

SENATE BILL NO. 400—SENATORS NEAL, FLORES AND DONATE

MARCH 27, 2023

JOINT SPONSOR: ASSEMBLYMAN D’SILVA

Referred to Committee on Revenue and  
Economic Development

**SUMMARY**—Revises provisions governing taxation related to the funding of metropolitan police departments and programs to address homelessness. (BDR 38-1027)

**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 public welfare; revising provisions governing the duties of a reinvestment advisory committee; revising provisions governing contracts entered into by the Department of Health and Human Services for the operation of a Medicaid managed care program; requiring the board of county commissioners, city council or other governing body of certain taxing districts to levy a property tax for the purpose of employing police officers and addressing homelessness; establishing requirements for the approval of any expenditure of money allocated to a metropolitan police department from the proceeds of the tax; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

- 1 Existing law requires the Department of Health and Human Services, to the
- 2 extent that money is available, to: (1) establish a Medicaid managed care program
- 3 to provide health care services to recipients of Medicaid in all geographic areas of
- 4 this State; and (2) conduct a statewide procurement process to select health
- 5 maintenance organizations to provide the health care services. (NRS 422.273)
- 6 **Sections 2 and 3** of this bill require each contract entered into by the Department
- 7 with a health maintenance organization to provide such services to include a
- 8 requirement for the health maintenance organization to reinvest a percentage of the
- 9 annual profits of the health maintenance organization in programs and initiatives to



address homelessness and housing issues in the local communities in which the health maintenance organization operates.

Existing law establishes a reinvestment advisory committee in each county of this State whose population is 700,000 or more (currently only Clark County) and prescribes the duties of a reinvestment advisory committee, which includes reviewing, making recommendations and reporting to the Legislature and Director of the Department concerning the reinvestment of funds by a health maintenance organization that provides health care services through managed care to recipients of Medicaid in the communities served by those organizations. (NRS 422.185, 422.205) **Section 1** of this bill revises the duties of the reinvestment advisory committee such that the recommendations and reports of the advisory committee are required to concern the reinvestment of funds by managed care organizations to address homelessness and housing issues, in conformance with the amendatory provisions of **sections 2 and 3**.

The Metropolitan Police Departments Act of 1995 was enacted by the Nevada Legislature in 1995 and required the board of county commissioners, city council or other governing body of a taxing district in unincorporated Clark County and the City of Las Vegas to propose to the registered voters of the taxing district at the 1996 General Election the question of whether to levy an additional property tax on all taxable property within the district for the support of the metropolitan police department for the purpose of employing additional police officers. The rate of tax levied pursuant to the Metropolitan Police Departments Act of 1995 is prohibited from exceeding 20 cents per \$100 of assessed value. (Chapter 658, Statutes of Nevada 1995, at page 2535, as amended by chapter 585, Statutes of Nevada 1997, at page 2882) At the general election held on November 5, 1996, voters of unincorporated Clark County and the City of Las Vegas voted to levy the additional ad valorem tax for the hiring of additional police officers for the Las Vegas Metropolitan Police Department. These additional property taxes are set to expire at the end of the 2026-2027 Fiscal Year. (NRS 354.5982)

**Sections 4-7 and 10** of this bill remove the sunset of the additional property taxes imposed under the Metropolitan Police Departments Act of 1995 and revise the purposes for which these taxes are required to be used after the original sunset date. Beginning on July 1, 2027, **sections 4, 5 and 10** of this bill require the levy of a property tax in unincorporated Clark County and the City of Las Vegas in an amount equal to the property tax levied under the Metropolitan Police Departments Act of 1995, and require that the amount of such tax be equal to: (1) a rate of 3 cents per \$100 of assessed valuation on all taxable property in each taxing district in unincorporated Clark County and the City be used to address homelessness in the County and City; and (2) a rate of 17 cents per \$100 of assessed valuation on all taxable property in each taxing district in unincorporated Clark County and the City be used to defray the cost of hiring additional police officers for the Las Vegas Metropolitan Police Department and certain outreach programs of the Department to address homelessness. Under **sections 4 and 5**, the money allocated for programs to address homelessness and to a metropolitan police department from the proceeds of the tax levied pursuant to **sections 4 and 5** must not supplant, replace, offset or otherwise reduce police funding allocations from other sources. **Section 4** provides for the approval of any expenditure of the allocations from the proceeds of the tax allocated to a metropolitan police department and requires the metropolitan police committee on fiscal affairs to make certain findings before giving such approval.

