

Amendment No. 365

Senate Amendment to Senate Bill No. 400	(BDR 32-620)
Proposed by: Senate Committee on Revenue and Economic Development	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 400 (§§ 3, 23).

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

MSN/TMC



Date: 4/15/2013

S.B. No. 400—Revises provisions governing the taxation of mines and mining claims and provides for the taxation of certain items relating to mines, mining claims, mineral deposits and extracted minerals.
(BDR 32-620)



SENATE BILL NO. 400—SENATOR SEGERBLOM

MARCH 18, 2013

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions governing the taxation of mines and mining claims and provides for the taxation of certain items relating to mines, mining claims, ~~and mineral deposits~~ and extracted minerals. (BDR 32-620)

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 taxes; contingently revising provisions governing the taxation of mines and mining claims; revising the definition of “personal property” for purposes of taxation to ~~exclude~~ **remove the exception for** certain ores, quartzes and minerals; providing that the taxable value of property must ~~include~~ **exclude** the value of any mineral deposit in its natural state attached to the ~~property; providing that a mineral deposit attached to real property is not intangible property;~~ **land;** revising provisions relating to the taxation under certain circumstances of certain property otherwise exempted from taxation; removing the existing exemption of unpatented mines and mining claims from property taxes; deleting certain provisions governing the assessment of patented mines and mining claims; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Section 5 of Article 10 of the Nevada Constitution provides for a tax upon the net proceeds of mines which is separate from the tax imposed on all other property. Senate Joint Resolution No. 15, proposed by the 76th Session of the Legislature in 2011 and agreed to and passed by the 77th Session of the Legislature in 2013, proposes to repeal the constitutional provision establishing a separate tax on the net proceeds of mines. This bill revises certain provisions governing the taxes imposed on mines and mining claims contingent upon approval and ratification of the provisions of Senate Joint Resolution No. 15 by the voters at the general election on November 4, 2014.

Existing law governing property taxes excepts from the definition of “personal property” any gold-bearing and silver-bearing ores, quartz or minerals from which gold or silver is extracted. (NRS 361.030) **Section 3** of this bill removes this exception. **Section 3.5 of this bill exempts mines and mining claims from existing law which provides that when any real estate or portion of real estate which is exempt from taxation is leased, loaned or otherwise made available and used in connection with a business conducted for profit or as a residence, or both, the property is subject to taxation to the extent the portion of the**

property leased or used and the percentage of time that the property is leased or used can be segregated and identified. Section 4 of this bill provides that in determining the taxable value of property, the value of any mineral deposit in its natural state attached to the ~~property~~ land must be ~~included in~~ excluded from the computation of the taxable value of the property. ~~Section 5 of this bill provides that for the purpose of computing the taxable value of certain otherwise exempt property used in a business conducted for profit, the period of use of such property includes all times during which a person owns a mining claim and has the exclusive right to the beneficial use of the property to explore for and produce or remove minerals from the property and the right to exclude others from the same beneficial use of the property. Section 6 of this bill provides that any mineral deposit in its natural state attached to the real property is not intangible personal property exempted from taxation.~~

Section 23 of this bill: (1) removes the existing exemption of unpatented mines and mining claims from property taxes; and (2) deletes certain provisions governing the assessment of patented mines and mining claims. **Sections 10-22** of this bill revise provisions relating to assessed valuation consistent with the contingent repeal of Section 5 of Article 10 of the Nevada Constitution.

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

Section 1. NRS 360.690 is hereby amended to read as follows:

360.690 1. Except as otherwise provided in NRS 360.730, the Executive Director shall estimate monthly the amount each local government, special district and enterprise district will receive from the Account pursuant to the provisions of this section.

2. The Executive Director shall establish a base monthly allocation for each local government, special district and enterprise district by dividing the amount determined pursuant to NRS 360.680 for each local government, special district and enterprise district by 12, and the State Treasurer shall, except as otherwise provided in subsections 3 to 8, inclusive, remit monthly that amount to each local government, special district and enterprise district.

3. If, after making the allocation to each enterprise district for the month, the Executive Director determines there is not sufficient money available in the county's subaccount in the Account to allocate to each local government and special district the base monthly allocation determined pursuant to subsection 2, he or she shall prorate the money in the county's subaccount and allocate to each local government and special district an amount equal to its proportionate percentage of the total amount of the base monthly allocations determined pursuant to subsection 2 for all local governments and special districts within the county. The State Treasurer shall remit that amount to the local government or special district.

4. Except as otherwise provided in subsections 5 to 8, inclusive, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, he or she shall immediately determine and allocate each:

(a) Local government's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by the sum of the:

(I) Average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency, ~~but excluding the portion attributable to the net proceeds of minerals,~~ over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount; and

(b) Special district's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by the average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency, ~~but excluding the portion attributable to the net proceeds of minerals,~~ over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each special district an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (a), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount.

➤ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

5. Except as otherwise provided in subsection 6 or 7, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district and that ~~the average amount over the 5 fiscal years immediately preceding the year in which the allocation is made of the assessed valuation of taxable property which is attributable to the net proceeds of minerals in the county is equal to at least \$50,000,000 or that the average percentage of change in population of the county over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9, is a negative figure or that the average amount over the 5 fiscal years immediately preceding the year in which the allocation is made of the assessed valuation of taxable property which is attributable to the net proceeds of minerals in the county is equal to at least \$50,000,000 and~~ the average percentage of change in population of the county over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9, is a negative figure, the Executive Director shall immediately determine and allocate each:

(a) Local government's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the sum of the:

(I) Average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the

allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency, ~~but excluding the portion attributable to the net proceeds of minerals,~~ over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount; and

(b) Special district's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency, ~~but excluding the portion attributable to the net proceeds of minerals,~~ over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each special district an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (a), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount.

