

*Laws Relating to the Distribution Among
Local Governments of Revenue
From State and Local Taxes*



*Legislative Counsel
Bureau*

*Bulletin No.
97-5*

January 1997

**LAWS RELATING TO THE DISTRIBUTION AMONG
LOCAL GOVERNMENTS OF REVENUE FROM STATE
AND LOCAL TAXES**

BULLETIN NO. 97-5

**LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA**

January 1997

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SUMMARY OF RECOMMENDATIONS

LAWS RELATING TO THE DISTRIBUTION AMONG LOCAL GOVERNMENTS OF REVENUE FROM STATE AND LOCAL TAXES S.C.R. 40

1. The 1997 Session of the Nevada Legislature should consider legislation providing for a new formula for the distribution among the local governments within a county of: the Basic City/County Relief Tax; Supplemental City/County Relief Tax; Tax on Liquor; Tax on Tobacco; Real Property Transfer Tax; and Motor Vehicle Privilege Tax.
2. The 1997 Session of the Nevada Legislature should consider legislation that would provide for appropriate adjustments to the bases of the formula for revenue distribution of one or more local governments when previous functions are taken over or no longer exist.
3. The 1997 Session of the Nevada Legislature should consider legislation to allow two or more local governments within the same county to agree by cooperative agreement to alternative formulae for revenue distribution.
4. The 1997 Session of the Nevada Legislature should consider legislation to provide transitory language allowing a local government to request an adjustment to the base of the formula for revenue distribution purposes.
5. The 1997 Session of the Nevada Legislature should consider legislation providing for the number and type of services required to be provided by a new entity to qualify for inclusion in the formula for revenue distribution and to freeze the revenues of "enterprise" special districts at the base year.
6. The 1997 Session of the Nevada Legislature should consider legislation creating a legislative committee to continue the study of the distribution among local governments of revenue from state and local taxes.
7. That the Legislative Commission direct the S.C.R. 40 Advisory Committee to continue its analyses of local government revenues and to report its findings and recommendations to the Committees on Government Affairs in the Senate and Assembly during the 1997 Session.

ABSTRACT

LAWS RELATING TO THE DISTRIBUTION AMONG LOCAL GOVERNMENTS OF REVENUE FROM STATE AND LOCAL TAXES (S.C.R. 40)

The 68th Session of the Nevada Legislature adopted Senate Concurrent Resolution No. 40 (File No.162, *Statutes of Nevada 1995*, pages 3034-3036), which directed the Legislative Commission to conduct an interim study of the laws relating to the distribution among local governments of revenue from state and local taxes. The study was to include, without limitation, an examination of laws relating to the distribution of revenue and alternate distribution methods to increase distribution efficiencies.

The Legislative Commission appointed a subcommittee of eight legislators and an advisory committee consisting of the Executive Director of the Department of Taxation, and eight local government finance representatives to complete the study and submit any findings and recommendations for legislation to the 69th Session of the Nevada Legislature. The subcommittee held five public hearings in Carson City, Las Vegas and Reno and received testimony primarily regarding the distribution of revenues to local governments from sales tax, liquor tax, cigarette and tobacco products tax, real property transfer tax, fuel taxes and vehicle privilege tax and their respective distribution formulas.

The subcommittee, at a final work session in Carson City, adopted six recommendations for proposed legislation and one recommendation (approved by the Legislative Commission) to continue the advisory committee's work, examining four specific additional revenue issues.

**REPORT TO THE 69TH SESSION OF THE NEVADA LEGISLATURE
BY THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO
STUDY THE LAWS RELATING TO
THE DISTRIBUTION AMONG LOCAL GOVERNMENTS OF
REVENUE FROM STATE AND LOCAL TAXES**

I. INTRODUCTION

The following is submitted in compliance with the Senate Concurrent Resolution No. 40 (File No. 162, *Statutes of Nevada 1995, pages 3034-3036*), which directed the Legislative Commission to conduct an interim study on the laws relating to the distribution among local governments of revenue from state and local taxes. The resolution requires that the Legislative Commission report the results of the study and any recommended legislation to the 69th Session of the Nevada Legislature. SCR 40 is included as Appendix A.

The resolution directed that a subcommittee consisting of two members of the Senate standing Committee on Government Affairs, two members of the Senate standing Committee on Taxation, two members of the Assembly standing committee on Government Affairs and two members of the Assembly standing Committee on Taxation appointed by the Legislative Commission conduct the study. The resolution further directed that the subcommittee meet at least six times during the interim (Appendix C) and consult with an advisory committee consisting of the executive director of the department of taxation, two members of the local government advisory committee created pursuant to NRS 266.0165, three members involved in the government of a county, and three members involved in the government of an incorporated city. Members of the subcommittee appointed to conduct the study were:

Senator Ann O'Connell, Chairman	Senator Jon C. Porter
Senator Dean A. Rhoads	Senator Raymond C. Shaffer
Assemblywoman Joan A. Lambert	Assemblyman Bob Price
Assemblyman P.M. Roy Neighbors	Assemblywoman Jeanine Stroth-Coward.

The advisory committee members appointed to conduct the study were:

Michael Pitlock, Director, Department of Taxation	
Marvin Leavitt, Las Vegas	Mike Alastuey, Clark County School District
Guy Hobbs, Clark County	Gary Cordes, Fallon
Mary Henderson, Washoe County	Terri Thomas, Sparks
Mary Walker, Carson City	Steve M. Hanson, Henderson.

Legislative Counsel Bureau staff services for the committee were provided by: Kevin D. Welsh, Deputy Fiscal Analyst; Ted A. Zuend, Deputy Fiscal Analyst; Kim Guinasso, Deputy Legislative Counsel; and Terry Cabauatan, Management Assistant, Fiscal Analysis Division. The report represents the findings and recommendations of the subcommittee. Information which affected the recommendations directly are included in either the narrative or the appendices. All supporting documents and meeting minutes are available from the Fiscal Analysis Division of the Legislative Counsel Bureau. The Legislative Commission, at its meeting on October 2, 1996, accepted this report and ordered it and its recommendations transmitted to the members of the 1997 Legislature for consideration and appropriate action. The Legislative Commission further directed the Advisory Committee to continue its analysis of local government revenues and report its findings and recommendations to the Committees on Government Affairs in the Senate and Assembly during the 1997 Session.

II. BACKGROUND

Senate Concurrent Resolution No. 40 was passed to allow the Legislative Commission to review in the interim, laws relating to the distribution among local governments of revenue from state and local taxes. The technical nature of the subject matter and the requirement that comprehensive, heretofore, non-existent databases be compiled did not allow the standing committees of the Legislature time nor the resources to address this subject during session.

The subcommittee considered all of the subject areas identified in S.C.R. 40 as well as several brought before the subcommittee from independent sources during its deliberations. After reviewing all of the oral and written testimony submitted, the committee ultimately decided that it could and should address the following matters: (1) the distribution to local governments within any county (second tier distribution) of the Basic City/County Relief Tax (BCCRT), Supplemental City/County Relief Tax (SCCRT), tax on liquor, tax on cigarettes, real property transfer tax (RPTT) and motor vehicle privilege tax (MVPT) and various related matters providing for a new distribution formula and the application of that formula; (2) the inter and intra-county distribution of motor vehicle fuel taxes (the 1.25 cent and 2.35 cent components of that tax); and (3) the distribution of SCCRT revenue to special districts providing "enterprise" type services.

BCCRT, SCCRT, LIQUOR, CIGARETTES, RPTT and MVPT TAX REVENUE DISTRIBUTION

The six taxes identified above are collected at various regional and local levels, remitted to the state, then distributed back to local governments by various formulas driven either by population or ad valorem tax rates (Appendix D). The subcommittee concluded that none of the existing revenue distribution formulas had any rational basis for distributing new revenue to new growth areas where it was both generated and it needed to meet the demands of the new growth (Appendices E, F, G and H). Therefore, the subcommittee made five recommendations requesting legislation to provide the above identified revenues be placed in one central fund to be distributed according to a rationally based formula which includes provisions for growth and population and assessed valuation, providing for various technical provisions regarding the application of that formula, allowing for the formula to rationally respond to changes in local government structure and providing criteria for newly formed entities wishing to take part in the formula.

The Inter-Intra County Distribution of Motor Vehicle Fuel Tax and SCCRT Distribution to Special Districts

The committee realized that any finding and subsequent recommendations on the above identified subject areas would require the compilation of comprehensive databases resulting from extensive survey research (Appendices J, K, L and M). Therefore, the committee recommended that the Legislative Commission direct the subcommittee's advisory committee to continue the study in the subject areas as follows:

Motor Vehicle Fuel Tax (MVFT)

The advisory committee was to establish a consistent definition for different types of roadways, a survey to establish the comprehensive statewide inventory of the road miles for each type of road provide a per mile maintenance cost for each type of road, a factor for mitigating maintenance costs (snow removal) and establish a formula that would provide for the distribution of revenues, that would reflect a rational assessments of maintenance needs.

Special Districts

The subcommittee again realized that this subject matter would require a comprehensive data base based on extensive survey research. It further realized that the broad spectrum of special districts of Nevada could not be addressed by any one single methodology. Therefore, the advisory committee was directed to focus its effort on those special districts that were providing "enterprise" services only. The subcommittee was further directed to create a survey questionnaire, provide for a uniform and comprehensive completion of that questionnaire and create a comprehensive database from the information gleaned from it and report any findings and recommendations to the 1997 Legislature.

The subcommittee further recommended that the Legislature create a legislative committee to continue the study of the subject matter.

STATE 1 (%) PERCENT COLLECTION FEE and DISTRIBUTION SCHEDULE

The advisory committee was also directed to study the rationale of the state one percent collection fee for the collection and distribution of local government sales tax revenues. Appendix N.

III. FINDINGS and RECOMMENDATIONS

The subcommittee agreed that it had thoroughly researched and considered the subject matters that were within its time and resource constraints and provided for the continued study of the remainder of its charge. A detailed description of the committee's findings and recommendations is contained in Appendix O.

The subcommittee, therefore recommends:

1. The 1997 Session of the Nevada Legislature should consider legislation providing for a new formula for the distribution among the local governments within a county of: the Basic City/County Relief Tax; Supplemental City/County Relief Tax; Tax on Liquor; Tax on Tobacco; Real Property Transfer Tax; and Motor Vehicle Privilege Tax.
2. The 1997 Session of the Nevada Legislature should consider legislation that would provide for appropriate adjustments to the bases of the formula for revenue distribution of one or more local governments when previous functions are taken over or no longer exist.
3. The 1997 Session of the Nevada Legislature should consider legislation to allow two or more local governments within the same county to agree by cooperative agreement to an alternative formula for revenue distribution.
4. The 1997 Session of the Nevada Legislature should consider legislation to provide transitory language allowing a local government to request an adjustment to the base of the formula for revenue distribution purposes.
5. The 1997 Session of the Nevada Legislature should consider legislation providing for the number and type of services required to be provided by a new entity to qualify for inclusion in the formula for revenue distribution and to freeze the revenues of "enterprise" special districts at the base year.
6. The 1997 Session of the Nevada Legislature should consider legislation creating a legislative committee to continue the study of the distribution among local governments of revenue from state and local taxes.
7. The Legislative Commission should direct the S.C.R. 40 Advisory Committee to continue its analyses of local government revenues and to report its findings and recommendations to the Committees on Government Affairs in the Senate and Assembly during the 1997 Session.



Appendix A

Senate Concurrent Resolution No. 40—Committee on
Government Affairs

FILE NUMBER.....

SENATE RESOLUTION—Directing the Legislative Commission to conduct an interim study of the laws of this state relating to the distribution among local governments of revenue from state and local taxes.

WHEREAS, Nevada is a dynamic state with a growing population and a diverse economic base; and

WHEREAS, Regional differences in the local economies of this state directly affect the population and economic growth throughout the state; and

WHEREAS, The increase in population and the growth in the state's economy has created a tremendous strain on the local governments as those governments attempt to address the demands of this growth; and

WHEREAS, Often the creation of additional governmental entities is required to accommodate the population and economic growth and alleviate the strain on the existing local governments; and

WHEREAS, The present laws relating to the distribution of revenue generated by state and local taxes are inadequate to meet the demands created by this growth; and

WHEREAS, Because of the inadequacies of the laws relating to the distribution of that revenue, local governments often must compete against each other for the available revenue rather than cooperating with each other to meet the demands that the population and economic growth create; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the Legislative Commission is hereby directed to conduct an interim study of the laws relating to the distribution among local governments of revenue from state and local taxes; and be it further

RESOLVED, That the Legislative Commission shall appoint a subcommittee consisting of:

1. Two members of the Senate Standing Committee on Government Affairs;
 2. Two members of the Senate Standing Committee on Taxation;
 3. Two members of the Assembly Standing Committee on Government Affairs; and
 4. Two members of the Assembly Standing Committee on Taxation;
- and be it further

RESOLVED, That the study must include, without limitation, an examination of the laws relating to the distribution of revenue from:

1. The local school support tax imposed pursuant to chapter 374 of NRS;
2. The tax on aviation fuel and fuel for motor vehicles imposed pursuant to chapter 365 of NRS;
3. The tax on fuel imposed pursuant to chapter 373 of NRS;
4. The tax on intoxicating liquor imposed pursuant to chapter 369 of NRS;
5. The tax on tobacco imposed pursuant to chapter 370 of NRS;
6. The vehicle privilege tax imposed pursuant to chapter 371 of NRS;

7. The tax imposed on gaming licenses pursuant to chapter 463 of NRS; and

8. The tax on the transfer of real property imposed pursuant to chapter 375 of NRS;

and be it further

RESOLVED, That the Legislative Commission shall designate a chairman of the subcommittee from among the members of the Senate appointed to the subcommittee; and be it further

RESOLVED, That the subcommittee shall meet at least six times during the interim and consult with an advisory committee consisting of the Executive Director of the Department of Taxation and 8 members that are representative of various geographical areas of the state and are appointed by the Legislative Commission as follows:

1. Two members of the Local Governmental Advisory Committee created pursuant to NRS 266.0165;

2. Three members involved in the government of a county; and

3. Three members involved in the government of an incorporated city; and be it further

RESOLVED, That the members of the advisory committee serve without compensation, per diem allowance, travel expenses or other reimbursement; and be it further

RESOLVED, That any recommended legislation proposed by the subcommittee must be approved by a majority of the members of the Senate and a majority of the members of the Assembly appointed to the subcommittee; and be it further

RESOLVED, That the Legislative Commission shall submit a report of the findings of the subcommittee and any recommendations for legislation to the 69th session of the Nevada Legislature.



