

Assembly Bill No. 35--Committee on Elections,
Procedures, and Ethics

CHAPTER.....

AN ACT relating to the State Legislature; changing the membership of the Advisory Committee of the Legislative Committee for Local Government Taxes and Finance; revising the duties of the Legislative Committee; eliminating the subcommittee of the Legislative Committee appointed to conduct a study of the cost to the counties and incorporated cities in this state of maintaining highways, streets and roads; 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. NRS 218.53881 is hereby amended to read as follows:

218.53881 1. There is hereby established a Legislative Committee for Local Government Taxes and Finance consisting of:

(a) Two members appointed by the Majority Leader of the Senate from the membership of the Senate Standing Committee on Government Affairs during the immediately preceding session of the Legislature;

(b) Two members appointed by the Majority Leader of the Senate from the membership of the Senate Standing Committee on Taxation during the immediately preceding session of the Legislature;

(c) Two members appointed by the Speaker of the Assembly from the membership of the Assembly Standing Committee on Government Affairs during the immediately preceding session of the Legislature; and

(d) Two members appointed by the Speaker of the Assembly from the membership of the Assembly Standing Committee on Taxation during the immediately preceding session of the Legislature.

2. The Committee shall consult with an Advisory Committee consisting of the Executive Director of the Department of Taxation and 10 members who are representative of various geographical areas of the State and are appointed for terms of 2 years commencing on July 1 of each odd-numbered year as follows:

(a) One member of the Committee on Local Government Finance created pursuant to NRS 354.105 appointed by the Nevada League of Cities;

(b) One member of the Committee on Local Government Finance created pursuant to NRS 354.105 appointed by the Nevada Association of Counties;

(c) One member of the Committee on Local Government Finance created pursuant to NRS 354.105 appointed by the Nevada School Trustees Association;

(d) Three members involved in the government of a county appointed by the Nevada Association of Counties;

(e) Three members involved in the government of an incorporated city appointed by the Nevada League of Cities; and

(f) One member who ~~is a member of~~ **represents** a board of trustees for a general improvement district appointed by the Legislative Commission.

The members of the Advisory Committee are nonvoting members of the Committee. When meeting as the Advisory Committee, the members shall comply with the provisions of chapter 241 of NRS.

3. The legislative members of the Committee shall elect a Chairman from one house of the Legislature and a Vice Chairman from the other house. Each Chairman and Vice Chairman holds office for a term of 2 years commencing on July 1 of each odd-numbered year.

4. Any member of the Committee who is not a candidate for reelection or who is defeated for reelection continues to serve until the next session of the Legislature convenes.

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

6. The Committee shall report annually to the Legislative Commission concerning its activities and any recommendations.

Sec. 2. NRS 218.53883 is hereby amended to read as follows:

218.53883 1. The Committee shall ~~[-~~

~~-(a) Review]~~ **review** the laws relating to the distribution of revenue generated by state and local taxes. In conducting the review, the Committee may consider the purposes for which the various state and local taxes were imposed, the actual use of the revenue collected from the various state and local taxes and any relief to the taxpayers from the burden of the various state and local taxes that may result from any possible recommendations of the Committee.

~~[(b) Study whether removing the authority of the Board of County Commissioners of Washoe County to impose a certain additional governmental services tax is a prudent act which is in the best interests of this state.]~~

2. In conducting its review of the laws relating to the distribution of revenue generated by state and local taxes, the Committee may review:

(a) The distribution of the revenue from:

(1) The local school support tax imposed by chapter 374 of NRS;

(2) The tax on aviation fuel and motor vehicle fuel imposed by or pursuant to chapter 365 of NRS;

(3) The tax on intoxicating liquor imposed by chapter 369 of NRS;

(4) The tax on fuel imposed pursuant to chapter 373 of NRS;

(5) The tax on tobacco imposed by chapter 370 of NRS;

(6) The governmental services tax imposed by or pursuant to chapter 371 of NRS;

(7) The tax imposed on gaming licensees by or pursuant to chapter 463 of NRS;

(8) Property taxes imposed pursuant to chapter 361 of NRS;

(9) The tax on the transfer of real property imposed by or pursuant to chapter 375 of NRS; and

(10) Any other state or local tax.