➤ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

6. Except as otherwise provided in subsection 8, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, that the sum of the average percentage of change in population and the average percentage of change in the assessed valuation of taxable property, as calculated pursuant to subparagraph (1) of paragraph (a) of subsection 4 for each of those local governments, is a negative figure, and that the average change in the assessed valuation of the taxable property in each of those special districts, as calculated pursuant to subparagraph (1) of paragraph (b) of subsection 4, is a negative figure, he or she shall immediately determine and allocate each:

(a) Local government's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the sum of the:

(I) Average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency, ~~but excluding the portion attributable to the net proceeds of minerals,~~ over the year in which the allocation is made, as projected by

the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount; and

(b) Special district's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency, ~~but excluding the portion attributable to the net proceeds of minerals,~~ over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each special district an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (a), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount.

➤ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

7. Except as otherwise provided in subsection 8, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, that the sum of the average percentage of change in population and the average percentage of change in the assessed valuation of taxable property, as calculated pursuant to subparagraph (1) of paragraph (a) of subsection 4 for each of those local governments, is a negative figure, and that the average change in the assessed valuation of the taxable property in any of those special districts, as calculated pursuant to subparagraph (1) of paragraph (b) of subsection 4, is a positive figure, he or she shall immediately determine and allocate each:

(a) Local government's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the sum of the:

(I) Average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency, ~~but excluding the portion attributable to the net proceeds of minerals,~~ over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph

(1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount; and

(b) Special district's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the sum of the:

(I) Average percentage of change in the population of the county over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency, ~~but excluding the portion attributable to the net proceeds of minerals,~~ over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each special district an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (a), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount.

➤ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

8. The Executive Director shall not allocate any amount to a local government or special district pursuant to subsection 4, 5, 6 or 7 unless the amount distributed and allocated to each of the local governments and special districts in the county in each preceding month of the fiscal year in which the allocation is to be made was at least equal to the base monthly allocation determined pursuant to subsection 2. If the amounts distributed to the local governments and special districts in the county for the preceding months of the fiscal year in which the allocation is to be made were less than the base monthly allocation determined pursuant to subsection 2 and the Executive Director determines there is money remaining in the county's subaccount in the Account after the distribution for the month has been made, he or she shall:

(a) Determine the amount by which the base monthly allocations determined pursuant to subsection 2 for each local government and special district in the county for the preceding months of the fiscal year in which the allocation is to be made exceeds the amounts actually received by the local governments and special districts in the county for the same period; and

(b) Compare the amount determined pursuant to paragraph (a) to the amount of money remaining in the county's subaccount in the Account to determine which amount is greater.

➤ If the Executive Director determines that the amount determined pursuant to paragraph (a) is greater, he or she shall allocate the money remaining in the county's subaccount in the Account pursuant to the provisions of subsection 3. If the Executive Director determines that the amount of money remaining in the county's subaccount in the Account is greater, he or she shall first allocate the money necessary for each local government and special district to receive the base monthly allocation determined pursuant to subsection 2 and the State Treasurer shall remit that money so allocated. The Executive Director shall allocate any additional money in the county's subaccount in the Account pursuant to the provisions of subsection 4, 5, 6 or 7, as appropriate.

9. The percentage changes in population calculated pursuant to subsections 4 to 7, inclusive, must:

(a) Except as otherwise provided in paragraph (c), if the Bureau of the Census of the United States Department of Commerce issues population totals that conflict with the totals certified by the Governor pursuant to NRS 360.285, be an estimate of the change in population for the calendar year, based upon the population totals issued by the Bureau of the Census.

(b) If a new method of determining population is established pursuant to NRS 360.283, be adjusted in a manner that will result in the percentage change being based on population determined pursuant to the new method for both the fiscal year in which the allocation is made and the fiscal year immediately preceding the year in which the allocation is made.

(c) If a local government files a formal appeal with the Bureau of the Census concerning the population total of the local government issued by the Bureau of the Census, be calculated using the population total certified by the Governor pursuant to NRS 360.285 until the appeal is resolved. If additional money is allocated to the local government because the population total certified by the Governor is greater than the population total issued by the Bureau of the Census, the State Treasurer shall deposit that additional money in a separate interest-bearing account. Upon resolution of the appeal, if the population total finally determined pursuant to the appeal is:

(1) Equal to or less than the population total initially issued by the Bureau of the Census, the State Treasurer shall transfer the total amount in the separate interest-bearing account, including interest but excluding any administrative fees, to the Local Government Tax Distribution Account for allocation among the local governments in the county pursuant to subsection 4, 5, 6 or 7, as appropriate.

(2) Greater than the population total initially issued by the Bureau of the Census, the Executive Director shall calculate the amount that would have been allocated to the local government pursuant to subsection 4, 5, 6 or 7, as appropriate, if the population total finally determined pursuant to the appeal had been used and the State Treasurer shall remit to the local government an amount equal to the difference between the amount actually distributed and the amount calculated pursuant to this subparagraph or the total amount in the separate interest-bearing account, including interest but excluding any administrative fees, whichever is less.

10. On or before February 15 of each year, the Executive Director shall provide to each local government, special district and enterprise district a preliminary estimate of the revenue it will receive from the Account for that fiscal year.

11. On or before March 15 of each year, the Executive Director shall:

(a) Make an estimate of the receipts from each tax included in the Account on an accrual basis for the next fiscal year in accordance with generally accepted accounting principles, including an estimate for each county of the receipts from each tax included in the Account; and

(b) Provide to each local government, special district and enterprise district an estimate of the amount that local government, special district or enterprise district would receive based upon the estimate made pursuant to paragraph (a) and calculated pursuant to the provisions of this section.

12. A local government, special district or enterprise district may use the estimate provided by the Executive Director pursuant to subsection 11 in the preparation of its budget.

Sec. 2. NRS 360.695 is hereby amended to read as follows:

360.695 1. If the population and assessed valuation of the taxable property ~~+, except any assessed valuation attributable to the net proceeds of minerals, +~~ within

1 a local government or special district has decreased in each of the 3 fiscal years
2 immediately preceding the current fiscal year, the Executive Director shall review
3 the amount allocated to the local government or special district from the Account
4 pursuant to NRS 360.680, to determine whether to adjust the allocation. The local
5 government or special district may submit information to assist the Executive
6 Director in making a determination. If the Executive Director determines that an
7 adjustment to the allocation of the local government or special district is necessary,
8 the Executive Director shall submit his or her findings on the matter to the
9 Committee on Local Government Finance.

