

SENATE BILL NO. 357—COMMITTEE ON ENERGY,
INFRASTRUCTURE AND TRANSPORTATION

MARCH 23, 2009

Referred to Committee on Taxation

SUMMARY—Authorizes local governments to impose taxes for transportation safety and homeland security upon voter approval. (BDR 31-93)

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

~

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to local governmental financial administration; authorizing local governments to impose taxes for transportation safety and homeland security upon voter approval; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 1** of this bill authorizes a local government to impose a local tax for
2 transportation safety and homeland security upon the approval of the voters. Such a
3 tax would be subject to any other requirements or limitations imposed by other
4 provisions of the Nevada Revised Statutes.

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. Except as otherwise provided in or limited by a specific***
4 ***statute, a local government may impose a tax within the***
5 ***boundaries of the local government for the purpose of providing***
6 ***funding for transportation safety and homeland security,***
7 ***including, without limitation, to employ, train and equip***
8 ***emergency responders and other public safety personnel, to install***
9 ***automated traffic signals and to widen existing transportation***
10 ***corridors, if:***



* S B 3 5 7 *

1 (a) The governing body of the local government proposes the
2 imposition of the tax to its registered voters; and

3 (b) The proposal described in paragraph (a) is approved by a
4 majority of the voters voting on the question at a general election,
5 a general city election or a special election called for that purpose.

6 2. The question submitted to the voters pursuant to subsection
7 1 must contain:

8 (a) The rate of the proposed tax;

9 (b) The purpose of the proposed tax;

10 (c) The duration of the proposed tax; and

11 (d) An estimate established by the governing body of the
12 amount that each of the residents of the local government who will
13 be subject to the tax likely will be required to pay on an annual
14 basis as a result of the tax.

15 3. The duration of a tax imposed pursuant to the authority set
16 forth in this section must not exceed 30 years. The governing
17 body:

18 (a) May at any time discontinue a tax imposed pursuant to the
19 authority set forth in this section, unless doing so would impair
20 any outstanding bonds or other obligations which are payable
21 from or secured by a pledge of the tax; and

22 (b) After discontinuing a tax imposed pursuant to the authority
23 set forth in this section, shall not reimpose that tax, in whole or in
24 part, without following the procedure required for its original
25 imposition.

26 4. A special election referred to in paragraph (b) of
27 subsection 1 may be held:

28 (a) At any time, including, without limitation, on the date of a
29 primary city election or a primary state election, if the governing
30 body of the local government determines, by a unanimous vote,
31 that an emergency exists; or

32 (b) On the first Tuesday after the first Monday in June of an
33 odd-numbered year.

34 5. The determination made by the governing body pursuant to
35 subsection 4 that an emergency exists is conclusive unless it is
36 shown that the governing body acted with fraud or a gross abuse
37 of discretion. An action to challenge the determination made by
38 the governing body must be commenced within 15 days after the
39 governing body's determination is final. As used in this
40 subsection, "emergency" means any unexpected occurrence or
41 combination of occurrences which requires immediate action by
42 the governing body of the local government to prevent or mitigate
43 a substantial financial loss to the local government or to enable
44 the governing body to provide an essential service to the residents
45 of the local government.



1 **Sec. 2.** NRS 354.470 is hereby amended to read as follows:
2 354.470 NRS 354.470 to 354.626, inclusive, **and section 1 of**
3 **this act** may be cited as the Local Government Budget and Finance
4 Act.

5 **Sec. 3.** NRS 354.474 is hereby amended to read as follows:
6 354.474 1. Except as otherwise provided in subsections 2 and
7 3, the provisions of NRS 354.470 to 354.626, inclusive, **and section**
8 **1 of this act** apply to all local governments. For the purpose of NRS
9 354.470 to 354.626, inclusive ~~H~~, **and section 1 of this act**:

10 (a) "Local government" means every political subdivision or
11 other entity which has the right to levy or receive money from ad
12 valorem or other taxes or any mandatory assessments, and includes,
13 without limitation, counties, cities, towns, boards, school districts
14 and other districts organized pursuant to chapters 244A, 309, 318
15 and 379 of NRS, NRS 450.550 to 450.750, inclusive, and chapters
16 474, 541, 543 and 555 of NRS, and any agency or department of a
17 county or city which prepares a budget separate from that of the
18 parent political subdivision.

19 (b) "Local government" does not include the Nevada Rural
20 Housing Authority.

