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FIRST REPRINT

S.B. 65

SENATE BILL NO. 65—COMMITTEE ON GOVERNMENT AFFAIRS

PREFILED JANUARY 31, 2001

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

Referred to Committee on Legislative Affairs and Operations

SUMMARY—Makes various changes to provisions relating to legislative committee to study
distribution among local governments of revenue from state and local taxes.
(BDR 17-698)

FISCAL NOTE: Effect on Local Government: No.
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 the state legislature; changing the name of the legislative committee to
study distribution among local governments of revenue from state and local taxes
to the legislative committee for local government taxes and finances; extending
the study by the committee of the system of taxation of certain businesses that are
centrally or locally assessed; extending the date for expiration of the committee
and certain statutory provisions relating thereto; 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 218 of NRS is hereby amended by adding thereto a
2 new section to read as follows:

- 3 ***1. The committee shall monitor the implementation of chapter 601,***
4 ***Statutes of Nevada 1999, and conduct a study of the current system of***
5 ***taxation of those businesses, whether centrally or locally assessed as of***
6 ***June 30, 1999, that are engaged, in whole or in part, in any of the***
7 ***following activities:***
8 ***(a) Railroad, sleeping car, private car, street railway or traction;***
9 ***(b) Scheduled or unscheduled air transport;***
10 ***(c) Telegraph, telephone or telecommunications;***
11 ***(d) Natural gas transmission and distribution;***
12 ***(e) Electric light and power; or***
13 ***(f) Railway express.***



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1 2. Biennially, the committee shall prepare a report of its findings and
2 recommendations and submit the report on or before February 15 of
3 each odd-numbered year to the director of the legislative counsel bureau
4 for transmittal to the senate and assembly committees on taxation of the
5 Nevada legislature for their review.

6 3. The chairman of the committee may appoint a subcommittee to
7 assist in conducting the study. Any subcommittee appointed by the chair
8 of the committee shall consist of members of the committee, members of
9 the advisory committee to the committee, other representatives of local
10 government and members of businesses described in subsection 1. Any
11 subcommittee appointed pursuant to this subsection shall biennially
12 report its findings to the committee on or before October 1 of each even-
13 numbered year.

14 4. The report required pursuant to subsection 2 must include:

15 (a) An evaluation of whether the current system of taxation used to
16 assess taxes upon those businesses described in subsection 1 is fair and
17 equitable, including the method of assessment and application of the
18 property tax, when compared with the system of taxation used to assess
19 taxes upon other businesses in this state;

20 (b) An evaluation of the extent to which local governments in this
21 state rely upon the revenues obtained from the current system of taxation
22 used to assess taxes upon those businesses described in subsection 1,
23 including, without limitation, an evaluation of the manner in which the
24 tax bases of the local governments are affected by that system;

25 (c) An evaluation of the impact of the changes made by the provisions
26 of this act upon revenues of local governments and upon the tax base
27 relied upon by each local government for its revenue;

28 (d) An evaluation of the extent to which any local government or
29 agency of the state provides services that compete with the businesses
30 described in subsection 1;

31 (e) An evaluation of any alternative system of taxation that could be
32 used to assess taxes upon the businesses described in subsection 1 that:

33 (1) Does not create substantially more or less revenue for local
34 governments, in the aggregate, than would otherwise be available if the
35 system of taxation were not changed;

36 (2) Provides for a source of revenue for local governments that is as
37 stable and reliable as possible; and

38 (3) Is fair and equitable to the businesses described in subsection 1
39 as compared to the current system of taxation used to assess taxes upon
40 all businesses in this state; and

41 (f) A recommendation from the committee regarding whether a
42 change to the system of taxation used to assess taxes upon the businesses
43 described in subsection 1 is advisable and, if so, the alternative system of
44 taxation that would ensure the most fair, equitable, stable and reliable
45 result possible.

