

ASSEMBLY BILL NO. 291—ASSEMBLYMAN GOICOECHEA

MARCH 13, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing local financial administration. (BDR 31-189)

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 financial administration; expanding the purposes for which, in certain smaller counties, money may be expended from a school district fund established to stabilize the operation of the school district; requiring the boards of county commissioners in certain counties that have adopted certain land use ordinances to prepare an annual anticipated revenue plan; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law provides for each county to receive a portion of the proceeds of an
2 ad valorem tax levied against mining operations in that county and for each county
3 treasurer to apportion certain amounts of those proceeds to each local government
4 or other local entity. (NRS 362.170) Existing law also authorizes each school
5 district that receives a portion of those proceeds to set aside a portion of the amount
6 received for a fund to mitigate the adverse effects upon the school district that
7 result from a decline in revenues from the tax on mining operations or the opening
8 or closing of a mining operation in the county. (NRS 362.171) **Section 2** of this bill
9 expands those purposes to authorize school districts in counties with a population
10 of less than 5,000 (currently Lincoln, Storey, Eureka and Esmeralda Counties) to
11 use the money in the fund for certain specified purposes.

12 Existing law authorizes cities and counties to regulate and restrict the
13 improvement of land within their jurisdictions. (NRS 278.020) **Section 3** of this bill
14 requires the board of county commissioners of a county whose population is less
15 than 100,000 (currently counties other than Clark and Washoe Counties) that enacts
16 an ordinance limiting the construction of residential or nonresidential units in the
17 county to prepare, in consultation with the Department of Taxation, an annual
18 anticipated revenue plan for the next 2 fiscal years. The plan must be transmitted to
19 the Legislature and to the county clerk to be made available for public inspection.



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 and 3 of this act.

Sec. 2. 1. *Each school district to which money is apportioned by a county pursuant to subsection 2 of NRS 362.170 may set aside a percentage of the amount apportioned to establish a school district fund for mitigation. Except as otherwise provided in subsection 2, money from the fund may be used by the school district only to mitigate adverse effects upon the school district which result from:*

(a) A decline in the revenue received by the school district from the tax on the net proceeds of minerals during the 2 fiscal years immediately preceding the current fiscal year; or

(b) The opening or closing of an extractive operation from the net proceeds of which revenue has been or is reasonably expected to be derived pursuant to chapter 362 of NRS.

2. *A school district in a county whose population is less than 5,000 may, if the revenues available to the school district for the current fiscal year are less than 90 percent of the revenues available to the school district for the immediately preceding fiscal year, expend such money in the fund created pursuant to subsection 1 to continue the district's instructional programs or those services and activities necessary to support the district's instructional programs which would otherwise be reduced or eliminated if not for the provisions of this section.*

Sec. 3. 1. *If the board of county commissioners of a county whose population is less than 100,000 enacts an ordinance after July 1, 2007, that limits the number of residential or nonresidential units which may be constructed in the county, the board, in consultation with the Department of Taxation, shall prepare an anticipated revenue plan for the county on or before August 1 of each year during the period in which the ordinance is in effect. Such a plan must address the fiscal year that commences during the year in which the plan is prepared and the immediately succeeding fiscal year and must include, without limitation:*

(a) An analysis of the estimated or actual revenues credited to and expenditures made from the county general fund during those 2 fiscal years; and

(b) Except for the initial anticipated revenue plan submitted pursuant to this subsection, a comparison of the actual revenues credited to the county general fund during the fiscal year immediately preceding the fiscal years addressed in the plan with



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1 *the revenues which were estimated for that fiscal year in the*
2 *immediately preceding anticipated revenue plan.*

3 2. *As soon as practicable after preparing a plan pursuant to*
4 *subsection 1, the board of county commissioners shall transmit a*
5 *copy of the plan to:*

6 (a) *The Director of the Legislative Counsel Bureau for*
7 *distribution to the Legislature; and*

8 (b) *The office of the county clerk of the county to be made*
9 *available for public inspection.*

10 **Sec. 4.** NRS 354.470 is hereby amended to read as follows:

11 354.470 NRS 354.470 to 354.626, inclusive, *and sections 2*
12 *and 3 of this act* may be cited as the Local Government Budget and
13 Finance Act.

