

SENATE BILL NO. 257—COMMITTEE ON TAXATION

MARCH 12, 2007

Referred to Committee on Taxation

**SUMMARY**—Authorizes the Board of County Commissioners of Nye County to increase the sales tax to support public safety services. (BDR S-137)

**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 taxation; authorizing the Board of County Commissioners of Nye County to increase the sales and use tax to support public safety services in Nye County; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

This bill is modeled on the provisions of the Clark County Sales and Use Tax Act of 2005, which authorized the Board of County Commissioners of Clark County to impose an additional sales tax of up to one-half of 1 percent for the purposes of employing and equipping additional police officers for the police departments located in Clark County.

**Section 12** of this bill authorizes the Board of County Commissioners of Nye County to impose an additional sales tax of up to one-half of 1 percent for the purposes of recruiting, employing and equipping additional firefighters, deputy sheriffs and other public safety personnel and constructing, improving and equipping public safety facilities in Nye County, and provides for the allocation of the proceeds of that tax within that County. Any proposed change in the use of the proceeds from the tax must be submitted to the voters for approval and be approved by the Legislature.

**Section 15** of this bill requires the approval of the governing body of each area to which the proceeds of the tax have been allocated before the expenditure of any of those proceeds in that area. The governing body is required to approve the expenditure of the proceeds of the tax if the expenditure complies with the provisions of this bill and the expenditure would not replace existing funding provided for the same purposes as those for which the additional sales tax is imposed.



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

**Section 1.** This act may be cited as the Nye County Sales and Use Tax Act of 2007.

**Sec. 2.** The Legislature hereby finds and declares that:

1. Nye County has experienced and continues to experience substantial growth, growing from a population of 32,485 residents in 2000 to a projected population of over 44,580 residents in 2006;

2. Nye County is the third largest county in terms of geographic area in the United States and the growth in Nye County has occurred over this wide geographical area;

3. The increase in the number of public safety personnel and facilities to protect the residents of Nye County has not kept pace with this growth;

4. The danger from fire and crime is increasing in Nye County, and so is the time it takes for public safety personnel to respond when a resident reports a fire or crime;

5. It is intended that the Board of County Commissioners of Nye County establish a program that promotes community participation in protecting the residents of the community that includes, without limitation:

(a) A written policy on providing public safety services oriented toward the involvement of residents of the community;

(b) The provision of training for all public safety personnel employed in the County that includes, without limitation, training relating to:

(1) Methods that may be used to analyze, respond to and solve problems commonly confronted by public safety personnel in the community;

(2) The cultural and racial diversity of the residents of the community;

(3) The proper utilization of community resources, such as local housing authorities, public utilities and local public officials, that are available to assist in providing public safety services; and

(4) Issues concerning not only the prevention of fires and crime, but also improving the quality of life for the residents of the community; and

(c) The formation of partnerships with the residents of the community and public and private agencies and organizations to address mutual concerns relating to the provision of public safety services;

6. A general law cannot be made applicable to the purposes, objects, powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act because of the demographic,



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1 economic and geographic diversity of the local governments of this  
2 State, the unique growth patterns occurring in Nye County and the  
3 special financial conditions experienced in the County relating to the  
4 need to recruit, employ and equip more public safety personnel and  
5 to construct, improve and equip public safety facilities; and

6 7. The powers, rights, privileges, immunities, liabilities, duties  
7 and disabilities provided in this act comply in all respects with any  
8 requirement or limitation pertaining thereto and imposed by any  
9 constitutional provisions.

10 **Sec. 3.** Except as otherwise provided in this act or unless the  
11 context otherwise requires, the terms used or referred to in this act  
12 have the meanings ascribed to them in chapter 374 of NRS, as from  
13 time to time amended, but the definitions in sections 4 to 11,  
14 inclusive, of this act, unless the context otherwise requires, govern  
15 the construction of this act.

16 **Sec. 4.** "Act" means the Nye County Sales and Use Tax Act of  
17 2007.

18 **Sec. 5.** "Board" means the Board of County Commissioners of  
19 Nye County.

20 **Sec. 6.** "County" means Nye County.

21 **Sec. 7.** "County Treasurer" means the County Treasurer of  
22 Nye County.

23 **Sec. 8.** "Department" means the Department of Taxation  
24 created pursuant to NRS 360.120.

25 **Sec. 9.** "Employ" means making an expenditure for the  
26 purpose of providing employment, including, without limitation,  
27 paying wages and benefits.

28 **Sec. 10.** "Recruit" means making an expenditure for the  
29 purpose of attracting applicants for employment or persuading an  
30 applicant to accept employment, including, without limitation,  
31 providing materials and services relating to recruitment, paying  
32 signing bonuses, paying expenses relating to relocation and  
33 providing assistance with the purchase of a house.

34 **Sec. 11.** "Sheriff" means the Sheriff of Nye County.