46 **Sec. 2.** NRS 218.5388 is hereby amended to read as follows:

47 218.5388 As used in NRS 218.5388 to 218.53886, inclusive, *and*
48 *section 1 of this act*, "committee" means a legislative committee ~~to study~~



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1 ~~the distribution among local governments of revenue from state and local~~
2 ~~taxes.] for local government taxes and finances.~~
3 **Sec. 3.** NRS 218.53881 is hereby amended to read as follows:
4 218.53881 1. There is hereby established a legislative committee ~~to~~
5 ~~study the distribution among local governments of revenue from state and~~
6 ~~local taxes.] for local government taxes and finances~~ consisting of:
7 (a) Two members appointed by the majority leader of the senate from
8 the membership of the senate standing committee on government affairs
9 during the immediately preceding session of the legislature;
10 (b) Two members appointed by the majority leader of the senate from
11 the membership of the senate standing committee on taxation during the
12 immediately preceding session of the legislature;
13 (c) Two members appointed by the speaker of the assembly from the
14 membership of the assembly standing committee on government affairs
15 during the immediately preceding session of the legislature; and
16 (d) Two members appointed by the speaker of the assembly from the
17 membership of the assembly standing committee on taxation during the
18 immediately preceding session of the legislature.
19 2. The committee shall consult with an advisory committee consisting
20 of the executive director of the department of taxation and 10 members
21 who are representative of various geographical areas of the state and are
22 appointed for terms of 2 years commencing on July 1 of each odd-
23 numbered year as follows:
24 (a) One member of the committee on local government finance created
25 pursuant to NRS 266.0165 appointed by the Nevada League of Cities;
26 (b) One member of the committee on local government finance created
27 pursuant to NRS 266.0165 appointed by the Nevada Association of
28 Counties;
29 (c) One member of the committee on local government finance created
30 pursuant to NRS 266.0165 appointed by the Nevada School Trustees
31 Association;
32 (d) Three members involved in the government of a county appointed
33 by the Nevada Association of Counties;
34 (e) Three members involved in the government of an incorporated city
35 appointed by the Nevada League of Cities; and
36 (f) One member who ~~is a member of]~~ *represents* a board of trustees
37 for a general improvement district appointed by the legislative
38 commission.
39 The members of the advisory committee are nonvoting members of the
40 committee. When meeting as the advisory committee, the members shall
41 comply with the provisions of chapter 241 of NRS.
42 3. The legislative members of the committee shall elect a chairman
43 from one house of the legislature and a vice chairman from the other house.
44 Each chairman and vice chairman holds office for a term of 2 years
45 commencing on July 1 of each odd-numbered year. *The chairmanship and*
46 *vice chairmanship of the committee must alternate each biennium*
47 *between the houses of the legislature.*



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1 4. Any member of the committee who is not a candidate for reelection
2 or who is defeated for reelection continues to serve until the next session of
3 the legislature convenes.

4 5. Vacancies on the committee must be filled in the same manner as
5 original appointments.

6 6. The committee shall report annually to the legislative commission
7 concerning its activities and any recommendations.

8 **Sec. 4.** Section 9 of chapter 661, Statutes of Nevada 1997, at page
9 3309, is hereby amended to read as follows:

10 Sec. 9. This act becomes effective on July 1, 1997, and expires
11 by limitation on July 1, ~~2001~~ 2005.

12 **Sec. 5.** For purposes of electing a chairman and vice chairman of the
13 legislative committee for local government taxes and finances for the term
14 beginning on July 1, 2001:

15 1. The elected chairman must not be a member of the same house of
16 the legislature as the chairman of the legislative committee to study the
17 distribution among local governments of revenue from state and local taxes
18 whose term expires on July 1, 2001; and

19 2. The elected vice chairman must not be a member of the same house
20 of the legislature as the vice chairman of the legislative committee to study
21 the distribution among local governments of revenue from state and local
22 taxes whose term expires on July 1, 2001.

23 **Sec. 6.** This act becomes effective upon passage and approval and
24 expires by limitation on July 1, 2005.

