

ASSEMBLY BILL NO. 418—COMMITTEE ON
GROWTH AND INFRASTRUCTURE

(ON BEHALF OF CLARK COUNTY)

MARCH 24, 2005

Referred to Committee on Growth and Infrastructure

SUMMARY—Authorizes Board of County Commissioners of Clark County to increase sales tax to employ and equip additional police officers. (BDR S-413)

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 Board of County Commissioners of Clark County to increase sales and use tax to employ and equip additional police officers for the Boulder City Police Department, Henderson Police Department, Las Vegas Metropolitan Police Department, Mesquite Police Department and North Las Vegas Police Department; 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.** This act may be cited as the Clark County Sales and
- 2 Use Tax Act of 2005.
- 3 **Sec. 2.** The Legislature hereby finds and declares that:
- 4 1. Nevada continues to be the fastest-growing state in the
- 5 nation, with the overwhelming majority of this population growth
- 6 occurring in Clark County, which adds 6,000 to 7,000 new residents
- 7 each month;
- 8 2. The increase in the number of police officers to protect the
- 9 residents of Clark County has not kept pace with the explosive
- 10 growth in the numbers of these residents, so, while the nation as a



1 whole averages 2.5 police officers for each 1,000 residents, the
2 current ratio in Clark County is now only 1.7 police officers for each
3 1,000 residents;

4 3. The crime rate in Clark County is increasing, and so is the
5 time it takes for police officers to respond when a resident reports a
6 crime, while the very real threat of terrorism means that police now
7 must assume added responsibilities for homeland security;

8 4. A majority of the voters in Clark County approved at the
9 November 2, 2004, general election Advisory Question No. 9,
10 indicating their support for an increase in the sales tax of up to one-
11 half of 1 percent for the purpose of employing and equipping more
12 police officers to protect the residents of Clark County;

13 5. A general law cannot be made applicable to the purposes,
14 objects, powers, rights, privileges, immunities, liabilities, duties and
15 disabilities provided in this act because of the demographic,
16 economic and geographic diversity of the local governments of this
17 State, the unique growth patterns occurring in Clark County and the
18 special financial conditions experienced in the County related to the
19 need to employ and equip more police officers; and

20 6. The powers, rights, privileges, immunities, liabilities, duties
21 and disabilities provided in this act comply in all respects with any
22 requirement or limitation pertaining thereto and imposed by any
23 constitutional provisions.

24 **Sec. 3.** Except as otherwise provided in this act or unless the
25 context otherwise requires, terms used or referred to in this act have
26 the meanings ascribed to them in chapter 374 of NRS, as from time
27 to time amended, but the definitions in sections 4 to 8, inclusive, of
28 this act, unless the context otherwise requires, govern the
29 construction of this act.

30 **Sec. 4.** "Act" means the Clark County Sales and Use Tax Act
31 of 2005.

32 **Sec. 5.** "Board" means the Board of County Commissioners of
33 Clark County.

34 **Sec. 6.** "County" means Clark County.

35 **Sec. 7.** "County Treasurer" means the County Treasurer of
36 Clark County.

37 **Sec. 8.** "Department" means the Department of Taxation
38 created pursuant to NRS 360.120.

39 **Sec. 9.** 1. The Board may enact an ordinance imposing a
40 local sales and use tax to employ and equip additional police
41 officers for the Boulder City Police Department, Henderson Police
42 Department, Las Vegas Metropolitan Police Department, Mesquite
43 Police Department and North Las Vegas Police Department.



2. The proceeds from the tax authorized pursuant to this section, including interest and other income earned thereon, must be:

(a) Allocated among the police departments within the County in the same ratio that the population served by each department bears to the total population of the County.

(b) Used for the purposes set forth in this section unless the Legislature changes the use. The Board shall, before submitting to the Legislature any request to change the uses for the proceeds from the tax, submit an advisory question to the voters of the County pursuant to NRS 293.482, asking whether the uses for the proceeds from the tax should be so changed. The Board shall not submit such a request to the Legislature if a majority of the voters in the County disapprove the proposed change.

Sec. 10. An ordinance enacted pursuant to this act must include provisions in substance as follows:

1. A provision imposing a tax on the gross receipts of any retailer from the sale of all tangible personal property sold at retail or stored, used or otherwise consumed in the County, including incorporated cities in the County, at a rate of:

(a) One-quarter of 1 percent if the date on which the tax must first be imposed is on or after July 1, 2005; and

(b) Up to an additional one-quarter of 1 percent if the date on which the tax must first be imposed is on or before July 1, 2009, ➔ the total rate not to exceed one-half of 1 percent.

2. Provisions substantially identical to those contained in chapter 374 of NRS, insofar as applicable.

3. A provision that an amendment to chapter 374 of NRS enacted after the effective date of the ordinance, not inconsistent with this act, automatically becomes part of the ordinance imposing the tax.

4. A provision that the Board shall contract with the Department, before the effective date of the ordinance, to perform all the functions incident to the administration or operation of the tax in the County.

