

SENATE BILL NO. 153—COMMITTEE ON TAXATION

(ON BEHALF OF THE CITY OF NORTH LAS VEGAS)

FEBRUARY 26, 2007

Referred to Committee on Taxation

SUMMARY—Revises provisions governing distribution of tax revenue to library districts. (BDR 32-360)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 certain library districts to request allocations from the Local Government Tax Distribution Account; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, a portion of the proceeds of various taxes is required to be
2 deposited in the Local Government Tax Distribution Account and distributed to
3 local governments. Such taxes include taxes on liquor (NRS 369.173), taxes on
4 cigarettes (NRS 370.260), taxes on transfers of real property (NRS 375.070), basic
5 city-county relief taxes (NRS 377.055), supplemental city-county relief taxes (NRS
6 377.057) and governmental services taxes (NRS 482.181). Each local government
7 and special district that, before July 1, 1998, received any portion of the proceeds of
8 a tax which is included in the Account is eligible to receive allocations from the
9 Account. (NRS 360.670) In addition, any local government or special district that is
10 created after July 1, 1998, which provides police protection and certain other
11 services may request allocations from the Account. (NRS 360.740)

12 **Section 1** of this bill authorizes a special district which constitutes a library
13 district and which is not receiving an allocation from the Account to request the
14 Nevada Tax Commission to direct the Executive Director of the Department of
15 Taxation to allocate money from the Account to the special district.

16 **Section 5** of this bill removes a provision prohibiting the municipal library
17 district in the City of North Las Vegas from receiving any distribution of
18 supplemental city-county relief tax, thereby permitting the library district to request
19 allocations from the Account.



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

Section 1. Chapter 360 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The governing body of a special district which constitutes a library district and which is not receiving an allocation from the Account may, by majority vote, request the Nevada Tax Commission to direct the Executive Director to allocate money from the Account to the special district pursuant to the provisions of NRS 360.680 and 360.690.

2. On or before December 31 of the year immediately preceding the first fiscal year that the special district would receive money from the Account, the governing body of the special district must:

(a) Submit the request to the Executive Director; and

(b) Provide copies of the request and any information it submits to the Executive Director in support of the request to each local government and special district that:

(1) Receives money from the Account; and

(2) Is located within the same county.

3. The Executive Director shall review each request submitted pursuant to subsection 1 and submit his findings to the Committee on Local Government Finance. In reviewing the request, the Executive Director shall:

(a) For the initial year of distribution, establish an amount to be allocated to the special district pursuant to the provisions of NRS 360.680 and 360.690; and

(b) Consider:

(1) The effect of the distribution of money in the Account, pursuant to the provisions of NRS 360.680 and 360.690, to the special district on the amounts that the other local governments and special districts that are located in the same county will receive from the Account; and

(2) The comparison of the amount established to be allocated pursuant to the provisions of NRS 360.680 and 360.690 for the special district to the amounts allocated to the other local governments and special districts that are located in the same county.

4. The Committee on Local Government Finance shall review the findings submitted by the Executive Director pursuant to subsection 3. If the Committee determines that the distribution of money in the Account to the special district is appropriate, it shall submit a recommendation to the Nevada Tax Commission. If the



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Committee determines that the distribution is not appropriate, that decision is not subject to review by the Nevada Tax Commission.

5. The Nevada Tax Commission shall schedule a public hearing within 30 days after the Committee on Local Government Finance submits its recommendation. The Nevada Tax Commission shall provide public notice of the hearing at least 10 days before the date on which the hearing will be held. The Executive Director shall provide copies of all documents relevant to the recommendation of the Committee on Local Government Finance to the governing body of each local government and special district that is located in the same county as the special district.

6. If, after the public hearing, the Nevada Tax Commission determines that the recommendation of the Committee on Local Government Finance is appropriate, it shall order the Executive Director to distribute money in the Account to the special district pursuant to the provisions of NRS 360.680 and 360.690.