**Sections 6 and 7** of this bill make conforming changes to reflect that the Metropolitan Police Departments Act of 1995, as revised by this bill, contains multiple taxes used for different purposes.



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

**Section 1.** NRS 422.205 is hereby amended to read as follows:  
422.205 1. A reinvestment advisory committee shall:

(a) Solicit and review reports from the Division and Medicaid managed care organizations concerning the reinvestment of funds by those Medicaid managed care organizations in the communities served by the Medicaid managed care organizations.

(b) Report to the Division and Medicaid managed care organizations concerning initiatives of local governments in the county to address homelessness ~~and~~ and housing issues . ~~and social determinants of health.~~

(c) Make recommendations based on the reports reviewed pursuant to paragraph (a) to the Division and Medicaid managed care organizations concerning the reinvestment of funds by those Medicaid managed care organizations in the communities served by the Medicaid managed care organizations. Those recommendations must include, without limitation, recommendations for the use of such funds for the purposes of:

(1) Developing innovative partnerships with community development organizations and providers of housing services; and

(2) Supporting the initiatives of local governments in the county to address homelessness ~~and~~ and housing issues . ~~and social determinants of health.~~

2. On or before December 31 of each year, a reinvestment advisory committee shall:

(a) Compile a report concerning:

(1) The uses of funds reinvested by Medicaid managed care organizations in the communities served by those Medicaid managed care organizations, including, without limitation, efforts to address homelessness ~~and disparities in health care and social determinants of health;~~ and housing issues; and

(2) The activities of the reinvestment advisory committee during the calendar year, including, without limitation, the recommendations made by the reinvestment advisory committee pursuant to paragraph (c) of subsection 1.

(b) Submit the report to:

(1) The Director of the Legislative Counsel Bureau for transmittal to:

(I) In odd-numbered years, the Joint Interim Standing Committee on Health and Human Services; and

(II) In even-numbered years, the next regular session of the Legislature.

(2) The Director of the Department.



3. As used in this section, "Medicaid managed care organization" means a managed care organization that provides health care services to recipients of Medicaid who reside in the county for which a reinvestment advisory committee is established.

**Sec. 2.** NRS 422.273 is hereby amended to read as follows:

422.273 1. For any Medicaid managed care program established in the State of Nevada, the Department shall contract only with a health maintenance organization that has:

(a) Negotiated in good faith with a federally-qualified health center to provide health care services for the health maintenance organization;

(b) Negotiated in good faith with the University Medical Center of Southern Nevada to provide inpatient and ambulatory services to recipients of Medicaid; and

(c) Negotiated in good faith with the University of Nevada School of Medicine to provide health care services to recipients of Medicaid.

Nothing in this section shall be construed as exempting a federally-qualified health center, the University Medical Center of Southern Nevada or the University of Nevada School of Medicine from the requirements for contracting with the health maintenance organization.

2. During the development and implementation of any Medicaid managed care program, the Department shall cooperate with the University of Nevada School of Medicine by assisting in the provision of an adequate and diverse group of patients upon which the school may base its educational programs.

3. The University of Nevada School of Medicine may establish a nonprofit organization to assist in any research necessary for the development of a Medicaid managed care program, receive and accept gifts, grants and donations to support such a program and assist in establishing educational services about the program for recipients of Medicaid.

4. For the purpose of contracting with a Medicaid managed care program pursuant to this section, a health maintenance organization is exempt from the provisions of NRS 695C.123.

5. The provisions of this section apply to any managed care organization, including a health maintenance organization, that provides health care services to recipients of Medicaid under the State Plan for Medicaid or the Children's Health Insurance Program pursuant to a contract with the Division. Such a managed care organization or health maintenance organization is not required to establish a system for conducting external reviews of adverse determinations in accordance with chapter 695B, 695C or 695G of NRS. This subsection does not exempt such a managed care



organization or health maintenance organization for services provided pursuant to any other contract.

6. *Each contract entered into by the Department with a health maintenance organization to provide health care services to recipients of Medicaid in all geographic areas of this State shall include a requirement for the health maintenance organization to reinvest a percentage of the annual profits of the health maintenance organization in programs and initiatives to address homelessness and housing issues in the local communities in which the health maintenance organization operates.*

7. As used in this section, unless the context otherwise requires:

(a) “Federally-qualified health center” has the meaning ascribed to it in 42 U.S.C. § 1396d(1)(2)(B).

