SENATE BILL NO. 146–SENATOR MCGINNESS

FEBRUARY 22, 2007

Referred to Committee on Taxation

SUMMARY—Authorizes the boards of county commissioners of certain counties to levy an ad valorem tax to pay the costs of operating a regional facility for the detention of children. (BDR 31-937)

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 the financial administration of counties; authorizing the boards of county commissioners of certain counties to levy an ad valorem tax to pay the costs of operating a regional facility for the detention of children; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the boards of county commissioners of at least two counties to levy a property tax of 5 cents per $100 of the assessed valuation of the property in those counties to pay the costs of operating a regional facility, including certain regional facilities for the detention of children for which those counties are required to pay an assessment for its operation. (NRS 354.557, 354.59818) This bill authorizes the boards of county commissioners of at least two counties whose populations are less than 100,000 (currently counties other than Clark and Washoe Counties) to levy a separate property tax of 8 cents per $100 of the assessed valuation of the property in those counties to pay the costs of operating such a regional facility for the detention of children.

Existing law establishes a general limitation on the maximum amount by which the revenue that a local government may receive from property taxes may increase each year. (NRS 354.59811) Existing law generally limits the maximum amount of property taxes which may be imposed for all public purposes to $3.64 on each $100 of the assessed valuation of property. (NRS 361.453) Existing law also generally limits the amount by which the tax liability of property may increase each year. (NRS 361.4722, 361.4723, 361.4724) This bill exempts the additional levy of property tax authorized by this bill from each of these limitations.

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

Section 1. NRS 354.59818 is hereby amended to read as follows:

354.59818 1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811 ~~[,]~~ ***and any tax imposed pursuant to subsection 2,*** the boards of county commissioners of at least two counties may levy a tax ad valorem on all taxable property in their respective counties at a rate not to exceed 5 cents per $100 of the assessed valuation of each county to pay the costs of operating a regional facility.

2. ***In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811 and any tax imposed pursuant to subsection 1, the boards of county commissioners of at least two counties whose populations are less than 100,000 may levy a tax ad valorem on all taxable property in their respective counties at a rate not to exceed 8 cents per $100 of the assessed valuation of each county to pay the costs of operating a regional facility for the detention of children for which an assessment is paid pursuant to NRS 62B.160. Any rate levied pursuant to this subsection must not be included in the total ad valorem tax levy for the purposes of the application of the limitation in NRS 361.453.***

3. Counties that levy a tax ad valorem pursuant to subsection 1 ***or 2*** may enter into an interlocal agreement or interlocal contract to create an administrative entity to operate a regional facility.

~~[3.]~~ ***4.*** The revenue of a tax collected pursuant to this section must be remitted on the first day of the first month of each calendar quarter to:

(a) If the regional facility is operated by a county, the treasurer of the county; or

(b) If the regional facility is operated by an administrative entity, the administrative entity.

~~[4.]~~ ***5.*** By the end of each fiscal year, the board of county commissioners of each county that levies a tax pursuant to this section must determine the rate of tax required to produce revenue in an amount which is sufficient to pay the operating costs of the regional facility for the ensuing fiscal year. When calculating a rate pursuant to this section, the board of county commissioners of each county shall consider the amount of money remaining in the fund created pursuant to NRS 354.59819, if such a fund is created, unless the amount of money remaining in the fund is 10 percent or less of the revenue deposited for the current fiscal year.

Sec. 2. NRS 361.453 is hereby amended to read as follows:

361.453 1. Except as otherwise provided in this section ***, subsection 2 of NRS 354.59818*** and NRS 354.705, 354.723 and 450.760, the total ad valorem tax levy for all public purposes must not exceed $3.64 on each $100 of assessed valuation, or a lesser or greater amount fixed by the State Board of Examiners if the State Board of Examiners is directed by law to fix a lesser or greater amount for that fiscal year.

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

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

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

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

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

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

4. A special election may be held pursuant to subsection 2 only if the governing body of the county, city or unincorporated town determines, by a unanimous vote, that an emergency exists. The determination made by the governing body is conclusive unless it is shown that the governing body acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the governing body must be commenced within 15 days after the governing body's determination is final. As used in this subsection,

"emergency" means any unexpected occurrence or combination of occurrences which requires immediate action by the governing body of the county, city or unincorporated town to prevent or mitigate a substantial financial loss to the county, city or unincorporated town or to enable the governing body to provide an essential service to the residents of the county, city or unincorporated town.

Sec. 3. NRS 361.4726 is hereby amended to read as follows:

361.4726 1. Except as otherwise provided by specific statute, if any legislative act which becomes effective after April 6, 2005, imposes a duty on a taxing entity to levy a new ad valorem tax or to increase the rate of an existing ad valorem tax, the amount of the new tax or increase in the rate of the existing tax is exempt from each partial abatement from taxation provided pursuant to NRS 361.4722, 361.4723 and 361.4724.

2. ***The amount of any ad valorem tax imposed pursuant to subsection 2 of NRS 354.59818 is exempt from each partial abatement from taxation provided pursuant to NRS 361.4722, 361.4723 and 361.4724.***

3. For the purposes of this section, "taxing entity" does not include the State.

Sec. 4. This act becomes effective on July 1, 2007.