10 2. The Committee on Local Government Finance shall review the findings
11 submitted by the Executive Director pursuant to subsection 1. If the Committee
12 determines that an adjustment to the amount allocated to the local government or
13 special district pursuant to NRS 360.680 is appropriate, the Committee shall submit
14 a recommendation to the Nevada Tax Commission that sets forth the amount of the
15 recommended adjustment. If the Committee determines that the adjustment is not
16 appropriate, that decision is not subject to review by the Nevada Tax Commission.

17 3. The Nevada Tax Commission shall schedule a public hearing within 30
18 days after the Committee on Local Government Finance submits its
19 recommendation. The Nevada Tax Commission shall provide public notice of the
20 hearing at least 10 days before the date on which the hearing will be held. The
21 Executive Director shall provide copies of all documents relevant to the adjustment
22 recommended by the Committee on Local Government Finance to the governing
23 body of each local government and special district that is located in the same
24 county as the local government or special district that is subject to the
25 recommended adjustment.

26 4. If, after the public hearing, the Nevada Tax Commission determines that
27 the recommended adjustment is appropriate, it shall order the Executive Director to
28 adjust the amount allocated to the local government or special district pursuant to
29 NRS 360.680.

30 **Sec. 3.** NRS 361.030 is hereby amended to read as follows:

31 361.030 ~~(a)~~ **(b)** "Personal property" means:

32 ~~(a)~~ **1.** All household and kitchen furniture.

33 ~~(b)~~ **2.** All law, medical and miscellaneous libraries.

34 ~~(c)~~ **3.** All goods, wares and merchandise.

35 ~~(d)~~ **4.** All chattels of every kind and description, except vehicles as defined
36 in NRS 371.020.

37 ~~(e)~~ **5.** Stocks of goods on hand.

38 ~~(f)~~ **6.** Any vehicle not included in the definition of vehicle in NRS 371.020.

39 ~~(g)~~ **7.** All locomotives, cars, rolling stock and other personal property used
40 in operating any railroad within the State.

41 ~~(h)~~ **8.** All machines and machinery, all works and improvements, all
42 steamers, vessels and watercraft of every kind and name navigating or used upon
43 the waters of any river or lake within this State or having a general depot or
44 terminus within this State.

45 ~~(i)~~ **9.** The money, property and effects of every kind, except real estate, of
46 all banks, banking institutions or firms, bankers, moneylenders and brokers.

47 ~~(j)~~ **10.** All property of whatever kind or nature, except vehicles as defined in
48 NRS 371.020, not included in the term "real estate" as that term is defined in NRS
49 361.035.

50 ~~12. Gold-bearing and silver-bearing ores, quartz or minerals from which gold
51 or silver is extracted, when in the hands of the producers thereof, shall not mean,
52 not be taken to mean, nor be listed and assessed under the term "personal property"~~

~~as used in this section, but are specially excepted therefrom, and shall be listed, assessed and taxed as provided by law.~~

Sec. 3.5. NRS 361.157 is hereby amended to read as follows:

361.157 1. When any real estate or portion of real estate which for any reason is exempt from taxation is leased, loaned or otherwise made available to and used by a natural person, association, partnership or corporation in connection with a business conducted for profit or as a residence, or both, the leasehold interest, possessory interest, beneficial interest or beneficial use of the lessee or user of the property is subject to taxation to the extent the:

(a) Portion of the property leased or used; and
(b) Percentage of time during the fiscal year that the property is leased by the lessee or used by the user, in accordance with NRS 361.2275,
can be segregated and identified. The taxable value of the interest or use must be determined in the manner provided in subsection 3 of NRS 361.227 and in accordance with NRS 361.2275.

2. Subsection 1 does not apply to:

(a) Property located upon a public airport, park, market or fairground, or any property owned by a public airport, unless the property owned by the public airport is not located upon the public airport and the property is leased, loaned or otherwise made available for purposes other than for the purposes of a public airport, including, without limitation, residential, commercial or industrial purposes;

(b) Federal property for which payments are made in lieu of taxes in amounts equivalent to taxes which might otherwise be lawfully assessed;

(c) Property of any state-supported educational institution, except any part of such property located within a tax increment area created pursuant to NRS 278C.155;

(d) Property leased or otherwise made available to and used by a natural person, private association, private corporation, municipal corporation, quasi-municipal corporation or a political subdivision under the provisions of the Taylor Grazing Act or by the United States Forest Service or the Bureau of Reclamation of the United States Department of the Interior;

(e) Property of any Indian or of any Indian tribe, band or community which is held in trust by the United States or subject to a restriction against alienation by the United States;

(f) Vending stand locations and facilities operated by persons who are blind under the auspices of the Bureau of Services to Persons Who Are Blind or Visually Impaired of the Rehabilitation Division of the Department of Employment, Training and Rehabilitation, whether or not the property is owned by the federal, state or a local government;

(g) Leases held by a natural person, corporation, association, municipal corporation, quasi-municipal corporation or political subdivision for development of geothermal resources, but only for resources which have not been put into commercial production;

(h) The use of exempt property that is leased, loaned or made available to a public officer or employee, incident to or in the course of public employment;

(i) A parsonage owned by a recognized religious society or corporation when used exclusively as a parsonage;

(j) Property owned by a charitable or religious organization all, or a portion, of which is made available to and is used as a residence by a natural person in connection with carrying out the activities of the organization;

(k) Property owned by a governmental entity and used to provide shelter at a reduced rate to elderly persons or persons having low incomes;

(l) The occasional rental of meeting rooms or similar facilities for periods of less than 30 consecutive days;

(m) The use of exempt property to provide day care for children if the day care is provided by a nonprofit organization; ~~for~~

(n) Any lease, easement, operating agreement, license, permit or right of entry for any exempt state property granted by the Department or the Regional Transportation Commission of Southern Nevada pursuant to section 45 of the Boulder City Bypass Toll Road Demonstration Project Act. ~~for~~ or

(o) A mine or mining claim.

