

SENATE BILL NO. 203—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE INTERIM STUDY CONCERNING DISTRIBUTION
AMONG LOCAL GOVERNMENTS OF REVENUE FROM
STATE AND LOCAL TAXES (NRS 218.53881))

FEBRUARY 20, 2001

Referred to Committee on Taxation

SUMMARY—Makes various changes relating to ad valorem taxes to pay for operation of regional facilities. (BDR 31-890)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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; authorizing the boards of county commissioners of at least two counties to levy an ad valorem tax to pay the costs of operating a regional facility; exempting ad valorem taxes levied to pay the operating costs of certain regional facilities from the limitation upon revenue from ad valorem taxes; requiring an administrative entity created to operate a regional facility that receives revenue from ad valorem taxes levied to pay the costs of operating the regional facility to establish a fund for such revenue; 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.** Chapter 354 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 5, inclusive, of this act.
3 **Sec. 2.** *“Administrative entity” means an entity created pursuant to*
4 *an interlocal agreement or interlocal contract between two or more*
5 *counties to operate a regional facility.*
6 **Sec. 3.** *“Regional facility” means a facility that is used by each*
7 *county that levies a tax ad valorem for its operation pursuant to section 4*
8 *of this act and provides services related to public safety, health or*
9 *criminal justice. The term includes a regional facility for children as that*
10 *term is defined in NRS 62.845.*
11 **Sec. 4.** *1. In addition to the allowed revenue from taxes ad valorem*
12 *determined pursuant to NRS 354.59811, the boards of county*
13 *commissioners of at least two counties may levy a tax ad valorem on all*
14 *taxable property in their respective counties at a rate not to exceed 5*



1 cents per \$100 of the assessed valuation of each county to pay the costs
2 of operating a regional facility.

3 2. Counties that levy a tax ad valorem pursuant to subsection 1 may
4 enter into an interlocal agreement or interlocal contract to create an
5 administrative entity to operate a regional facility.

6 3. The revenue of a tax collected pursuant to this section must be
7 remitted on the first day of the first month of each calendar quarter to:

8 (a) If the regional facility is operated by a county, the treasurer of the
9 county; or

10 (b) If the regional facility for children is operated by an administrative
11 entity, the administrative entity.

12 4. By the end of each fiscal year, the board of county commissioners
13 of each county that levies a tax pursuant to this section must determine
14 the rate of tax required to produce revenue in an amount which is
15 sufficient to pay the operating costs of the regional facility for the
16 ensuing fiscal year. When calculating a rate pursuant to this section, the
17 board of county commissioners of each county shall consider the amount
18 of money remaining in the fund created pursuant to section 5 of this act,
19 if such a fund is created, unless the amount of money remaining in the
20 fund is 10 percent or less of the revenue deposited for the current fiscal
21 year.

22 **Sec. 5. 1.** If two or more counties create an administrative entity
23 pursuant to section 4 of this act, the administrative entity shall establish a
24 separate fund to account for the revenue received from taxes levied
25 pursuant to section 4 of this act.

26 2. The money in the fund may only be withdrawn by the
27 administrative entity and must be used only to pay the expenses of
28 operating the regional facility that is operated by the administrative
29 entity.

30 3. All interest and income from money deposited in the fund must be
31 credited to the fund.

32 4. The annual budget and audit report of an administrative entity
33 that establishes a fund pursuant to this section must:

34 (a) Identify the fund;

35 (b) Indicate in detail all revenue received for the year;

36 (c) Indicate in detail all expenses for the year which were paid with
37 money from the fund; and

38 (d) Specifically identify any planned accumulation of money in the
39 fund.

40 5. Money remaining in the fund at the end of a fiscal year must not
41 revert to any other fund.

42 6. Upon termination of an interlocal agreement or interlocal contract
43 that creates an administrative entity, the money remaining in a fund
44 established pursuant to this section must be transmitted to the treasurer
45 of each county which was a party to the interlocal agreement or
46 interlocal contract and which levied a tax pursuant to section 4 of this
47 act. Each county that is entitled to receive a portion of the money
48 remaining in the fund must receive an amount equal to the same
49 proportion of the total amount of revenue the county contributed to the



1 *fund. A county that receives money pursuant to this section shall deposit*
2 *the money in a fund established pursuant to NRS 354.6113 or 354.6115*
3 *for use in the same manner as other money deposited in that fund.*

4 *7. Nothing in this section may be construed to require a board of*
5 *county commissioners that is a party to an interlocal agreement or*
6 *interlocal contract to levy a tax pursuant to section 4 of this act.*

7 **Sec. 6.** NRS 354.476 is hereby amended to read as follows:

8 354.476 As used in NRS 354.470 to 354.626, inclusive, *and sections 2*
9 *to 5, inclusive, of this act*, unless the context otherwise requires, the words
10 and terms defined in NRS 354.478 to 354.580, inclusive, *and sections 2*
11 *and 3 of this act* have the meanings ascribed to them in those sections.