(b) The proper crediting of gasoline tax revenue if the collection is moved to the terminal rack level.

3. The Committee may:

(a) Conduct investigations and hold hearings in connection with its review and study;

(b) ~~{Contract with one or more consultants to obtain technical advice concerning the study conducted pursuant to NRS 218.53884;~~

~~—(e)}~~ Apply for any available grants and accept any gifts, grants or donations and use any such gifts, grants or donations to aid the Committee in carrying out its duties pursuant to this chapter;

~~{(d)}~~ (c) Direct the Legislative Counsel Bureau to assist in its research, investigations, review and study; and

~~{(e)}~~ (d) Recommend to the Legislature, as a result of its review and study, any appropriate legislation.

Sec. 3. NRS 365.550 is hereby amended to read as follows:

365.550 1. The receipts of the tax levied pursuant to NRS 365.180 must be allocated monthly by the Department to the counties using the following formula:

(a) Determine the average monthly amount each county received in the fiscal year ending on June 30, 2001, and allocate to each county that amount, or if the total amount to be allocated is less than that amount, allocate to each county a percentage of the total amount to be allocated that is equal to the percentage of the total amount allocated to that county in the fiscal year ending on June 30, 2001;

(b) Determine for each county an amount from the total amount to be allocated using the following formula:

(1) Two-thirds in proportion to population; and

(2) One-third in proportion to road mileage and street mileage of improved roads or streets maintained by the county or an incorporated city located within the county,

and compare that amount to the amount allocated to the county pursuant to paragraph (a);

(c) Identify each county for which the amount determined pursuant to paragraph (b) is greater than the amount allocated to the county pursuant to paragraph (a); and

(d) Allocate to any county which is identified pursuant to paragraph (c), using the formula set forth in paragraph (b), any amount from the tax levied pursuant to NRS 365.180 that remains after the allocation required pursuant to paragraph (a).

2. Within 10 calendar days after June 1 of each fiscal year, the Department shall:

(a) Project the total amount that each county will be allocated pursuant to subsection 1 for the current fiscal year.

(b) If the total amount allocated to all the counties will not exceed the total amount that was received by all the counties for the fiscal year ending on June 30, 2001, adjust the final monthly allocation to be made to each county so that each county is allocated a percentage of the total amount to be allocated that is equal to the percentage of the total amount allocated to that county in the fiscal year ending on June 30, 2001.

(c) If a county receives an allocation pursuant to paragraph (d) of subsection 1, determine whether the total monthly allocations projected to be made to that county pursuant to subsection 1 for the current fiscal year exceed the total amount the county received in the fiscal year ending on June 30, 2001. If the total monthly allocations projected to be made to the county do not exceed the total amount the county received in the fiscal year ending on June 30, 2001, the Department shall adjust the final monthly allocation to be made to the county for the current fiscal year so that the total amount allocated to the county for the current fiscal year equals the total amount the county received in the fiscal year ending on June 30, 2001.

3. Of the money allocated to each county pursuant to the provisions of subsections 1 and 2:

(a) An amount equal to that part of the allocation which represents 1.25 cents of the tax per gallon must be used exclusively for the service and redemption of revenue bonds issued pursuant to chapter 373 of NRS, for the construction, maintenance and repair of county roads, and for the purchase of equipment for that construction, maintenance and repair, under the direction of the boards of county commissioners of the several counties, and must not be used to defray expenses of administration; and

(b) An amount equal to that part of the allocation which represents 2.35 cents of the tax per gallon must be allocated to the county, if there are no incorporated cities in the county, or to the county and any incorporated cities in the county, if there is at least

one incorporated city in the county, pursuant to the following formula:

- (1) One-fourth in proportion to total area.
- (2) One-fourth in proportion to population.
- (3) One-fourth in proportion to road mileage and street mileage of nonfederal aid primary roads.
- (4) One-fourth in proportion to vehicle miles of travel on nonfederal aid primary roads.

For the purpose of applying the formula, the area of the county excludes the area included in any incorporated city.

