



\* A B 6 5 3 R 1 \*

1 the fiscal year in which the allocation is to be made was at least equal to  
2 the base monthly allocation determined pursuant to subsection 2. If the  
3 amounts distributed to the local governments and special districts in the  
4 county for the preceding months of the fiscal year in which the allocation is  
5 to be made were less than the base monthly allocation determined pursuant  
6 to subsection 2 and the executive director determines there is money  
7 remaining in the county's subaccount in the account after the distribution  
8 for the month has been made, he shall:

9 (a) Determine the amount by which the base monthly allocations  
10 determined pursuant to subsection 2 for each local government and special  
11 district in the county for the preceding months of the fiscal year in which  
12 the allocation is to be made exceeds the amounts actually received by the  
13 local governments and special districts in the county for the same period;  
14 and

15 (b) Compare the amount determined pursuant to paragraph (a) to the  
16 amount of money remaining in the county's subaccount in the account to  
17 determine which amount is greater.

18 If the executive director determines that the amount determined pursuant to  
19 paragraph (a) is greater, he shall allocate the money remaining in the  
20 county's subaccount in the account pursuant to the provisions of subsection  
21 3. If the executive director determines that the amount of money remaining  
22 in the county's subaccount in the account is greater, he shall first allocate  
23 the money necessary for each local government and special district to  
24 receive the base monthly allocation determined pursuant to subsection 2  
25 and the state treasurer shall remit that money so allocated. The executive  
26 director shall allocate any additional money in the county's subaccount in  
27 the account pursuant to the provisions of subsection 4 or 5, as applicable.

28 7. The percentage change calculated pursuant to paragraph (a) of  
29 subsection 4 or paragraph (a) of subsection 5 must:

30 (a) If the Bureau of the Census of the United States Department of  
31 Commerce issues population totals that conflict with the totals certified by  
32 the governor pursuant to NRS 360.285, be an estimate of the change in  
33 population for the calendar year, based upon the population totals issued by  
34 the Bureau of the Census.

35 (b) If a new method of determining population is established pursuant to  
36 NRS 360.283, be adjusted in a manner that will result in the percentage  
37 change being based on population determined pursuant to the new method  
38 for both the fiscal year in which the allocation is made and the fiscal year  
39 immediately preceding the year in which the allocation is made.

40 8. On or before February 15 of each year, the executive director shall  
41 provide to each local government, special district and enterprise district a  
42 preliminary estimate of the revenue it will receive from the account for that  
43 fiscal year.

44 9. On or before March 15 of each year, the executive director shall:

45 (a) Make an estimate of the receipts from each tax included in the  
46 account on an accrual basis for the next fiscal year in accordance with  
47 generally accepted accounting principles, including an estimate for each  
48 county of the receipts from each tax included in the account; and





1 (b) Provide to each local government, special district and enterprise  
2 district an estimate of the amount that local government, special district or  
3 enterprise district would receive based upon the estimate made pursuant to  
4 paragraph (a) and calculated pursuant to the provisions of this section.

5 10. A local government, special district or enterprise district may use  
6 the estimate provided by the executive director pursuant to subsection 9 in  
7 the preparation of its budget.

8 **Sec. 3.** NRS 354.59813 is hereby amended to read as follows:

9 354.59813 1. In addition to the allowed revenue from taxes ad  
10 valorem determined pursuant to NRS 354.59811, if the estimate of the  
11 revenue available from the supplemental city-county relief tax to the  
12 county as determined by the executive director of the department of  
13 taxation pursuant to the provisions of subsection ~~8~~ 9 of NRS 360.690 is  
14 less than the amount of money that would be generated by applying a tax  
15 rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the  
16 county, except any assessed valuation attributable to the net proceeds of  
17 minerals, the governing body of each local government may levy an  
18 additional tax ad valorem for operating purposes. The total tax levied by  
19 the governing body of a local government pursuant to this section must not  
20 exceed a rate calculated to produce revenue equal to the difference between  
21 the:

22 (a) Amount of revenue from supplemental city-county relief tax  
23 estimated to be received by the county pursuant to subsection ~~8~~ 9 of  
24 NRS 360.690; and

25 (b) The tax that the county would have been estimated to receive if the  
26 estimate for the total revenue available from the tax was equal to the  
27 amount of money that would be generated by applying a tax rate of \$1.15  
28 per \$100 of assessed valuation to the assessed valuation of the county,  
29 multiplied by the proportion determined for the local government pursuant  
30 to subparagraph (2) of paragraph (a) of subsection 4 *or subparagraph (2)*  
31 *of paragraph (a) of subsection 5, as applicable*, of NRS 360.690.