21 2. An irrigation district organized pursuant to chapter 539 of
22 NRS shall fix rates and levy assessments as provided in NRS
23 539.667 to 539.683, inclusive. The levy of such assessments and the
24 posting and publication of claims and annual financial statements as
25 required by chapter 539 of NRS shall be deemed compliance with
26 the budgeting, filing and publication requirements of NRS 354.470
27 to 354.626, inclusive, **and section 1 of this act**, but any such
28 irrigation district which levies an ad valorem tax shall comply with
29 the filing and publication requirements of NRS 354.470 to 354.626,
30 inclusive, **and section 1 of this act** in addition to the requirements of
31 chapter 539 of NRS.

32 3. An electric light and power district created pursuant to
33 chapter 318 of NRS shall be deemed to have fulfilled the
34 requirements of NRS 354.470 to 354.626, inclusive, **and section 1**
35 **of this act** for a year in which the district does not issue bonds or
36 levy an assessment if the district files with the Department of
37 Taxation a copy of all documents relating to its budget for that year
38 which the district submitted to the Rural ~~Electrification~~
39 ~~Administration~~ **Utilities Service** of the United States Department of
40 Agriculture.

41 **Sec. 4.** NRS 354.476 is hereby amended to read as follows:
42 354.476 As used in NRS 354.470 to 354.626, inclusive, **and**
43 **section 1 of this act**, unless the context otherwise requires, the
44 words and terms defined in NRS 354.479 to 354.578, inclusive,
45 have the meanings ascribed to them in those sections.



Sec. 5. NRS 354.626 is hereby amended to read as follows:

354.626 1. No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function, other than bond repayments, medium-term obligation repayments and any other long-term contract expressly authorized by law. Any officer or employee of a local government who willfully violates NRS 354.470 to 354.626, inclusive, *and section 1 of this act* is guilty of a misdemeanor, and upon conviction thereof ceases to hold his office or employment. Prosecution for any violation of this section may be conducted by the Attorney General or, in the case of incorporated cities, school districts or special districts, by the district attorney.

2. Without limiting the generality of the exceptions contained in subsection 1, the provisions of this section specifically do not apply to:

(a) Purchase of coverage and professional services directly related to a program of insurance which require an audit at the end of the term thereof.

(b) Long-term cooperative agreements as authorized by chapter 277 of NRS.

(c) Long-term contracts in connection with planning and zoning as authorized by NRS 278.010 to 278.630, inclusive.

(d) Long-term contracts for the purchase of utility service such as, but not limited to, heat, light, sewerage, power, water and telephone service.

(e) Contracts between a local government and an employee covering professional services to be performed within 24 months following the date of such contract or contracts entered into between local government employers and employee organizations.

(f) Contracts between a local government and any person for the construction or completion of public works, money for which has been or will be provided by the proceeds of a sale of bonds, medium-term obligations or an installment-purchase agreement and that are entered into by the local government after:

(1) Any election required for the approval of the bonds or installment-purchase agreement has been held;

(2) Any approvals by any other governmental entity required to be obtained before the bonds, medium-term obligations or installment-purchase agreement can be issued have been obtained; and

(3) The ordinance or resolution that specifies each of the terms of the bonds, medium-term obligations or installment-



1 purchase agreement, except those terms that are set forth in
2 subsection 2 of NRS 350.165, has been adopted.

3 ➡ Neither the fund balance of a governmental fund nor the equity
4 balance in any proprietary fund may be used unless appropriated in
5 a manner provided by law.

6 (g) Contracts which are entered into by a local government and
7 delivered to any person solely for the purpose of acquiring supplies,
8 services and equipment necessarily ordered in the current fiscal year
9 for use in an ensuing fiscal year and which, under the method of
10 accounting adopted by the local government, will be charged against
11 an appropriation of a subsequent fiscal year. Purchase orders
12 evidencing such contracts are public records available for inspection
13 by any person on demand.

14 (h) Long-term contracts for the furnishing of television or FM
15 radio broadcast translator signals as authorized by NRS 269.127.

16 (i) The receipt and proper expenditure of money received
17 pursuant to a grant awarded by an agency of the Federal
18 Government.

19 (j) The incurrence of obligations beyond the current fiscal year
20 under a lease or contract for installment purchase which contains a
21 provision that the obligation incurred thereby is extinguished by the
22 failure of the governing body to appropriate money for the ensuing
23 fiscal year for the payment of the amounts then due.

24 (k) The receipt by a local government of increased revenue that:

25 (1) Was not anticipated in the preparation of the final budget
26 of the local government; and

27 (2) Is required by statute to be remitted to another
28 governmental entity.

