
ASSEMBLY BILL NO. 67—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE NEVADA ASSOCIATION OF COUNTIES)

PREFILED DECEMBER 12, 2008

Referred to Concurrent Committees on
Government Affairs and Taxation

SUMMARY—Authorizes boards of county commissioners to levy an ad valorem tax to pay the costs of public safety, health and welfare services. (BDR 31-460)

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 the financial administration of counties; authorizing boards of county commissioners to levy an ad valorem tax to pay the costs of public safety, health and welfare services; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law authorizes the boards of county commissioners of certain counties
2 to levy a separate property tax to pay the costs of various public projects and
3 services. (NRS 354.59813-354.5982) **Section 1** of this bill provides a new
4 authorization for a board of county commissioners to adopt, by a two-thirds vote,
5 an ordinance to levy a separate property tax not to exceed 10 cents per \$100 of the
6 assessed valuation of the property in the county to pay the costs of public safety,
7 health and welfare services in its county.
8 Existing law establishes a general limitation on the maximum amount by which
9 the revenue that a local government may receive from property taxes may increase
10 each year. (NRS 354.59811) Existing law generally limits the maximum amount of
11 property taxes which may be imposed for all public purposes to \$3.64 on each \$100
12 of the assessed valuation of property. (NRS 361.453) **Sections 1-3** of this bill
13 exempt the additional levy of property tax authorized by this bill from both of these
14 limitations.
15 Existing law generally limits the amount by which the tax liability of property
16 may increase each year. (NRS 361.4722, 361.4723, 361.4724) **Section 4** of this bill
17 exempts the additional levy of property tax authorized by this bill from those
18 limitations for the first fiscal year in which the tax is imposed.



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

1 **Section 1.** Chapter 354 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *In addition to the allowed revenue from taxes ad valorem*
4 *determined pursuant to NRS 354.59811, the board of county*
5 *commissioners may, after holding two public hearings, adopt, by a*
6 *two-thirds vote of the board, an ordinance levying a tax ad*
7 *valorem on all taxable property in the county at a rate not to*
8 *exceed 10 cents per \$100 of the assessed valuation of the county to*
9 *pay the costs of public safety, health and welfare services within*
10 *the county. If a tax is levied pursuant to this subsection, the tax*
11 *bill of each affected taxpayer must separately state:*

12 (a) *That the tax is a county-imposed tax for public safety,*
13 *health and welfare services;*

14 (b) *The rate of the tax; and*

15 (c) *The amount of the tax liability resulting from the levy of*
16 *the tax.*

17 2. *An ordinance adopted pursuant to subsection 1:*

18 (a) *Must not be applied or administered in any manner that*
19 *reduces the revenue of any other governmental entity which is*
20 *entitled to receive money from taxes ad valorem levied in the*
21 *county; and*

22 (b) *Must be reviewed by the board of county commissioners at*
23 *least once every 10 years.*

24 **Sec. 2.** NRS 354.59811 is hereby amended to read as follows:

25 354.59811 1. Except as otherwise provided in NRS 244.377,
26 278C.260, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987,
27 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, *and*
28 *section 1 of this act*, for each fiscal year beginning on or after
29 July 1, 1989, the maximum amount of money that a local
30 government, except a school district, a district to provide a
31 telephone number for emergencies or a redevelopment agency, may
32 receive from taxes ad valorem, other than those attributable to the
33 net proceeds of minerals or those levied for the payment of bonded
34 indebtedness and interest thereon incurred as general long-term debt
35 of the issuer, or for the payment of obligations issued to pay the cost
36 of a water project pursuant to NRS 349.950, or for the payment of
37 obligations under a capital lease executed before April 30, 1981,
38 must be calculated as follows:

39 (a) The rate must be set so that when applied to the current fiscal
40 year's assessed valuation of all property which was on the preceding
41 fiscal year's assessment roll, together with the assessed valuation of
42 property on the central assessment roll which was allocated to the



1 local government, but excluding any assessed valuation attributable
2 to the net proceeds of minerals, assessed valuation attributable to a
3 redevelopment area and assessed valuation of a fire protection
4 district attributable to real property which is transferred from private
5 ownership to public ownership for the purpose of conservation, it
6 will produce 106 percent of the maximum revenue allowable from
7 taxes ad valorem for the preceding fiscal year, except that the rate so
8 determined must not be less than the rate allowed for the previous
9 fiscal year, except for any decrease attributable to the imposition of
10 a tax pursuant to NRS 354.59813 in the previous year.