3. Taxes must be assessed to lessees or users of exempt real estate and collected in the same manner as taxes assessed to owners of other real estate, except that taxes due under this section do not become a lien against the property. When due, the taxes constitute a debt due from the lessee or user to the county for which the taxes were assessed and, if unpaid, are recoverable by the county in the proper court of the county.

Sec. 4. NRS 361.227 is hereby amended to read as follows:

361.227 1. Any person determining the taxable value of real property shall appraise:

(a) The full cash value of:

(1) Vacant land by considering the uses to which it may lawfully be put, any legal or physical restrictions upon those uses, the character of the terrain, and the uses of other land in the vicinity.

(2) Improved land consistently with the use to which the improvements are being put.

(b) Any improvements made on the land by subtracting from the cost of replacement of the improvements all applicable depreciation and obsolescence. Depreciation of an improvement made on real property must be calculated at 1.5 percent of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years.

2. The unit of appraisal must be a single parcel unless:

(a) The location of the improvements causes two or more parcels to function as a single parcel;

(b) The parcel is one of a group of contiguous parcels which qualifies for valuation as a subdivision pursuant to the regulations of the Nevada Tax Commission; or

(c) In the professional judgment of the person determining the taxable value, the parcel is one of a group of parcels which should be valued as a collective unit.

3. The taxable value of a leasehold interest, possessory interest, beneficial interest or beneficial use for the purpose of NRS 361.157 or 361.159 must be determined in the same manner as the taxable value of the property would otherwise be determined if the lessee or user of the property was the owner of the property and it was not exempt from taxation, except that the taxable value so determined must be reduced by a percentage of the taxable value that is equal to the:

(a) Percentage of the property that is not actually leased by the lessee or used by the user during the fiscal year; and

(b) Percentage of time that the property is not actually leased by the lessee or used by the user during the fiscal year, which must be determined in accordance with NRS 361.2275.

4. The taxable value of other taxable personal property, except a mobile or manufactured home, must be determined by subtracting from the cost of replacement of the property all applicable depreciation and obsolescence. Depreciation of a billboard must be calculated at 1.5 percent of the cost of

1 replacement for each year after the year of acquisition of the billboard, up to a
2 maximum of 50 years.

3 5. *In determining the taxable value of property, the value of any mineral*
4 *deposit in its natural state attached to the ~~property~~ land must be ~~included in~~*
5 *~~excluded from the computation of the taxable value of the property.~~*

6 6. The computed taxable value of any property must not exceed its full cash
7 value. Each person determining the taxable value of property shall reduce it if
8 necessary to comply with this requirement. A person determining whether taxable
9 value exceeds that full cash value or whether obsolescence is a factor in valuation
10 may consider:

11 (a) Comparative sales, based on prices actually paid in market transactions.

12 (b) A summation of the estimated full cash value of the land and contributory
13 value of the improvements.

14 (c) Capitalization of the fair economic income expectancy or fair economic
15 rent, or an analysis of the discounted cash flow.

16 ➤ A county assessor is required to make the reduction prescribed in this subsection
17 if the owner calls to his or her attention the facts warranting it, if the county
18 assessor discovers those facts during physical reappraisal of the property or if the
19 county assessor is otherwise aware of those facts.

20 ~~6-7~~ 7. The Nevada Tax Commission shall, by regulation, establish:

21 (a) Standards for determining the cost of replacement of improvements of
22 various kinds.

23 (b) Standards for determining the cost of replacement of personal property of
24 various kinds. The standards must include a separate index of factors for
25 application to the acquisition cost of a billboard to determine its replacement cost.

26 (c) Schedules of depreciation for personal property based on its estimated life.

27 (d) Criteria for the valuation of two or more parcels as a subdivision.

28 ~~7-7~~ 8. In determining, for the purpose of computing taxable value, the cost of
29 replacement of:

30 (a) Any personal property, the cost of all improvements of the personal
31 property, including any additions to or renovations of the personal property, but
32 excluding routine maintenance and repairs, must be added to the cost of acquisition
33 of the personal property.

34 (b) An improvement made on land, a county assessor may use any final
35 representations of the improvement prepared by the architect or builder of the
36 improvement, including, without limitation, any final building plans, drawings,
37 sketches and surveys, and any specifications included in such representations, as a
38 basis for establishing any relevant measurements of size or quantity.

39 ~~8-7~~ 9. The county assessor shall, upon the request of the owner, furnish
40 within 15 days to the owner a copy of the most recent appraisal of the property,
41 including, without limitation, copies of any sales data, materials presented on
42 appeal to the county board of equalization or State Board of Equalization and other
43 materials used to determine or defend the taxable value of the property.

44 ~~9-7~~ 10. The provisions of this section do not apply to property which is
45 assessed pursuant to NRS 361.320.

46 Sec. 5. ~~NRS 361.2275 is hereby amended to read as follows:~~

47 ~~361.2275 — 1. For purposes of NRS 361.157, 361.159 and 361.227, except as~~
48 ~~otherwise provided in subsection 2, property is leased or used by a natural person or~~
49 ~~entity at all times the natural person or entity has possession of, claim to or right to~~
50 ~~the possession of the property that is independent, durable and exclusive of rights~~
51 ~~held by others in the property, other than the rights held by the owner [.] , including~~
52 ~~at all times during which the natural person or entity owns a mining claim and~~
53 ~~has exclusive right to the beneficial use of the property to explore for and~~

~~produce or remove minerals from the property and the right to exclude others from the same beneficial use of the property.~~

~~2. Property is not leased or used by a natural person or entity who possesses or occupies the property solely for the purpose of holding the property for another natural person or entity.~~

~~3. As used in this section:~~

~~(a) "Durable" means for a determinable period with a reasonable certainty that the use, possession or claim with respect to the property will continue for that period.~~

~~(b) "Exclusive" means the enjoyment of a beneficial use of property, together with the ability to exclude from occupancy persons or entities other than the owner who may interfere with that enjoyment.~~