35 **Sec. 12.** 1. The Board may enact an ordinance imposing a  
36 local sales and use tax to:

37 (a) Recruit, employ and equip additional firefighters, deputy  
38 sheriffs to the Sheriff and other public safety personnel;

39 (b) Improve and equip existing public safety facilities; and

40 (c) Construct and equip new public safety facilities.

41 2. Before enacting such an ordinance, the Board shall hold a  
42 public hearing to present its plan for implementing the local sales  
43 and use tax.



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3. The proceeds from the tax authorized pursuant to this section, including interest and other income earned thereon, must be:

(a) Allocated for expenditure:

(1) In the areas of Pahrump, Amargosa Valley, Beatty, Tonopah, Round Mountain, Manhattan, Gabbs and any other town or city created in Nye County after October 1, 2007, and in the remaining unincorporated area of Nye County on a pro rata basis in each of those areas based upon the ratio of the population of that area to the total population of Nye County; or

(2) In any other manner that the Board and the governing body of each of those areas agree to be appropriate to carry out the purposes set forth in subsection 1 in accordance with the provisions of section 15 of this act.

➔ As used in this paragraph, "population" means the estimated annual population determined pursuant to NRS 360.283.

(b) Used only as approved pursuant to section 15 of this act and only for the purposes set forth in subsection 1 unless the Legislature changes the use. The Board shall, before submitting to the Legislature any request to change the uses for the proceeds from the tax, submit an advisory question to the voters of the County pursuant to NRS 293.482, asking whether the uses for the proceeds from the tax should be so changed. The Board shall not submit such a request to the Legislature if a majority of the voters in the County disapprove the proposed change.

**Sec. 13.** An ordinance enacted pursuant to this act must include provisions in substance as follows:

1. A provision imposing a tax on the gross receipts of any retailer from the sale of all tangible personal property sold at retail or stored, used or otherwise consumed in the County, including incorporated cities in the County, at a rate that does not exceed one-half of 1 percent.

2. Provisions substantially identical to those contained in chapter 374 of NRS, insofar as applicable.

3. A provision that an amendment to chapter 374 of NRS enacted after the effective date of the ordinance, not inconsistent with this act, automatically becomes part of the ordinance imposing the tax.

4. A provision that the Board shall contract with the Department, before the effective date of the ordinance, to perform all the functions incident to the administration or operation of the tax in the County.

5. A provision that a purchaser is entitled to a refund, in accordance with the provisions of NRS 374.635 to 374.720, inclusive, of the amount of the tax required to be paid that is



1 attributable to the tax imposed on the sale of, and the storage, use or  
2 other consumption in the County, including incorporated cities in  
3 the County, of tangible personal property used for the performance  
4 of a written contract for the construction of an improvement to real  
5 property:

6 (a) That was entered into on or before the effective date of the  
7 tax; or

8 (b) For which a binding bid was submitted before that date if the  
9 bid was afterward accepted, and pursuant to the terms of the  
10 contract or bid, the contract price or bid amount may not be adjusted  
11 to reflect the imposition of the tax.

12 6. A provision that specifies the date on which the tax must  
13 first be imposed, which must not be earlier than the first day of the  
14 second calendar month following the effective date of the ordinance.

15 **Sec. 14.** An ordinance amending an ordinance enacted  
16 pursuant to this act, except an ordinance authorizing the issuance of  
17 bonds or other securities, must include a provision in substance that  
18 the Board shall amend a contract made pursuant to subsection 4 of  
19 section 13 of this act by a contract made between the Board and the  
20 Department before the effective date of the amendatory ordinance,  
21 unless the Board determines with the written concurrence of the  
22 Department that no such amendment of the contract is needed.

23 **Sec. 15.** 1. The proceeds received from any sales and use tax  
24 imposed pursuant to this act must be expended in each of the areas  
25 to which those proceeds are allocated for expenditure pursuant to  
26 section 12 of this act in such a manner that half of those proceeds  
27 are expended for the support of the services provided by local fire  
28 departments in that area and the remaining half of those proceeds  
29 are expended for the support of the services provided by the Sheriff  
30 in that area.

31 2. No expenditure of those proceeds may be made unless the  
32 expenditure has been approved by the governing body of the area to  
33 which those proceeds have been allocated for expenditure. The  
34 governing body must approve the expenditure of the proceeds if it  
35 determines that:

36 (a) The proposed use of the money conforms to all provisions of  
37 this act; and

38 (b) The proposed use will not replace or supplant existing  
39 funding for the purposes set forth in subsection 1 of section 12 of  
40 this act for the support of the services provided by local fire  
41 departments and the Sheriff in that area.