Appendix B

PERSONS TESTIFYING BEFORE S.C.R. 40 STUDY COMMITTEE

<u>NAME</u>	<u>REPRESENTING</u>
Connie Anderson	Truckee Meadows Regional Planning Governing Board
Glenn Atkinson	University of Nevada, Reno
Chuck Bosch	NDOT
Les Bradshaw	Nye County
Matthew Callister	City of Las Vegas
Daryl Capurro	Nevada Motor Transport Association
Les Dunn	Lyon County
Art Galanson	Lake Mead Air/Grand Canyon Expeditions
Alan Glover	Carson City
Stacy Hamm	Aircraft Owners and Pilots Association
Steve Houchens	City of Las Vegas
Jan Lafferty Jones	City of Las Vegas
Dean Judson, PHP	State Demographer
Duncan McCoy	Boulder City Library District
Robert McCune	Grand Canyon Tour Council
Pat Olsen	Himself
Don Osborne	Himself
Frank Partlow	Himself
Jim Pilsner	City of Reno
John Sande	Washoe County Airport Authority
Larry Siggelkow	Grand Canyon Tour Council
Marie Snells	League of Women Voters
Tom E. Stephens	NDOT
Alan Sugar	Himself
John Swenseid	Swenseid and Stern
Steve Teshara	Tahoe Township of Douglas County
Bob Tromborn	Reno/Stead Airport
Carole Vilardo	Nevada Taxpayers Association
Randall Walker	Clark County Airport Authority



Appendix C

S.C.R. 40 Meeting Dates and Locations

<u>Date</u>	<u>Location</u>
October 5 & 6, 1995	Organizational Meeting - Las Vegas (Full Subcommittee)
November 3, 1995	Full Subcommittee - Carson City
November 29, 1995	Full Subcommittee - Carson City
January 5, 1996	Full Subcommittee - Las Vegas
February 16, 1996	Elected Officials & Local Government Briefing
March 25, 1996	Full Subcommittee - Las Vegas
May 20, 1996	Full Subcommittee - Carson City (Work Session)



Appendix D

LOCAL GOVERNMENT REVENUE
DISTRIBUTION FORMULAS

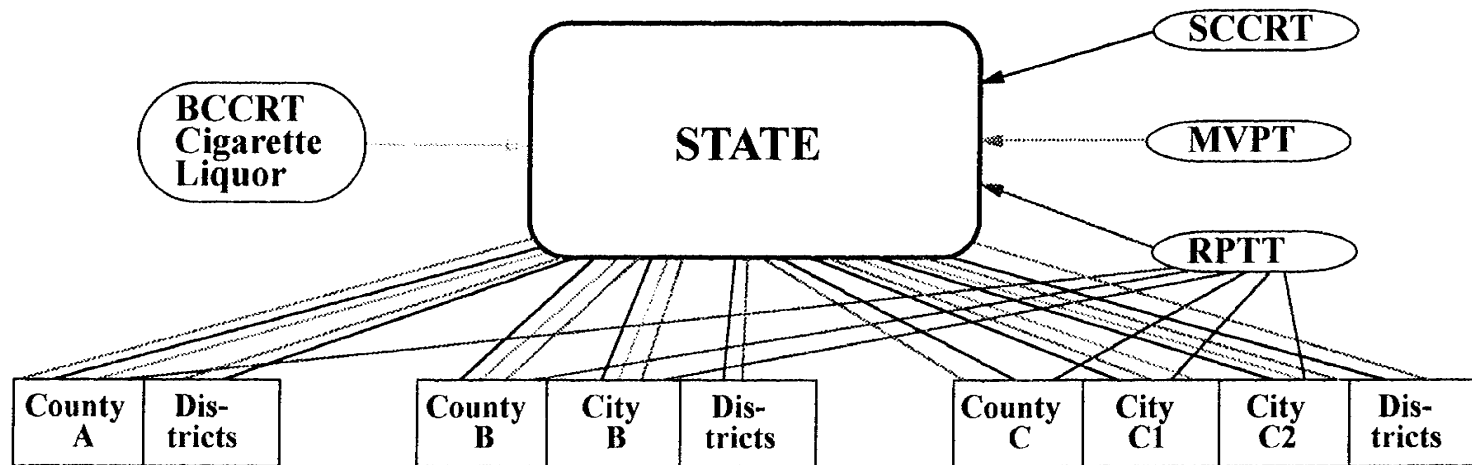
<u>TAX</u>	<u>DISTRIBUTION</u>
BCCRT CIGARETTE TAX LIQUOR TAX	If two or more cities in a country, all revenues are apportioned among cities based on population. If only one city, revenues are apportioned between city and county. If no incorporated cities, entire amount to county.
SCCRT	To local governments, excluding: school district, districts providing telephone number for emergencies, districts to furnish emergency medical services, and redevelopment or tax increment areas formed before 1981. The distribution is based on legislative formula.
MVP (Basic)	When collected by the County Assessor, 99% is distributed pro-rata to local governments and 1% to the state. In Carson City, Churchill, Nye, Elko, Lyon, White Pine, Washoe and Clark counties, where the state performs registration procedures, 94% is distributed to local governments, and 6% to the State Highway Fund. The distributive percentages are based on the local government tax rates of 1980-81 and the school district tax rate in 1978-79 plus current debt service. Distribution is monthly.
MVP (Supplemental)	For transportation related projects, distributed by the Department of Motor Vehicles monthly, to the County. For revenue make-up provisions, DMV deposits proceeds with the State Treasurer for credit to the tax distribution fund for the County in which it was collected. The State Treasurer distributes the revenue to local governments in the same proportion as the Supplemental City-County Relief Tax is distributed.
RPTT	An amount equal to 10¢ for each \$500 of value or fraction is transmitted to the State Treasurer for deposit to Low-Income Housing Trust Fund. Remainder (55¢) to: County with no cities: 100% to County general fund. One city in county: 25% to County, 75% distributed on population between city and county. More than one city in county: 25% to county, 75% distributed between cities based on population.



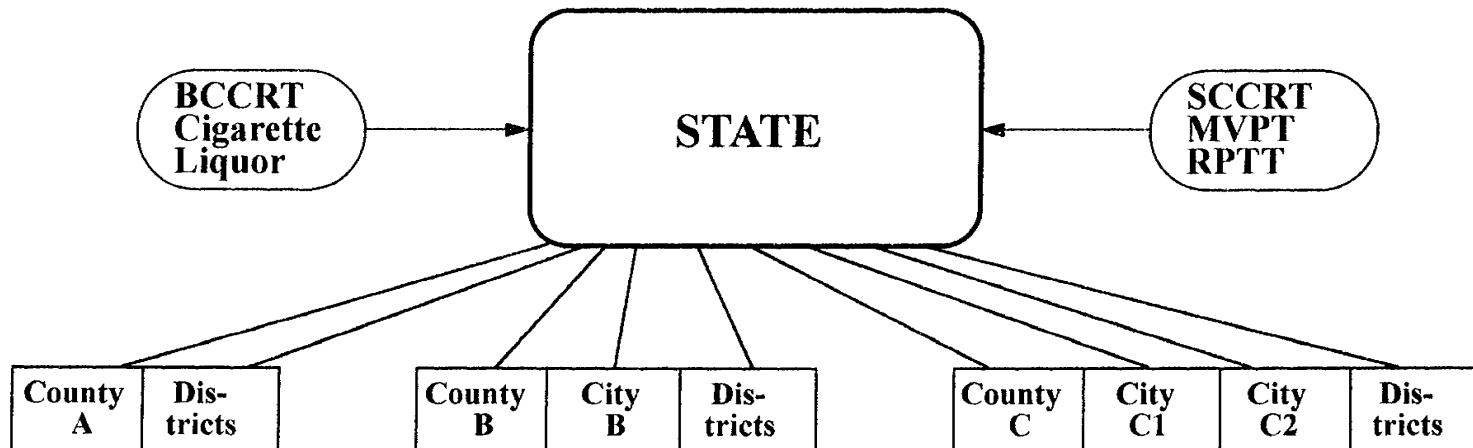
Appendix E

SCR 40 Interim Subcommittee

Existing Revenue Distribution



Proposed Revenue Distribution





Appendix F

Local Government Revenue Distribution

Revenue Allocation Percentages

	<u>Clark County</u>	<u>Cities</u>
Property tax	74%	26%
SCCRT	72%	28%
BCCRT	0%	100%
Motor Vehicle Privilege	81%	19%
Real Property Transfer	25%	75%
Cigarette/liquor	0%	100%
Gaming	80%	20%



Appendix G

**SCCRT DISTRIBUTIONS, POPULATION AND ASSESSED
VALUATION FOR SELECTED NEVADA LOCAL GOVERNMENTS**

<u>ENTITY</u>	<u>SCCRT DISTRIBUTION</u>¹	<u>POPULATION</u>²	<u>ASSESSED VALUATION</u>³
Carson City	\$ 8,233,413	44,620	\$ 663,869,647
Clark County	92,289,308	971,680	15,569,445,412
Boulder City	1,664,615	13,640	218,979,376
Henderson	11,186,512	105,610	1,548,698,499
Las Vegas	36,371,219	346,350	4,378,038,847
Mesquite	946,345	3,520	54,938,724
No Las Vegas	3,598,827	69,700	661,947,329
Elko County	4,379,329	41,050	582,968,568
Carlin	311,664	2,470	41,496,574
Elko	2,289,578	17,110	197,028,566
Wells	206,046	1,280	11,384,223
West Wendover	453,961	2,582	38,414,197
Washoe County	39,407,819	282,630	5,176,696,173
Reno	9,600,972	148,550	2,563,395,554
Sparks	4,570,078	57,190	863,634,414

¹ 1993-94

² 1994

³ 1993-94

**SCCRT DISTRIBUTIONS, POPULATION - ASSESSED VALUATION
SELECTED COUNTY-WIDE TOTALS**

COUNTY	SCCRT DISTRIBUTION	S H A R E	POPULATION	S H A R E	ASSESSED VALUE	S H A R E
Carson City	\$ 8,233,413	3.1	44,620	3.3	\$663,869,647	3.0
Clark County	196,786,268	74.3	971,680	72.5	15,569,445,412	70.8
Elko County	650,340	0.2	41,050	0.3	582,968,568	2.7
Washoe	59,124,381	22.3	282,630	21.1	5,176,696,173	23.5



Appendix H

SCR 40

ISSUES PERTAINING TO MOTOR VEHICLE PRIVILEGE TAX

1. *The tax distribution for local governments, which is predominantly based on relative changes in assessed valuation, is similar to that of the SCCRT and does not generally provide a new government with a share of the revenue. Should new governments be made eligible for a share of the MVPT?*
2. *School districts receive a significant portion of the MVPT and because some of that amount is committed to debt service, that share cannot be changed until the secured debt is repaid. How can this restriction be accommodated within any changes to the distribution formula or should school districts be held harmless under all circumstances?*
3. *The Department of Motor Vehicles and Public Safety keeps one percent of the revenue collected by assessors and six percent collected at department offices to offset administrative costs. Are these the proper amounts?*
4. *The supplemental MVPT may be imposed only upon voter approval and only for transportation-related needs. Should the voter-approved uses of revenues from supplemental MVPT (which is a form of property tax) be expanded to include governmental needs other than transportation?*
5. *NRS 482.180 provides for a distribution formula to counties of MVPT revenues collected from interstate and intrastate motor carriers. The formula was established in 1963, replacing the department of taxation's mile-unit allocation of personal property taxes on such motor vehicles, and has not been changed since. Is the distribution formula still representative of current conditions or should some changes to the apportionment formula be considered?*



Appendix I

COST/BENEFITS OF CHANGING LOCAL GOVERNMENT REVENUE DISTRIBUTION
FORMULA AS CURRENTLY BEING STUDIED BY THE S.C.R. 40 SUBCOMMITTEE.

COSTS:

Start-up costs incurred by the Department of Taxation related to the change in the distribution formula.

There will be a redistribution of revenues among the local government entities.

Under a new distribution formula, some entities realize a decrease in future potential revenue sources.

BENEFITS:

Current revenue distribution formulas are based on 15 to 40 year old data that is no longer related to demand for services.

New formula will allow revenues to respond to demand.

The new base can be compiled using actual appropriate data.

New distribution system can be more rational and simplified.

New formula would discourage competition among entities for funding.

New formula may promote the rational merging of appropriate special districts.

New formula would allow the use of user fees to replace inappropriate taxpayer subsidies for "enterprise" special districts.

