

SENATE BILL NO. 170—SENATOR MCGINNESS

MARCH 9, 2005

Referred to Committee on Taxation

SUMMARY—Authorizes certain smaller counties to impose additional local sales and use tax under certain circumstances. (BDR 32-853)

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 local governmental finances; authorizing certain smaller counties to impose an additional local sales and use tax for certain purposes under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes the boards of county commissioners of certain counties to enact ordinances imposing certain local sales and use taxes for purposes such as the promotion of tourism, the support of public transit and the operation and maintenance of a county swimming pool. (NRS 377A.020) A board may not enact such an ordinance unless a question concerning the imposition of the tax is approved by a majority of the registered voters of the county voting on the question at a general election. The ordinance must also include certain provisions, including provisions substantially identical to those required by law for the Local School Support Tax, insofar as applicable. (NRS 377A.030)

This bill specifically authorizes the board of county commissioners of a county whose population is less than 100,000 (currently counties other than Clark and Washoe Counties) to enact such an ordinance to impose a local sales and use tax at the rate of not more than one-quarter of 1 percent to acquire, develop, construct, equip, operate, maintain, improve and manage libraries, parks, recreational programs and facilities, and facilities and services for senior citizens, and to preserve and protect agriculture, or for any combination of those purposes. The terms “park” and “recreational facility” are defined to exclude golf courses and other facilities related to the sport of golf.

This bill provides that the duration of the levy of such a tax must not exceed 30 years. To enact such an ordinance, the board must submit the ordinance for approval of the registered voters of the county in the same manner as other ordinances proposing local sales and use taxes. This bill further authorizes the board of county commissioners in such a county to issue general and special



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obligations of the county for the same purposes for which the tax is imposed, and to pledge the receipts of the tax to secure those obligations. However, this bill also provides that recreational programs may not be paid for with money obtained by the issuance of bonds.

Existing law provides that if two or more counties comprise an agricultural district, the boards of county commissioners of the counties may appropriate an amount out of the county general fund not to exceed \$1,500 per year to encourage agricultural associations. (NRS 547.140)

This bill provides that the limitation of \$1,500 does not apply with respect to the appropriation of money obtained from the proceeds of a tax imposed pursuant to chapter 377A of NRS.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Chapter 377A of NRS is hereby amended by adding thereto the provisions set forth as sections 1.5 to 11, inclusive, of this act.

**Sec. 1.5. 1. “Agriculture” means the current use of real property as a business venture for profit, which business venture produced a minimum gross income of \$5,000 during the immediately preceding calendar year from the following pursuits:**

**(a) Raising, harvesting and selling crops, fruit, flowers, timber or other products of the soil;**

**(b) Feeding, breeding, management and sale of livestock, poultry or the produce thereof;**

**(c) Operating a feed lot consisting of at least 50 head of cattle or an equivalent number of animal units of sheep or hogs, for the production of food;**

**(d) Raising furbearing animals or bees; or**

**(e) Dairying and the sale of dairy products.**

**↪ The term includes every process and step necessary and incident to the preparation and storage of the products raised on such property for human or animal consumption or for marketing except actual market locations.**

**2. As used in this section, “current use” of real property for agricultural purposes includes:**

**(a) Land lying fallow for 1 year as a normal and regular requirement of good agricultural husbandry;**

**(b) Land planted in orchards or other perennials prior to maturity; and**

**(c) Land leased or otherwise made available for use by an agricultural association formed pursuant to chapter 547 of NRS.**

**Sec. 2. “Facility for senior citizens” means real and personal property and improvements to real property that are designed to meet the recreational, cultural, leisure or nutritional needs of**



1 *senior citizens, or any combination thereof, and all appurtenances*  
2 *or customary facilities and uses associated therewith.*

3 **Sec. 3. “Library” means:**

4 *1. A county library established, operated and maintained by*  
5 *the county pursuant to NRS 379.010; and*

6 *2. A district library established, operated and maintained by*  
7 *the county pursuant to NRS 379.021.*

8 **Sec. 4. “Park” means real property and any improvements**  
9 *made thereon that are designed to serve the cultural, leisure,*  
10 *recreational and outdoor needs of natural persons. The term does*  
11 *not include a golf course, a driving range used to practice the*  
12 *sport of golf or any similar facility related to the sport of golf.*