42 3. In determining whether a proposed use meets the  
43 requirement set forth in paragraph (b) of subsection 2, the governing  
44 body shall determine whether the amount approved for expenditure  
45 for the fiscal year for the purposes set forth in subsection 1 of



1 section 12 of this act for the support of the services of local fire  
2 departments and the Sheriff in that area, not including any money  
3 received or expended pursuant to this act, is equal to or greater than  
4 the amount approved for expenditure in the immediately preceding  
5 fiscal year for the purposes set forth in subsection 1 of section 12 of  
6 this act for the support of the services of local fire departments and  
7 the Sheriff in that area.

8 **Sec. 15.5.** Any governing body of an area that has approved  
9 expenditures pursuant to section 15 of this act shall, on or before  
10 September 1 of each year, submit a detailed description of the use of  
11 the money, including, without limitation, a detailed analysis of the  
12 manner in which each expenditure:

13 1. Conforms to all provisions of this act; and

14 2. Does not replace or supplant funding which existed before  
15 October 1, 2007, for the purposes set forth in subsection 1 of section  
16 12 of this act for the support of the services provided by local fire  
17 departments and the Sheriff in that area,

18 ➔ to the Director of the Legislative Counsel Bureau for transmittal  
19 to the members of the Legislature.

20 **Sec. 16.** 1. All fees, taxes, interest and penalties imposed and  
21 all amounts of tax required to be paid to the County pursuant to this  
22 act must be paid to the Department in the form of remittances  
23 payable to the Department.

24 2. The Department shall deposit the payments with the State  
25 Treasurer for credit to the Sales and Use Tax Account in the State  
26 General Fund.

27 3. The State Controller, acting upon the collection data  
28 furnished by the Department, shall monthly:

29 (a) Transfer from the Sales and Use Tax Account to the  
30 appropriate account in the State General Fund a percentage of all  
31 fees, taxes, interest and penalties collected pursuant to this act  
32 during the preceding month as compensation to the State for the cost  
33 of collecting the tax. The percentage to be transferred pursuant to  
34 this paragraph must be the same percentage as the percentage of  
35 proceeds transferred pursuant to paragraph (a) of subsection 3 of  
36 NRS 374.785, but the percentage must be applied to the proceeds  
37 collected pursuant to this act only.

38 (b) Determine the amount equal to all fees, taxes, interest and  
39 penalties collected in or for the County pursuant to this act during  
40 the preceding month, less the amount transferred to the State  
41 General Fund pursuant to paragraph (a).

42 (c) Transfer the amount determined pursuant to paragraph (b) to  
43 the Intergovernmental Fund and remit the money to the County  
44 Treasurer.



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1     **Sec. 17.** The Department may redistribute any proceeds from  
2 the taxes, interest or penalties collected pursuant to this act which is  
3 determined to be improperly distributed, but no such redistribution  
4 may be made as to amounts originally distributed more than 6  
5 months before the date on which the Department obtains knowledge  
6 of the improper distribution.

7     **Sec. 18.** 1. The County Treasurer shall:

8     (a) Deposit money received from the State Controller pursuant  
9 to paragraph (c) of subsection 3 of section 16 of this act into the  
10 County Treasury for credit to a special revenue fund created for the  
11 use of the proceeds from the tax authorized by this act; and

12     (b) Allocate that money into separate accounts within that fund  
13 as appropriate to carry out the provisions of paragraph (a) of  
14 subsection 3 of section 12 of this act.

15     2. The special revenue fund of the County created for the use  
16 of the proceeds from the tax authorized by this act must be  
17 accounted for as a separate fund and not as a part of any other fund.

18     3. Interest earned on the special revenue fund created pursuant  
19 to subsection 1 must be credited to the fund. The money in each  
20 such fund must remain in the fund and must not revert to the County  
21 Treasury at the end of any fiscal year.

22     **Sec. 19.** In a proceeding arising from an ordinance imposing a  
23 tax pursuant to this act, the Department may act for and on behalf of  
24 the County.

25     **Sec. 20.** 1. The powers conferred by this act are in addition  
26 and supplemental to, and not in substitution for, the powers  
27 conferred by any other law and the limitations imposed by this act  
28 do not affect the powers conferred by any other law.

29     2. This act must not be construed to prevent the exercise of any  
30 power granted by any other law to the County or any officer, agent  
31 or employee of the County.

32     3. This act must not be construed to repeal or otherwise affect  
33 any other law or part thereof.

34     4. This act is intended to provide a separate method of  
35 accomplishing the objectives of the act, but not an exclusive  
36 method.

37     5. If any provision of this act, or application thereof to any  
38 person, thing or circumstance, is held invalid, the invalidity shall not  
39 affect the provisions or application of this act which can be given  
40 effect without the invalid provision or application, and to this end  
41 the provisions of this act are declared to be severable.

42     **Sec. 21.** 1. This act becomes effective:

43     (a) Upon passage and approval for the purposes of enacting  
44 ordinances and performing any other preparatory administrative  
45 tasks that are necessary to carry out the provisions of this act; and



- 1 (b) On October 1, 2007, for all other purposes.
- 2 2. This act expires by limitation on October 1, 2027.