14 **Sec. 5.** NRS 354.474 is hereby amended to read as follows:

15 354.474 1. Except as otherwise provided in subsections 2
16 and 3, the provisions of NRS 354.470 to 354.626, inclusive, *and*
17 *sections 2 and 3 of this act* apply to all local governments. For the
18 purpose of NRS 354.470 to 354.626, inclusive ~~1-4~~, *and sections 2*
19 *and 3 of this act:*

20 (a) "Local government" means every political subdivision or
21 other entity which has the right to levy or receive money from ad
22 valorem or other taxes or any mandatory assessments, and includes,
23 without limitation, counties, cities, towns, boards, school districts
24 and other districts organized pursuant to chapters 244A, 309, 318
25 and 379 of NRS, NRS 450.550 to 450.750, inclusive, and chapters
26 474, 541, 543 and 555 of NRS, and any agency or department of a
27 county or city which prepares a budget separate from that of the
28 parent political subdivision.

29 (b) "Local government" does not include the Nevada Rural
30 Housing Authority.

31 2. An irrigation district organized pursuant to chapter 539 of
32 NRS shall fix rates and levy assessments as provided in NRS
33 539.667 to 539.683, inclusive. The levy of such assessments and the
34 posting and publication of claims and annual financial statements as
35 required by chapter 539 of NRS shall be deemed compliance with
36 the budgeting, filing and publication requirements of NRS 354.470
37 to 354.626, inclusive, *and sections 2 and 3 of this act*, but any such
38 irrigation district which levies an ad valorem tax shall comply with
39 the filing and publication requirements of NRS 354.470 to 354.626,
40 inclusive, *and sections 2 and 3 of this act*, in addition to the
41 requirements of chapter 539 of NRS.

42 3. An electric light and power district created pursuant to
43 chapter 318 of NRS shall be deemed to have fulfilled the
44 requirements of NRS 354.470 to 354.626, inclusive, *and sections 2*
45 *and 3 of this act*, for a year in which the district does not issue



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bonds or levy an assessment if the district files with the Department of Taxation a copy of all documents relating to its budget for that year which the district submitted to the Rural Electrification Administration of the United States Department of Agriculture.

Sec. 6. NRS 354.476 is hereby amended to read as follows:

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

Sec. 7. NRS 362.171 is hereby amended to read as follows:

362.171 ~~[(1.)]~~ Each county to which money is appropriated by subsection 1 of NRS 362.170 may set aside a percentage of that appropriation to establish a county fund for mitigation. Money from the fund may be appropriated by the board of county commissioners only to mitigate adverse effects upon the county, or the school district located in the county, which result from:

~~[(a)]~~ 1. A decline in the revenue received by the county from the tax on the net proceeds of minerals during the 2 fiscal years immediately preceding the current fiscal year; or

~~[(b)]~~ 2. The opening or closing of an extractive operation from the net proceeds of which revenue has been or is reasonably expected to be derived pursuant to this chapter.

~~[2. — Each school district to which money is apportioned by a county pursuant to subsection 2 of NRS 362.170 may set aside a percentage of the amount apportioned to establish a school district fund for mitigation. Money from the fund may be used by the school district only to mitigate adverse effects upon the school district which result from:~~

~~—(a) A decline in the revenue received by the school district from the tax on the net proceeds of minerals during the 2 fiscal years immediately preceding the current fiscal year; or~~

~~—(b) The opening or closing of an extractive operation from the net proceeds of which revenue has been or is reasonably expected to be derived pursuant to this chapter.]~~

Sec. 8. This act becomes effective on July 1, 2007.

