
ASSEMBLY BILL NO. 47—COMMITTEE ON TAXATION

(ON BEHALF OF THE CITY OF FERNLEY)

PREFILED DECEMBER 14, 2010

Referred to Committee on Taxation

SUMMARY—Requires a base adjustment in the formula for the allocation of certain consolidated tax revenue and an interim legislative study of the current allocation formula. (BDR S-315)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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; increasing the base allocation from the Local Government Tax Distribution Account to the City of Fernley; directing the Legislative Commission to appoint a subcommittee to conduct an interim study of the formula for the allocation of money distributed from the Account; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the deposit of certain proceeds from liquor taxes, cigarette taxes, real property transfer taxes, city-county relief taxes and governmental services taxes into the Local Government Tax Distribution Account. (NRS 369.173, 370.260, 375.070, 377.055, 377.057, 482.181) Under existing law, the Executive Director of the Department of Taxation is required to allocate the money in the Account to local governments, special districts and enterprise districts in accordance with a mathematical formula. (NRS 360.680, 360.690)

Section 1 of this bill increases the base annual allocation from the Local Government Tax Distribution Account to the City of Fernley by \$5 million.

Section 3 of this bill requires the Legislative Commission to appoint a subcommittee to conduct an interim study to examine whether the current formula for the allocation of money from the Local Government Tax Distribution Account is equitable and, if not, to consider possible alternative methodologies to achieve a more equitable allocation.



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

Section 1. For the fiscal year beginning on July 1, 2011, the Executive Director of the Department of Taxation shall increase the amount that would otherwise be allocated to the City of Fernley pursuant to NRS 360.680 by \$5,000,000, and that amount must be included in the calculation of all future allocations.

Sec. 2. The Legislature hereby finds and declares that the provisions of section 1 of this act are necessary to correct certain discrepancies in the formula for the distribution of certain revenues set forth in section 35 of chapter 660, Statutes of Nevada 1997, as that formula relates to the region of this State encompassed generally by Lyon County and the unique patterns of growth that exist in that region, and therefore a general law cannot be made applicable.

Sec. 3. 1. The Legislative Commission shall appoint a subcommittee, consisting of three members of the Senate and three members of the Assembly, to conduct a study during the 2011-2013 interim concerning the formula for the allocation of money distributed from the Local Government Tax Distribution Account.

2. The subcommittee appointed pursuant to subsection 1 shall, without limitation:

(a) Review the structural components of the current formula used for the allocation of money distributed from the Local Government Tax Distribution Account to local governments, special districts and enterprise districts; and

(b) Examine whether the current formula results in an equitable allocation among those governmental entities and, if not, consider possible alternative methodologies to achieve a more equitable allocation among those governmental entities.

3. Any recommendations for legislation proposed by the subcommittee must be approved by a majority of the members of the Senate and a majority of the members of the Assembly appointed to the subcommittee.

4. The Legislative Commission shall submit a copy of the final written report of the study and any recommendations for legislation to the Director of the Legislative Counsel Bureau for transmittal to the 77th Session of the Nevada Legislature.

Sec. 4. This act becomes effective on July 1, 2011.