~~(c) "Independent" means the ability to exercise authority and exert control over the management or operation of the property pursuant to the terms and provisions of the contract with the owner. A possession or use is independent if the possession or use of the property is sufficiently autonomous under the terms and provisions of the contract with the owner to constitute more than a mere agency.~~ **(Deleted by amendment.)**

Sec. 6. ~~NRS 361.228 is hereby amended to read as follows:~~

~~361.228 1. All intangible personal property is exempt from taxation, including, without limitation:~~

~~(a) Shares of stock, bonds, mortgages, notes, bank deposits, book accounts such as an acquisition adjustment and credits, and securities and choses in action of like character; and~~

~~(b) Goodwill, customer lists, contracts and contract rights, patents, trademarks, trade names, custom computer programs, copyrights, trade secrets, franchises and licenses.~~

~~2. The value of intangible personal property must not enhance or be reflected in the value of real property or tangible personal property.~~

~~3. The attributes of real property, such as zoning, location, water rights, *any mineral deposit in its natural state attached to the real property*, view and geographic features, are not intangible personal property and must be considered in valuing the real property, if appropriate.~~ **(Deleted by amendment.)**

Sec. 7. NRS 361.2285 is hereby amended to read as follows:

361.2285 The Nevada Tax Commission shall adopt regulations which:

1. Provide for the creation of a simple, easily understood form which may be completed by the owner of any real property used to conduct a business and used to:

(a) Compute and determine the value of the property using the income approach and to compare that value to the existing taxable value of the property to determine the existence of any obsolescence; and

(b) Apply to the appropriate county assessor or board of equalization for computation of the taxable value of the property in accordance with subsection ~~4~~ **6** of NRS 361.227.

2. Clearly set forth the methodology for applying the income approach to valuation for tax purposes of real property used to conduct a business to determine whether obsolescence is a factor. The methodology must be described in a manner that may be easily understood by the owners of such property.

3. Will make available to the owner of any real property used to conduct a business information that will allow the owner to apply the income approach to establish the full cash value of the property for the purpose of comparing that value to the taxable value established by the county assessor.

1 **Sec. 8.** NRS 361.390 is hereby amended to read as follows:

2 361.390 Each county assessor shall:

3 1. File with or cause to be filed with the Secretary of the State Board of
4 Equalization, on or before March 10 of each year, the tax roll, or a true copy
5 thereof, of his or her county for the current year as corrected by the county board of
6 equalization.

7 2. Prepare and file with the Department on or before January 31, March 5 and
8 October 31 of each year, a segregation report showing the assessed values for each
9 taxing entity within the county on a form prescribed by the Department. The
10 assessor shall make projections of assessed value for the current fiscal year and the
11 upcoming fiscal year regarding real and personal property for which the taxable
12 value is determined by the assessor. The Department shall make any projections
13 required for the upcoming fiscal year regarding ~~the net proceeds of minerals and~~
14 any property for which the taxable value is determined by the Nevada Tax
15 Commission.

16 3. Prepare and file with the Department on or before May 5 for the unsecured
17 roll, on or before August 10 for the secured roll, and on or before October 31 for
18 the unsecured roll and the secured roll, a statistical report showing values for all
19 categories of property on a form prescribed by the Department.

20 **Sec. 9.** NRS 361.405 is hereby amended to read as follows:

21 361.405 1. The Secretary of the State Board of Equalization forthwith shall
22 certify any change made by the Board in the assessed valuation of any property in
23 whole or in part to the county auditor of the county where the property is assessed,
24 and whenever the valuation of any property is raised, the Secretary of the State
25 Board of Equalization shall forward by certified mail to the property owner or
26 owners affected, notice of the increased valuation.

27 2. As soon as changes resulting from cases having a substantial effect on tax
28 revenues have been certified to the county auditor by the Secretary of the State
29 Board of Equalization, the county auditor shall:

30 (a) Enter all such changes and the value of any construction work in progress
31 ~~and net proceeds of minerals~~ which were certified to him or her by the
32 Department, on the assessment roll before the delivery thereof to the tax receiver.

33 (b) Add up the valuations and enter the total valuation of each kind of property
34 and the total valuation of all property on the assessment roll.

35 (c) Certify the results to the board of county commissioners and the
36 Department.

37 3. ~~{The board of county commissioners shall not levy a tax on the net
38 proceeds of minerals added to the assessed valuation pursuant to paragraph (a) of
39 subsection 2, but, except as otherwise provided by specific statute, the net proceeds
40 of minerals must be included in the assessed valuation of the taxable property of the
41 county and all local governments in the county for the determination of the rate of
42 tax and all other purposes for which assessed valuation is used.~~

43 ~~—4—~~ As soon as changes resulting from cases having less than a substantial
44 effect on tax revenue have been certified to the county tax receiver by the Secretary
45 of the State Board of Equalization, the county tax receiver shall adjust the
46 assessment roll or the tax statement or make a tax refund, as directed by the State
47 Board of Equalization.

48 **Sec. 10.** NRS 377B.170 is hereby amended to read as follows:

49 377B.170 1. In a county whose population is 700,000 or more and in which
50 a water authority exists, the water authority shall enter into an interlocal agreement
51 with a city or town located in the county whose territory is not within the
52 boundaries of the area served by the water authority or with a public entity in the
53 county which provides water or wastewater services and which is not a member of

1 the water authority to provide a distribution from the infrastructure fund of the
2 water authority to the city, town or public entity after the city, town or public entity
3 has filed with the water authority a detailed plan for acquiring, establishing,
4 constructing, improving or equipping, or any combination thereof, a water or
5 wastewater facility.

6 2. Such a city, town or public entity may request annually from the
7 infrastructure fund of the water authority an amount of the proceeds of the tax for
8 infrastructure received annually by the water authority that is equal to the
9 proportion that the assessed valuation of taxable property within the boundaries of
10 the city or town or the area served by the public entity ~~[-except any assessed~~
11 ~~valuation attributable to the net proceeds of minerals.]~~ bears to the total assessed
12 valuation of taxable property within the county. ~~[-except any assessed valuation~~
13 ~~attributable to the net proceeds of minerals.]~~ If the boundaries of such a city or town
14 overlap with the boundaries of a public entity in such a county which provides
15 water or wastewater services and which is not a member of the water authority, the
16 water authority shall apportion equally between the city or town and the public
17 entity the distribution from the infrastructure fund attributable to the assessed
18 valuation in the area where the boundaries overlap.

