

ASSEMBLY BILL NO. 244—ASSEMBLYMAN KRAMER

MARCH 11, 2019

Referred to Committee on Taxation

SUMMARY—Allows the imposition of certain taxes in a county to fund capital projects of the school district based on the recommendations of a Public Schools Overcrowding and Repair Needs Committee and voter approval. (BDR S-1008)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 taxation; authorizing the board of trustees of a school district under specified circumstances to adopt a resolution establishing the formation of a Public Schools Overcrowding and Repair Needs Committee to recommend the imposition of certain taxes to fund the capital projects of the school district; providing that if such a Committee is formed and submits its recommendations to the board of county commissioners within the time prescribed, the board of county commissioners is required to submit a question to the voters at the next general election asking whether the recommended taxes should be imposed in the county; requiring the board of county commissioners to adopt an ordinance imposing any such taxes that are approved by the voters; providing for the use of the proceeds of such taxes for certain school purposes; providing for the prospective expiration of the authority of a board of trustees to establish such a Committee; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 During the 2015 Legislative Session, the Legislature enacted Senate Bill No.
2 411, which authorized the board of trustees of certain school districts to establish
3 by resolution a Public Schools Overcrowding and Repair Needs Committee to



recommend the imposition of certain taxes for consideration by the voters at the 2016 General Election to fund the capital projects of the school district. The authority to establish such a Committee expired by limitation on April 2, 2016.

Section 1 of this bill authorizes the board of trustees of a school district to establish by resolution a Public Schools Overcrowding and Repair Needs Committee to recommend the imposition of certain taxes for consideration by the voters at a general election held not later than the November 8, 2022, General Election, to fund the capital projects of the school district. Under this bill, a Committee may not be established by the board of trustees of a school district in a county in which there is imposed for the benefit of a school district a tax on the gross receipts from the rental of transient lodging or a tax on transfers of real property, or both.

Sections 2 and 3 of this bill provide that if such a Committee is established, the Committee may recommend the imposition of one or more of the following taxes: (1) an additional tax on the gross receipts from the rental of transient lodging in the county; (2) a supplemental governmental services tax for the privilege of operating a vehicle upon the public streets, roads and highways of the county; (3) an additional tax on the transfer of real property in the county; (4) an additional sales and use tax in the county; and (5) an additional property tax in the county. The recommendations of the Committee must specify the rate or rates for each of the recommended taxes and may specify the period during which the recommended taxes will be imposed. If the Committee submits its recommendations to the board of county commissioners by April 2, 2022, the board of county commissioners is required to submit a question to the voters at the next general election asking whether any of the taxes recommended by the Committee should be imposed in the county. If a majority of the voters approve the question, the board of county commissioners is required to impose the approved taxes at the rate specified in the question submitted to the voters. If a majority of the voters approve the imposition of an additional property tax, the additional rate is exempt from the partial abatement of property taxes on certain property and the requirement that taxes ad valorem not exceed \$3.64 on each \$100 of assessed valuation.

Section 4 of this bill provides that the proceeds resulting from the imposition of such taxes: (1) must be deposited in the fund for capital projects of the school district; and (2) may be pledged to the payment of the principal and interest on bonds or other obligations issued for certain school purposes.

Section 5 of this bill provides that the provisions of this bill authorizing the board of trustees of a school district to establish such a Public Schools Overcrowding and Repair Needs Committee expire by limitation on April 2, 2022.

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

Section 1. 1. The board of trustees of a school district, other than a school district located in a county in which there is imposed for the benefit of the school district a tax on the gross receipts from the rental of transient lodging or a tax on transfers of real property pursuant to chapter 375 of NRS, or both, may, by resolution, establish a Public Schools Overcrowding and Repair Needs Committee to recommend the imposition of one or more of the taxes described in section 3 of this act for consideration by the voters at a general election to fund the capital projects of the school district. If



1 such a resolution is adopted, the Committee must be appointed
2 consisting of:

3 (a) The superintendent of schools of the school district, who
4 serves ex officio, or his or her designee.

5 (b) One Senator whose legislative district includes all or part of
6 the school district. If the legislative district of more than one Senator
7 includes the school district, those Senators shall jointly appoint the
8 member to serve.

9 (c) One member of the Assembly whose legislative district
10 includes all or part of the school district. If the legislative district of
11 more than one member of the Assembly includes the school district,
12 those members of the Assembly shall jointly appoint the member to
13 serve.

14 (d) One member who is a representative of the Nevada
15 Association of Realtors, appointed by that Association.

16 (e) One member who is a representative of the Retail
17 Association of Nevada, appointed by that Association.

