

ASSEMBLY BILL NO. 572—COMMITTEE ON WAYS AND MEANS

MAY 23, 2011

Referred to Committee on Taxation

SUMMARY—Revises the use by police departments of certain sales and use tax proceeds in Clark County. (BDR S-1300)

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; revising provisions governing the expenditure by police departments of the proceeds of the sales and use tax imposed pursuant to the Clark County Sales and Use Tax Act of 2005; revising certain reporting requirements concerning such expenditures; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Clark County Sales and Use Tax Act of 2005 authorizes the Board of County Commissioners of Clark County to enact an ordinance imposing a local sales and use tax to employ and equip additional police officers in certain police departments in Clark County. (Sections 9-10 of the Act) A police department is prohibited from spending the proceeds of the tax unless the expenditure has been approved by a designated body and only if the use will not replace or supplant existing funding for the police department. (Section 13 of the Act) **Section 1** of this bill revises the requirements governing the approval and expenditure of the proceeds of the tax.

The Act also requires that certain reports concerning expenditures pursuant to the Act be submitted to the Director of the Legislative Counsel Bureau for transmittal to the Legislature or to the Legislative Commission if the Legislature is not in session. (Section 13.5 of the Act) **Section 2** of this bill requires that the reports be submitted instead to the Department of Taxation.



* A B 5 7 2 *

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

Section 1. Section 13 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 915, is hereby amended to read as follows:

Sec. 13. 1. A police department shall not expend proceeds received from any sales and use tax imposed pursuant to this act unless the expenditure has been approved by the body designated pursuant to this section for the approval of expenditures of that police department. The body designated pursuant to this section must approve the expenditure of the proceeds by the police department if it determines that:

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

(b) The proposed use will not replace or supplant existing funding for the police department.

2. The body designated to approve an expenditure for:

(a) The Boulder City Police Department is the City Council of the City of Boulder City;

(b) The Henderson Police Department is the City Council of the City of Henderson;

(c) The Las Vegas Metropolitan Police Department is the Metropolitan Police Committee on Fiscal Affairs;

(d) The Mesquite Police Department is the City Council of the City of Mesquite; and

(e) The North Las Vegas Police Department is the City Council of the City of North Las Vegas.

3. In determining ~~whether~~ **that** a proposed use meets the requirement set forth in paragraph (b) of subsection 1, a body designated pursuant to ~~paragraph (a), (b), (d) or (e) of~~ subsection 2 ~~shall determine whether the~~ **must find that either:**

(a) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is equal to or greater than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department ~~;~~

~~4. In determining whether a proposed use meets the requirements set forth in paragraph (b) of subsection 1, a body designated pursuant to paragraph (c) of subsection 2 shall determine whether:~~



~~—(a) The amount approved for expenditure by the City of Las Vegas for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act or any money collected pursuant to an additional ad valorem tax approved by the voters pursuant to NRS 280.265, is equal to or greater than the amount determined by multiplying the sum of the amounts approved for expenditure by both the City of Las Vegas and Clark County for the support of the police department during the immediately preceding fiscal year by the percentage of the expense of the operating and maintaining the police department apportioned to the City of Las Vegas for the fiscal year pursuant to NRS 280.201; and~~

~~—(b) The amount approved for expenditure by the County for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act or any money collected pursuant to an additional ad valorem tax approved by the voters pursuant to NRS 280.265, is equal to or greater than the amount determined by multiplying the sum of the amounts approved for expenditure by both the City of Las Vegas and the County for the support of the police department during the immediately preceding fiscal year by the percentage of the expense of operating and maintaining the police department apportioned to the County for the fiscal year pursuant to NRS 280.210.]; or~~

(b) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is less than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department and the body has experienced a decrease in its combined revenue from consolidated taxes and property taxes of more than 2 percent from Fiscal Year 2009-2010.

4. If a body designated pursuant to subsection 2 makes a finding pursuant to subsection 3, the body shall adopt a resolution setting forth the finding and the reasons therefor.

5. If a body designated pursuant to subsection 2 does not make a finding pursuant to subsection 3 for a fiscal year, the city or county treasurer, as appropriate, shall retain the proceeds received for that fiscal year from any sales and use tax imposed pursuant to this act and shall not permit the expenditure of those proceeds for any purpose during that fiscal year.



1 **Sec. 2.** Section 13.5 of the Clark County Sales and Use Tax
2 Act of 2005, being chapter 249, Statutes of Nevada 2005, as added
3 by chapter 545, Statutes of Nevada 2007, at page 3422, is hereby
4 amended to read as follows:

5 Sec. 13.5. 1. Any governing body that has approved
6 expenditures pursuant to section 13 of this act shall submit to
7 the ~~{Director of the Legislative Counsel Bureau for~~
8 ~~transmittal to the members of the Legislature, or the~~
9 ~~Legislative Commission when the Legislature is not in~~
10 ~~regular session,}~~ **Department** the periodic reports required
11 pursuant to this section and such other information relating to
12 the provisions of this act as may be requested by the ~~{Director~~
13 ~~of the Legislative Counsel Bureau.}~~ **Department.**

14 2. The reports required pursuant to this section must be
15 submitted:

16 (a) On or before:

17 (1) February 15 for the 3-month period ending on the
18 immediately preceding December 31;

19 (2) May 15 for the 3-month period ending on the
20 immediately preceding March 31;

21 (3) August 15 for the 3-month period ending on the
22 immediately preceding June 30; and

23 (4) November 15 for the 3-month period ending on the
24 immediately preceding September 30; and

25 (b) On or before August 15 for the 12-month period
26 ending on the immediately preceding June 30.

27 3. Each report must be submitted on a form provided by
28 the ~~{Director of the Legislative Counsel Bureau}~~ **Department**
29 and include, with respect to the period covered by the report:

30 (a) The total proceeds received by the respective police
31 department from the sales and use tax imposed pursuant to
32 this act;

33 (b) A detailed description of the use of the proceeds,
34 including, without limitation:

35 (1) The total expenditures made by the respective
36 police department from the sales and use tax imposed
37 pursuant to this act;

38 (2) The total number of police officers hired by the
39 police department and the number of those officers that are
40 filling authorized, funded positions for new officers; and

41 (3) A detailed analysis of the manner in which each
42 expenditure:

43 (I) Conforms to all provisions of this act; and



1 (II) Does not replace or supplant funding which
2 existed before October 1, 2005, for the police department;
3 and

4 (c) Any other information required to complete the form
5 for the report.

6 4. The ~~Legislative Commission~~ **Department** may
7 review and investigate the reports submitted pursuant to this
8 section and the expenditure of any proceeds pursuant to
9 section 13 of this act.

10 **Sec. 3.** This act becomes effective upon passage and approval.