19 3. The water authority shall not unreasonably refuse a request from such a
20 city, town or public entity for a distribution from the infrastructure fund pursuant to
21 the provisions of this section.

22 **Sec. 11.** NRS 349.238 is hereby amended to read as follows:

23 349.238 1. There must be levied annually a special tax on all property, both
24 real and personal, subject to taxation within the boundaries of the State of Nevada,
25 fully sufficient ~~[-together with the revenue which will result from application of the~~
26 ~~rate to the net proceeds of minerals.]~~ without regard to any statutory limitations
27 now or hereafter existing, to pay the interest on the general obligation state
28 securities and to pay and retire the securities as provided in the State Securities Law
29 and in any act supplemental hereto. The amount of money to be raised by the tax
30 must be included in the annual estimate or budget for each county in the state for
31 each year for which the tax is hereby required to be levied. The tax must be levied
32 and collected in the same manner and at the same time as other taxes are levied and
33 collected.

34 2. The proceeds thereof levied to pay interest on the securities must be kept
35 by the State Treasurer in a special fund, separate and apart from all other funds, and
36 the proceeds of the tax levied to pay the principal of the securities must be kept by
37 the Treasurer in a special fund, separate and apart from all other funds. The two
38 special funds must be used for no other purpose than the payment of the interest on
39 the securities and the principal thereof, respectively, when due.

40 **Sec. 12.** NRS 350.592 is hereby amended to read as follows:

41 350.592 1. There must be levied annually in due season a special tax on all
42 property, both real and personal, subject to taxation within the boundaries of the
43 municipality, fully sufficient ~~[-together with the revenue which will result from~~
44 ~~application of the rate to the net proceeds of minerals.]~~ without regard to any
45 statutory or charter tax limitations other than the limitation set forth in NRS
46 361.453, to pay the interest on the general obligation municipal securities and to
47 pay and retire the securities as provided in the Local Government Securities Law
48 and in any act supplemental hereto. The amount of money to be raised by the tax
49 must be included in the annual estimate or budget for each county within the state
50 for each year for which the tax is hereby required to be levied. The tax must be
51 levied and collected in the same manner and at the same time as other taxes are
52 levied and collected.

2. The proceeds thereof levied to pay interest on the securities must be kept by the treasurer in a special fund, separate and apart from all other funds, and the proceeds of the tax levied to pay the principal of the securities must be kept by the treasurer in a special fund, separate and apart from all other funds. The two special funds must be used for no other purpose than the payment of the interest on the securities and the principal thereof, respectively, when due; but, except as prevented by any contractual limitations imposed upon the municipality by proceedings appertaining to its outstanding securities, the municipality may provide for a consolidated debt service fund to pay principal of and interest on outstanding securities, when due.

Sec. 13. NRS 354.59811 is hereby amended to read as follows:

354.59811 1. Except as otherwise provided in NRS 244.377, 278C.260, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987, 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, for each fiscal year beginning on or after July 1, 1989, the maximum amount of money that a local government, except a school district, a district to provide a telephone number for emergencies or a redevelopment agency, may receive from taxes ad valorem, other than those ~~attributable to the net proceeds of minerals or those~~ levied for the payment of bonded indebtedness and interest thereon incurred as general long-term debt of the issuer, or for the payment of obligations issued to pay the cost of a water project pursuant to NRS 349.950, or for the payment of obligations under a capital lease executed before April 30, 1981, must be calculated as follows:

(a) The rate must be set so that when applied to the current fiscal year's assessed valuation of all property which was on the preceding fiscal year's assessment roll, together with the assessed valuation of property on the central assessment roll which was allocated to the local government, but excluding any ~~assessed valuation attributable to the net proceeds of minerals,~~ assessed valuation attributable to a redevelopment area and assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, it will produce 106 percent of the maximum revenue allowable from taxes ad valorem for the preceding fiscal year, except that the rate so determined must not be less than the rate allowed for the previous fiscal year, except for any decrease attributable to the imposition of a tax pursuant to NRS 354.59813 in the previous year.

(b) This rate must then be applied to the total assessed valuation, excluding ~~the assessed valuation attributable to the net proceeds of minerals and~~ the assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, but including new real property, possessory interests and mobile homes, for the current fiscal year to determine the allowed revenue from taxes ad valorem for the local government.

2. As used in this section, "general long-term debt" does not include debt created for medium-term obligations pursuant to NRS 350.087 to 350.095, inclusive.

Sec. 14. NRS 354.59813 is hereby amended to read as follows:

354.59813 1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811, if the estimate of the revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation pursuant to the provisions of subsection 11 of NRS 360.690 is less than the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the county, ~~except any assessed valuation attributable to the net proceeds of minerals,~~ the governing body of each local government may levy

an additional tax ad valorem for operating purposes. The total tax levied by the governing body of a local government pursuant to this section must not exceed a rate calculated to produce revenue equal to the difference between the:

(a) Amount of revenue from supplemental city-county relief tax estimated to be received by the county pursuant to subsection 11 of NRS 360.690; and

(b) The tax that the county would have been estimated to receive if the estimate for the total revenue available from the tax was equal to the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the county,

multiplied by the proportion determined for the local government pursuant to subparagraph (2) of paragraph (a) of subsection 4 of NRS 360.690, subparagraph (2) of paragraph (a) of subsection 6 of NRS 360.690 or subparagraph (2) of paragraph (a) of subsection 7 of NRS 360.690, as appropriate.

2. Any additional taxes ad valorem levied as a result of the application of this section must not be included in the base from which the allowed revenue from taxes ad valorem for the next subsequent year is computed.