13 **Sec. 5. “Recreational facility” means real and personal**  
14 *property and improvements to real property for athletic, cultural*  
15 *and leisure activities and all appurtenances or customary facilities*  
16 *and uses associated therewith. The term does not include a golf*  
17 *course, a driving range used to practice the sport of golf or any*  
18 *similar facility related to the sport of golf.*

19 **Sec. 6. “Recreational program” means a program that is**  
20 *designed to provide athletic, cultural or leisure activities to*  
21 *members of the general public.*

22 **Sec. 7. “Senior citizen” means a person who:**

23 *1. Is 65 years of age or older; or*

24 *2. Has a physical or mental limitation that restricts his ability*  
25 *to provide for his recreational, cultural, leisure or nutritional*  
26 *needs.*

27 **Sec. 8. “Services for senior citizens” means services that are**  
28 *designed to meet the recreational, cultural, leisure or nutritional*  
29 *needs of senior citizens.*

30 **Sec. 9. 1. In any county in which a tax has been imposed**  
31 *pursuant to paragraph (d) of subsection 1 of NRS 377A.020, the*  
32 *county treasurer shall deposit the money that is attributable to the*  
33 *imposition of the tax and which is received from the State*  
34 *Controller pursuant to NRS 377A.050 for credit to a fund to be*  
35 *known as the support fund for agriculture, libraries, parks,*  
36 *recreation and senior citizens.*

37 *2. The support fund for agriculture, libraries, parks,*  
38 *recreation and senior citizens must be accounted for as a separate*  
39 *fund and not as a part of any other fund.*

40 **Sec. 10. 1. Except as otherwise provided in this subsection,**  
41 *money to acquire, develop, construct, equip, operate, maintain,*  
42 *improve and manage libraries, parks, recreational programs and*  
43 *facilities, and facilities and services for senior citizens, and to*  
44 *preserve and protect agriculture, or for any combination of those*  
45 *purposes may be obtained, as the board may determine:*



1     (a) *By the issuance of bonds and other securities as provided*  
2 *in subsection 2, subject to any pledges, liens and other contractual*  
3 *limitations made pursuant to this chapter;*

4     (b) *By direct distribution from the support fund for*  
5 *agriculture, libraries, parks, recreation and senior citizens; or*

6     (c) *By both the issuance of such securities and by direct*  
7 *distribution.*

8     ➔ *Money to acquire, develop, construct, equip, operate, maintain,*  
9 *improve and manage recreational programs must not be obtained*  
10 *by the issuance of bonds.*

11     2. *The board may, after the enactment of an ordinance*  
12 *authorized by paragraph (d) of subsection 1 of NRS 377A.020,*  
13 *from time to time issue bonds and other securities, which are*  
14 *general or special obligations of the county and which may be*  
15 *secured as to principal and interest by a pledge authorized by this*  
16 *chapter of the receipts from the tax imposed by that ordinance.*

17     3. *The ordinance authorizing the issuance of any bond or*  
18 *other security must describe the purpose for which it is issued.*

19     **Sec. 11.** *The board shall not repeal or amend or otherwise*  
20 *directly or indirectly modify an ordinance enacted pursuant to*  
21 *paragraph (d) of subsection 1 of NRS 377A.020 in such a manner*  
22 *as to impair an outstanding bond issued pursuant to this chapter,*  
23 *or other obligations incurred pursuant to this chapter, until all*  
24 *obligations for which revenue from the ordinance have been*  
25 *pledged or otherwise made payable from such revenues pursuant*  
26 *to this chapter have been discharged in full or provision for full*  
27 *payment and redemption has been made.*

28     **Sec. 12.** NRS 377A.010 is hereby amended to read as follows:  
29     377A.010 As used in this chapter, unless the context otherwise  
30 requires, the words and terms defined in NRS 377A.012, 377A.014  
31 and 377A.016 *and sections 1.5 to 8, inclusive, of this act* have the  
32 meanings ascribed to them in those sections.

