

Chapter 350 of NAC

LCB File No. T005-05

**ADOPTED TEMPORARY REGULATION OF THE COMMITTEE
ON LOCAL GOVERNMENT FINANCE**

Filed with the Secretary of State on January 5, 2005.

EXPLANATION – Matter in *italics* is new; matter in brackets ~~{omitted material}~~ is material to be omitted.

AUTHORITY: §§ 1-9, NRS 350.0135

Section 1. Chapter 350 of the NAC is hereby amended by adding thereto a new section to read as follows:

Sec. 2. *Response to increase of property tax rate, timeframe for response, procedure for reservation or property tax rate.*

1. If any government entity notified pursuant to NRS 350.0135(1) and (2) fails to enact a resolution pursuant to NRS 350.0135(3) within 45 days of the postmark date, the government entity will be deemed to have adopted a resolution not opposing the proposal.

2. In the event a government entity is granted a reservation of its operating rate pursuant to the requirements of NRS 350.0135(7), the commission may limit the time period for which the operating rate may be reserved.

3. The current final approved budget tax rate or the tax rate authorized for the next succeeding fiscal year as determined by the Department of Taxation must be used as the basis for determining the amount of any proposed property tax rate increase or proposed rate reservation request.

4. The commission may adopt a procedure establishing a deadline for submission of property tax rate increase proposals or rate reservation requests. The commission must notify all entities that can levy a property tax rate within the county about the deadline.

**NOTICE OF ADOPTION OF TEMPORARY REGULATION
LCB File No. T005-05**

The Committee on Local Government Finance adopted temporary regulations pertaining to Chapter 350 of the Nevada Administrative Code, amending and adding to the regulations with regard to a process for approval or disapproval by affected local entities, of proposals to levy increases in property tax. The temporary regulations seek to clarify the procedures of debt management commissions in NRS 350.0135 by identifying deadlines for resolutions; regulating the length of time rate reservations may be held; determination of the basis for the rate reservation; and setting deadlines by which rate reservation requests can be made. The amended regulations were adopted on October 7, 2004.

Notice date: 9/7/2004
Hearing date: 10/7/2004

Date of adoption by agency: 10/7/2004
Filing date: 1/5/2005

INFORMATIONAL STATEMENT

1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

The Department of Taxation, as staff to the Committee on Local Government Finance, solicited comment from the public by sending notice of workshops and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop</u>	<u>Number Notified</u>	<u>Representing Businesses</u>
September 7, 2004	Workshop	October 7, 2004	363	215
September 7, 2004	Hearing	October 7, 2004	363	215

The mailing list included the interested parties list maintained by the Department, as well as officials of local jurisdictions.

Oral and written comments were received at the workshop. A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2180 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at lheyman@tax.state.nv.us.

2. The number of persons who:

(a) Attended and testified at each workshop:

<u>Date of Workshop</u>	<u>Attended</u>	<u>Testified</u>
October 7, 2004	9	2

(b) Attended and testified at each hearing:

<u>Date of Hearing</u>	<u>Commission/ Public Attended</u>	<u>Public Testified</u>
October 7, 2004	9	1

(c) Submitted to the agency written comments:

<u>Date of Hearing</u>	<u>Number Received</u>
October 7, 2004	0

3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected and interested businesses and persons, by notices posted at the Nevada State Library; various Department of Taxation locations throughout the state; and at the Main Public Libraries in counties where an office of the Department of Taxation is not located. Comments were also solicited by direct mail to local government officials and the interested parties list maintained by the Department. Approximately 59% of the approximately 363 direct mail notices were sent to individuals or associations representing business.

Members of the Committee on Local Government Finance, officials of the Nevada Department of Taxation, the City of Henderson, and the Nevada Taxpayers Association, commented on some or all of the proposed language changes during the workshop process and during the Adoption Hearing.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2180 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at lheyman@tax.state.nv.us.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The temporary regulation was adopted with changes reflecting the verbal and written comments submitted to, or received by, the Department of Taxation primarily from the CLGF members. The Committee on Local Government Finance adopted the temporary regulation as revised in workshop and at the adoption hearing; and believed no changes other than those made were necessary.

5. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:

- (a) Both adverse and beneficial effects; and**
- (b) Both immediate and long-term effects.**

The Committee on Local Government Finance has found that the regulation does not impose a direct and significant burden upon businesses and the public in Nevada. The temporary regulation provides a process to follow for approval or disapproval by affected local entities, of proposals to levy increases in property tax. The proposed regulations seek to clarify the procedures of debt management commissions in NRS 350.0135 by identifying deadlines for resolutions; regulating the length of time rate reservations may be held, determination of the basis for the rate reservation; and setting deadlines by which rate reservation requests can be made. The proposed regulations present no reasonably foreseeable or anticipated immediate or long-term negative economic effects to businesses or to the general public. The immediate and long-term effects of the regulation are to ensure local governments have a fair opportunity to approve or disapprove proposals to levy increases in the property tax.

6. The estimated cost to the agency for enforcement of the adopted regulation.

The Department anticipates little, if any, additional cost to administer the regulations.

7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There are no other state or government agency regulations that the proposed amendments duplicate.

8. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The Committee on Local Government Finance is not aware of any provision in this regulation which is also governed by federal regulation.

9. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The Committee on Local Government Finance is not aware of any provision in this regulation that provides for a new fee, or increases an existing fee.