

SENATE BILL NO. 237—SENATOR AMODEI

MARCH 21, 2005

Referred to Committee on Taxation

SUMMARY—Provides for levy of tax ad valorem to pay costs of prevention and suppression of fires occurring in wild lands or watersheds under certain circumstances. (BDR 31-838)

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 in certain counties to levy a tax ad valorem to pay for the costs of prevention and suppression of fires occurring in wild lands or watersheds; requiring a board of county commissioners to enter into an interlocal agreement or contract with any incorporated city or fire protection district located within the county before it may levy the tax; requiring the revenue from the tax to be distributed as provided in the interlocal agreement or contract; exempting the tax from the limitation upon revenue from ad valorem taxes and the limitation upon the total ad valorem tax levy that may be levied for all public purposes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law authorizes the establishment of local fire departments and fire
- 2 protection districts. (NRS 244.2961-244.2967, 266.310 and Chapters 318, 473, 474
- 3 of NRS) Existing law allows governmental entities to enter into interlocal
- 4 agreements with other governmental entities for various purposes. (NRS 277.045-
- 5 277.180) Under existing law, a board of county commissioners may levy property
- 6 taxes. (NRS 244.150) The rate of property tax that may be levied is limited to \$5
- 7 per \$100 of assessed valuation under the Nevada Constitution. (Nevada
- 8 Constitution, Art. 10, § 2) Existing law further limits the rate of property tax that
- 9 may be levied to \$3.64 per \$100 of assessed valuation. (NRS 361.453) Existing law



also limits the maximum amount of money a local government receives from property taxes. (NRS 354.59811)

This bill authorizes a board of county commissioners to levy additional property taxes to pay for the prevention and suppression of fires on wild lands and watersheds. If a city or fire protection district is located in the county, the county must enter into an interlocal agreement with those entities before the county may levy these taxes. The tax revenue must be placed in a separate fund and may only be used for fire prevention and suppression and as provided in the interlocal agreement. The tax authorized by this bill is exempt from the limits on revenue that a county may collect from property taxes for public purposes, but the constitutional limitation of \$5 per \$100 of assessed valuation still applies. (Nevada Constitution, Art. 10, § 2; NRS 354.59811, 361.453)

This bill excludes counties with a population of 400,000 or more (currently Clark County) from its provisions.

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

Section 1. Chapter 354 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *“Prevention and suppression of fires occurring in wild lands or watersheds” means activities relating to the prevention or suppression of fires occurring in wild lands or watersheds, including, without limitation:*

- 1. Building firebreaks and fire trails;*
- 2. Making forest roads for fire prevention or fire fighting;*
- 3. Forestation and reforestation of public lands;*
- 4. Acquiring, constructing, maintaining or improving fire protection equipment or fire protection facilities;*
- 5. Eliminating fire hazards;*
- 6. Mitigation of conditions that could provide fuel for fires occurring in wild lands or watersheds;*
- 7. Training, equipping and qualifying personnel; and*
- 8. Extinguishing fires.*

Sec. 3. *1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811, the board of county commissioners in a county whose population is less than 400,000 may levy a tax ad valorem on all taxable property in the county to pay the costs relating to the prevention and suppression of fires occurring in wild lands or watersheds at a rate not to exceed:*

(a) In a county whose population is 100,000 or more but less than 400,000, one cent per \$100 of the assessed valuation.

(b) In a county whose population is less than 100,000, two cents per \$100 of the assessed valuation.