New formula would promote the regional approach to demand rather than the proliferation of inefficient small local governments.

New formula would eliminate current revenue distribution problems incurred by the creation of new cities.



Appendix J

MEMORANDUM

Date: November 1, 1995

From: Dean H. Judson
State Demographer *DHS*

To: Michael Pitlock, Director
Janice Wright, Deputy Director
Department of Taxation

Subject: 1995 Preliminary Population Estimates

Enclosed in this packet you will find two items:

- 1) A copy of this year's population estimates report, including example population sheets and historical sheets (in the back). Please note the section entitled "What's New This Year"--it will give you a quick outline of what we did to improve the estimates process this year.
- 2) A disk with two files on it:

Estfiles.zip (a Pkzip-compressed set of estimates files for you to keep for backup purposes)

Popest.dbf (a DBASE IV file the contains names and addresses of all the people that have contacted our office and requested a copy of the population estimates)

It is my understanding that you will mail copies of the report to all of the legal entities and to the individuals and organizations listed in the **popest.dbf** list.

Thank you again for the opportunity to be of service in this matter.

C:\WPDOCS\ESTIM95.MEM, November 1, 1995
BBER, Dr. D.H. Judson, (702) 784-6877

- 1 -

POPULATION OF NEVADA'S COUNTIES AND INCORPORATED CITIES

PRELIMINARY, 11/1/95

	JULY 1 1995	July 1 1994	JULY 1 1993	JULY 1 1992	JULY 1 1991	JULY 1 1990	JULY 1 1989	JULY 1 1988	JULY 1 1987	JULY 1 1986	JULY 1 1985	JULY 1 1984	JULY 1 1983
Carson City	46,770	44,580	43,460	42,140	41,130	40,950	39,970	38,280	36,990	36,340	35,650	34,950	34,610
Churchill County	21,640	20,570	19,850	19,210	18,330	18,100	17,990	17,790	16,710	15,400	15,120	14,810	14,610
Fallon	7,590	7,190	7,060	6,870	6,680	6,480	6,070	5,750	5,390	5,080	4,990	4,840	4,770
Clark County	1,036,180	971,680	898,020	856,350	820,840	770,280	708,750	661,690	616,650	587,760	562,280	539,030	525,050
Boulder City	13,970	13,640	13,350	13,000	12,960	12,760	12,740	12,130	11,560	11,120	11,070	10,830	10,740
Henderson	110,710	105,610	94,760	85,770	76,560	69,390	58,760	51,590	48,660	38,690	35,930	33,320	30,910
Las Vegas	357,390	346,350	323,300	303,140	289,690	268,330	245,600	218,690	208,220	195,110	188,380	180,930	177,480
Mesquite	4,840	3,850	3,270	2,370	2,070	1,960	1,740	1,510	1,420	1,340	1,270	1,110	1,100
North Las Vegas	74,120	69,700	60,880	55,400	51,060	50,030	49,230	48,930	48,290	45,770	45,030	44,470	43,980
Douglas County	35,880	34,600	30,390	29,470	28,810	28,070	26,930	25,900	25,070	24,030	23,000	21,990	21,310
Elko County	43,050	41,260	39,340	37,420	35,950	33,770	31,830	27,010	24,300	23,320	22,350	21,420	20,450
Carlin	2,690	2,470	2,430	2,420	2,410	2,410	2,210	1,720	1,550	1,350	1,340	1,330	1,340
Elko	18,000	17,150	16,570	16,270	15,730	14,950	14,350	12,320	11,960	10,320	10,190	10,060	10,050
Wells	1,350	1,280	1,250	1,230	1,230	1,250	1,260	1,230	1,230	1,240	1,240	1,240	1,250
West Wendover	2,830	2,582	2,550	2,170	2,030	2,010	--	--	--	--	--	--	--
Esmeralda County	1,630	1,380	1,320	1,410	1,390	1,350	1,360	1,440	1,540	1,540	1,540	1,680	1,480
Eureka County	1,580	1,550	1,650	1,580	1,560	1,550	1,530	1,510	1,490	1,330	1,300	1,260	1,230
Humboldt County	16,270	15,670	14,510	14,000	13,500	13,020	12,580	12,050	11,490	11,220	11,260	11,190	10,960
Winnemucca	7,380	7,200	6,910	6,640	6,560	6,180	6,140	5,950	5,610	5,020	5,020	5,020	4,980
Lander County	6,440	6,410	6,430	6,380	6,370	6,340	6,270	5,480	4,600	4,510	4,520	4,590	4,720

Estimates from Nevada Department of Taxation and

Nevada State Demographer, Bureau of Business and Economic Research, College of Business Administration, University of Nevada, Reno.

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POPULATION OF NEVADA'S COUNTIES AND INCORPORATED CITIES

PRELIMINARY, 11/1/95

	JULY 1 1995	July 1 1994	JULY 1 1993	JULY 1 1992	JULY 1 1991	JULY 1 1990	JULY 1 1989	JULY 1 1988	JULY 1 1987	JULY 1 1986	JULY 1 1985	JULY 1 1984	JULY 1 1983
Lincoln County	4,110	4,320	4,130	4,080	3,870	3,810	3,800	3,800	3,790	3,780	3,780	3,770	3,760
Calliente	1,160	1,160	1,160	1,140	1,140	1,120	1,050	1,050	1,080	1,080	1,080	1,090	1,090
Lyon County	26,580	25,360	23,750	22,410	21,430	20,590	20,150	19,220	18,340	17,160	16,460	15,680	15,080
Yerington	2,780	2,630	2,500	2,440	2,430	2,380	2,370	2,360	2,310	2,250	2,210	2,140	2,130
Mineral County	6,700	6,410	6,510	6,560	6,460	6,470	6,460	6,400	6,270	6,200	6,180	6,180	6,200
Nye County	23,050	20,720	20,550	20,080	19,110	18,190	17,540	15,760	15,200	14,680	14,570	14,570	13,480
Gabbs	360	440	610	660	680	670	640	640	1,130	920	850	410	850
Pershing County	5,140	4,790	4,690	4,800	4,700	4,550	4,470	4,380	4,110	3,830	3,660	3,650	3,710
Lovelock	2,490	2,340	2,400	2,380	2,220	2,130	2,100	2,060	1,920	1,810	1,720	1,720	1,770
Storey County	3,200	3,100	2,850	2,820	2,720	2,560	2,480	2,140	2,130	1,960	1,850	1,780	1,730
Washoe County	294,290	282,630	271,770	265,660	262,260	257,120	251,580	244,890	238,360	232,270	224,580	218,320	210,990
Reno	152,070	148,550	143,780	140,540	138,630	134,930	130,130	125,830	122,570	118,380	114,070	111,550	108,390
Sparks	59,530	57,190	55,670	55,090	54,620	53,440	53,370	52,390	51,490	50,360	48,670	46,690	44,950
White Pine County	9,770	9,270	9,540	9,570	9,480	9,410	8,650	8,390	8,000	7,890	7,710	7,710	7,790
Ely	4,850	4,630	4,830	4,940	4,940	4,770	4,450	4,290	4,280	4,270	4,270	4,270	4,310
STATE	1,582,280	1,494,300	1,398,760	1,343,940	1,297,910	1,236,130	1,182,340	1,098,130	1,035,040	993,220	955,810	922,580	897,160

Estimates from Nevada Department of Taxation and

Nevada State Demographer, Bureau of Business and Economic Research, College of Business Administration, University of Nevada, Reno.

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POPULATION OF NEVADA'S COUNTIES AND INCORPORATED CITIES

PRELIMINARY, 11/1/95

	JULY 1 1995	Percent Change 95-94	JULY 1 1994	Percent Change 94-93	JULY 1 1993	Percent Change 93-92	JULY 1 1992	Percent Change 92-91	JULY 1 1991	Percent Change 91-90	JULY 1 1990
Carson City	46,770	4.9%	44,580	2.6%	43,460	3.1%	42,140	2.5%	41,130	0.4%	40,950
Churchill County	21,640	5.2%	20,570	3.6%	19,850	3.3%	19,210	4.8%	18,330	1.3%	18,100
Fallon	7,590	5.6%	7,190	1.8%	7,060	2.8%	6,870	2.8%	6,680	3.1%	6,480
Clark County	1,036,180	6.6%	971,680	8.2%	898,020	4.9%	856,350	4.3%	820,840	6.6%	770,280
Boulder City	13,970	2.4%	13,640	2.2%	13,350	2.7%	13,000	0.3%	12,960	1.6%	12,760
Henderson	110,710	4.8%	105,610	11.4%	94,760	10.5%	85,770	12.0%	76,560	10.3%	69,390
Las Vegas	357,390	3.2%	346,350	7.1%	323,300	6.7%	303,140	4.6%	289,690	8.0%	268,330
Mesquite	4,840	25.7%	3,850	17.7%	3,270	38.0%	2,370	14.5%	2,070	5.6%	1,960
North Las Vegas	74,120	6.3%	69,700	14.5%	60,880	9.9%	55,400	8.5%	51,060	2.1%	50,030
Douglas County	35,880	3.7%	34,600	13.9%	30,390	3.1%	29,470	2.3%	28,810	2.6%	28,070
Elko County	43,050	4.3%	41,260	4.9%	39,340	5.1%	37,420	4.1%	35,950	6.5%	33,770
Carlin	2,690	8.9%	2,470	1.6%	2,430	0.4%	2,420	0.4%	2,410	0.0%	2,410
Elko	18,000	5.0%	17,150	3.5%	16,570	1.8%	16,270	3.4%	15,730	5.2%	14,950
Wells	1,350	5.5%	1,280	2.4%	1,250	1.6%	1,230	0.0%	1,230	-1.6%	1,250
West Wendover	2,830	9.6%	2,582	1.3%	2,550	17.5%	2,170	6.9%	2,030	--	2,010
Esmeralda County	1,630	18.1%	1,380	4.5%	1,320	-6.4%	1,410	1.4%	1,390	3.0%	1,350
Eureka County	1,580	1.9%	1,550	-6.1%	1,650	4.4%	1,580	1.3%	1,560	0.6%	1,550
Humboldt County	16,270	3.8%	15,670	8.0%	14,510	3.6%	14,000	3.7%	13,500	3.7%	13,020
Winnemucca	7,380	2.5%	7,200	4.2%	6,910	4.1%	6,640	1.2%	6,560	6.1%	6,180
Lander County	6,440	0.5%	6,410	-0.3%	6,430	0.8%	6,380	0.2%	6,370	0.5%	6,340

Estimates from Nevada Department of Taxation and

Nevada State Demographer, Bureau of Business and Economic Research, College of Business Administration, University of Nevada, Reno.

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POPULATION OF NEVADA'S COUNTIES AND INCORPORATED CITIES

PRELIMINARY, 11/1/95

	JULY 1 1995	Percent Change 95-94	JULY 1 1994	Percent Change 94-93	JULY 1 1993	Percent Change 93-92	JULY 1 1992	Percent Change 92-91	JULY 1 1991	Percent Change 91-90	JULY 1 1990
Lincoln County	4,110	-4.9%	4,320	4.6%	4,130	1.2%	4,080	5.4%	3,870	1.6%	3,810
Caliente	1,160	0.0%	1,160	0.0%	1,160	1.8%	1,140	0.0%	1,140	1.8%	1,120
Lyon County	26,580	4.8%	25,360	6.8%	23,750	6.0%	22,410	4.6%	21,430	4.1%	20,590
Yerington	2,780	5.7%	2,630	5.2%	2,500	2.5%	2,440	0.4%	2,430	2.1%	2,380
Mineral County	6,700	4.5%	6,410	-1.5%	6,510	-0.8%	6,560	1.5%	6,460	-0.2%	6,470
Nye County	23,050	11.2%	20,720	0.8%	20,550	2.3%	20,080	5.1%	19,110	5.1%	18,190
Gabbs	360	-18.2%	440	-27.9%	610	-7.6%	660	-2.9%	680	1.5%	670
Pershing County	5,140	7.3%	4,790	2.1%	4,690	-2.3%	4,800	2.1%	4,700	3.3%	4,550
Lovelock	2,490	6.4%	2,340	-2.5%	2,400	0.8%	2,380	7.2%	2,220	4.2%	2,130
Storey County	3,200	3.2%	3,100	8.8%	2,850	1.1%	2,820	3.7%	2,720	6.3%	2,560
Washoe County	294,290	4.1%	282,630	4.0%	271,770	2.3%	265,660	1.3%	262,260	2.0%	257,120
Reno	152,070	2.4%	148,550	3.3%	143,780	2.3%	140,540	1.4%	138,630	2.7%	134,930
Sparks	59,530	4.1%	57,190	2.7%	55,670	1.1%	55,090	0.9%	54,620	2.2%	53,440
White Pine County	9,770	5.4%	9,270	-2.8%	9,540	-0.3%	9,570	0.9%	9,480	0.7%	9,410
Ely	4,850	4.8%	4,630	-4.1%	4,830	-2.2%	4,940	0.0%	4,940	3.6%	4,770
STATE	1,582,280	5.9%	1,494,300	6.8%	1,398,760	4.1%	1,343,940	3.5%	1,297,910	5.0%	1,236,130

Estimates from Nevada Department of Taxation and

Nevada State Demographer, Bureau of Business and Economic Research, College of Business Administration, University of Nevada, Reno.