(b) “Health maintenance organization” has the meaning ascribed to it in NRS 695C.030.

(c) “Managed care organization” has the meaning ascribed to it in NRS 695G.050.

**Sec. 3.** NRS 422.273 is hereby amended to read as follows:

422.273 1. To the extent that money is available, the Department shall:

(a) Establish a Medicaid managed care program to provide health care services to recipients of Medicaid in all geographic areas of this State. The program is not required to provide services to recipients of Medicaid who are aged, blind or disabled pursuant to Title XVI of the Social Security Act, 42 U.S.C. §§ 1381 et seq.

(b) Conduct a statewide procurement process to select health maintenance organizations to provide the services described in paragraph (a).

2. For any Medicaid managed care program established in the State of Nevada, the Department shall contract only with a health maintenance organization that has:

(a) Negotiated in good faith with a federally-qualified health center to provide health care services for the health maintenance organization;

(b) Negotiated in good faith with the University Medical Center of Southern Nevada to provide inpatient and ambulatory services to recipients of Medicaid;

(c) Negotiated in good faith with the University of Nevada School of Medicine to provide health care services to recipients of Medicaid; and

(d) Complied with the provisions of subsection 2 of NRS 695K.220.

Nothing in this section shall be construed as exempting a federally-qualified health center, the University Medical Center of



1 Southern Nevada or the University of Nevada School of Medicine  
2 from the requirements for contracting with the health maintenance  
3 organization.

4 3. During the development and implementation of any  
5 Medicaid managed care program, the Department shall cooperate  
6 with the University of Nevada School of Medicine by assisting in  
7 the provision of an adequate and diverse group of patients upon  
8 which the school may base its educational programs.

9 4. The University of Nevada School of Medicine may establish  
10 a nonprofit organization to assist in any research necessary for the  
11 development of a Medicaid managed care program, receive and  
12 accept gifts, grants and donations to support such a program and  
13 assist in establishing educational services about the program for  
14 recipients of Medicaid.

15 5. For the purpose of contracting with a Medicaid managed  
16 care program pursuant to this section, a health maintenance  
17 organization is exempt from the provisions of NRS 695C.123.

18 6. To the extent that money is available, a Medicaid managed  
19 care program must include, without limitation, a state-directed  
20 payment arrangement established in accordance with 42 C.F.R. §  
21 438.6(c) to require a Medicaid managed care organization to  
22 reimburse a critical access hospital and any federally-qualified  
23 health center or rural health clinic affiliated with a critical access  
24 hospital for covered services at a rate that is equal to or greater than  
25 the rate received by the critical access hospital, federally-qualified  
26 health center or rural health clinic, as applicable, for services  
27 provided to recipients of Medicaid on a fee-for-service basis.

28 7. The provisions of this section apply to any managed care  
29 organization, including a health maintenance organization, that  
30 provides health care services to recipients of Medicaid under the  
31 State Plan for Medicaid or the Children's Health Insurance Program  
32 pursuant to a contract with the Division. Such a managed care  
33 organization or health maintenance organization is not required to  
34 establish a system for conducting external reviews of adverse  
35 determinations in accordance with chapter 695B, 695C or 695G of  
36 NRS. This subsection does not exempt such a managed care  
37 organization or health maintenance organization for services  
38 provided pursuant to any other contract.

39 8. *Each contract entered into by the Department with a*  
40 *health maintenance organization to provide the services described*  
41 *in paragraph (a) of subsection 1 shall include a requirement for*  
42 *the health maintenance organization to reinvest a percentage of*  
43 *the annual profits of the health maintenance organization in*  
44 *programs and initiatives to address homelessness and housing*



*issues in the local communities in which the health maintenance organization operates.*

**9.** As used in this section, unless the context otherwise requires:

(a) "Critical access hospital" means a hospital which has been certified as a critical access hospital by the Secretary of Health and Human Services pursuant to 42 U.S.C. § 1395i-4(e).

(b) "Federally-qualified health center" has the meaning ascribed to it in 42 U.S.C. § 1396d(l)(2)(B).

(c) "Health maintenance organization" has the meaning ascribed to it in NRS 695C.030.