33     **Sec. 13.** NRS 377A.020 is hereby amended to read as follows:  
34     377A.020 1. The board of county commissioners of:

35     (a) Any county may enact an ordinance imposing a tax for a  
36 public transit system, for the construction, maintenance and repair of  
37 public roads, for the improvement of air quality or for any  
38 combination of those purposes pursuant to NRS 377A.030.

39     (b) Any county whose population is less than 400,000 may enact  
40 an ordinance imposing a tax to promote tourism pursuant to  
41 NRS 377A.030.

42     (c) Any county whose population is less than 15,000 may  
43 enact an ordinance imposing a tax to support the operation  
44 and maintenance of a county swimming pool pursuant to  
45 NRS 377A.030.



1     (d) *Any county whose population is less than 100,000 may*  
2 *enact an ordinance imposing a tax to acquire, develop, construct,*  
3 *equip, operate, maintain, improve and manage libraries, parks,*  
4 *recreational programs and facilities, and facilities and services for*  
5 *senior citizens, and to preserve and protect agriculture, or for any*  
6 *combination of those purposes pursuant to NRS 377A.030. The*  
7 *duration of the levy of a tax imposed pursuant to this paragraph*  
8 *must not exceed 30 years.*

9     2. An ordinance enacted pursuant to this chapter may not  
10 become effective before a question concerning the imposition of the  
11 tax is approved by a majority of the registered voters of the county  
12 voting upon the question which the board may submit to the voters  
13 at any general election. A county may combine ~~[the questions for a~~  
14 ~~public transit system, for the construction, maintenance and repair of~~  
15 ~~public roads and for the improvement of air quality]~~ *a question*  
16 *concerning the imposition of a tax described in subsection 1* with  
17 questions submitted pursuant to NRS 244.3351, 278.710 or 371.045,  
18 or any combination thereof. The board shall also submit to the  
19 voters at a general election any proposal to increase the rate of  
20 the tax or change the previously approved uses for the proceeds of  
21 the tax.

22     3. Any ordinance enacted pursuant to this section must specify  
23 the date on which the tax must first be imposed or on which an  
24 increase in the rate of the tax becomes effective, which must not be  
25 earlier than the first day of the second calendar month following the  
26 approval of the question by the voters.

27     **Sec. 14.** NRS 377A.020 is hereby amended to read as follows:

28     377A.020 1. The board of county commissioners of:

29     (a) Any county may enact an ordinance imposing a tax for a  
30 public transit system, for the construction, maintenance and repair of  
31 public roads, for the improvement of air quality or for any  
32 combination of those purposes pursuant to NRS 377A.030.

33     (b) Any county whose population is less than 400,000 may enact  
34 an ordinance imposing a tax to promote tourism pursuant to  
35 NRS 377A.030.

36     (c) Any county whose population is less than 15,000 may  
37 enact an ordinance imposing a tax to support the operation  
38 and maintenance of a county swimming pool pursuant to  
39 NRS 377A.030.

40     (d) *Any county whose population is less than 100,000 may*  
41 *enact an ordinance imposing a tax to acquire, develop, construct,*  
42 *equip, operate, maintain, improve and manage libraries, parks,*  
43 *recreational programs and facilities, and facilities and services for*  
44 *senior citizens, and to preserve and protect agriculture, or for any*  
45 *combination of those purposes pursuant to NRS 377A.030. The*



*duration of the levy of a tax imposed pursuant to this paragraph must not exceed 30 years.*

2. An ordinance enacted pursuant to this chapter may not become effective before a question concerning the imposition of the tax is approved by a majority of the registered voters of the county voting upon the question which the board may submit to the voters at any general election. A county may combine ~~[the questions for a public transit system, for the construction, maintenance and repair of public roads and for the improvement of air quality]~~ *a question concerning the imposition of a tax described in subsection 1* with questions submitted pursuant to NRS 244.3351, 278.710 or 371.045, or any combination thereof. The board shall also submit to the voters at a general election any proposal to increase the rate of the tax or change the previously approved uses for the proceeds of the tax.

3. Any ordinance enacted pursuant to this section must specify the date on which the tax must first be imposed or on which an increase in the rate of the tax becomes effective, which must be the first day of the first calendar quarter that begins at least 120 days after the approval of the question by the voters.