3. As used in this section, "local government" has the meaning ascribed to it in NRS 360.640.

Sec. 15. NRS 354.598747 is hereby amended to read as follows:

354.598747 1. To calculate the amount to be distributed pursuant to the provisions of NRS 360.680 and 360.690 from a county's subaccount in the Local Government Tax Distribution Account to a local government, special district or enterprise district after it assumes the functions of another local government, special district or enterprise district:

(a) Except as otherwise provided in this section, the Executive Director of the Department of Taxation shall:

(1) Add the amounts calculated pursuant to subsection 1 or 2 of NRS 360.680 for each local government, special district or enterprise district and allocate the combined amount to the local government, special district or enterprise district that assumes the functions; and

(2) If applicable, add the average change in population and average change in the assessed valuation of taxable property that would otherwise be allowed to the local government or special district whose functions are assumed, including the assessed valuation attributable to a redevelopment agency, ~~but excluding the portion attributable to the net proceeds of minerals,~~ pursuant to subsection 4, 5, 6 or 7 of NRS 360.690, as appropriate, to the average change in population and average change in assessed valuation for the local government, special district or enterprise district that assumes the functions.

(b) If two or more local governments, special districts or enterprise districts assume the functions of another local government, special district or enterprise district, the additional revenue must be divided among the local governments, special districts or enterprise districts that assume the functions on the basis of the proportionate costs of the functions assumed.

The Nevada Tax Commission shall not allow any increase in the allowed revenue from the taxes contained in the county's subaccount in the Local Government Tax Distribution Account if the increase would result in a decrease in revenue of any local government, special district or enterprise district in the county that does not assume those functions. If more than one local government, special district or enterprise district assumes the functions, the Nevada Tax Commission shall determine the appropriate amounts calculated pursuant to subparagraphs (1) and (2) of paragraph (a).

2. If a city disincorporates, the board of county commissioners of the county in which the city is located must determine the amount the unincorporated town

created by the disincorporation will receive pursuant to the provisions of NRS 360.600 to 360.740, inclusive.

3. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Special district" has the meaning ascribed to it in NRS 360.650.

Sec. 16. NRS 380.130 is hereby amended to read as follows:

380.130 1. Whenever it appears to the board of county commissioners of any county having a law library that for any reason any debt incurred in the purchase and establishment of the library has not been fully paid or materially reduced with the money provided by the provisions of NRS 380.110, within the period of 5 years immediately preceding, the board of county commissioners may, at the next annual tax levy, levy a special tax upon all taxable property within the county, both real and personal, sufficient ~~to, together with the revenue which will result from application of the rate to the net proceeds of minerals,~~ to raise a sum which will discharge any such indebtedness, but no more. The money must be placed in the law library fund in the county treasury and must be used for the payment of the indebtedness and for no other purpose.

2. In lieu of the levy of a special tax as provided in subsection 1, the board of county commissioners of any county having a law library may, in the discretion of the board of county commissioners, transfer from the general funds of the county to the law library fund a sufficient sum of money to pay any debts incurred in the purchase and establishment and maintenance of the library, which has not been fully paid or materially reduced with the money provided by the provisions of NRS 380.110, within the period of 5 years immediately preceding March 1, 1959.

Sec. 17. NRS 387.1235 is hereby amended to read as follows:

387.1235 ~~1. Except as otherwise provided in subsection 2, local~~

~~Local~~ funds available are the sum of:

~~(a)~~ 1. The amount of one-third of the tax collected pursuant to subsection 1 of NRS 387.195 for the school district for the concurrent school year; and

~~(b)~~ 2. The proceeds of the local school support tax imposed by chapter 374 of NRS, excluding any amounts required to be remitted pursuant to NRS 360.850 and 360.855. The Department of Taxation shall furnish an estimate of these proceeds to the Superintendent of Public Instruction on or before July 15 for the fiscal year then begun, and the Superintendent shall adjust the final apportionment of the current school year to reflect any difference between the estimate and actual receipts.

~~2. The amount computed under subsection 1 that is attributable to any assessed valuation attributable to the net proceeds of minerals must be held in reserve and may not be considered as local funds available until the succeeding fiscal year.~~

Sec. 18. NRS 387.195 is hereby amended to read as follows:

387.195 1. Each board of county commissioners shall levy a tax of 75 cents on each \$100 of assessed valuation of taxable property within the county for the support of the public schools within the county school district.

2. ~~The tax collected pursuant to subsection 1 on any assessed valuation attributable to the net proceeds of minerals must not be considered as available to pay liabilities of the fiscal year in which the tax is collected but must be deferred for use in the subsequent fiscal year. The annual budget for the school district must only consider as an available source the tax on the net proceeds of minerals which was collected in the prior year.~~

1 ~~—3—~~ In addition to any tax levied in accordance with subsection 1, each board
2 of county commissioners shall levy a tax for the payment of interest and
3 redemption of outstanding bonds of the county school district.

4 ~~4—~~ 3. The tax collected pursuant to subsection 1 and any interest earned from
5 the investment of the proceeds of that tax must be credited to the county's school
6 district fund.

7 ~~5—~~ 4. The tax collected pursuant to subsection ~~3—~~ 2 and any interest earned
8 from the investment of the proceeds of that tax must be credited to the county
9 school district's debt service fund.

10 **Sec. 19.** NRS 450.660 is hereby amended to read as follows:

11 450.660 1. At the time of making the levy of county taxes for that year,
12 each board of trustees shall levy a tax sufficient ~~to, together with the revenue which~~
13 ~~will result from application of the rate to the net proceeds of minerals,~~ to raise the
14 amount so budgeted upon any real and personal property that is subject to taxation
15 within the boundaries of the district. Any tax levied on interstate or intercounty
16 telephone lines, power lines and other public utility lines pursuant to this section
17 must be based upon valuations as established by the Nevada Tax Commission
18 pursuant to the provisions of NRS 361.315 to 361.330, inclusive.

19 2. When levied, the tax must be:

20 (a) Entered upon the assessment rolls of each county that is included within the
21 district; and

22 (b) Collected in the same manner as state and county taxes.

23 3. When the tax is collected it must be:

24 (a) Placed in the treasury of the county in which the district hospital is located;

25 (b) Credited to the current expense fund of the district; and

26 (c) Used only for the purpose for which it was raised.

