
ASSEMBLY BILL NO. 550—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE NEVADA ASSOCIATION OF COUNTIES)

MARCH 26, 2007

Referred to Committee on Taxation

SUMMARY—Authorizes counties to levy an ad valorem tax to pay for the long-term institutional care of medically indigent persons. (BDR 31-382)

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; authorizing the board of county commissioners of a county to levy an ad valorem tax to pay for the long-term institutional care of medically indigent persons; exempting such a tax from the limit on the total ad valorem tax levy for all public purposes and from the limitation upon revenue from ad valorem taxes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 With certain exceptions, existing law provides that the total ad valorem tax levy
2 for all public purposes must not exceed \$3.64 on each \$100 of assessed valuation
3 and also provides that the maximum amount of money a local government may
4 receive from taxes ad valorem must be calculated at a rate that will produce 106
5 percent of the maximum revenue allowable from taxes ad valorem for the
6 preceding fiscal year. (NRS 354.59811, 361.453) Existing law also provides for the
7 partial abatement of ad valorem taxes levied on certain real property, single-family
8 residences and residential rental dwellings. (NRS 361.4722, 361.4723, 361.4724)

9 This bill authorizes the board of county commissioners of a county to impose a
10 new ad valorem tax not exceeding 5 cents per \$100 of assessed valuation to pay for
11 programs for the long-term institutional care of medically indigent persons. A tax
12 so levied is exempted by this bill from: (1) the limit on the total ad valorem tax levy
13 for all public purposes; (2) the limitation upon revenue from ad valorem taxes; and
14 (3) the partial abatement of ad valorem taxes levied on certain real property, single-
15 family residences and residential rental dwellings. A tax so levied is in addition to



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16 other taxes levied by the county to support the short-term medical care of indigent
17 persons and subjects of charity.

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

1 **Section 1.** Chapter 354 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 **1. In addition to the allowed revenue from taxes ad valorem**
4 **determined pursuant to NRS 354.59811, the board of county**
5 **commissioners may levy a tax ad valorem on all taxable property**
6 **in the county at a rate not to exceed 5 cents per \$100 of the**
7 **assessed valuation of the county.**

8 **2. If the board of county commissioners of a county levies a**
9 **tax ad valorem pursuant to subsection 1:**

10 **(a) The board shall by ordinance create in the county treasury**
11 **a fund to be designated as the county long-term care fund.**

12 **(b) A county officer charged with the duty of collecting ad**
13 **valorem taxes shall collect the tax in the same form and manner,**
14 **and with the same interest and penalties, as other ad valorem taxes**
15 **are collected, and shall transmit all revenue generated by the tax,**
16 **including all interest and penalties, to the county treasurer for**
17 **deposit in the county long-term care fund.**

18 **(c) The money in the county long-term care fund must be used**
19 **only to support programs for the long-term institutional care of**
20 **medically indigent persons.**

21 **3. A tax levied pursuant to this section:**

22 **(a) Is not subject to the limit imposed by NRS 361.453.**

23 **(b) Is exempt from each partial abatement from taxation**
24 **provided pursuant to NRS 361.4722, 361.4723 and 361.4724.**

25 **(c) Is in addition to any taxes levied pursuant to NRS 428.050,**
26 **428.185, 428.285 and 450.425 and must be excluded in**
27 **determining the maximum rate of tax authorized by those sections.**

28 **Sec. 2.** NRS 354.476 is hereby amended to read as follows:

29 354.476 As used in NRS 354.470 to 354.626, inclusive, **and**
30 **section 1 of this act**, unless the context otherwise requires, the
31 words and terms defined in NRS 354.479 to 354.578, inclusive,
32 have the meanings ascribed to them in those sections.