**Sec. 15.** NRS 377A.030 is hereby amended to read as follows:

377A.030 Except as otherwise provided in NRS 377A.110, any ordinance enacted under this chapter must include provisions in substance as follows:

1. A provision imposing a tax upon retailers at the rate of not more than:

(a) For a tax to promote tourism, one-quarter of 1 percent;

(b) For a tax to establish and maintain a public transit system, for the construction, maintenance and repair of public roads, for the improvement of air quality or for any combination of those purposes, one-half of 1 percent; ~~for~~

(c) For a tax to support the operation and maintenance of a county swimming pool, one-quarter of 1 *percent; or*

*(d) For a tax to acquire, develop, construct, equip, operate, maintain, improve and manage libraries, parks, recreational programs and facilities, and facilities and services for senior citizens, and to preserve and protect agriculture, or for any combination of those purposes, one-quarter of 1 percent,*

↳ of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed, in a county.

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



1       3. A provision that all amendments to chapter 374 of NRS after  
2 the date of enactment of the ordinance, not inconsistent with this  
3 chapter, automatically become a part of the ordinance.

4       4. A provision that the county shall contract before the  
5 effective date of the ordinance with the Department to perform all  
6 functions incident to the administration or operation of the tax in the  
7 county.

8       5. A provision that exempts from the tax or any increase in the  
9 tax the gross receipts from the sale of, and the storage, use or other  
10 consumption in a county of, tangible personal property used for the  
11 performance of a written contract for the construction of an  
12 improvement to real property, entered into on or before the effective  
13 date of the tax or the increase in the tax, or for which a binding bid  
14 was submitted before that date if the bid was afterward accepted, if  
15 under the terms of the contract or bid the contract price or bid  
16 amount cannot be adjusted to reflect the imposition of the tax or the  
17 increase in the tax.

18       **Sec. 16.** NRS 377A.030 is hereby amended to read as follows:

19       377A.030 Except as otherwise provided in NRS 377A.110, any  
20 ordinance enacted under this chapter must include provisions in  
21 substance as follows:

22       1. A provision imposing a tax upon retailers at the rate of not  
23 more than:

24       (a) For a tax to promote tourism, one-quarter of 1 percent;

25       (b) For a tax to establish and maintain a public transit system,  
26 for the construction, maintenance and repair of public roads, for the  
27 improvement of air quality or for any combination of those  
28 purposes, one-half of 1 percent; ~~for~~

29       (c) For a tax to support the operation and maintenance of a  
30 county swimming pool, one-quarter of 1 *percent; or*

31       *(d) For a tax to acquire, develop, construct, equip, operate,*  
32 *maintain, improve and manage libraries, parks, recreational*  
33 *programs and facilities, and facilities and services for senior*  
34 *citizens, and to preserve and protect agriculture, or for any*  
35 *combination of those purposes, one-quarter of 1 percent,*

36       ↳ of the gross receipts of any retailer from the sale of all tangible  
37 personal property sold at retail, or stored, used or otherwise  
38 consumed in a county.

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

41       3. A provision that all amendments to chapter 374 of NRS after  
42 the date of enactment of the ordinance, not inconsistent with this  
43 chapter, automatically become a part of the ordinance.

44       4. A provision that the county shall contract before the  
45 effective date of the ordinance with the Department to perform all





1 functions incident to the administration or operation of the tax in the  
2 county.

3 5. A provision that a purchaser is entitled to a refund, in  
4 accordance with the provisions of NRS 374.635 to 374.720,  
5 inclusive, of the amount of the tax required to be paid that is  
6 attributable to the tax imposed upon the sale of, and the storage, use  
7 or other consumption in a county of, tangible personal property used  
8 for the performance of a written contract for the construction of an  
9 improvement to real property, entered into on or before the effective  
10 date of the tax or the increase in the tax, or for which a binding bid  
11 was submitted before that date if the bid was afterward accepted, if  
12 under the terms of the contract or bid the contract price or bid  
13 amount cannot be adjusted to reflect the imposition of the tax or the  
14 increase in the tax.