5. A provision that exempts from the tax the gross receipts from the sale of, and the storage, use or other consumption in the County, including incorporated cities in the County, of, tangible personal property used for the performance of a written contract for the construction of an improvement to real property:

(a) That was entered into on or before the effective date of the tax; or

(b) For which a binding bid was submitted before that date if the bid was afterward accepted, and pursuant to the terms of the



1 contract or bid, the contract price or bid amount may not be adjusted
2 to reflect the imposition of the tax.

3 6. A provision that specifies the date on which the tax must
4 first be imposed, which must not be earlier than the first day of the
5 second calendar month following the effective date of the ordinance.

6 **Sec. 11.** An ordinance enacted pursuant to this act must
7 include provisions in substance as follows:

8 1. A provision imposing a tax of not more than one-half of 1
9 percent of the gross receipts of any retailer from the sale of all
10 tangible personal property sold at retail or stored, used or otherwise
11 consumed in the County.

12 2. Provisions substantially identical to those contained in
13 chapter 374 of NRS, insofar as applicable.

14 3. A provision that an amendment to chapter 374 of NRS
15 enacted after the effective date of the ordinance, not inconsistent
16 with this act, automatically becomes part of the ordinance imposing
17 the tax.

18 4. A provision that the Board shall contract with the
19 Department, before the effective date of the ordinance, to perform
20 all the functions incident to the administration or operation of the
21 tax in the County.

22 5. A provision that a purchaser is entitled to a refund, in
23 accordance with the provisions of NRS 374.635 to 374.720,
24 inclusive, of the amount of the tax required to be paid that is
25 attributable to the tax imposed upon the sale of, and the storage, use
26 or other consumption in the County, including incorporated cities in
27 the County, of, tangible personal property used for the performance
28 of a written contract for the construction of an improvement to real
29 property:

30 (a) That was entered into on or before the effective date of the
31 tax; or

32 (b) For which a binding bid was submitted before that date if the
33 bid was afterward accepted,

34 and pursuant to the terms of the contract or bid, the contract price or
35 bid amount may not be adjusted to reflect the imposition of the tax.

36 6. A provision that specifies the date on which the tax must
37 first be imposed, which must be the first day of the first calendar
38 quarter that begins at least 120 days after the effective date of the
39 ordinance.

40 **Sec. 12.** An ordinance amending an ordinance enacted
41 pursuant to this act, except an ordinance authorizing the issuance of
42 bonds or other securities, must include a provision in substance that
43 the Board shall amend a contract made pursuant to subsection 4 of
44 section 10 of this act by a contract made between the Board and the
45 Department before the effective date of the amendatory ordinance,



1 unless the Board determines with the written concurrence of the
2 Department that no such amendment of the contract is needed.

3 **Sec. 13.** An ordinance amending an ordinance enacted
4 pursuant to this act, except an ordinance authorizing the issuance of
5 bonds or other securities, must include a provision in substance that
6 the Board shall amend a contract made pursuant to subsection 4 of
7 section ~~H0~~ 11 of this act by a contract made between the Board and
8 the Department before the effective date of the amendatory
9 ordinance, unless the Board determines with the written concurrence
10 of the Department that no such amendment of the contract is
11 needed.

12 **Sec. 14.** 1. All fees, taxes, interest and penalties imposed and
13 all amounts of tax required to be paid to the County pursuant to this
14 act must be paid to the Department in the form of remittances
15 payable to the Department.

16 2. The Department shall deposit the payments with the State
17 Treasurer for credit to the Sales and Use Tax Account in the State
18 General Fund.

19 3. The State Controller, acting upon the collection data
20 furnished by the Department, shall monthly:

21 (a) Transfer from the Sales and Use Tax Account to the
22 appropriate account in the State General Fund a percentage of all
23 fees, taxes, interest and penalties collected pursuant to this act
24 during the preceding month as compensation to the State for the cost
25 of collecting the tax. The percentage to be transferred pursuant to
26 this paragraph must be the same percentage as the percentage of
27 proceeds transferred pursuant to paragraph (a) of subsection 3 of
28 NRS 374.785, but the percentage must be applied to the proceeds
29 collected pursuant to this act only.

30 (b) Determine the amount equal to all fees, taxes, interest and
31 penalties collected in or for the County pursuant to this act during
32 the preceding month, less the amount transferred to the State
33 General Fund pursuant to paragraph (a).

34 (c) Transfer the amount determined pursuant to paragraph (b) to
35 the Intergovernmental Fund and remit the money to the County
36 Treasurer.

37 **Sec. 15.** The Department may redistribute any proceeds from
38 the tax, interest or penalty collected pursuant to this act which is
39 determined to be improperly distributed, but no such redistribution
40 may be made as to amounts originally distributed more than 6
41 months before the date on which the Department obtains knowledge
42 of the improper distribution.