18 (f) One member appointed by the board of county
19 commissioners.

20 (g) If the county includes one or more cities, the mayor of each
21 such city shall appoint a member to serve.

22 (h) If applicable to the county, one member of the oversight
23 panel for school facilities established pursuant to NRS 393.092 or
24 393.096, appointed by the chair of the panel.

25 (i) One member who is a representative of a labor organization,
26 appointed by the State of Nevada AFL-CIO.

27 (j) One member who is a representative of the largest
28 organization of licensed educators in the county, appointed by that
29 organization.

30 (k) One member of the general public, appointed by the parent-
31 teacher association with the largest membership in the county.

32 (l) One member who represents economic development in the
33 county, appointed by the regional development authority, as defined
34 in NRS 231.009, for that county.

35 (m) One member who represents gaming, appointed by the
36 gaming association with the largest membership in the county or, if
37 there are no members of a gaming association in the county, the
38 board of trustees.

39 (n) One member who represents business or commercial
40 interests, other than gaming, appointed by the local chamber of
41 commerce with the largest membership in the county or, if there is
42 no local chamber of commerce in the county, the board of trustees.

43 (o) One member who represents homebuilders in the county,
44 appointed by the association of homebuilders with the largest



1 membership in the county or, if there are no members of an
2 association of homebuilders in the county, the board of trustees.

3 2. The members appointed pursuant to paragraphs (d) to (o),
4 inclusive, of subsection 1 must be residents of the county.

5 3. Any vacancy occurring in the appointed membership of a
6 Committee established pursuant to subsection 1 must be filled in the
7 same manner as the original appointment not later than 30 days after
8 the vacancy occurs.

9 4. If a Committee is established pursuant to subsection 1, the
10 Committee shall hold its first meeting upon the call of the
11 superintendent of schools of the school district as soon as
12 practicable after the appointments are made pursuant to subsection
13 1. At the first meeting of the Committee, the members of the
14 Committee shall elect a chair.

15 5. A majority of a Committee established pursuant to
16 subsection 1 constitutes a quorum for the transaction of business,
17 and a majority of those members present at any meeting is sufficient
18 for any official action taken by the Committee.

19 6. If a Committee is established pursuant to subsection 1, the
20 superintendent of schools of the school district shall provide
21 administrative support to the Committee.

22 **Sec. 2.** 1. If a Public Schools Overcrowding and Repair
23 Needs Committee is established pursuant to subsection 1 of section
24 1 of this act, such a Committee shall, on or before April 2, 2022:

25 (a) Prepare recommendations for the imposition of one or more
26 of the taxes described in section 3 of this act in the county to
27 provide funding for the school district for the purposes set forth in
28 subsection 1 of NRS 387.335. The recommendations must specify
29 the proposed rate or rates for each of the recommended taxes and
30 may specify the period during which one or more of the
31 recommended taxes will be imposed.

32 (b) Submit the recommendations to the board of county
33 commissioners.

34 2. Upon the receipt of recommendations pursuant to subsection
35 1, the board of county commissioners shall, at the next general
36 election following the receipt of the recommendations, submit a
37 question to the voters of the county asking whether any of the
38 recommended taxes should be imposed in the county. The question
39 submitted to the voters of the county must specify the proposed rate
40 or rates for each of the recommended taxes and the period during
41 which each of the recommended taxes will be imposed, if the period
42 was specified in the recommendations submitted pursuant to
43 subsection 1. If the question submitted to the voters pursuant to this
44 subsection asks the voters of the county whether to impose the tax
45 described in subsection 5 of section 3 of this act, the question must



1 state that any such tax imposed is exempt from each partial
2 abatement from taxation provided pursuant to NRS 361.4722,
3 361.4723 and 361.4724 and that the rate of the tax must not be
4 included in the total ad valorem tax levy for the purposes of the
5 application of the limitation in NRS 361.453.

6 3. If a majority of the voters voting on the question submitted
7 to the voters pursuant to subsection 2 vote affirmatively on the
8 question:

9 (a) The board of county commissioners shall impose the
10 recommended tax or taxes in accordance with the provisions of
11 section 3 of this act and at the rate or rates specified in the question
12 submitted to the voters pursuant to subsection 2.

13 (b) If the question recommended the imposition of the tax
14 described in subsection 5 of section 3 of this act:

15 (1) Any such tax imposed is exempt from each partial
16 abatement from taxation provided pursuant to NRS 361.4722,
17 361.4723 and 361.4724.

18 (2) The provisions of NRS 361.453 do not apply to any such
19 tax imposed.