Sec. 2. NRS 360.600 is hereby amended to read as follows:

360.600 As used in NRS 360.600 to 360.740, inclusive, *and section 1 of this act*, unless the context otherwise requires, the words and terms defined in NRS 360.605 to 360.650, inclusive, have the meanings ascribed to them in those sections.

Sec. 3. NRS 360.670 is hereby amended to read as follows:

360.670 Except as otherwise provided in NRS 360.740, *and section 1 of this act*, each:

1. Local government that receives, before July 1, 1998, any portion of the proceeds of a tax which is included in the Account;

2. Special district that receives, before July 1, 1998, any portion of the proceeds of a tax which is included in the Account; and

3. Enterprise district,

↳ is eligible for an allocation from the Account in the manner prescribed in NRS 360.680.

Sec. 4. NRS 360.680 is hereby amended to read as follows:

360.680 1. On or before July 1 of each year, the Executive Director shall allocate to each enterprise district an amount equal to the amount that the enterprise district received from the Account in the immediately preceding fiscal year.

2. Except as otherwise provided in NRS 360.690 and 360.730, the Executive Director, after subtracting the amount allocated to each enterprise district pursuant to subsection 1, shall allocate to each local government or special district which is eligible for an allocation from the Account pursuant to NRS 360.670 *or 360.740 or section 1 of this act* an amount from the Account that is equal to the amount allocated to the local government or special district for the



1 preceding fiscal year, minus any excess amount allocated pursuant
2 to subsection 4, 5, 6 or 7 of NRS 360.690, multiplied by 1 plus the
3 percentage change in the Consumer Price Index (All Items) for the
4 year ending on December 31 immediately preceding the year in
5 which the allocation is made.

6 **Sec. 5.** Section 2.310 of the Charter of the City of North Las
7 Vegas, being chapter 189, Statutes of Nevada 1993, as last amended
8 by chapter 470, Statutes of Nevada 1997, at page 1756, is hereby
9 amended to read as follows:

10 Sec. 2.310 Powers of City Council: Creation of library
11 district.

12 1. The City Council may create a municipal library
13 district to include all of the territory of the City. The City
14 Council may designate itself as the governing authority of the
15 municipal library district or may appoint a board of trustees
16 as the governing authority.

17 2. The governing authority of the municipal library
18 district has the powers and duties provided for the trustees of
19 a public library by NRS 379.025, 379.026, 379.040 and
20 379.060, and the City Council may provide for a tax upon all
21 taxable property in the district for the purpose of operating
22 the district. The rate of the tax must be calculated pursuant to
23 NRS 354.59811. The limit upon the calculated receipts from
24 the tax may be exceeded pursuant to a vote of the people as
25 provided in NRS 354.5982.

26 3. The governing authority of the municipal library
27 district may propose the issuance of general obligation bonds
28 in an amount not to exceed 10 percent of the total last
29 assessed valuation of the taxable property of the district for
30 the purpose of acquiring, constructing or improving buildings
31 and other real property to be used for library purposes or for
32 purchasing books, materials and equipment for libraries. If
33 the governing authority decides to propose the issuance of
34 bonds, the proposal must be submitted to the Debt
35 Management Commission of the county in which the district
36 is situated, pursuant to the provisions of NRS 350.011 to
37 350.0165, inclusive. If the Commission approves the
38 proposed issuance, the question of issuing the bonds must be
39 submitted to the registered electors of the district in
40 accordance with the provisions of NRS 350.020 to 350.070,
41 inclusive. If a majority of the electors voting on the question
42 favors the proposal, the governing authority shall issue the
43 bonds as general obligations of the municipal library district
44 pursuant to the provisions of the Local Government Securities
45 Law.



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- 1 ~~[4.—The district is not entitled to receive any distribution~~
2 ~~of supplemental city-county relief tax.]~~
3 **Sec. 6.** This act becomes effective on July 1, 2007.

