A.B. 330

ASSEMBLY BILL NO. 330–ASSEMBLYMEN GOICOECHEA, CARPENTER AND GRADY

MARCH 15, 2007

JOINT SPONSOR: SENATOR RHOADS

Referred to Committee on Taxation

SUMMARY—Creates the Fund for Financial Assistance to Rural Local Governments. (BDR 32-1019)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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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 government financing; creating the Fund for Financial Assistance to Rural Local Governments; providing for an annual appropriation to the Fund; creating the Committee for Rural Local Government Financial Assistance to administer the Fund and to consider requests from certain local governments for financial assistance from the Fund; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1 and 3 of this bill create the Fund for Financial Assistance to Rural Local Governments and provide for an annual appropriation to the Fund. **Section 4** of this bill creates the Committee for Rural Local Government Financial Assistance to administer the Fund. **Section 5** of this bill requires the Committee to consider requests for financial assistance from the Fund from certain local governments, including a county whose population is less than 100,000 (currently all counties except Clark and Washoe Counties) or a city, town, school district or special district located in such a county, and sets forth the conditions under which the Committee may approve such a request.

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

Section 1. Chapter 362 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There is hereby appropriated for each fiscal year from the State General Fund to the Fund for Financial Assistance to Rural Local Governments created by section 3 of this act an amount equal to the combined amounts attributable to all counties as determined with respect to each county by:

(a) Multiplying $3.64 by each $100 in assessed valuation of the net proceeds of minerals extracted in the county for the calendar year immediately preceding the fiscal year; and

(b) Subtracting therefrom the amount appropriated to the county for that calendar year pursuant to NRS 362.170.

2. If the amount determined pursuant to subsection 1 with respect to any county is equal to or less than zero, the amount attributable to that county pursuant to subsection 1 is zero.

Sec. 2. Chapter 353 of NRS is hereby amended by adding thereto the provisions set forth as sections 3, 4 and 5 of this act.

Sec. 3. ***1. The Fund for Financial Assistance to Rural Local Governments is hereby created in the State Treasury.***

2. The Committee for Rural Local Government Financial Assistance created by section 4 of this act shall administer the Fund.

3. The Committee may accept for deposit in the Fund any gift, grant, bequest or other money which may lawfully be used for the purposes of the Fund.

4. The interest and income earned on the money in the Fund must be credited to the Fund.

5. Any money remaining in the Fund at the end of a fiscal year does not revert to the State General Fund, and the balance in the Fund must be carried forward to the next fiscal year.

6. Payments from the Fund must be made as other claims against the State are paid.

Sec. 4. ***1. The Committee for Rural Local Government Financial Assistance is hereby created. The Committee consists of the following members:***

(a) Two members of the Assembly whose districts are primarily, as determined by geographic area, in counties whose populations are less than 100,000, appointed by the Speaker of the Assembly;

(b) Two members of the Senate whose districts are primarily, as determined by geographic area, in counties whose populations

are less than 100,000, appointed by the Majority Leader of the Senate;

(c) Two members who are representatives of the mining industry, appointed by the Nevada Mining Association; and

(d) One member appointed by the Nevada Association of Counties.

2. The members of the Committee shall elect a Chairman by a majority vote.

3. Each member of the Committee serves for a term of 2 years. A member may be reappointed.

4. A vacancy on the Committee must be filled in the same manner as the original appointment.

5. Each member of the Committee:

(a) Serves without compensation; and

(b) While engaged in the business of the Committee, is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

6. Four members of the Committee constitute a quorum. A majority of the members present during a quorum may exercise all the power and authority conferred on the Committee.

Sec. 5. *1. The Committee for Rural Local Government Financial Assistance created pursuant to section 4 of this act shall meet at least once each fiscal year to consider requests from local governments for financial assistance from the Fund for Financial Assistance to Rural Local Governments created pursuant to section 3 of this act.*

2. A request from a local government for financial assistance from the Fund must:

(a) Be submitted in the form prescribed by the Committee;

(b) Have been approved by the governing body of the local government; and

(c) Have been approved by the board of county commissioners of the county in which the local government is located.

3. The Committee shall not consider during any fiscal year:

(a) More than one request for financial assistance from any school district; or

(b) More than two requests for financial assistance from any other local government.

4. The Committee may approve a request from a local government for financial assistance from the Fund if the Committee finds that:

(a) The local government has suffered a decline in revenue and the balances available for the use of the local government have declined for at least 2 consecutive years as reflected in audited financial statements;

(b) The decline in revenue and available balances is directly attributable to a loss of jobs, a decline in the taxable value of real or personal property or a decline in the net proceeds of minerals extracted;

(c) The proposed expenditure of the requested financial assistance by the local government is critical to the continuation of a necessary service provided by the local government;

(d) The proposed expenditure is for:

(1) The necessary acquisition or maintenance of a capital improvement;

(2) A nonrecurring expense related to the continuation of a critical public service; or

(3) A major expense, such as the purchase of equipment necessary for public health or safety or necessary structural or mechanical repairs or replacements; and

(e) No other resources or options for the prioritization of other expenditures are reasonably available to the local government to finance the proposed expenditure.

5. As used in this section, "local government" means a county whose population is less than 100,000 or a city, town, school district or special district located in such a county.

Sec. 6. This act becomes effective on July 1, 2007.

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