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Appendix K

Thoughts on the Distribution of Local Gas Taxes

1.25¢ and 2.35¢ Taxes

At the Nov. 29, 1995 Legislative Commission's Subcommittee to Study Laws Relating to the Distribution among Local Governments of Revenue from State and Local Taxes (SCR40) hearing, NDOT was asked to investigate several aspects of the 1.25¢ per gallon and 2.35¢ per gallon local-gas-tax distribution. Currently, these taxes are apportioned to local governments 1/4 by surface area, 1/4 by population, 1/4 by road miles, and 1/4 by vehicle miles of travel. State-maintained road miles and vehicle miles of travel on federal aid non-primary routes are included in the apportionment even though the distribution is to local governments only. If they are improved with drainage structures and a graveled surface, unpaved roadways are also included in the apportionment for road miles.

Conclusions

The distribution of local gas taxes should be based on need. Need can be fairly expressed by those elements that contribute to pavement wear, such as miles maintained and vehicle miles traveled. Other factors to be considered are climate, the portion of paved versus unpaved roads, the higher per-capita share of heavy trucks in rural areas, and the ancillary systems needed in urban areas. The 1.75¢ per gallon tax of NRS 365.190 and the 1¢ per gallon tax of NRS 365.192 should be included in a need-based distribution.

Nevada Revised Statute 365.550 should be amended to reflect current terminology with regards to "nonfederal aid primary roads." This terminology was superseded at the federal level by the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA).

Following are other items to be considered:

1. There is no logical reason to include state-maintained road miles or vehicle miles of travel in the distribution to local governments.
2. Pavement damage is exacerbated by heavy-truck traffic and the rural areas of Nevada absorb a higher per-capita share of heavy trucks.
3. On the state-maintained system, Northern Nevada's climate reduces pavement life 10 to 20 percent. Mineral, Esmeralda, Nye, Lincoln, and Clark counties have relatively favorable climates for pavement as compared to the northern counties. Also, snow plowing and sanding add heavily to maintenance costs.
4. Unpaved roads should continue to be included in distributions made by road miles. Generally, gravel roads cost less to construct and maintain than paved roads. Consequently,

- some reduced distribution for unpaved roads is plausible.
5. There is some justification for including surface area as a distribution factor because it compensates for having scattered resources.

Removing State-Maintained Road Miles and Vehicle Miles of Travel from Distribution

Local entities are allowed to include road miles and vehicle miles of travel on nonprimary federal aid routes for tax distribution purposes. This seems no more logical than the state of Nevada including roads maintained by Arizona in calculating Nevada's share of federal highway funds.

Effect of Climate

Our department pavement engineer recently conducted a study to discern the effects of the Northern Nevada climate on pavement life. She found that the climate there reduced pavement life from 10 to 20 percent, depending on the rehabilitation strategy used.

Northern Nevada's climate also adds the expense of snow plowing and sanding. NDOT spends about 20 percent of its maintenance dollars on these activities. Snow plowing and sanding directly benefit highway users and should be paid for with highway taxes, not general funds.

Unpaved Roads

Gravel, or improved earth, road costs are not well known by our department because we have few miles of them. Local entities are better sources for this information. A 1986 study conducted in Illinois found that unpaved road maintenance costs were more a function of how much money was budgeted than actual need. A more useful 1986 study in North Dakota showed the following:

County Gravel Road Maintenance and Construction Costs

<u>Annual Maintenance Costs</u>		<u>Construction Costs</u>	
High-Volume Route	\$1812/mile	Federal-Aid Secondary Standards	\$41,666/mile
Medium-Volume Route	\$1219/mile	County Standards	\$13,333/mile
Low-Volume Route	\$898/mile		

Paved Roads

County Paved Road Maintenance and Construction Costs

<u>Annual Maintenance Costs</u>		<u>Construction Costs</u>	
All Routes	\$1928/mile	Overlay	\$54,500/mile
		Reconstruction	\$118,000/mile

The North Dakota data shows that gravel roads generally cost less to construct and maintain than paved roads. However, high-volume gravel roads can cost nearly the same to maintain as paved roads.

Surface Area Distribution Factor

A distribution by surface area may help compensate for having scattered resources. Maintaining multiple equipment facilities and traveling long distances to perform maintenance duties are costly. However, there are significant roadway costs that low-surface-area urban entities bear, including storm drains, traffic signals, curb and gutter, utility relocations, expensive right of way, and extensive traffic control.



Appendix L

STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION

M E M O R A N D U M

January 3, 1996

PSD 5.02

TO: John Whitaker, Don Pray, Bill Cadwallader
FROM: Chuck Bosch, Operations Analysis Engineer
SUBJECT: Notes/Questions from SCR 40 Committee Meeting -
November 29, 1995

The Senate Concurrent Resolution 40 Committee met beginning at 9:00 a.m. on Wednesday, November 29, 1995 at the Legislative Building in Carson City. The purpose of this committee is to study and make recommendations for improving equity in the distribution of highway-user fee revenue between the state and local governments.

The Committee Chair requested that NDOT provide specific information relating to the distribution of gas taxes as follows:

1. ROADWAYS MAINTAINED BY LOCAL GOVERNMENTS (Lane/ Miles)

	*Gravel Road and Street Mileage	*Paved Road and Street Mileage	Total
Carson City	84	301	385
Churchill	1,162	308	1,470
Clark	2,484	5,551	8,035
Boulder City	22	158	180
Henderson	62	562	624
Las Vegas	22	2,834	2,856
Mesquite	10	58	68
North Las Vegas	30	804	834
Douglas	268	342	610
Elko	2,858	524	3,382
Carlin	4	24	28
Elko	16	140	156
Wells	8	16	24
West Wendover	8	38	46

*Do not include miles maintained by the state

1. ROADWAYS MAINTAINED BY LOCAL GOVERNMENTS (Lane Miles)
 (Continued)

	*Gravel Road and Street Mileage	*Paved Road and Street Mileage	Total
Esmeralda	184	76	260
Eureka	956	30	986
Humboldt	1,518	118	1,636
Lander	1,188	48	1,236
Lincoln	974	28	1,002
Lyon	744	288	1,032
Mineral	378	70	448
Nye	1,640	132	1,772
Pershing	1,466	60	1,526
Storey	62	28	90
Washoe	1,752	2,242	3,994
White Pine	2,302	418	2,720

*Do not include miles maintained by the state

2. VEHICLE MILES TRAVELED ON LOCALLY MAINTAINED ROADS
 AND STREETS

	*Gravel Roads	*Paved Roads	Total
Carson City			92,684,751
Churchill			18,022,169
Clark			2,144,858,530
Boulder City			51,797,435
Henderson			280,817,741
Las Vegas			519,563,809
Mesquite			3,176,960
North Las Vegas			213,725,025
Douglas			52,662,589
Elko			72,812,672
Carlin			985,007
Elko			38,522,762
Wells			5,009,048
West Wendover			485,450

*Do not include traffic on state maintained roads and streets

2. VEHICLE MILES TRAVELED ON LOCALLY MAINTAINED ROADS
AND STREETS (Continued)

	*Gravel Roads	*Paved Roads	Total
Esmeralda			795,740
Eureka			2,951,540
Humboldt			7,493,021
Lander			3,162,477
Lincoln			4,812,257
Lyon			5,208,605
Mineral			1,469,800
Nye			36,423,728
Pershing			6,525,151
Storey			1,293,910
Washoe			962,397,572
White Pine			13,848,229

*Do not include traffic on state maintained roads and streets

3. A. How does NDOT obtain miles of local roads? Annual certification process and both map audit and field quad check.
B. Does NDOT audit local government mileage reported? Yes
4. How does NDOT obtain VMT data on local roads (gravel and paved)? Yes - HPMS sampling.
5. What are the minimum standards for local gravel roads to be included in gas-tax distribution formulae? These roads must include drainage, either through culverts or drainage ditches, and have an earthen or graveled surface. Jeep trails or other unimproved dirt roads are excluded.
6. Does NDOT have good ESAL data for local roads and streets? No



Appendix M

Survey of Regular Unleaded Gasoline Prices

(From Clearview Lane in Carson City to Peckham Lane in Reno)

Vendor	Price per gallon	Street Name/Location	City
Arco	\$1.16 ²	Clearview Drive	Carson City
Texaco	\$1.25 ²	Stewart Street	Carson City
Shell	\$1.27 ²	Stewart Street	Carson City
Arco	\$1.15 ²	7th Street	Carson City
Chevron	\$1.27 ²	U.S. 50/ Williams	Carson City
Arco	\$1.15 ²	U.S. 50/ Williams	Carson City
Texaco	\$1.23 ²	Caroline Street	Carson City
Exxon	\$1.23 ²	Park Street	Carson City
Shell	\$1.27 ²	Long Street	Carson City
Arco	\$1.16 ²	Bath Street	Carson City
Eagle Gas	\$1.13 ²	Hot Springs Road	Carson City
Seven Eleven	\$1.19 ²	West College Pkwy	Carson City
Arco	\$1.15 ²	Eagle Valley Road	Carson City
Bullock's Station	\$1.34 ²	U.S. 395	Old Washoe City
Texaco	\$1.29 ²	S/ S Meadows Pkwy	Reno
Seven Eleven	\$1.23 ²	S Meadows Pkwy	Reno
Chevron	\$1.29 ²	Longley Lane	Reno
Arco	\$1.19 ²	E.Huffaker/Longley	Reno
Shell	\$1.27 ²	Neil Road	Reno
Arco	\$1.19 ²	Delucchi Lane	Reno
Shell	\$1.25 ²	Peckham Lane	Reno
Union 76	\$1.26 ²	Redfield Parkway	Reno

Carson City Average \$1.21⁰

Reno Average \$1.25²

Survey Average \$1.23²

Reno vs. Carson City Comparison

(Comparison of Regular Unleaded Gas Price for Selected Vendors Only)

Vendor	Carson City*	Reno*	Difference
Seven Eleven	\$1.19 ²	\$1.23 ²	\$0.04 ²
Arco	\$1.16 ³	\$1.19 ²	\$0.03 ⁴
Texaco	\$1.24 ²	\$1.29 ²	\$0.05 ²
Chevron	\$1.27 ²	\$1.29 ²	\$0.02 ²

*Represents an average price when more than one station was surveyed.



Appendix N



CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

MEMO TO: Chairman, Legislative and Advisory Members
SCR 40 Committee

FROM: Mary Walker *MW*
Member, SCR 40 Technical Committee

DATE: May 7, 1996

RE: Fuel Tax Formula

As you are aware, the SCR 40 Legislative and Advisory Committee has been working over the past several months to model the 1.25 and 2.35 fuel tax distribution formula to fairly reflect cost to maintain roads. However, one of the problems the Committees recognized was the fact that certain information regarding number of road miles and cost of road maintenance needed to be updated and audited.

To facilitate the acquisition of reliable road information, Technical Committee members worked with the Nevada Department of Transportation and issued a local government road survey in February which requested detailed information regarding road miles and cost to maintain paved and unpaved roads. Most of the surveys have been submitted to NDOT (see attached listing). However, it is clear at this time that road maintenance personnel may have used different methodologies while filling out the surveys in determining what types of roads to be included and costs to maintain the roads. Therefore, there is a great deal of additional work which needs to be completed before any further work on a formula can proceed.

In consideration of the fact that May 20th is the last meeting of the SCR 40 Committee this year, the Technical Committee recommends the SCR 40 Committee direct the Technical Committee to continue working on this issue through this year. This will provide time to acquire applicable reliable data and provide for an audit of the data.

The SCR 40 Technical Committee has provided a proposed outline of how to accomplish the goal of acquiring reliable road maintenance information in a manner which allows for a fair representation of all local governments (see attached).

In short, the attached outline establishes a Road Maintenance Subcommittee to the Technical Committee made up of representatives from the road maintenance and fiscal technical staff of Nevada's local governments. The subcommittee would provide technical expertise on the cost of road maintenance and will present their findings to the SCR 40 Technical Committee this Fall. The subcommittee will also help alleviate some of the work load of the Technical Committee.

The SCR 40 Technical Committee will then analyze and review the data, re-review the Technical Committee's March, 1996 "white paper" recommendations, work with the League of Cities and Nevada Association of Counties and then present findings to the Nevada State Legislature through the Senate Government Affairs Committee or later through the continued SCR 40 Committee.

This process has been discussed at length at the Technical Committee with NACO and the League of Cities. It was also brought before the NACO Legislative Committee. The consensus is that this process will provide a fair approach to the review of the 1.25 and 2.35 fuel tax distribution formula.

If you have any questions, please do not hesitate to contact either myself or any of the Technical Committee members.

SCR 40 Committee

Direction of SCR 40 Committee to Technical Committee to Study Assigned Issues beginning May, 1996 for 1997 Legislature

FUEL TAX FORMULA:

Purpose: To develop a Fuel Tax Distribution Formula which fairly reflects the cost to provide road maintenance services to the taxpayers.

Proposed Organization of Fuel Tax Formula Technical Committees:

I) ROAD MAINTENANCE SUBCOMMITTEE

Members: Fiscal and Road Maintenance Technical Staff Representatives from Cities, Counties, Rural, Urban, North and South.

Purpose: Provide technical expertise on cost of road maintenance.

Specifically, the Road Maintenance Subcommittee's duties are as follows:

- 1) Provide definition of road miles - what constitutes a qualifiable road for inclusion in the tax formula.
- 2) Acquire as accurately and completely as possible the number of center line road miles from City and County surveys or other means.
- 3) Acquire as accurately and completely as possible the cost of average annual maintenance per center line mile for paved and unpaved roads.
- 4) Acquire and review data and recommend weather factor for formula use which reflects cost to provide service.
- 5) Coordinate audit of surveys.
- 6) Acquire data analysis and recommendations for other factors which accurately reflect cost to maintain road.
- 7) Present findings to Technical Committee.