33 **Sec. 3.** NRS 354.59811 is hereby amended to read as follows:

34 354.59811 1. Except as otherwise provided in NRS 244.377,
35 278C.260, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987,
36 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, **and**
37 **section 1 of this act**, for each fiscal year beginning on or after
38 July 1, 1989, the maximum amount of money that a local
39 government, except a school district, a district to provide a



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1 telephone number for emergencies or a redevelopment agency, may
2 receive from taxes ad valorem, other than those attributable to the
3 net proceeds of minerals or those levied for the payment of bonded
4 indebtedness and interest thereon incurred as general long-term debt
5 of the issuer, or for the payment of obligations issued to pay the cost
6 of a water project pursuant to NRS 349.950, or for the payment of
7 obligations under a capital lease executed before April 30, 1981,
8 must be calculated as follows:

9 (a) The rate must be set so that when applied to the current fiscal
10 year's assessed valuation of all property which was on the preceding
11 fiscal year's assessment roll, together with the assessed valuation of
12 property on the central assessment roll which was allocated to the
13 local government, but excluding any assessed valuation attributable
14 to the net proceeds of minerals, assessed valuation attributable to a
15 redevelopment area and assessed valuation of a fire protection
16 district attributable to real property which is transferred from private
17 ownership to public ownership for the purpose of conservation, it
18 will produce 106 percent of the maximum revenue allowable from
19 taxes ad valorem for the preceding fiscal year, except that the rate so
20 determined must not be less than the rate allowed for the previous
21 fiscal year, except for any decrease attributable to the imposition of
22 a tax pursuant to NRS 354.59813 in the previous year.

23 (b) This rate must then be applied to the total assessed valuation,
24 excluding the assessed valuation attributable to the net proceeds of
25 minerals and the assessed valuation of a fire protection district
26 attributable to real property which is transferred from private
27 ownership to public ownership for the purpose of conservation, but
28 including new real property, possessory interests and mobile homes,
29 for the current fiscal year to determine the allowed revenue from
30 taxes ad valorem for the local government.

31 2. As used in this section, "general long-term debt" does not
32 include debt created for medium-term obligations pursuant to NRS
33 350.087 to 350.095, inclusive.

34 **Sec. 4.** NRS 361.453 is hereby amended to read as follows:

35 361.453 1. Except as otherwise provided in this section and
36 NRS 354.705, 354.723 and 450.760, *and section 1 of this act*, the
37 total ad valorem tax levy for all public purposes must not exceed
38 \$3.64 on each \$100 of assessed valuation, or a lesser or greater
39 amount fixed by the State Board of Examiners if the State Board of
40 Examiners is directed by law to fix a lesser or greater amount for
41 that fiscal year.

42 2. Any levy imposed by the Legislature for the repayment of
43 bonded indebtedness or the operating expenses of the State of
44 Nevada and any levy imposed by the board of county
45 commissioners pursuant to NRS 387.195 that is in excess of 50



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1 cents on each \$100 of assessed valuation of taxable property within
2 the county must not be included in calculating the limitation set
3 forth in subsection 1 on the total ad valorem tax levied within the
4 boundaries of the county, city or unincorporated town, if, in a
5 county whose population is 40,000 or less, or in a city or
6 unincorporated town located within that county:

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

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

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

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

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

26 4. A special election may be held pursuant to subsection 2 only
27 if the governing body of the county, city or unincorporated town
28 determines, by a unanimous vote, that an emergency exists. The
29 determination made by the governing body is conclusive unless it is
30 shown that the governing body acted with fraud or a gross abuse of
31 discretion. An action to challenge the determination made by the
32 governing body must be commenced within 15 days after the
33 governing body's determination is final. As used in this subsection,
34 "emergency" means any unexpected occurrence or combination of
35 occurrences which requires immediate action by the governing body
36 of the county, city or unincorporated town to prevent or mitigate a
37 substantial financial loss to the county, city or unincorporated town
38 or to enable the governing body to provide an essential service to
39 the residents of the county, city or unincorporated town.

40 **Sec. 5.** NRS 361.4726 is hereby amended to read as follows:

41 361.4726 1. Except as otherwise provided by specific statute,
42 if any legislative act which becomes effective after April 6, 2005,
43 imposes a duty on a taxing entity to levy a new ad valorem tax or to
44 increase the rate of an existing ad valorem tax, the amount of the
45 new tax or increase in the rate of the existing tax is exempt from



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1 each partial abatement from taxation provided pursuant to NRS
2 361.4722, 361.4723 and 361.4724.

3 2. *The amount of any ad valorem tax levied pursuant to*
4 *section 1 of this act is exempt from each partial abatement from*
5 *taxation provided pursuant to NRS 361.4722, 361.4723 and*
6 *361.4724.*

7 3. For the purposes of this section, “taxing entity” does not
8 include the State.

9 **Sec. 6.** This act becomes effective upon passage and approval.