(d) "Managed care organization" has the meaning ascribed to it in NRS 695G.050.

(e) "Rural health clinic" has the meaning ascribed to it in 42 C.F.R. § 405.2401.

**Sec. 4.** The Metropolitan Police Departments Act of 1995, being chapter 658, Statutes of Nevada 1995, as amended by chapter 585, Statutes of Nevada 1997, at page 2882, is hereby amended by adding thereto new sections to be designated as sections 3.3 and 3.7, respectively, immediately following section 3, to read as follows:

**Sec. 3.3. 1.** *The proceeds of the tax levied pursuant to section 3 of this act must not supplant, replace, offset or otherwise reduce police funding allocations, measured by either funding levels or staffing allocations.*

**2.** *The department shall not expend proceeds received from the tax levied pursuant to section 3 of this act unless the expenditure has been approved by the committee. The committee must approve the expenditure of the proceeds by the department if it determines that:*

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

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

**3.** *In determining whether a proposed use meets the requirement set forth in paragraph (b) of subsection 2, the committee shall determine whether:*

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

*(b) The amount approved for expenditure for the support of the department for the fiscal year, not including*



any money allocated to or expended by the department pursuant to the provisions of this act, is less than the amount approved for expenditure for the support of the department in the immediately preceding fiscal year and the committee projects a decrease in its receipts of revenue in the fiscal year from consolidated taxes and property taxes of more than 2 percent from its base fiscal year.

4. If the committee makes a finding pursuant to subsection 3, the committee shall adopt a resolution setting forth the finding and the reasons therefor. If the finding is made pursuant to paragraph (b) of subsection 2, the finding must include, without limitation, all facts supporting the projection of a decrease in revenue.

5. As used in this section, "base fiscal year" means Fiscal Year 2026-2027, except that:

(a) If, in any subsequent fiscal year, the amount approved by the committee for expenditure for the support of the department that subsequent fiscal year, not including any money allocated to or expended by the department pursuant to the provisions of this act, exceeds by more than 2 percent the amount approved for expenditure in Fiscal Year 2026-2027, the base fiscal year becomes the most recent of such subsequent fiscal years.

(b) If the base fiscal year is revised pursuant to paragraph (a) and, in any subsequent fiscal year, the amount approved by the committee for expenditure for the support of the department, not including any money allocated to or expended by the department pursuant to the provisions of this act, is equal to or less than the amount approved for expenditure in Fiscal Year 2026-2027, the base fiscal year becomes Fiscal Year 2026-2027, but is subject to subsequent revision pursuant to paragraph (a).

6. For the purposes of this section, the money allocated to or expended by the department pursuant to the provisions of this act includes the revenues of any tax levied pursuant to the provisions of this act as it existed on or before December 31, 2026, which were allocated to or expended by the department.

7. As used in this section, "committee" means the Metropolitan Police Committee on Fiscal Affairs.

Sec. 3.7. 1. The board of county commissioners, city council or other governing body of each taxing district in the taxable area shall levy on behalf of its taxing district an additional ad valorem tax at a rate of 3 cents per \$100 of assessed valuation on all taxable property within the district





for the support of the taxing district for the purpose of programs to address homelessness. The additional tax must be levied at a uniform rate in the unincorporated area of the county and in each participating city.

2. The additional tax levied pursuant to this section:

(a) In each taxing district in the unincorporated area of a county must be allocated to the county and used by the county for county programs to address homelessness in the unincorporated areas of the county.

(b) In each taxing district in each participating city must be allocated to the city and used for programs to address homelessness in the city.

3. From the additional tax collected pursuant to this section from each taxing district in each participating city each fiscal year and distributed to the participating city, the participating city shall distribute at least \$9,000,000 each fiscal year to a nonprofit organization operating a resource center where persons experiencing homelessness may access a variety of services in one place.

4. The proceeds of the tax imposed pursuant to this section must not supplant, replace, offset or otherwise reduce funding for programs to address homelessness.