II. SCR40 TECHNICAL COMMITTEE

Members: Appointed by Legislative Commission.

Purpose: To provide technical expertise to the Legislature on local government revenue tax distribution formulas.

For the Fuel Tax Distribution, the duties shall include but are not limited to:

- 1) Review and analyze findings of Road Maintenance Subcommittee.
- 2) Review Technical Committee's March, 1996 "white paper" analysis considering new information and findings of Road Maintenance Subcommittee.
- 3) Run alternative fuel tax formulas.
- 4) Present recommended "white paper" and fuel tax formula to League of Cities and Nevada Association of Counties during public hearings. Modify recommendations after public testimony as necessary.
- 5) Present findings to Nevada State Legislature through SCR 40 Committee or Senate Government Affairs Committee.

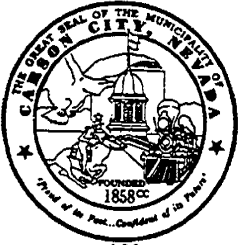
**CITY / COUNTY QUESTIONNAIRE
FOR CERTIFICATION & GAS TAX**

INFORMATION AS OF APRIL 23 , 1996

ANNUAL MAINTENANCE COST PER CENTER LINE MILE *

CITY & COUNTY	SCR 40 SURVEY RETURNED	PAVED	NON-PAVED
CARSON CITY	YES		
CHURCHILL	YES		
FALLON	YES		
CLARK	YES	\$6,601.00	\$5,508.00
BOULDER CITY	NO		
HENDERSON	NO		
LAS VEGAS	NO		
MESQUITE	YES		
NORTH LAS VEGAS	YES	\$11,864.00	\$0.00
DOUGLAS	YES		
ELKO	YES	\$2,574.00	\$2,203.00
CARLIN	YES		
ELKO	NO		
WELLS	YES	\$11,456.00	\$0.00
WENDOVER	YES	\$2,735.00	\$667.00
ESMERALDA	YES		
EUREKA	YES		
HUMBOLDT	YES	\$8,048.00	\$1,601.00
WINNEMUCCA	NO		
LANDER	YES		
LINCOLN	YES		
CALIENTE	NO		
LYON	YES	\$489.00	\$1,704.00
YERINGTON	YES	\$7,729.00	\$6,157.00
MINERAL	YES	\$6,862.00	\$1,366.00
NYE	YES		
GABBS	NO		
PERSHING	YES	\$409.00	\$351.00
LOVELOCK	YES		
STOREY	YES	\$493.00	\$2,667.00
WASHOE	YES	\$14,900.00	\$3,800.00
RENO	YES		
SPARKS	NO		
WHITE PINE	NO		
ELY	NO		

* ONLY SHOWN WHEN PROVIDED AS REQUESTED IN SURVEY



CARSON CITY, NEVADA

CONSOLIDATED MUNICIPALITY AND STATE CAPITAL

MEMO TO: Chairman, Legislative and Advisory Members
SCR 40 Committee

FROM: Mary Walkery *new*
Member, SCR 40 Technical Committee

DATE: May 7, 1996

RE: Distribution of Pooled Revenues

At the April 25, 1996 Technical Committee Meeting concerns were raised regarding how the flow of monies between the State and Local Governments would work. The concerns included timing of pooled payments to the Local Governments, timing of local government distribution of the Real Property Transfer Tax to the State to be included in the pooled revenues, and the charging of the 1% collection fee by the State when it is in excess of the cost of actual collection.

The concerns of the Committee members regarding the timely monthly distribution of the pooled revenues to local governments were raised because the distribution will be more critical since the revenues will not be disbursed at various times during the month, but at one time. Local governments may have cash flow problems if the State's distribution is not made timely. Discussions ensued whether the State could make a preliminary monthly distribution at the beginning of the month and a final distribution at the end of the month with the remainder of funds.

Therefore, on May 6th, Mr. Michael Pitlock, Ms. Theresa Glazner, Ms. Lynn Knack and myself met to look at what options may be available to provide cash flow relief to the local governments and would also take some of the pressure off the Department of Taxation in having to distribute the money quickly at the end of the month.

One option we thought may work is for the Department of Taxation to make it's monthly distribution in two checks. One check would be made to the local governments prior to the 10th of every month. The second check would be made prior to the end of the month.

The first check would be the lesser of one-half of the prior fiscal year's average monthly distribution or the lowest monthly distribution in the prior year. The second check would cover the remainder of the monies due. The Department of Taxation would also have the ability to limit the checks if collections were less than the prior year's disbursements.

It was believed this methodology would give part of the money owing to the local governments timely in order to avoid any cash flow problems while insuring there would not be any overpayments made to the local governments. This option needs further research and numbers will have to be run to determine if it will meet the needs of the State and Local Governments.

We also believe the law needs to clearly state the date when the Local Governments must submit the Real Property Transfer Tax to the State. It was believed it should follow the sales tax methodology whereby the Local Governments would have 30 days after collection to submit it to the State Department of Taxation. The State would then pool the revenues and distribute them in accordance with the established policy.

The last concern, the "infamous" 1% collection fee has been a problem for local governments since the State collects approximately \$10.5 million from Local Governments using this 1% collection fee while the entire State Department of Taxation budget is only \$8 million. Not only are Local Governments paying for the entire collection effort for both the State and Local Government portion, Local Governments are also paying money into the State's General Fund.

Again, this problem needs further analysis before a solution can be found. Particularly, Mr. Pitlock will be performing a cost allocation study to determine what it costs to provide collection services to the Local Governments.

If any or all of these three areas are to be addressed, additional information will have to be provided and legislative language will have to be drafted.

RECOMMENDATION: Direct the Technical Committee to continue working on acquiring the data to present recommendations to the Senate Government Affairs Committee during the 1997 Legislature which would address timing of the pooled payments to Local Governments, timing of the Real Property Transfer Tax to the State, and the 1% collection fee.

If you have any questions, please do not hesitate to contact either myself, Mr. Pitlock, or any of the Technical Committee Members.



Appendix O

**STATUS REPORT TO THE MEMBERS OF THE
SUBCOMMITTEE TO STUDY LAWS RELATING TO THE
DISTRIBUTION AMONG LOCAL GOVERNMENTS OF REVENUE
FROM STATE AND LOCAL TAXES**

This report is intended to summarize the significant findings thus far in the review of the distribution of revenues among local governments in the State of Nevada. Over the course of the past several months, the SCR 40 Sub-Committee has identified several issues for further study. To this point, considerable research and analysis has been conducted on the various issues and options identified by the Sub-Committee. This research has led to the number and scope of issues being refined to those discussed in this report.

BACKGROUND

Various sections of Nevada Revised Statutes, enacted over the course of several Legislative sessions, provide the framework for today's local government tax distribution system. Of all of the measures previously enacted, the 1981 "Tax Shift" has had the greatest impact upon today's overall distribution system. Although many of the statutes that deal with the distribution of Supplemental City-County Relief Tax (SCCRT) have been amended and modified since the original passage of the "Tax Shift", the formula in place today, particularly as it relates to the intra-county (second tier) distribution of revenues, is still fundamentally the same as the one passed in 1981. Specifically, today's formula relies on a combination of the annual change in assessed valuation and the operating tax rate in effect for each local government in fiscal year 1980/81. Thus, in many ways, the formula is driven by the way things were in fiscal year 1980/81 (tax rates) multiplied by the way things are today (assessed valuation). For tax revenues other than SCCRT, today's formulas are driven by various combinations of population, assessed valuations, and prior year base amounts and/or tax rates. Some entities receive distributions of SCCRT, Basic City County Relief Tax (BCCRT),

Cigarette Tax, Liquor Tax, Motor Vehicle Privilege Tax (MVPT), and Real Property Transfer Tax (RPTT). Other entities receive various combinations of these revenues, while others receive none of these revenues.

Although the various formulae that were put into place to distribute individual revenues may have served their purpose for many years, the growth in the State and the changing nature of many communities within the State have led many of these formulas and distribution systems to be less effective than they were at the time of implementation. At best, these formulas have become more burdensome to maintain and less efficient in application. Their responsiveness to changing conditions, as judged by the number of bills over the years aimed at amending pieces of the tax law, is lacking. Equity between and among entities, particularly as the State has grown and matured, has also been called into question.

The foregoing reasons are, in part, why the 1995 Legislature created the SCR 40 Sub-Committee - to study and make recommendations regarding the distribution of revenues among local governments in the State.

OBJECTIVES

At the outset of the SCR 40 Sub-Committee's deliberations, the following objectives were set forth to guide the work of the Legislative and Technical Committees in recommending modifications to the existing tax distribution system:

- ◆ that any new tax distribution system be revenue neutral for each affected entity in the initial year. This objective further assumed constant, or current, service levels for each entity.
- ◆ that revenue growth in future years be channeled to where growth is occurring.
- ◆ that any new tax distribution methodology help reduce competition among local governments.
- ◆ that any new tax distribution system encourage regional cooperation among

local governments.

- ◆ that any new tax distribution system recognize tax effort on the part of local governments participating in the distribution of revenues.
- ◆ that criteria and parameters be established for the creation of new units of local government and for the treatment of any new local governments and special districts in the distribution formulae.

It is important to note that the matter of tax neutrality, or “holding entities harmless” in the base year of any new distribution system, was a matter of extensive dialogue during the early phases of the SCR 40 deliberations. It seems to have been generally determined that, although revenue neutrality may reflect past inconsistencies in the base values, it is a strongly preferential course when compared to other alternatives. For example, if the bases were immediately adjusted to remedy any comparative inconsistencies or perceived inequities, and growth statistics were then applied to the adjusted bases, some entities would gain revenue while some would actually experience considerable real dollar losses in revenue. For those entities that would experience a real dollar loss, there would either be a need to reduce services or increase taxes. Assuming most entities would not have the capacity to reduce services to the extent of their immediate loss, there would probably be some effort made to secure “make-up” revenues to offset the loss. As a less abrupt alternative, the Subcommittee has thus far established revenue neutrality as a guiding principle. Combining this approach with a new distribution system that allocates revenues on a relative growth basis should accomplish the objectives with less drastic short-term implications for local governments.

It is important to focus upon the objectives that address reducing competition among local governments and encouraging regional cooperation. As noted, the existing system can perpetuate various levels of competition and dissention among local governments within a county. For example, the nature of the laws governing the distribution of the population based revenues (BCCRT, Cigarette Tax, and Liquor Tax) can create strong feelings between and among local governments when the incorporation of a new city is considered. Under current law, in counties where there are no incorporated cities, the county receives all of these revenues. In counties with only one incorporated city, the county and city split the revenues on the basis of relative population. In counties with two or more incorporated cities, only the cities share in the revenues (with the

county excluded from participation in the formula). In any of the above cases, the incorporation of a new city presents a significant threat to the future distribution of revenues among the previous recipients. Add to this problem the fact that three Nevada counties (Clark County, Washoe County, and Elko County) do not receive a distribution of these revenues, and the potential for inter-entity friction becomes clear. The same reactions can occur in response to new local governments being added to the current SCCRT distribution system, which consequently reduces the distributions to other recipients. Reducing, where possible, the inequities and misdirected incentives inherent within the existing system is a requisite step in improving the effectiveness of the overall distribution system.

RECOMMENDATIONS

Through the work of the Legislative and Technical Committees thus far, there would appear to be several suggested improvements to the existing system that warrant further action. Each of these recommendations conform with the objectives set forth at the outset of SCR 40 Sub-Committee deliberations and each has been tested through the modeling of new formula alternatives. A summary of the recommendations formulated to date follows:

1. That a new approach be developed that will combine revenues associated with SCCRT, BCCRT, Cigarette Tax, Liquor Tax, MVPT, and RPTT into a single distribution formula. This approach mitigates many of the problems associated with multiple distribution systems and directly addresses some of the concerns regarding regional cooperation and competition. It also establishes the recipient local governments on a more equal footing as each will now share in a common distribution pool.
2. That this new system be revenue neutral at the base year, which may be fiscal year 1995/96, when the formula is established. The base year amounts for each entity will be the amounts each would have received from the combined revenue pool under the old formula.
3. That in each succeeding year, each entity have a Consumer Price Index (CPI) factor applied to the base year (and each succeeding year) amount to allow for each entity to have, at least, the same dollar value from its distribution. This, particularly for lesser growing entities, insures that the effects of inflation have

been considered in making the distributions.

4. That a blend of population change on a year to year basis and the annual change in assessed valuation (derived from a five-year moving average) for each county, city, and unincorporated town be used to develop a "combined growth" statistic. This statistic will then be used to distribute the revenues in the combined revenue pool that remain after the base year amounts, adjusted annually by the CPI, are deducted from the aggregate revenue pool. Stated another way, the amount of revenue to be distributed in accordance with the combined growth statistics will be the amount remaining in the pool after the base distributions are made to each recipient entity. Use of these growth statistics will require that the State Demographer prepare population estimates for the unincorporated towns. Population estimates are already prepared for counties and cities. The information needed to produce the five-year moving average for assessed valuations is readily available.
5. That statutory language be developed that will allow for rational mergers and reformations of local government entities. An additional goal of this language would be the elimination of financial barriers and disincentives as they relate to merging and/or consolidating special districts into other units of government. This language is necessary to permit counties and special districts, where appropriate, to merge overlapping or complimentary entities into a more efficient unit of government. By way of example, the Clark County Fire Service District is a special district that pre-dates the 1981 "Tax Shift". Essentially, this district overlays the five existing urban unincorporated towns in Clark County and exists solely to act as a revenue conduit to the County's general fund which, in turn, pays for fire protection in the towns. Since towns are created to provide basic services, including fire protection, there should be no reason why the fire district could not be absorbed by the towns. However, under current law, if the towns were to absorb the fire district (or at least the part that overlays the towns), the County would lose allowed property tax and SCCRT revenues that currently go to the fire district. This is an example of a merger of entities that would be sensible if not for the substantial fiscal disincentives associated with such a merger. Other examples of special or general improvement districts that may benefit from a merger or reformation likely exist in other parts of the State

as well. The suggested language to accomplish this objective is attached as Exhibit A.