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

19 2. As used in this section, "general long-term debt" does not
20 include debt created for medium-term obligations pursuant to NRS
21 350.087 to 350.095, inclusive.

22 **Sec. 3.** NRS 361.453 is hereby amended to read as follows:

23 361.453 1. Except as otherwise provided in this section and
24 NRS 354.705, 354.723 and 450.760, *and section 1 of this act*, the
25 total ad valorem tax levy for all public purposes must not exceed
26 \$3.64 on each \$100 of assessed valuation, or a lesser or greater
27 amount fixed by the State Board of Examiners if the State Board of
28 Examiners is directed by law to fix a lesser or greater amount for
29 that fiscal year.

30 2. Any levy imposed by the Legislature for the repayment of
31 bonded indebtedness or the operating expenses of the State of
32 Nevada and any levy imposed by the board of county
33 commissioners pursuant to NRS 387.195 that is in excess of 50
34 cents on each \$100 of assessed valuation of taxable property within
35 the county must not be included in calculating the limitation set
36 forth in subsection 1 on the total ad valorem tax levied within the
37 boundaries of the county, city or unincorporated town ~~H~~ if, in a
38 county whose population is 40,000 or less, or in a city or
39 unincorporated town located within that county:

40 (a) The combined tax rate certified by the Nevada Tax
41 Commission was at least \$3.50 on each \$100 of assessed valuation
42 on June 25, 1998;

43 (b) The governing body of that county, city or unincorporated
44 town proposes to its registered voters an additional levy ad valorem



1 above the total ad valorem tax levy for all public purposes set forth
2 in subsection 1;

3 (c) The proposal specifies the amount of money to be derived,
4 the purpose for which it is to be expended and the duration of the
5 levy; and

6 (d) The proposal is approved by a majority of the voters voting
7 on the question at a general election or a special election called for
8 that purpose.

9 3. The duration of the additional levy ad valorem levied
10 pursuant to subsection 2 must not exceed 5 years. The governing
11 body of the county, city or unincorporated town may discontinue the
12 levy before it expires and may not thereafter reimpose it in whole or
13 in part without following the procedure required for its original
14 imposition set forth in subsection 2.

15 4. A special election may be held pursuant to subsection 2 only
16 if the governing body of the county, city or unincorporated town
17 determines, by a unanimous vote, that an emergency exists. The
18 determination made by the governing body is conclusive unless it is
19 shown that the governing body acted with fraud or a gross abuse of
20 discretion. An action to challenge the determination made by the
21 governing body must be commenced within 15 days after the
22 governing body's determination is final. As used in this subsection,
23 "emergency" means any unexpected occurrence or combination of
24 occurrences which requires immediate action by the governing body
25 of the county, city or unincorporated town to prevent or mitigate a
26 substantial financial loss to the county, city or unincorporated town
27 or to enable the governing body to provide an essential service to
28 the residents of the county, city or unincorporated town.

29 **Sec. 4.** NRS 361.4726 is hereby amended to read as follows:

30 361.4726 1. Except as otherwise provided by specific statute,
31 if any legislative act which becomes effective after April 6, 2005,
32 imposes a duty on a taxing entity to levy a new ad valorem tax or to
33 increase the rate of an existing ad valorem tax, the amount of the
34 new tax or increase in the rate of the existing tax is exempt from
35 each partial abatement from taxation provided pursuant to NRS
36 361.4722, 361.4723 and 361.4724.

37 2. *The amount of any ad valorem tax imposed pursuant to*
38 *section 1 of this act is exempt from each partial abatement from*
39 *taxation provided pursuant to NRS 361.4722, 361.4723 and*
40 *361.4724 for the first fiscal year in which the tax is imposed, but is*
41 *thereafter subject to each of those partial abatements from*
42 *taxation.*

43 3. For the purposes of this section, "taxing entity" does not
44 include the State.



1 **Sec. 5.** This act becomes effective on July 1, 2009.

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