32 2. Any additional taxes ad valorem levied as a result of the application  
33 of this section must not be included in the base from which the allowed  
34 revenue from taxes ad valorem for the next subsequent year is computed.

35 3. As used in this section, "local government" has the meaning  
36 ascribed to it in NRS 360.640.

37 **Sec. 4.** NRS 354.598747 is hereby amended to read as follows:

38 354.598747 1. To calculate the amount to be distributed pursuant to  
39 the provisions of NRS 360.680 and 360.690 from a county's subaccount in  
40 the local government tax distribution account to a local government,  
41 special district or enterprise district after it assumes the functions of  
42 another local government, special district or enterprise district:

43 (a) Except as otherwise provided in this subsection and subsection 2, the  
44 executive director of the department of taxation shall:

45 (1) Add the amounts calculated pursuant to subsection 1 or 2 of NRS  
46 360.680 for each local government, special district or enterprise district and  
47 allocate the combined amount to the local government, special district or  
48 enterprise district that assumes the functions; and



1 (2) If applicable, add the population and average change in the  
2 assessed valuation of the taxable property that would otherwise be allowed  
3 to the local government or special district whose functions are assumed,  
4 including the assessed valuation attributable to a redevelopment agency but  
5 excluding the portion attributable to the net proceeds of minerals, pursuant  
6 to subsection 4 *or 5, as applicable*, of NRS 360.690 to the population and  
7 average change in assessed valuation for the local government, special  
8 district or enterprise district that assumes the functions.

9 (b) If two or more local governments, special districts or enterprise  
10 districts assume the functions of another local government, special district  
11 or enterprise district, the additional revenue must be divided among the  
12 local governments, special districts or enterprise districts that assume the  
13 functions on the basis of the proportionate costs of the functions assumed.  
14 The Nevada tax commission shall not allow any increase in the allowed  
15 revenue from the taxes contained in the county's subaccount in the local  
16 government tax distribution account if the increase would result in a  
17 decrease in revenue of any local government, special district or enterprise  
18 district in the county that does not assume those functions. If more than one  
19 local government, special district or enterprise district assumes the  
20 functions, the Nevada tax commission shall determine the appropriate  
21 amounts calculated pursuant to subparagraphs (1) and (2) of paragraph (a).

22 2. If a city disincorporates, the board of county commissioners of the  
23 county in which the city is located must determine the amount the  
24 unincorporated town created by the disincorporation will receive pursuant  
25 to the provisions of NRS 360.600 to 360.740, inclusive.

26 3. As used in this section:

27 (a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.  
28 (b) "Local government" has the meaning ascribed to it in NRS 360.640.  
29 (c) "Special district" has the meaning ascribed to it in NRS 360.650.

30 **Sec. 4.5.** Section 9 of chapter 661, Statutes of Nevada 1997, at page  
31 3309, is hereby amended to read as follows:

32 Sec. 9. This act becomes effective on July 1, 1997, and expires by  
33 limitation on July 1, ~~2001~~ **2003**.

34 **Sec. 5.** (Deleted by amendment.)

35 **Sec. 6.** On or before July 1, 2001, the executive director of the  
36 department of taxation shall provide to each local government and special  
37 district in Clark County the estimates required pursuant to subsections 8  
38 and 9 of NRS 360.690 revised to reflect the provisions of sections 1, 2 and  
39 2.5 of this act.

40 **Sec. 6.5.** The advisory committee to the legislative committee to study  
41 the distribution among local governments of revenue from state and local  
42 taxes created pursuant to subsection 2 of NRS 218.53881 shall conduct a  
43 study of the effects of the formula for the distribution of certain revenues  
44 among local governments set forth in NRS 360.600 to 360.740, inclusive,  
45 and the amendatory provisions of this act. The advisory committee shall  
46 report its findings to the legislative committee to study the distribution  
47 among local governments of revenue from state and local taxes on or  
48 before October 1, 2002.



\* A B 6 5 3 R 1 \*

1     **Sec. 7.** The legislature hereby finds and declares that the provisions of  
2 section 6 of this act are necessary to correct certain discrepancies in the  
3 formula for the distribution of certain revenues set forth in section 35 of  
4 chapter 660, Statutes of Nevada 1997, as that formula relates to the region  
5 of this state encompassed generally by Clark County and the unique  
6 patterns of growth that exist in that region, and therefore a general law  
7 cannot be made applicable.

8     **Sec. 8.** 1. This section and sections 6 and 7 of this act become  
9 effective upon passage and approval.

10     2. Sections 1, 2, 3 to 5, inclusive, and 6.5 of this act become effective  
11 on July 1, 2001.

12     3. Section 2.5 of this act becomes effective on July 1, 2003.