6. That statutory language be drafted to allow counties and entities within counties to deviate from the prescribed formula if the affected entities agree to an alternative distribution system. The Legislative and Technical Committees have previously discussed allowing entities within a county to create an intra-county distribution system that more effectively meets local needs, if the entities agree that their respective interests would be better served by a more "customized" system. Since this would not affect the inter-county, or first tier, distribution of revenues and it would be done only with the unanimous approval of the participating entities, the Technical Committee recommends that this option be considered by the Legislative Committee. Suggested language is attached as Exhibit B.
7. That statutory language be developed to establish parameters for changes to the base year amounts for any entity participating in the formula. In the event that an entity believes that its base year amount, from which future distribution of revenue will be calculated, does not accurately reflect its comparative needs, it is felt that a mechanism should be established to allow for a one-time appeal for an adjustment to the base. The Committee feels that such an appeal should be made to the Nevada Tax Commission, through the Department of Taxation and the Committee on Local Government Finance. These appeals for an adjustment to the base year amounts should only be granted under extreme circumstances, and not simply because an entity does not believe that it is receiving enough revenue. It is also suggested that language defining these parameters include a requirement that all other entities eligible to receive distributions from the revenue pool within a county be notified that an entity within the county is filing an appeal. Suggested language to establish these procedures is attached as Exhibit C.
8. That statutory language be developed that would establish criteria and procedures for the creation of a new entity that would participate in distributions from the revenue pool. The Technical Committee believes that in order for a new local government to be considered for participation in the distribution of pooled revenues, it should be established to provide two or more of the

following functions:

Police Protection
Fire Protection
Road Maintenance
Parks and Recreation

If a newly created local government provides two or more of these services, it may appeal to the Nevada Tax Commission, through the Department of Taxation and Committee on Local Government Finance, for establishment of a base amount to be used in the formula. The procedures would be similar to those for appealing the base, including the notice requirement to all other affected entities. Suggested language to address this issue is attached as Exhibit D.

9. That the special districts currently receiving a distribution of SCCRT that are "enterprise" type activities be excluded from the pooled revenue distribution formula. It is the Technical Committees opinion that these districts should more appropriately be funded through user charges and not through general tax revenue. The districts recommended for exclusion from the pooled distribution formula include those that solely provide water, sewer, television, convention authority or other like services. The revenue that would have otherwise been distributed to these enterprise activities under the old formula is recommended for distribution to the other eligible entities within a county in accordance with the proposed pooled revenue distribution formula. In all, there are 22 such enterprise oriented special districts throughout the State.

The foregoing recommendations are each in conformance with the objectives set forth by the Legislative Committee as this process began several months ago. In addition, when the proposed formula is applied to current data, the mathematical results also meet the objectives.

SPECIAL DISTRICTS

Since the initial development of the pooled revenue distribution model described in the foregoing recommendations, an issue that has presented many challenges has been that of how best to handle the various special districts throughout the State in the new formula. The problem stems from the fact that there is little, if any, consistency among the types or number of special districts in place

throughout the State. Six counties have no special districts that receive SCCRT, while six other counties have three or less special districts that receive SCCRT. On the other end of the spectrum, four counties in Nevada have a combined 42 special districts that each receive SCCRT. The types of special districts include library, fire protection, mosquito abatement, rodent control, weed control, cemetery, and other similar services. As mentioned earlier, several enterprise oriented districts (i.e., water, sewer, television, etc.) that also receive SCCRT exist throughout the State. As well, there are a large number of general improvement districts within in the State, many of which provide enterprise oriented services in conjunction with other basic services. There is a lack of uniformity in both the variety and regional concentration of these districts throughout the State. It should also be noted that of all the special districts in the State, only about 40 percent currently receive SCCRT, while the remaining 60 percent do not.

During some of the preliminary discussions regarding special districts, some questions arose regarding whether or not special purpose districts should be funded in a manner similar to the way that counties, cities, and unincorporated towns are funded. The general feeling among the members of the technical committee has been that the broader purpose governments are more appropriately funded by the types of tax revenue in the combined revenue pool than are special purpose districts. Nonetheless, there is also a recognition that the special districts that currently receive SCCRT have come to rely upon receipt of these tax revenues and that removing them from the distribution system would result in either significant revenue shortfalls on tax increases (or both). Thus, the question has been one of how to incorporate the special districts that currently receive SCCRT, other than the districts that solely provide enterprise oriented services, into the distribution formula.

Because of the complexity of this issue, which has probably been understated, the models run thus far have taken the special districts only up through application of the CPI to their revenue base in the formula. This approach limits the annual growth of revenue for the special districts from the pooled distribution to the annual percentage increase in the CPI, while counties, cities and towns receive the CPI and application of the combined growth statistic (population and assessed valuation). This has served as the “baseline” model thus far in assessing the feasibility of the proposed new formula. However, the Technical Committee clearly recognizes that this may not represent a feasible final solution.

Accordingly, the Technical Committee would like to present some alternative approaches to dealing

with the formulary distribution of pooled revenues to the special districts for consideration by the Legislative Committee. These alternatives are presented, along with a brief discussion of each, as follows:

1. Limit the special districts to annual growth in the CPI only. As previously discussed, this would essentially limit the special districts to a constant dollar amount from year to year based upon the future purchasing power of a dollar.
2. Apply the same growth statistics (population and assessed valuation) to the special purpose districts that are being applied to the counties, cities, and unincorporated towns. This would treat the special purpose districts the same as the broader purpose units of government, and would likely result in some special purpose districts having comparatively high rates of annual revenue growth. Population statistics for special districts are not currently generated by the State Demographer and, as there are probably two to three times more special districts than unincorporated towns in the State, may be significantly more arduous to prepare.
3. Apply the CPI factor to the base amount for special districts currently receiving SCCRT, and apply a growth factor which recognizes the annual percentage change in assessed valuation. Special districts providing enterprise oriented services would be excluded. This approach would increase the participation of the special districts in the distribution of pooled revenues beyond the level of just the CPI. Using the assessed valuation growth statistic for special districts would not necessarily result in the special districts receiving a lesser growth rate than cities or towns. In fact, it can result in a higher rate of revenue growth than that for other entities within a county that are growing at a lesser pace. Assessed valuation is a readily available statistic that could easily be merged into the proposed formula.

Of the above scenarios, the Technical Committee generally believes that the third scenario represents the most realistic approach, at least in the near term. There still exists some feelings that, in the longer run, special districts should be funded by revenues other than those in the revenue pool. Until the alternative revenues are identified, and a phasing mechanism is structured, it is generally believed that alternative #3, above, has the most merit. It should be noted, however, that the

Technical Committee is still researching other possible solutions to the special district issue.

OTHER COMMENTS

As the committee is aware, the proposed model was first tested using actual data from fiscal year 1992/93 through fiscal year 1995/96. This was an extremely useful exercise in that it gave the Technical Committee an opportunity to test the mathematics of the model. It also allowed for the output of the new model to be tested against the current distribution system to see which method better meets the objectives set forth by the Legislative Committee. Attached as Exhibit E is an analysis of the comparative responsiveness to growth of both the current and proposed distribution systems. This analysis clearly demonstrates that the proposed formula more accurately tracks growth than does the current formula.

While the analysis of the effect of the proposed formula upon the fiscal year 1992/93 through 1995/96 data was extremely useful in validating the math, it was far less useful in indicating the actual effect of the proposed formula upon each individual entity's revenue. Unfortunately, far too much emphasis was placed upon the "difference" columns, for each of these affected entities, in the earlier test runs. In fact, the amounts shown as the "difference" for each entity in these earlier runs is not a reliable indicator of how the formula will actually affect them in the future.

A far better assessment of individual entity impact can be gained from viewing the model when applied to fiscal year 1995/96 through fiscal year 1996/97 data. This data provides for values that more closely approximate those that may actually be used in applying the formula and better reflects current conditions. For example, the fiscal year 1992/93 through fiscal year 1995/96 runs, for Clark County, would not show the effect of the Spring Valley/Summerlin legislation upon the entities within the County. Use of the fiscal year 1995/96 through fiscal year 1996/97 data allows for the very material impact of this legislation to be included. There are similar issues in northern counties, related to the effects of AB 104 of the 1991 Legislative Session, that are mitigated by using more current data. Attached as Exhibit F is a sample run for Clark County which applies the full proposed formula for the County, cities, and towns. In this Exhibit, the special districts receive only the CPI adjustment to their base. This run also includes the effect of Senate Bill 556 ("Spring Valley/Summerlin"). Exhibit G, also attached, provides the same information, yet applies the CPI plus percent change in assessed valuation for the special districts.

Another issue that has created some difficulty in arriving at a solution that treats all entities in a uniform manner is the lack of a current consistent ratio of SCCRT revenue to property tax revenue among the various local governments in the State. Some local governments receive 100 percent of their combined revenue from property taxes and SCCRT from property tax alone, while others receive 100 percent from SCCRT. Nearly every imaginable combination of the two revenues currently exists among local governments. Again, this raises a question of equity in that some entities are required to have greater proportionate amounts of their total funding come from property tax. Some entities, on the other hand, levy no (or negligible) property tax rates due to the fact that they receive all of their funding from SCCRT. The Technical Committee generally believes that there should be a higher degree of uniformity between local governments in regards to the ratio of property tax revenue to SCCRT. This concern would be the same under a pooled revenue distribution system. The Technical Committee believes that this matter warrants additional research and analysis, and believes that a mechanism that would cause a higher degree of uniformity in this ratio should be considered. As an example, where the current ratio of property tax to SCCRT ranges from 100/0 to 0/100, it may make sense to cause this ratio, over time to move toward a less extreme range. A clear consideration in this, however, is that moving those entities that currently receive 100 percent of their funding from SCCRT to a more desirable blend would likely cause an increase in property taxes to make up the differences. Again, while it seems to make sense to move toward a more uniform balance, this matter requires further analysis.

The Technical Committee hopes that the foregoing information is of assistance to the Legislative Committee in preparing recommendations for improvements to the revenue distribution system.

EXHIBIT A

MERGER OF ENTITIES

The governing body of a local government or governing bodies of two or more local governments, may by majority vote merge overlapping or complimentary entities. The base amount for purposes of calculating the distribution of moneys, for each succeeding fiscal year thereafter, from the consolidated tax distribution account will be the combined base amounts of the fiscal year in which the merger is occurring. The newly combined base amount would then be used in the formula for calculating the distribution of moneys from the consolidated tax distribution account. The population and/or assessed valuation statistics for purposes of calculating the distribution of moneys from the consolidated tax distribution account will be based on the actual population and assessed valuation of the newly merged entity. A local government which desires to merge two or more entities into a single local government must notify the department of taxation no later than September 1 of the year preceding the fiscal year during which the distribution may begin.

EXHIBIT B

ALTERNATIVE DISTRIBUTION METHOD

2 or more

If ~~all~~ of the entities in a county who are eligible to receive a distribution of moneys from the consolidated tax distribution account enter into an cooperative agreement in accordance with the provisions of NRS chapter 277____ and such agreement provides for an alternative method for the distribution of these tax revenues within such county, the county clerk shall transmit a copy of the interlocal agreement to the Executive Director of the Department of Taxation. The Executive Director shall then make the allocation of moneys from the tax distribution account to the entities in such county in accordance with the provisions of the agreement effective with the beginning of the next fiscal year if such agreement is transmitted before December 31 next preceding the beginning of the fiscal year. The Executive Director shall apportion moneys from the consolidated tax distribution account as provided in the agreement until the cooperative agreement is amended by consent of all of the entities who are a party to the agreement after petition by at least two of the participating entities, except that any such amendments shall not be made more frequently than once in the first two years after approval of the agreement and once every five years thereafter. The entities in a county may by unanimous agreement terminate the interlocal agreement at any time. After termination of the agreement, the moneys from the consolidated tax distribution account shall be allocated in accordance with the provisions of NRS____ (regular formula)_____ with the moneys received from the consolidated tax distribution account by each local government in the final fiscal year for which the agreement is effective serving as the base from which future distributions will be computed.

EXHIBIT C

CHANGES TO THE BASE

If the governing board of a local government believes that the amount used as the base in the 1996-97 fiscal year in determining the amount of revenue to be distributed to that local government from the consolidated tax distribution account is less on a comparative basis than the base of other similar local governments, they may petition the department of taxation for a determination as to whether their base should be increased. The fact that a local government chose not to levy a property tax equal in rate to other similar local governments for the 1980-81 fiscal year is by itself not compelling as to whether a change in the base should be granted under the provisions of this act. The department with the assistance of the committee on local government finance shall analyze the revenues available to the local government in the year ended June 30, 1981 including the rate of property taxes levied for that year and the changes in that rate and the assessed valuation of the entity for the five previous years. An analysis shall also be made of any other factors by which the local government may have experienced community growth and any other changes which would not be recognized by the formula for the distribution of the supplemental city-county relief tax from the fiscal year ending June 30, 1982 to the fiscal year ending June 30, 1997. The department of taxation and the committee on local government finance shall make findings regarding the local government and its need for a change in the base amount. These findings shall be submitted to the Nevada Tax Commission who shall schedule a public hearing within 30 days after such submittal and after giving at least 10 days notice to each of the entities entitled to a distribution from the consolidated tax distribution account in the county in which the petitioning local government is located. Any information submitted to the department of taxation in support of the position of the petitioning local government shall also be supplied to each of the other local governments in a county eligible to receive moneys from the consolidated tax distribution account. The tax commission shall give consideration to the effect on other local governments in the county if the request of the governing board of the petitioning local government is granted. After giving full consideration to the petition of the local government they may increase the base of the local government or may take no action to change the base. No consideration may be given by the department or the tax commission to any petition filed with the department after December 31, 1997.