**Sec. 5.** Section 3 of the Metropolitan Police Departments Act of 1995, being chapter 658, Statutes of Nevada 1995, as amended by chapter 585, Statutes of Nevada 1997, at page 2882, is hereby amended to read as follows:

Sec. 3. 1. The board of county commissioners, city council or other governing body of each taxing district in the taxable area shall ~~{propose to the registered voters of its taxing district at the next county general election the question of whether}~~ *levy on behalf of its taxing district* an additional ad valorem tax ~~{shall be levied}~~ *at a rate of 17 cents per \$100 of assessed valuation* on all taxable property within the district for the support of the department for the purpose of employing additional police officers ~~{}~~ *and operating street outreach programs designed to enhance the accessibility of resources to persons who are homeless.* The additional tax must be levied at a uniform rate in the unincorporated area of the county and in each participating city.

2. ~~{The board of county commissioners, city council or other governing body of each taxing district proposing the question at the next county general election of whether an additional ad valorem tax shall be levied pursuant to this act shall place upon the ballot information regarding:~~



~~—(a) The method to be used for the apportionment of the costs of employing the additional police officers; and~~

~~—(b) The initial ad valorem tax rate and the method for determining the ad valorem tax rate for each fiscal year.~~

~~— The ballot must also include a declaration that the additional ad valorem tax rate may change in the future based on changes in the formula for the distribution of the tax and changes in the assessed valuation of taxable property in each taxing district.~~

~~—3. The rate of the tax levied pursuant to this act must not exceed 20 cents per \$100 of assessed valuation.~~

~~—4. If the voters of any taxing district in the taxable area of a department disapprove the additional tax proposed pursuant to subsection 1, the additional tax must not be imposed in any of the taxing districts in the taxable area of that department.~~

~~—5. If the proposed additional tax is approved by the voters in all of the taxing districts of the taxable area of a department, the tax must be imposed by the taxing entities in each district of the taxable area of the department at the rate approved by the voters in the district.]~~ *From the amount of the additional tax collected pursuant to this section:*

*(a) Not less than \$800,000 must be dedicated to the operation of street outreach programs designed to enhance the accessibility of resources to persons who are homeless; and*

*(b) The remaining amount of the tax collected must be dedicated to the employment of additional police officers.*

**Sec. 6.** Section 4 of the Metropolitan Police Departments Act of 1995, being chapter 658, Statutes of Nevada 1995 is hereby amended to read as follows:

Sec. 4. All county officers charged with the duty of collecting ad valorem taxes shall collect the ~~{tax}~~ *taxes* imposed pursuant to this act in the same form and manner, and with the same interest and penalties, as other ad valorem taxes are collected, and shall , *upon collection*, pay all revenue generated by the tax, including all interest and penalties ~~{, to}~~ :

*1. For the tax imposed pursuant to section 3 of this act, to the department . {upon collection.}*

*2. For the tax imposed pursuant to section 3.7 of this act, to the entity to which the revenue is allocated pursuant to that section.*



**Sec. 7.** Section 5 of the Metropolitan Police Departments Act of 1995, being chapter 658, Statutes of Nevada 1995 is hereby amended to read as follows:

Sec. 5. ~~[The tax]~~ *Notwithstanding the provisions of NRS 354.5982, the taxes* imposed pursuant to this act ~~[is]~~ *are* not subject to the limitation provided in NRS 354.59811 and ~~[does]~~ *do* not affect the amounts distributable to the participating political subdivisions from the supplemental city-county relief tax or the privilege tax on vehicles.

**Sec. 8.** The amendatory provisions of sections 1, 2 and 3 of this act do not apply during the current term of any agreement entered into between the Department of Health and Human Services and a health maintenance organization pursuant to NRS 422.273 before the effective date of this act but do apply to any extension or renewal of such an agreement and to any agreement entered into between the Department of Health and Human Services and a health maintenance organization pursuant to NRS 422.273 on or after the effective date of this act.

**Sec. 9.** Section 2 of chapter 658, Statutes of Nevada 1995, at page 2535, is hereby repealed.

**Sec. 10.** 1. This section becomes effective upon passage and approval.

2. Sections 1, 2 and 8 of this act become effective on January 1, 2024.

3. Section 3 of this act becomes effective on January 1, 2026.

4. Sections 4 to 7, inclusive, and 9 of this act becomes effective on July 1, 2027.

5. The amendatory provisions of section 2 of this act expire by limitation on December 31, 2025.

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## TEXT OF REPEALED SECTION

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### Section 2 of chapter 658, Statutes of Nevada 1995:

Sec. 2. The committee shall authorize the hiring of additional police officers and the incurrence of related costs from the revenue generated by the tax imposed pursuant to this act. The revenue must not be used for any other purpose.

