

ASSEMBLY BILL NO. 418—COMMITTEE
ON GOVERNMENT AFFAIRS

MARCH 25, 2013

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the distribution of proceeds from certain taxes ad valorem. (BDR 31-1087)

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 local financial administration; revising provisions relating to the distribution of proceeds from certain taxes ad valorem in certain larger counties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law authorizes the board of county commissioners of each county to
2 levy an additional 5-cent property tax on all taxable property in the county. (NRS
3 354.59815) For any county whose population is 700,000 or more (currently Clark
4 County), **section 1** of this bill revises the formula for distributing the proceeds of
5 the tax among the county and the cities in the county.

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

- 1 **Section 1.** NRS 354.59815 is hereby amended to read as
2 follows:
3 354.59815 1. In addition to the allowed revenue from taxes
4 ad valorem determined pursuant to NRS 354.59811, the board of
5 county commissioners may levy a tax ad valorem on all taxable
6 property in the county at a rate not to exceed 5 cents per \$100 of the
7 assessed valuation of the county.
8 2. If a tax is levied pursuant to subsection 1 in:
9 (a) A county whose population is less than 100,000, the board of
10 county commissioners shall direct the county treasurer to distribute



1 quarterly the proceeds of the tax among the county and the cities
2 and towns within that county in the proportion that the supplemental
3 city-county relief tax distribution factor of each of those local
4 governments for the 1990-1991 Fiscal Year bears to the sum of the
5 supplemental city-county relief tax distribution factors of all of the
6 local governments in the county for the 1990-1991 Fiscal Year.

7 (b) A county whose population is 100,000 or more ~~+~~ *but less*
8 *than 700,000*, the board of county commissioners shall direct the
9 county treasurer to distribute quarterly, from the proceeds of the tax
10 for:

11 (1) The fiscal year beginning on July 1, 2008:

12 (I) Eighty-eight percent of those proceeds among the
13 county and the cities and towns within that county in the proportion
14 that the supplemental city-county relief tax distribution factor of
15 each of those local governments for the 1990-1991 Fiscal Year
16 bears to the sum of the supplemental city-county relief tax
17 distribution factors of all the local governments in the county for the
18 1990-1991 Fiscal Year; and

19 (II) Twelve percent of those proceeds to the State
20 Treasurer for deposit in the State Highway Fund for administration
21 pursuant to subsection 7 of NRS 408.235.

22 (2) The fiscal year beginning on July 1, 2009:

23 (I) Seventy-six percent of those proceeds to the State
24 Treasurer for deposit in the State General Fund; and

25 (II) Twenty-four percent of those proceeds to the State
26 Treasurer for deposit in the State Highway Fund for administration
27 pursuant to subsection 7 of NRS 408.235.

28 (3) The fiscal year beginning on July 1, 2010:

29 (I) Sixty-four percent of those proceeds to the State
30 Treasurer for deposit in the State General Fund; and

31 (II) Thirty-six percent of those proceeds to the State
32 Treasurer for deposit in the State Highway Fund for administration
33 pursuant to subsection 7 of NRS 408.235.

34 (4) The fiscal year beginning on July 1, 2011:

35 (I) Fifty-two percent of those proceeds among the county
36 and the cities and towns within that county in the proportion that the
37 supplemental city-county relief tax distribution factor of each of
38 those local governments for the 1990-1991 Fiscal Year bears to the
39 sum of the supplemental city-county relief tax distribution factors of
40 all the local governments in the county for the 1990-1991 Fiscal
41 Year; and

42 (II) Forty-eight percent of those proceeds to the State
43 Treasurer for deposit in the State Highway Fund for administration
44 pursuant to subsection 7 of NRS 408.235.

45 (5) Each fiscal year beginning on or after July 1, 2012:



(I) Forty percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year; and

(II) Sixty percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

(c) A county whose population is 700,000 or more, from the proceeds of the tax for each fiscal year beginning on or after July 1, 2013:

(1) Forty percent of those proceeds must be divided among the county and the cities within the county as provided in this subparagraph. The board of county commissioners shall direct the county treasurer to retain 30 percent and distribute quarterly the remaining 70 percent among the county and the cities within the county in the proportion that the projected assessed value of the unincorporated areas of the county and each of those cities for the fiscal year bears to the sum of the projected assessed values of the unincorporated areas and all those cities for that fiscal year.

(2) Sixty percent of those proceeds must be remitted quarterly by the county treasurer to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

↪ As used in this paragraph, "projected assessed value" means the assessed value of real and personal property in a county or city, as applicable, excluding real or personal property in any redevelopment area, which is projected by the Department of Taxation in the report prepared pursuant to NRS 361.4535.

3. The board of county commissioners shall not reduce the rate of any tax levied pursuant to the provisions of subsection 1 without the approval of the State Board of Finance and each of the local governments that receives a portion of the tax, except that, if a local government declines to receive its portion of the tax in a particular year the levy may be reduced by the amount that local government would have received.

Sec. 2. This act becomes effective on July 1, 2013.