EXHIBIT D

NEW LOCAL GOVERNMENT

If a new local government is created pursuant to Nevada law, and the governing body of the newly created local government desires to have the newly created local government participate in the distribution of moneys from the consolidated tax distribution account, the governing body of the newly created local government must, by a majority vote of the governing body, cause the County Clerk to transmit to the Department of Taxation a request for inclusion in the distribution. The request forwarded by the governing body must specify the amount of distribution being requested and include documentation supporting the request. The department with the assistance of the committee on local government finance shall analyze the request and shall make findings regarding the new local government and the reasonableness of the amount of distribution requested. These finding shall be submitted to the Nevada Tax Commission who shall schedule a public hearing within 30 days after such submittal and after giving at least 10 days notice to each of the entities entitled to a distribution from the consolidated tax distribution account in the county in which the petitioning local government is located. Any information submitted to the department of taxation in support of the position of the petitioning local government shall also be supplied to each of the other local governments within the county eligible to receive moneys from the consolidated tax distribution account. Any request made by the governing body of a newly created local government for participation in the distribution of moneys from the consolidated tax distribution account must be made no later than December 1 of the year preceding the fiscal year during which the distribution may begin. The Nevada Tax Commission, in making its determination, shall consider the findings of the department of taxation and committee on local government finance. The Nevada Tax Commission shall not grant a request for the establishment of a base for distribution to a newly created local government unless the newly created government will be providing two or more of the following services:

- a) police protection*
- b) fire protection*
- c) road maintenance*
- d) parks and recreation*

The Nevada Tax Commission shall give consideration to the effect upon other local governments in the county in rendering their decision. After giving full consideration to the petition of the newly created local government, the Nevada Tax Commission may establish a base distribution for the newly created local government or may take no action to grant the request. If the Nevada Tax Commission establishes a base for the newly created local government, the amount of the base shall be used in the calculation of the amount of moneys to be distributed to the newly created local government in the ensuing fiscal year. The base shall be applied in accordance with the formula established by _____ for the distribution of revenues within a county from the consolidated tax distribution account. If the newly created local government will provide service previously provided by another unit of local government, the base of the local government that previously provided the service shall be reduced by the amount granted as the base for the newly created local government.

EXHIBIT E

COMPARATIVE RESPONSIVE TO GROWTH

CHURCHILL COUNTY ANALYSIS
REVENUE DISTRIBUTION FORMULA BASED ON GROWTH IN POPULATION AND ASSESSED VALUATION
WITHOUT EFFECT OF DISTRICTS

ENTITY	FY 92-93 CURRENT DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 93-94 PROPOSED DISTRIBUTION	FY 93-94 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Churchill Co.	1,871,336	1,921,862	0.11560	216,326	0.81294	759,680	2,681,542	2,683,614	(2,072)	43.30%	43.41%
Fallon	604,952	621,286	0.08228	49,778	0.18706	174,806	796,092	794,020	2,072	31.60%	31.25%
	2,476,288	2,543,148		266,104	1.00000	934,486	3,477,634	3,477,634	0		
				934,486				3,477,634			

ENTITY	FY 93-94 PROPOSED DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 94-95 PROPOSED DISTRIBUTION	FY 94-95 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Churchill Co.	2,681,542	2,753,944	0.07931	212,673	0.79292	183,842	2,937,786	2,945,473	(7,687)	9.56%	9.76%
Fallon	796,092	817,587	0.06977	55,543	0.20708	48,014	865,600	857,913	7,687	8.73%	8.05%
	3,477,634	3,571,530		268,216	1.00000	231,856	3,803,386	3,803,386	0		
				231,856				3,803,386			

ENTITY	FY 94-95 PROPOSED DISTRIBUTION	WITH DEC 2.5% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 95-96 PROPOSED DISTRIBUTION	FY 95-96 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Churchill Co.	2,937,786	3,011,230	0.08642	253,883	0.80071	101,531	3,112,762	3,116,625	(3,863)	5.96%	5.81%
Fallon	865,600	887,240	0.07300	63,189	0.19929	25,270	912,510	908,647	3,863	5.42%	5.91%
	3,803,386	3,898,471		317,072	1.00000	126,801	4,025,272	4,025,272	(0)		
				126,801				4,025,272			

CLARK COUNTY ANALYSIS
REVENUE DISTRIBUTION FORMULA BASED ON GROWTH IN POPULATION AND ASSESSED VALUATION
WITHOUT EFFECT OF DISTRICTS

ENTITY	FY 92-93 CURRENT DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 93-94 PROPOSED DISTRIBUTION	FY 93-94 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Clark County	90,305,076	92,743,313	0.15595	14,083,077	0.349446	10,773,565	103,516,878	105,185,407	(1,668,529)	14.63%	16.48%
Boulder City	3,263,254	3,351,362	0.10158	331,481	0.008225	253,583	3,604,945	3,814,864	(209,919)	10.47%	16.90%
Henderson	20,306,675	20,854,955	0.35423	7,193,233	0.178487	5,502,829	26,357,785	25,715,838	641,947	29.80%	26.64%
Las Vegas	76,171,456	78,228,085	0.16382	12,478,408	0.309629	9,545,992	87,774,077	86,286,907	1,487,170	15.23%	13.28%
Mesquite	916,927	941,684	0.45739	419,393	0.010406	320,836	1,262,520	1,354,215	(91,695)	37.69%	47.69%
North Las Vegas	10,826,734	11,119,056	0.23349	2,527,934	0.062726	1,933,872	13,052,927	12,943,868	109,059	20.56%	19.55%
Bunkerville	156,750	160,982	0.29811	46,729	0.001159	35,748	196,730	212,666	(15,936)	25.51%	35.67%
Whitney	219,760	225,694	0.13037	28,650	0.000710	21,917	247,611	259,878	(12,267)	12.67%	18.26%
Glendale	302	310	0.24107	73	0.000001	56	366	668	(302)	21.14%	121.19%
Indian Springs	0	0	0.16432	0	0	0	0	0	0		
Laughlin	2,488,138	2,555,318	0.17374	432,289	0.010726	330,702	2,886,019	2,748,451	137,568	15.99%	10.46%
Moapa	0	0	0.00819	0	0	0	0	0	0		
Moapa Valley	246,394	253,047	0.08674	21,372	0.000530	16,350	269,396	288,967	(19,571)	9.34%	17.28%
Mt. Charleston	0	0	-0.0861	0	0	0	0	0	0		
Paradise	20,112,098	20,655,125	0.11339	2,280,511	0.056586	1,744,593	22,399,717	22,556,685	(156,968)	11.37%	12.15%
Searchlight	137,347	141,055	0.18525	25,444	0.000631	19,464	160,520	162,996	(2,476)	16.87%	18.67%
Spring Valley	0	0	0.18298	0	0	0	0	0	0		
Sunrise Manor	2,757,155	2,831,598	0.12063	332,596	0.008252	254,436	3,086,034	3,225,134	(139,100)	11.93%	16.97%
Winchester	5,703,159	5,857,144	0.01752	99,919	0.002479	76,438	5,933,583	5,992,565	(58,982)	4.04%	5.07%
	233,611,225	239,918,728		40,301,109	1.00000	30,830,381	270,749,109	270,749,109	0		
				30,830,381				270,749,109	0		

ENTITY	FY 93-94 PROPOSED DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 94-95 PROPOSED DISTRIBUTION	FY 94-95 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Clark County	103,516,878	106,311,834	0.15990	16,552,349	0.333837	7,836,012	114,147,845	116,739,021	(2,591,176)	10.27%	10.98%
Boulder City	3,604,945	3,702,279	0.12471	449,573	0.009067	212,831	3,915,110	4,106,284	(191,174)	8.60%	7.64%
Henderson	26,357,785	27,069,445	0.31077	8,191,209	0.165205	3,877,782	30,947,227	29,200,155	1,747,072	17.41%	13.55%
Las Vegas	87,774,077	90,143,978	0.18357	16,112,687	0.324970	7,627,873	97,771,850	95,590,254	2,181,596	11.39%	10.78%
Hesquite	1,262,520	1,296,608	0.63996	807,962	0.016295	382,496	1,679,104	1,798,588	(119,484)	33.00%	32.81%
North Las Vegas	13,052,927	13,405,357	0.28252	3,687,713	0.074375	1,745,792	15,151,149	14,797,338	353,811	16.07%	14.32%
Bunkerville	196,730	202,041	0.40950	80,561	0.001624	38,138	240,180	221,151	19,029	22.09%	3.99%
Whitney	247,611	254,296	0.09754	24,152	0.000487	11,434	265,730	279,438	(13,708)	7.32%	7.53%
Glendale	366	376	0.18336	67	0.000001	32	407	733	(326)	11.38%	9.73%
Indian Springs	0	0	0.02149	0	0	0	0	0	0		
Laughlin	2,886,019	2,963,942	0.15589	449,902	0.009073	212,987	3,176,929	3,067,878	109,051	10.08%	11.62%
Moapa	0	0	0.33743	0	0	0	0	0	0		
Moapa Valley	269,396	276,670	0.20089	54,119	0.001091	25,620	302,290	313,680	(11,390)	12.21%	8.55%
Mt. Charleston	0	0	0.03296	0	0	0	0	0	0		
Paradise	22,399,717	23,004,510	0.11798	2,642,719	0.053299	1,251,084	24,255,593	25,757,125	(1,501,532)	8.29%	14.19%
Searchlight	160,520	164,854	0.06643	10,663	0.000215	5,048	169,902	174,819	(4,917)	5.84%	7.25%
Spring Valley	0	0	0.16133	0	0	0	0	0	0		
Sunrise Manor	3,086,034	3,169,357	0.10627	327,953	0.006614	155,255	3,324,612	3,236,935	87,677	7.73%	0.37%
Winchester	5,933,583	6,093,789	0.03209	190,409	0.003840	90,141	6,183,930	6,248,461	(64,531)	4.22%	4.27%
	270,749,109	278,059,335		49,582,037	1.00000	23,472,525	301,531,860	301,531,860	0		
				23,472,525					(0)		

ENTITY	FY 94-95 PROPOSED DISTRIBUTION	WITH DEC 2.5% CPI GROWTH	COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 95-96 PROPOSED DISTRIBUTION	FY 95-96 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Clark County	114,147,845	117,001,542	0.18900	21,573,943	0.367238	7,270,465	124,272,007	128,418,735	(4,146,728)	8.87%	10.00%
Boulder City	3,915,110	4,012,988	0.10234	400,672	0.006820	135,027	4,148,015	4,192,663	(44,648)	5.95%	2.10%
Henderson	30,947,227	31,720,908	0.29882	9,247,650	0.157416	3,116,478	34,837,386	32,723,828	2,113,558	12.57%	12.07%
Las Vegas	97,771,850	100,216,146	0.17934	17,534,404	0.298476	5,909,132	106,125,278	102,106,931	4,018,347	8.54%	6.82%
Mesquite	1,679,104	1,721,082	0.48276	810,604	0.013798	273,175	1,994,257	2,251,676	(257,419)	18.77%	25.19%
North Las Vegas	15,151,149	15,529,928	0.33049	5,007,303	0.085235	1,687,472	17,217,399	16,814,947	402,452	13.64%	13.63%
Bunkerville	240,180	246,184	0.22987	55,210	0.000939	18,606	264,790	232,578	32,212	10.25%	5.17%
Whitney	265,730	272,373	0.07584	20,153	0.000343	6,792	279,165	272,661	6,504	5.06%	-2.43%
Glendale	407	418	0.15602	64	0.000001	21	439	755	(316)	7.76%	3.00%
Indian Springs	0	0	0.04102	0	0	0	0	0	0		
Laughlin	3,176,929	3,256,352	0.13886	441,148	0.007509	148,668	3,405,020	3,089,561	315,459	7.18%	0.71%
Moapa	0	0	(0.15988)	0	0	0	0	0	0		
Moapa Valley	302,290	309,848	0.10635	32,149	0.000547	10,834	320,682	355,925	(35,243)	6.08%	13.47%
Mt. Charleston	0	0	0.10201	0	0	0	0	0	0		
Paradise	24,255,593	24,861,983	0.12261	2,973,978	0.050623	1,002,237	25,864,220	28,236,409	(2,372,189)	6.63%	9.63%
Searchlight	169,902	174,149	0.09884	16,793	0.000285	5,659	179,809	190,005	(10,196)	5.83%	8.69%
Spring Valley	0	0	0.21001	0	0	0	0	0	0		
Sunrise Manor	3,324,612	3,407,728	0.13546	450,352	0.007666	151,770	3,559,497	3,644,794	(85,297)	7.07%	12.60%
Winchester	6,183,930	6,338,529	0.02943	181,993	0.003097	61,332	6,399,861	6,336,357	63,504	3.49%	1.41%
	301,531,860	309,070,156		58,746,417	1.00000	19,797,669	328,867,825	328,867,825	0		
				19,797,669				328,867,825	0		