43 **Sec. 16.** 1. The County Treasurer shall deposit money
44 received from the State Controller pursuant to paragraph (c) of
45 subsection 3 of section 14 of this act into the County Treasury for



1 credit to a fund created for the use of the proceeds from the tax
2 authorized by this act.

3 2. The fund of the County created for the use of the proceeds
4 from the tax authorized by this act must be accounted for as a
5 separate fund and not as a part of any other fund.

6 3. The County Treasurer upon receipt of the money remitted to
7 him pursuant to this section shall distribute it to the appropriate
8 accounts in accordance with the allotments established pursuant to
9 section 9 of this act.

10 **Sec. 17.** 1. Money to employ and equip police officers in the
11 County may be obtained:

12 (a) By the issuance of bonds and other securities as provided in
13 subsection 3, subject to any pledges, liens and other contractual
14 limitations made pursuant to this act;

15 (b) By direct distribution from the fund created pursuant to
16 section 16 of this act; or

17 (c) By both the issuance of such securities and by direct
18 distribution,

19 ➤ as the Board may determine appropriate.

20 2. Money to employ and equip police officers in the County
21 may be obtained by direct distribution from the fund created
22 pursuant to section 16 of this act.

23 3. The Board may, after the enactment of an ordinance
24 imposing the tax, from time to time, issue bonds and other
25 securities, which are general or special obligations of the County
26 and that may be secured as to principal and interest by a pledge of
27 the proceeds from the tax authorized by this act.

28 4. An ordinance authorizing the issuance of such a bond or
29 other security must describe the purpose for which the bond or other
30 security is issued.

31 **Sec. 18.** 1. To employ and equip police officers in the
32 County, the Board may issue:

33 (a) General obligation bonds;

34 (b) General obligation bonds for which payment is additionally
35 secured by a pledge of the proceeds of the tax imposed pursuant to
36 this act and, if so determined by the Board, further secured by a
37 pledge of the gross or net revenues derived from the operation of a
38 police department or any other project of the County which
39 produces income, or from any license fees or other excise taxes
40 imposed for revenue by the County, or otherwise, as may be legally
41 made available for payment of the bonds;

42 (c) Revenue bonds for which payment is solely secured by a
43 pledge of the proceeds of the tax imposed pursuant to this act and, if
44 so determined by the Board, further secured by a pledge of the gross
45 or net revenues derived from the operation of any project of the



1 County which produces income, or from any license fees or other
2 excise taxes imposed for revenue by the County, or otherwise, as
3 may be legally made available for payment of the bonds; and

4 (d) Medium-term obligations pursuant to NRS 350.087 to
5 350.095, inclusive.

6 2. Money pledged to the payment of bonds or other securities
7 pursuant to subsection 1 may be treated for the purposes of
8 subsection 3 of NRS 350.020 as pledged revenue for the uses
9 authorized by this act.

10 **Sec. 19.** The Board shall not repeal or amend or otherwise
11 directly or indirectly modify an ordinance imposing the tax
12 authorized by this act in such a manner as to impair an outstanding
13 bond issued pursuant to this act, or other obligations incurred
14 pursuant to this act, until all obligations for which revenue from an
15 ordinance have been pledged or otherwise made payable from such
16 revenue pursuant to this act have been discharged in full or
17 provision for full payment and redemption has been made.

18 **Sec. 20.** In a proceeding arising from an ordinance imposing a
19 tax pursuant to this act, the Department may act for and on behalf of
20 the County.

21 **Sec. 21.** 1. The powers conferred by this act are in addition
22 and supplemental to, and not in substitution for, the powers
23 conferred by any other law and the limitations imposed by this act
24 do not affect the powers conferred by any other law.

25 2. This act must not be construed to prevent the exercise of any
26 power granted by any other law to the County or any officer, agent
27 or employee of the County.

28 3. This act must not be construed to repeal or otherwise affect
29 any other law or part thereof.

30 4. This act is intended to provide a separate method of
31 accomplishing the objectives of the act, but not an exclusive
32 method.

33 5. If any provision of this act, or application thereof to any
34 person, thing or circumstance, is held invalid, the invalidity shall not
35 affect the provisions or application of this act which can be given
36 effect without the invalid provision or application, and to this end
37 the provisions of this act are declared to be severable.

38 **Sec. 22.** The amendatory provisions of sections 11 and 13 of
39 this act do not apply to any ordinance enacted before January 1,
40 2006.

41 **Sec. 23.** 1. This section and sections 1 to 10, inclusive, 12
42 and 14 to 22, inclusive, of this act become effective:

43 (a) Upon passage and approval for the purposes of enacting
44 ordinances and performing any other preparatory administrative
45 tasks that are necessary to carry out the provisions of this act; and



- 1 (b) On July 1, 2005, for all other purposes.
- 2 2. Sections 10 and 12 of this act expire by limitation on
- 3 December 31, 2005.
- 4 3. Sections 11 and 13 of this act become effective on
- 5 January 1, 2006.