20 (c) The tax or taxes shall be imposed notwithstanding the
21 provisions of any specific statute to the contrary and, except as
22 otherwise specifically provided in sections 1 to 4, inclusive, of this
23 act, such tax or taxes are not subject to any limitations set forth in
24 any statute which authorizes the board of county commissioners to
25 impose such tax or taxes, including, without limitation, any
26 limitations on the maximum rate or rates which may be imposed or
27 the duration of the period during which such taxes may be imposed.

28 **Sec. 3.** 1. Upon approval of the registered voters of a county
29 voting on a question presented to the voters pursuant to section 2 of
30 this act recommending the imposition of a tax on the gross receipts
31 from the rental of transient lodging, in addition to all other taxes
32 imposed on the revenue from the rental of transient lodging, the
33 board of county commissioners shall impose a tax on the gross
34 receipts from the rental of transient lodging at the rate specified in
35 the question presented to the voters pursuant to section 2 of this act.
36 The tax must be imposed throughout the county, including its
37 incorporated cities, upon all persons in the business of providing
38 transient lodging. The tax must be administered and enforced in the
39 same manner as similar taxes imposed pursuant to chapter 244 of
40 NRS on the revenue from the rental of transient lodging are
41 administered and enforced.

42 2. Upon approval of the registered voters of a county voting on
43 a question presented to the voters pursuant to section 2 of this act
44 recommending the imposition of a supplemental governmental
45 services tax for the privilege of operating a vehicle upon the public



streets, roads and highways of the county, the board of county commissioners shall, in addition to any supplemental governmental services tax imposed pursuant to NRS 371.043 or 371.045, impose a supplemental governmental services tax at the rate specified in the question presented to the voters pursuant to section 2 of this act on each vehicle based in the county except:

(a) A vehicle exempt from the governmental services tax pursuant to chapter 371 of NRS; or

(b) A vehicle subject to NRS 706.011 to 706.861, inclusive, which is engaged in interstate or intercounty operations.

➡ The tax must be administered and enforced in the same manner as the taxes imposed pursuant to NRS 371.043 and 371.045 are administered and enforced.

3. Upon approval of the registered voters of a county voting on a question presented to the voters pursuant to section 2 of this act recommending the imposition of a tax on transfers of real property, in addition to all other taxes imposed on transfers of real property pursuant to chapter 375 of NRS, the board of county commissioners shall impose a tax at the rate specified in the question presented to the voters pursuant to section 2 of this act on each deed by which any lands, tenements or other realty is granted, assigned, transferred or otherwise conveyed to, or vested in, another person, or land sale installment contract, if the consideration or value of the interest or property conveyed exceeds \$100. The amount of the tax must be computed on the basis of the value of the real property that is the subject of the transfer or land sale installment contract as declared pursuant to NRS 375.060. The county recorder shall collect the tax in the manner provided in NRS 375.030.

4. Upon approval of the registered voters of a county voting on a question presented to the voters pursuant to section 2 of this act recommending the imposition of a tax on the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the county, the board of county commissioners shall impose the tax at the rate specified in the question presented to the voters pursuant to section 2 of this act. The tax must be administered and enforced in the same manner as the taxes imposed pursuant to chapter 374 of NRS are administered and enforced.

5. Upon approval of the registered voters of a county voting on a question presented to the voters pursuant to section 2 of this act recommending an increase in the rate of the tax levied in accordance with NRS 387.195, the board of county commissioners shall, in addition to any tax levied in accordance with NRS 387.195, levy a tax on the assessed valuation of taxable property within the county in the amount described in the question presented to the voters



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pursuant to section 2 of this act. The tax must be administered and enforced in the same manner as the tax imposed pursuant to NRS 387.195 is administered and enforced.

Sec. 4. The proceeds of any tax or taxes imposed pursuant to sections 2 and 3 of this act:

1. Must be deposited in the school district's fund for capital projects established pursuant to NRS 387.328, to be held and, except as otherwise provided in subsection 2, expended in the same manner as other money deposited in that fund.

2. May be pledged to the payment of principal and interest on bonds or other obligations issued for one or more of the purposes set forth in NRS 387.335. The proceeds of such taxes so pledged may be treated as pledged revenues for the purposes of subsection 3 of NRS 350.020, and the board of trustees of the school district may issue bonds for those purposes in accordance with the provisions of chapter 350 of NRS.

3. May not be used:

(a) To settle or arbitrate disputes between a recognized organization representing employees of a school district and the school district, or to settle any negotiations; or

(b) To adjust the district-wide schedule of salaries and benefits of the employees of a school district.

Sec. 5. 1. This act becomes effective upon passage and approval.

2. Section 1 of this act expires by limitation on April 2, 2022.