4. The amount allocated to the counties and incorporated cities pursuant to subsections 1, 2 and 3 must be remitted monthly. The State Controller shall draw his warrants payable to the county treasurer of each of the several counties and the city treasurer of each of the several incorporated cities, as applicable, and the State Treasurer shall pay the warrants out of the proceeds of the tax levied pursuant to NRS 365.180.

5. The formula computations must be made as of July 1 of each year by the Department, based on estimates which must be furnished by the Department of Transportation and, if applicable, any adjustments to the estimates determined to be appropriate by the Committee pursuant to subsection 9. Except as otherwise provided in subsection 9, the determination made by the Department is conclusive.

6. The Department of Transportation shall complete:

(a) The estimates of the total mileage of improved roads or streets maintained by each county and incorporated city on or before August 31 of each year.

(b) A physical audit of the information submitted by each county and incorporated city pursuant to subsection 7 at least once every 10 years.

7. Each county and incorporated city shall, not later than March 1 of each year, submit a list to the Department of Transportation setting forth:

(a) Each improved road or street that is maintained by the county or city; and

(b) The beginning and ending points and the total mileage of each of those improved roads or streets.

Each county and incorporated city shall, at least 10 days before the list is submitted to the Department of Transportation, hold a public hearing to identify and determine the improved roads and streets maintained by the county or city.

8. If a county or incorporated city does not agree with the estimates prepared by the Department of Transportation pursuant to subsection 6, the county or incorporated city may request that the ~~[subcommittee]~~ *Advisory Committee* examine the estimates and

recommend an adjustment to the estimates. Such a request must be submitted to the ~~[subcommittee]~~ *Advisory Committee* not later than October 15.

9. The ~~[subcommittee]~~ *Advisory Committee* shall review any request it receives pursuant to subsection 8 and report to the Committee its findings and any recommendations for an adjustment to the estimates it determines is appropriate. The Committee shall hold a public hearing and determine whether an adjustment to the estimates is appropriate on or before December 31 of the year it receives a request pursuant to subsection 8. Any determination made by the Committee pursuant to this subsection is conclusive.

10. The ~~[subcommittee]~~ *Advisory Committee* shall monitor the fiscal impact of the formula set forth in this section on counties and incorporated cities and report regularly to the Committee concerning its findings and recommendations regarding that fiscal impact.

11. As used in this section:

(a) *“Advisory Committee” means the Advisory Committee appointed pursuant to NRS 218.53881.*

(b) “Committee” means the Legislative Committee for Local Government Taxes and Finance established pursuant to NRS 218.53881.

~~[(b)]~~ (c) “Construction, maintenance and repair” includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a county or city road and is necessary for the safe and efficient use of that road, including, without limitation:

- (1) Grades and regrades;
- (2) Graveling, oiling, surfacing, macadamizing and paving;
- (3) Sweeping, cleaning and sanding roads and removing snow from a road;
- (4) Crosswalks and sidewalks;
- (5) Culverts, catch basins, drains, sewers and manholes;
- (6) Inlets and outlets;
- (7) Retaining walls, bridges, overpasses, underpasses, tunnels and approaches;
- (8) Artificial lights and lighting equipment, parkways, control of vegetation and sprinkling facilities;
- (9) Rights-of-way;
- (10) Grade and traffic separators;
- (11) Fences, cattle guards and other devices to control access to a county or city road;
- (12) Signs and devices for the control of traffic; and
- (13) Facilities for personnel and the storage of equipment used to construct, maintain or repair a county or city road.

~~[(c)]~~ (d) “Improved road or street” means a road or street that is, at least:

(1) Aligned and graded to allow reasonably convenient use by a motor vehicle; and

(2) Drained sufficiently by a longitudinal and transverse drainage system to prevent serious impairment of the road or street by surface water.

~~[(d) "Subcommittee" means the subcommittee appointed pursuant to NRS 218.53884.]~~

Sec. 4. NRS 218.53884 is hereby repealed.

Sec. 5. 1. This act becomes effective on July 1, 2003.

2. Section 3 of this act expires by limitation on June 30, 2005.