12 **Sec. 7.** NRS 354.59811 is hereby amended to read as follows:

13 354.59811 1. Except as otherwise provided in NRS 354.59813,
14 354.59815, 354.5982, 354.5987, 354.59871, 354.705, 354.723, 450.425,
15 450.760, 540A.265 and 543.600, *and section 4 of this act*, for each fiscal
16 year beginning on or after July 1, 1989, the maximum amount of money
17 that a local government, except a school district, a district to provide a
18 telephone number for emergencies, or a redevelopment agency, may
19 receive from taxes ad valorem, other than those attributable to the net
20 proceeds of minerals or those levied for the payment of bonded
21 indebtedness and interest thereon incurred as general long-term debt of the
22 issuer, or for the payment of obligations issued to pay the cost of a water
23 project pursuant to NRS 349.950, or for the payment of obligations under a
24 capital lease executed before April 30, 1981, must be calculated as follows:

25 (a) The rate must be set so that when applied to the current fiscal year's
26 assessed valuation of all property which was on the preceding fiscal year's
27 assessment roll, together with the assessed valuation of property on the
28 central assessment roll which was allocated to the local government, but
29 excluding any assessed valuation attributable to the net proceeds of
30 minerals, assessed valuation attributable to a redevelopment area and
31 assessed valuation of a fire protection district attributable to real property
32 which is transferred from private ownership to public ownership for the
33 purpose of conservation, it will produce 106 percent of the maximum
34 revenue allowable from taxes ad valorem for the preceding fiscal year,
35 except that the rate so determined must not be less than the rate allowed for
36 the previous fiscal year, except for any decrease attributable to the
37 imposition of a tax pursuant to NRS 354.59813 in the previous year.

38 (b) This rate must then be applied to the total assessed valuation,
39 excluding the assessed valuation attributable to the net proceeds of
40 minerals and the assessed valuation of a fire protection district attributable
41 to real property which is transferred from private ownership to public
42 ownership for the purpose of conservation but including new real property,
43 possessory interests and mobile homes, for the current fiscal year to
44 determine the allowed revenue from taxes ad valorem for the local
45 government.

46 2. As used in this section, "general long-term debt" does not include
47 debt created for medium-term obligations pursuant to NRS 350.085 to
48 350.095, inclusive.



1 **Sec. 8.** NRS 62.845 is hereby amended to read as follows:
2 62.845 1. Except as otherwise provided in subsection 5, each county
3 shall pay an assessment for the operation of a regional facility for children
4 that serves the county if the facility:
5 (a) Is operated by a county whose population is less than 400,000 or an
6 administrative entity established pursuant to NRS 277.080 to 277.180,
7 inclusive, by counties whose populations are less than 400,000 each;
8 (b) Is established by two or more counties pursuant to an interlocal
9 agreement or by one county if the facility is operated pursuant to an
10 interlocal agreement to benefit other counties; and
11 (c) Is not partially supported by the State of Nevada and does not
12 receive money from the State of Nevada other than any fees paid to the
13 facility for a child referred to the facility by the State of Nevada.
14 2. The administrator of a regional facility for children shall calculate
15 the assessment owed by each county pursuant to subsection 1 on or before
16 March 1 of each year for the ensuing fiscal year. The assessment owed by
17 each county equals:
18 (a) For the first 2 years of operation of the regional facility for children,
19 the total amount budgeted for the operation of the facility by the governing
20 body of the county or other entity responsible for the operation of the
21 facility, minus any money received from the State of Nevada to pay for
22 fees for a child referred to the facility by the State of Nevada, divided by
23 the total number of pupils in the preceding school year in all counties
24 served by the facility and multiplied by the number of pupils in the
25 preceding school year in the assessed county.
26 (b) For each year subsequent to the second year of operation of the
27 regional facility for children, unless the counties served by the facility enter
28 into an interlocal agreement to the contrary, the total of:
29 (1) The total amount budgeted for the operation of the facility by the
30 governing body of the county or other entity responsible for the operation
31 of the facility, minus any money received from the State of Nevada to pay
32 for fees for a child referred to the facility by the State of Nevada, divided
33 by the total number of pupils in the preceding school year in all counties
34 served by the facility, multiplied by the number of pupils in the preceding
35 school year in the assessed county and multiplied by one-fourth; and
36 (2) The total amount budgeted for the operation of the facility by the
37 governing body of the county or other entity responsible for the operation
38 of the facility, minus any money received from the State of Nevada to pay
39 for fees for a child referred to the facility by the State of Nevada, divided
40 by the total number of pupils who were served by the facility in the
41 preceding school year from all counties served by the facility, multiplied
42 by the number of pupils who were served by the facility in the preceding
43 school year from the assessed county and multiplied by three-fourths.
44 3. Each county shall pay the assessment required pursuant to
45 subsection 1 to the treasurer of the county if the facility is operated by a
46 county or to the administrative entity responsible for the operation of the
47 regional facility for children in quarterly installments that are due on the
48 first day of the first month of each calendar quarter. The money must be



1 accounted for separately and may only be withdrawn by the administrator
2 of the regional facility for children.
3 4. The board of county commissioners of each county may ~~levy an ad~~
4 ~~valorem tax of not more than 5 cents on each \$100 of assessed valuation~~
5 ~~upon all taxable property in the county to pay the assessment required~~
6 ~~pursuant to subsection 1. The county may~~ pay the assessment from
7 revenue raised by a tax levied pursuant to ~~this subsection,~~ *section 4 of*
8 *this act*, any other available money, or a combination thereof. ~~Revenue~~
9 ~~raised by a county to pay the assessment required pursuant to subsection 1~~
10 ~~is not subject to the limitations on revenue imposed pursuant to chapter 354~~
11 ~~of NRS and must not be included in the calculation of those limitations.~~
12 5. The provisions of this section do not apply to a county whose
13 population is 400,000 or more.
14 6. As used in this section, "regional facility for children" means an
15 institution that provides for the temporary care, custody, control and
16 treatment of a child under the jurisdiction of a juvenile court who is
17 detained because he was found violating a law or ordinance, adjudicated
18 delinquent or determined to be in need of supervision. The term includes,
19 without limitation, the institution in Lyon County known as Western
20 Nevada Regional Youth Facility.
21 **Sec. 9.** This act becomes effective on July 1, 2001.