15 **Sec. 17.** NRS 377A.040 is hereby amended to read as follows:

16 377A.040 Any ordinance amending the taxing ordinance must  
17 include a provision in substance that the county shall amend the  
18 contract made under subsection 4 of NRS 377A.030 by a contract  
19 made between the county and the State acting by and through the  
20 Department before the effective date of the amendatory ordinance,  
21 unless the county determines with the written concurrence of the  
22 regional transportation commission, in the case of a tax imposed  
23 pursuant to paragraph (b) of subsection 1 of NRS 377A.030, or the  
24 county fair and recreation board, in the case of a tax imposed  
25 pursuant to paragraph (a) of subsection 1 of NRS 377A.030, that no  
26 such amendment of the contract is necessary or desirable. Consent  
27 of another body is not required for the county to determine that no  
28 such amendment of the contract is necessary or desirable in the case  
29 of a tax imposed pursuant to paragraph (c) *or (d)* of subsection 1 of  
30 NRS 377A.030.

31 **Sec. 18.** NRS 377A.100 is hereby amended to read as follows:

32 377A.100 1. Each ordinance providing for the issuance of  
33 any bond or security issued under this chapter payable from the  
34 receipts of the tax imposed pursuant to paragraph (b) of subsection 1  
35 of NRS 377A.030 may, in addition to covenants and other  
36 provisions authorized in the Local Government Securities Law,  
37 contain a covenant or other provision to pledge and create a lien  
38 upon the receipts of the tax or upon the proceeds of any bond or  
39 security pending their application to defray the cost of establishing  
40 or operating a public transit system, constructing, maintaining or  
41 repairing public roads or improving air quality, or both tax proceeds  
42 and security proceeds, to secure the payment of any bond or security  
43 issued under this chapter.

44 2. *Each ordinance providing for the issuance of any bond or*  
45 *security issued under this chapter payable from the receipts of the*





1 *tax imposed pursuant to paragraph (d) of subsection 1 of NRS*  
2 *377A.030 may, in addition to covenants and other provisions*  
3 *authorized in the Local Government Securities Law, contain a*  
4 *covenant or other provision to pledge and create a lien upon:*

5 *(a) The receipts of the tax;*

6 *(b) The proceeds of any bond or security pending their*  
7 *application to defray the cost of acquiring, developing,*  
8 *constructing, equipping, operating, maintaining, improving and*  
9 *managing libraries, parks, recreational programs and facilities,*  
10 *and facilities and services for senior citizens, and for preserving*  
11 *and protecting agriculture, or for any combination of those*  
12 *purposes; or*

13 *(c) Both tax proceeds and security proceeds,*  
14 *↪ to secure the payment of any bond or security issued under this*  
15 *chapter. The provisions of this subsection do not authorize the*  
16 *board of county commissioners of a county to obtain money to*  
17 *acquire, develop, construct, equip, operate, maintain, improve and*  
18 *manage recreational programs by the issuance of bonds.*

19 **3.** Any money pledged to the payment of bonds or other  
20 securities pursuant to subsection 1 *or 2* may be treated as pledged  
21 revenues of the project for the purposes of subsection 3 of  
22 NRS 350.020.

23 **Sec. 19.** NRS 547.140 is hereby amended to read as follows:

24 547.140 ~~[Where]~~

25 **1.** *Except as otherwise provided in subsection 2, if* two or  
26 more counties are included in and comprise an agricultural district,  
27 the boards of county commissioners of such counties are authorized  
28 to appropriate, out of the general fund of such counties, such money  
29 ~~[or moneys]~~ for the encouragement of such agricultural associations  
30 as the boards may, in their judgment, deem just and proper . ~~[, but~~  
31 ~~in]~~

32 **2.** *In no case ~~[shall such]~~ may an* appropriation *described in*  
33 *subsection 1* exceed the sum of \$1,500 in any 1 year ~~[,]~~ *, unless the*  
34 *money so appropriated was obtained from the proceeds of a tax*  
35 *imposed pursuant to chapter 377A of NRS.*

36 **Sec. 20.** 1. This section and sections 1 to 13, inclusive, 15,  
17, 18 and 19 of this act become effective on October 1, 2005.

38 2. Sections 13 and 15 of this act expire by limitation on  
39 December 31, 2005.

40 3. Sections 14 and 16 of this act become effective on  
41 January 1, 2006.