2. If there is an incorporated city or fire protection district located within the county, the county must enter into an interlocal



1 *agreement or interlocal contract with each incorporated city and*
2 *each fire protection district located within the county before a*
3 *board of county commissioners may levy a tax ad valorem*
4 *pursuant to subsection 1. The interlocal agreement must include,*
5 *without limitation, an agreement setting forth the manner in*
6 *which the revenue from the tax collected pursuant to this section*
7 *must be distributed.*

8 *3. If a board of county commissioners levies a tax ad valorem*
9 *pursuant to subsection 1, the rate levied pursuant to subsection 1*
10 *must not be included in the total ad valorem tax levy for the*
11 *purposes of the application of the limitation in NRS 361.453.*

12 *4. The revenue from a tax collected pursuant to this section*
13 *must be remitted on the first day of the first month of each*
14 *calendar quarter to the treasurer of the county to be placed into*
15 *the fund created pursuant to section 4 of this act.*

16 *5. By the end of each fiscal year, the board of county*
17 *commissioners of each county that levies a tax pursuant to this*
18 *section must determine the rate of tax required to produce revenue*
19 *in an amount which is sufficient to pay for the costs associated*
20 *with the prevention and suppression of fires occurring in wild*
21 *lands or watershed for the ensuing fiscal year.*

22 *6. As used in this section, "fire protection district" means:*

23 *(a) A fire protection district formed pursuant to the provisions*
24 *of chapter 473 of NRS;*

25 *(b) A county fire protection district formed pursuant to the*
26 *provisions of NRS 474.010 to 474.450, inclusive;*

27 *(c) A county fire protection district formed pursuant to the*
28 *provisions of NRS 474.460 to 474.540, inclusive; and*

29 *(d) A district created wholly or in part for the purpose of*
30 *furnishing facilities for protection from fire pursuant to chapter*
31 *318 of NRS.*

32 **Sec. 4.** *1. If a board of county commissioners levies a tax*
33 *pursuant to section 3 of this act, the board of county*
34 *commissioners shall establish a separate fund to account for the*
35 *revenue received from such tax.*

36 *2. The money in the fund must be used only:*

37 *(a) To pay for the costs associated with the prevention and*
38 *suppression of fires occurring in wild lands and watersheds; and*

39 *(b) As provided in any interlocal agreement or interlocal*
40 *contract required pursuant to subsection 2 of section 3 of this act.*

41 *3. All interest and income from money deposited in the fund*
42 *must be credited to the fund.*



1 **4. The annual budget and audit report of a board of county**
2 **commissioners that establishes a fund pursuant to this section**
3 **must:**

- 4 **(a) Identify the fund;**
5 **(b) Indicate in detail all revenue received for the year;**
6 **(c) Indicate in detail all expenses for the year which were paid**
7 **with money from the fund; and**
8 **(d) Specifically identify any planned accumulation of money in**
9 **the fund.**

10 **5. Money remaining in the fund at the end of a fiscal year**
11 **must not revert to any other fund.**

12 **6. Nothing in this section may be construed to require a**
13 **board of county commissioners to levy a tax pursuant to section 3**
14 **of this act.**

15 **Sec. 5.** NRS 354.476 is hereby amended to read as follows:

16 354.476 As used in NRS 354.470 to 354.626, inclusive, **and**
17 **sections 2, 3 and 4 of this act**, unless the context otherwise requires,
18 the words and terms defined in NRS 354.479 to 354.578, inclusive,
19 **and section 2 of this act** have the meanings ascribed to them in
20 those sections.

21 **Sec. 6.** NRS 354.59811 is hereby amended to read as follows:

22 354.59811 1. Except as otherwise provided in NRS 244.377,
23 354.59813, 354.59815, 354.59818, 354.5982, 354.5987, 354.705,
24 354.723, 450.425, 450.760, 540A.265 and 543.600, **and section 3 of**
25 **this act**, for each fiscal year beginning on or after July 1, 1989, the
26 maximum amount of money that a local government, except a
27 school district, a district to provide a telephone number for
28 emergencies or a redevelopment agency, may receive from taxes ad
29 valorem, other than those attributable to the net proceeds of minerals
30 or those levied for the payment of bonded indebtedness and interest
31 thereon incurred as general long-term debt of the issuer, or for the
32 payment of obligations issued to pay the cost of a water project
33 pursuant to NRS 349.950, or for the payment of obligations under a
34 capital lease executed before April 30, 1981, must be calculated as
35 follows:

36 (a) The rate must be set so that when applied to the current fiscal
37 year's assessed valuation of all property which was on the preceding
38 fiscal year's assessment roll, together with the assessed valuation of
39 property on the central assessment roll which was allocated to the
40 local government, but excluding any assessed valuation attributable
41 to the net proceeds of minerals, assessed valuation attributable to a
42 redevelopment area and assessed valuation of a fire protection
43 district attributable to real property which is transferred from private
44 ownership to public ownership for the purpose of conservation, it
45 will produce 106 percent of the maximum revenue allowable from



1 taxes ad valorem for the preceding fiscal year, except that the rate so
2 determined must not be less than the rate allowed for the previous
3 fiscal year, except for any decrease attributable to the imposition of
4 a tax pursuant to NRS 354.59813 in the previous year.

5 (b) This rate must then be applied to the total assessed valuation,
6 excluding the assessed valuation attributable to the net proceeds of
7 minerals and the assessed valuation of a fire protection district
8 attributable to real property which is transferred from private
9 ownership to public ownership for the purpose of conservation, but
10 including new real property, possessory interests and mobile homes,
11 for the current fiscal year to determine the allowed revenue from
12 taxes ad valorem for the local government.

13 2. As used in this section, "general long-term debt" does not
14 include debt created for medium-term obligations pursuant to NRS
15 350.087 to 350.095, inclusive.

16 **Sec. 7.** NRS 361.453 is hereby amended to read as follows:

17 361.453 1. Except as otherwise provided in this section and
18 NRS 354.705, 354.723 and 450.760, **and section 3 of this act**, the
19 total ad valorem tax levy for all public purposes must not exceed
20 \$3.64 on each \$100 of assessed valuation, or a lesser or greater
21 amount fixed by the State Board of Examiners if the State Board of
22 Examiners is directed by law to fix a lesser or greater amount for
23 that fiscal year.

24 2. Any levy imposed by the Legislature for the repayment of
25 bonded indebtedness or the operating expenses of the State of
26 Nevada and any levy imposed by the board of county
27 commissioners pursuant to NRS 387.195 that is in excess of 50
28 cents on each \$100 of assessed valuation of taxable property within
29 the county must not be included in calculating the limitation set
30 forth in subsection 1 on the total ad valorem tax levied within the
31 boundaries of the county, city or unincorporated town, if, in a
32 county whose population is 40,000 or less, or in a city or
33 unincorporated town located within that county:

34 (a) The combined tax rate certified by the Nevada Tax
35 Commission was at least \$3.50 on each \$100 of assessed valuation
36 on June 25, 1998;

37 (b) The governing body of that county, city or unincorporated
38 town proposes to its registered voters an additional levy ad valorem
39 above the total ad valorem tax levy for all public purposes set forth
40 in subsection 1;

41 (c) The proposal specifies the amount of money to be derived,
42 the purpose for which it is to be expended and the duration of the
43 levy; and



1 (d) The proposal is approved by a majority of the voters voting
2 on the question at a general election or a special election called for
3 that purpose.

4 3. The duration of the additional levy ad valorem levied
5 pursuant to subsection 2 must not exceed 5 years. The governing
6 body of the county, city or unincorporated town may discontinue the
7 levy before it expires and may not thereafter reimpose it in whole or
8 in part without following the procedure required for its original
9 imposition set forth in subsection 2.

10 4. A special election may be held pursuant to subsection 2 only
11 if the governing body of the county, city or unincorporated town
12 determines, by a unanimous vote, that an emergency exists. The
13 determination made by the governing body is conclusive unless it is
14 shown that the governing body acted with fraud or a gross abuse of
15 discretion. An action to challenge the determination made by the
16 governing body must be commenced within 15 days after the
17 governing body's determination is final. As used in this subsection,
18 "emergency" means any unexpected occurrence or combination of
19 occurrences which requires immediate action by the governing body
20 of the county, city or unincorporated town to prevent or mitigate a
21 substantial financial loss to the county, city or unincorporated town
22 or to enable the governing body to provide an essential service to
23 the residents of the county, city or unincorporated town.

24 **Sec. 8.** This act becomes effective on July 1, 2005.