27 **Sec. 20.** NRS 474.190 is hereby amended to read as follows:

28 474.190 1. Subject to the provisions of subsection 3, the board of directors
29 of each county fire protection district shall prepare annual budgets in accordance
30 with NRS 354.470 to 354.626, inclusive.

31 2. The budget of a district must be based on estimates of the amount of money
32 that will be needed to defray the expenses of the district and to meet unforeseen
33 emergencies and the amount of a fire protection tax sufficient ~~to, together with the~~
34 ~~revenue which will result from application of the rate to the net proceeds of~~
35 ~~minerals,~~ to raise such sums.

36 3. The amount of money to be raised for the purpose of establishing,
37 equipping and maintaining the district with fire-fighting facilities must not in any 1
38 year exceed 1 percent of the assessed value of the property described in NRS
39 474.200 ~~. and any net proceeds of minerals derived from within the boundaries of~~
40 ~~the district.~~

41 **Sec. 21.** NRS 474.510 is hereby amended to read as follows:

42 474.510 1. The board of fire commissioners shall prepare an annual budget
43 in accordance with the provisions of NRS 354.470 to 354.626, inclusive, for each
44 district organized in accordance with NRS 474.460.

45 2. Each budget must be based on estimates of the amount of money which
46 will be needed to defray the expenses of the district and to meet unforeseen
47 emergencies and the amount of a fire protection tax sufficient ~~to, together with the~~
48 ~~revenue which will result from application of the rate to the net proceeds of~~
49 ~~minerals,~~ to raise such sums.

50 3. At the time of making the levy of county taxes for the year, the board of
51 county commissioners shall levy the tax provided by subsection 2, upon all
52 property, both real and personal, subject to taxation within the boundaries of the
53 district. Any tax levied on interstate or intercounty telephone lines, power lines and

1 other public utility lines as authorized in this section must be based upon valuations
2 established by the Nevada Tax Commission pursuant to the provisions of NRS
3 361.315 to 361.330, inclusive.

4 4. The amount of tax to be collected for the purposes of this section must not
5 exceed, in any 1 year, 1 percent of the value of the property described in subsection
6 3. ~~and any net proceeds of minerals derived from within the boundaries of the~~
7 ~~district.~~

8 5. If levied, the tax must be entered upon the assessment roll and collected in
9 the same manner as state and county taxes. Taxes may be paid in four
10 approximately equal installments at the times specified in NRS 361.483, and the
11 same penalties as specified in NRS 361.483 must be added for failure to pay the
12 taxes.

13 6. For the purposes of NRS 474.460 to 474.540, inclusive, the treasurer of the
14 district shall keep two separate funds for each district, one to be known as the
15 district fire protection operating fund and one to be known as the district emergency
16 fund. The money collected to defray the expenses of any district organized pursuant
17 to NRS 474.460 must be deposited in the district fire protection operating fund, and
18 the money collected to meet unforeseen emergencies must be deposited in the
19 district emergency fund. The district emergency fund must be used solely for
20 emergencies and must not be used for regular operating expenses. The money
21 deposited in the district emergency fund must not exceed the sum of \$1,000,000.
22 Any interest earned on the money in the district emergency fund that causes the
23 balance in that fund to exceed \$1,000,000 must be credited to the district fire
24 protection operating fund.

25 7. For the purposes of subsection 6, an emergency includes, without
26 limitation, any event that:

27 (a) Causes widespread or severe damage to property or injury to or the death of
28 persons within the district;

29 (b) As determined by the district fire chief, requires immediate action to
30 protect the health, safety and welfare of persons who reside within the district; and

31 (c) Requires the district to provide money to obtain a matching grant from an
32 agency of the Federal Government to repair damage caused by a natural disaster
33 that occurred within the district.

34 **Sec. 22.** NRS 514A.060 is hereby amended to read as follows:

35 514A.060 Notwithstanding any other provision of law, the Commission shall
36 provide oversight of compliance with Nevada law relating to the activities of each
37 state agency, board, bureau, commission, department or division with respect to the
38 taxation, operation, safety and environmental regulation of mines and mining in this
39 State, including, without limitation, the activities of:

40 1. The Nevada Tax Commission and the Department of Taxation in the
41 taxation of the net proceeds of minerals pursuant to chapter 362 of NRS. ~~and~~
42 ~~Section 5 of Article 10 of the Nevada Constitution.~~

43 2. The Division of Industrial Relations of the Department of Business and
44 Industry in administering the provisions of chapter 512 of NRS concerning the safe
45 and healthful working conditions at mines.

46 3. The Commission on Mineral Resources and the Division of Minerals of the
47 Commission in the administration of the provisions of chapters 513 and 522 of
48 NRS concerning the conduct of mining operations and operations for the
49 production of oil, gas and geothermal energy in the State.

50 4. The Bureau of Mines and Geology of the State of Nevada in the Public
51 Service Division of the Nevada System of Higher Education in its administration of
52 the provisions of chapter 514 of NRS.

5. The Division of Environmental Protection of the State Department of Conservation and Natural Resources in its administration of the provisions of chapter 519A of NRS concerning the reclamation of mined land, areas of exploration and former areas of mining or exploration.

Sec. 23. NRS 361.075, 362.030, 362.040, 362.050, 362.060, 362.070, 362.090 and 362.095 are hereby repealed.

Sec. 24. This act becomes effective on January 1, 2015, if and only if the provisions of Senate Joint Resolution No. 15, proposed by the 76th Session of the Legislature and agreed to and passed by the 77th Session of the Legislature, are approved and ratified by the voters at the general election on November 4, 2014.

LEADLINES OF REPEALED SECTIONS

361.075 Exemption of unpatented mines and mining claims.

362.030 County assessor to assess surface of patented mines and mining claims; exceptions.

362.040 Exclusion of assessment from roll.

362.050 Affidavit of labor: Requirement for exemption of surface of patented mine or mining claim from taxation; form and contents.

362.060 Who may make affidavit.

362.070 Contiguous patented mines or mining claims: Performance of work on one mine.

362.090 One affidavit may be recorded for labor on several patented mines or mining claims.

362.095 Method of taxation of patented mine or mining claim used for purpose other than mining or agriculture.