DOUGLAS COUNTY ANALYSIS
REVENUE DISTRIBUTION FORMULA BASED ON GROWTH IN POPULATION AND ASSESSED VALUATION
WITHOUT EFFECT OF DISTRICTS

ENTITY	FY 92-93 CURRENT DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 93-94 PROPOSED DISTRIBUTION	FY 93-94 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Douglas County	5,536,219	5,685,697	0.09053	501,194	0.968082	110,904	5,796,601	5,783,288	13,313	4.70%	4.46%
Gardnerville	123,407	126,739	0.08652	10,677	0.020623	2,363	129,102	135,968	(6,866)	4.61%	10.18%
Genoa	4,966	5,100	0.34818	1,729	0.003339	383	5,483	4,941	542	10.40%	-0.50%
Minden	149,151	153,178	0.02761	4,118	0.007954	911	154,089	161,078	(6,989)	3.31%	8.00%
	5,813,743	5,970,714		517,718	1.00000	114,561	6,085,275	6,085,275	0		
				114,561				6,085,275			

ENTITY	FY 93-94 PROPOSED DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 94-95 PROPOSED DISTRIBUTION	FY 94-95 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Douglas County	5,796,601	5,953,110	0.09754	565,400	0.944137	24,613	5,977,723	5,948,177	29,546	3.12%	2.85%
Gardnerville	129,102	132,587	0.07310	9,437	0.015758	411	132,998	139,439	(6,441)	3.02%	2.55%
Genoa	5,483	5,631	0.09632	528	0.000881	23	5,654	5,141	513	3.12%	4.05%
Minden	154,089	158,250	0.15243	23,488	0.039221	1,022	159,272	182,890	(23,618)	3.36%	13.54%
	6,085,275	6,249,577		598,854	1.00000	26,070	6,275,647	6,275,647	(0)		
				26,070				6,275,647			

ENTITY	FY 94-95 PROPOSED DISTRIBUTION	WITH DEC 2.5% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 95-96 PROPOSED DISTRIBUTION	FY 95-96 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Douglas County	5,977,723	6,127,166	0.20741	1,239,839	0.956699	499,652	6,626,817	6,582,823	43,994	10.86%	10.67%
Gardnerville	132,998	136,323	0.07271	9,670	0.007461	3,897	140,220	159,625	(19,405)	5.43%	14.48%
Genoa	5,654	5,795	0.08136	460	0.000354	185	5,980	6,860	(880)	5.78%	33.44%
Minden	159,272	163,254	0.28872	45,985	0.035483	18,532	181,786	205,496	(23,710)	14.14%	12.36%
	6,275,647	6,432,538		1,295,955	1.00000	522,266	6,954,804	6,954,804	0		
				522,266				6,954,804			

ELKO COUNTY ANALYSIS
REVENUE DISTRIBUTION FORMULA BASED ON GROWTH IN POPULATION AND ASSESSED VALUATION
WITHOUT EFFECT OF DISTRICTS

ENTITY	FY 92-93 CURRENT DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 93-94 PROPOSED DISTRIBUTION	FY 93-94 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Elko County	4,300,532	4,416,646	0.11323	486,949	0.391746	506,300	4,922,947	5,043,858	(120,911)	14.47%	17.28%
Carlin	598,426	614,584	0.08693	52,021	0.041850	54,088	668,672	677,136	(8,464)	11.74%	13.15%
Elko	4,338,971	4,456,123	0.13194	572,484	0.460557	595,234	5,051,357	4,961,673	89,684	16.42%	14.35%
Wells	386,124	396,549	(0.00778)	(3,004)	-0.00241	(3,123)	393,426	409,769	(16,343)	1.89%	6.12%
West Wendover	749,348	769,580	0.12158	91,106	0.073293	94,726	864,307	845,707	18,600	15.34%	12.86%
Jackpot	417,010	428,269	0.10353	43,173	0.034732	44,889	473,158	434,601	38,557	13.46%	4.22%
Montello	2,922	3,001	0.05835	170	0.000137	177	3,178	3,567	(389)	8.77%	22.07%
Mountain City	2,618	2,689	0.04708	123	0.000099	128	2,817	3,550	(733)	7.60%	35.60%
	10,795,951	11,087,442		1,243,023	1.00000	1,292,419	12,379,861	12,379,861	(0)		
				1,292,419				12,379,861			

ENTITY	FY 93-94 PROPOSED DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 94-95 PROPOSED DISTRIBUTION	FY 94-95 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Elko County	4,922,947	5,055,866	0.11530	567,616	0.402432	729,119	5,784,985	5,956,439	(171,454)	17.51%	18.09%
Carlin	668,672	686,726	0.10066	67,309	0.047720	86,460	773,186	842,460	(69,274)	15.63%	24.42%
Elko	5,051,357	5,187,744	0.09736	491,800	0.348679	631,732	5,819,475	5,585,916	233,559	15.21%	12.58%
Wells	393,426	404,048	0.02892	11,378	0.008066	14,615	418,664	478,973	(60,309)	6.41%	16.89%
West Wendover	864,307	887,643	0.25542	220,761	0.156516	283,574	1,171,217	1,065,349	105,868	35.51%	25.97%
Jackpot	473,158	485,933	0.10881	51,484	0.036501	66,133	552,066	589,062	(36,996)	16.68%	35.54%
Montello	3,178	3,264	0.03582	114	0.000080	146	3,410	3,918	(508)	7.30%	9.84%
Mountain City	2,817	2,893	0.00052	1	0.000001	2	2,895	3,781	(886)	2.77%	6.51%
	12,379,861	12,714,117		1,410,463	1.00000	1,811,781	14,525,898	14,525,898	(0)		
				1,811,781				14,525,898			

ENTITY	FY 94-95 PROPOSED DISTRIBUTION	WITH DEC 2.5% CPI GROWTH	COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 95-96 PROPOSED DISTRIBUTION	FY 95-96 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH	PERCENT GROWTH
										NEW FORMULA	OLD FORMULA
Elko County	5,784,985	5,929,610	0.08927	516,426	0.389192	284,216	6,213,825	6,457,088	(243,263)	7.41%	8.41%
Carlin	773,186	792,515	0.05788	44,752	0.033726	24,629	817,145	827,916	(10,771)	5.69%	-1.73%
Elko	5,819,475	5,964,962	0.09046	526,430	0.396731	289,721	6,254,684	5,957,745	296,939	7.48%	6.66%
Wells	418,664	429,130	0.06906	28,913	0.021789	15,912	445,042	529,012	(83,970)	6.30%	10.45%
West Wendover	1,171,217	1,200,497	0.11846	138,742	0.104560	76,357	1,276,855	1,203,758	73,097	9.02%	12.99%
Jackpot	552,066	565,868	0.12956	71,526	0.053903	39,364	605,232	636,091	(30,859)	9.63%	7.98%
Montello	3,410	3,495	0.03575	122	0.000091	67	3,563	4,332	(769)	4.47%	10.57%
Mountain City	2,895	2,967	0.00209	6	0.000004	3	2,970	3,374	(404)	2.62%	-10.76%
	14,525,898	14,889,045		1,326,916	1.00000	730,271	15,619,316	15,619,316	0		
				730,271				15,619,316			

LANDER COUNTY ANALYSIS
REVENUE DISTRIBUTION FORMULA BASED ON GROWTH IN POPULATION AND ASSESSED VALUATION
WITHOUT EFFECT OF DISTRICTS

ENTITY	FY 92-93 CURRENT DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 93-94 PROPOSED DISTRIBUTION	FY 93-94 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Lander County	1,674,743	1,719,961	0.12141	203,331	1.003036	327,137	2,047,098	2,007,392	39,706	22.23%	19.86%
Austin	6,886	7,072	0.02734	188	0.000928	303	7,375	8,971	(1,596)	7.10%	30.28%
Battle Mountain	82,009	84,223	0.01654	1,356	0.006691	2,182	86,406	118,518	(32,112)	5.36%	44.52%
Kingston	9,048	9,292	(0.23876)	(2,160)	-0.01065	(3,476)	5,817	11,814	(5,997)	-35.71%	30.57%
	1,772,686	1,820,549		202,715	1.00000	326,146	2,146,695	2,146,695	0		
				326,146				2,146,695			

ENTITY	FY 93-94 PROPOSED DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 94-95 PROPOSED DISTRIBUTION	FY 94-95 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Lander County	2,047,098	2,102,370	0.09047	185,201	0.968450	33,873	2,136,242	2,082,230	54,012	4.35%	3.73%
Austin	7,375	7,574	(0.18172)	(1,340)	-0.00700	(245)	7,329	9,986	(2,657)	-0.62%	11.31%
Battle Mountain	86,406	88,739	0.08340	7,206	0.037682	1,318	90,057	134,299	(44,242)	4.23%	13.32%
Kingston	5,817	5,974	0.02877	167	0.000875	31	6,004	13,117	(7,113)	3.23%	11.03%
	2,146,695	2,204,656		191,234	1.00000	34,976	2,239,632	2,239,632	(0)		
				34,976				2,239,632			

ENTITY	FY 94-95 PROPOSED DISTRIBUTION	WITH DEC 2.5% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 95-96 PROPOSED DISTRIBUTION	FY 95-96 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Lander County	2,136,242	2,189,648	0.02582	55,158	0.922562	66,254	2,255,902	2,204,359	51,543	5.60%	5.87%
Austin	7,329	7,512	0.00353	26	0.000432	31	7,543	9,747	(2,204)	2.92%	-2.39%
Battle Mountain	90,057	92,308	0.04995	4,498	0.075238	5,403	97,711	140,343	(42,632)	8.50%	4.50%
Kingston	6,004	6,154	0.01759	106	0.001766	127	6,281	12,989	(6,708)	4.61%	-0.98%
	2,239,632	2,295,623		59,788	1.00000	71,815	2,367,438	2,367,438	(0)		
				71,815				2,367,438			

HUMBOLDT COUNTY ANALYSIS
REVENUE DISTRIBUTION FORMULA BASED ON GROWTH IN POPULATION AND ASSESSED VALUATION
WITHOUT EFFECT OF DISTRICTS

ENTITY	FY 92-93 CURRENT DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 93-94 PROPOSED DISTRIBUTION	FY 93-94 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Humboldt Co.	3,984,329	4,091,906	0.13160	524,338	0.80396	98,002	4,189,907	4,245,936	(56,029)	5.16%	6.57%
Winnemucca	1,606,264	1,649,633	0.07960	127,859	0.19604	23,897	1,673,531	1,617,502	56,029	4.19%	0.70%
	5,590,593	5,741,539		652,196	1.00000	121,899	5,863,438	5,863,438	0		
				121,899				5,863,438			

ENTITY	FY 93-94 PROPOSED DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 94-95 PROPOSED DISTRIBUTION	FY 94-95 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Humboldt Co.	4,189,907	4,303,035	0.11757	492,607	0.69030	695,596	4,998,631	5,005,901	(7,270)	19.30%	17.90%
Winnemucca	1,673,531	1,718,716	0.13206	221,006	0.30970	312,077	2,030,793	2,023,523	7,270	21.35%	25.10%
	5,863,438	6,021,751		713,614	1.00000	1,007,673	7,029,424	7,029,424	0		
				1,007,673				7,029,424			

ENTITY	FY 94-95 PROPOSED DISTRIBUTION	WITH DEC 2.5% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 95-96 PROPOSED DISTRIBUTION	FY 95-96 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Humboldt Co.	4,998,631	5,123,597	0.13873	693,460	0.74435	206,773	5,330,370	5,385,405	(55,035)	6.64%	7.58%
Winnemucca	2,030,793	2,081,562	0.11728	238,171	0.25565	71,017	2,152,579	2,097,544	55,035	6.00%	3.66%
	7,029,424	7,205,160		931,631	1.00000	277,789	7,482,949	7,482,949	(0)		
				277,789				7,482,949			

WASHOE COUNTY ANALYSIS

REVENUE DISTRIBUTION FORMULA BASED ON GROWTH IN POPULATION AND ASSESSED VALUATION
WITHOUT EFFECT OF DISTRICTS

ENTITY	FY 92-93 CURRENT DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 93-94 PROPOSED DISTRIBUTION	FY 93-94 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Washoe County	42,029,804	43,164,609	0.06038	2,537,760	0.571378	2,313,191	45,477,799	45,503,446	(25,647)	8.20%	8.26%
Reno	24,898,831	25,571,099	0.05416	1,348,521	0.303620	1,229,189	26,800,288	26,698,470	101,818	7.64%	7.23%
Sparks	10,544,880	10,829,592	0.05265	555,188	0.125000	506,059	11,335,651	11,411,822	(76,171)	7.50%	8.22%
	77,473,515	79,565,300		4,441,468	1.00000	4,048,438	83,613,738	83,613,738	(0)		
				4,048,438				83,613,738			

ENTITY	FY 93-94 PROPOSED DISTRIBUTION	WITH DEC 2.7% CPI GROWTH	AV/POP COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 94-95 PROPOSED DISTRIBUTION	FY 94-95 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Washoe County	45,477,799	46,705,700	0.06742	3,066,113	0.594382	2,690,224	49,395,924	49,827,457	(431,533)	8.62%	9.50%
Reno	26,800,288	27,523,896	0.05791	1,552,005	0.300864	1,361,737	28,885,633	28,506,699	378,934	7.78%	6.77%
Sparks	11,335,651	11,641,713	0.04767	540,370	0.104753	474,124	12,115,837	12,063,238	52,599	6.88%	5.71%
	83,613,738	85,871,309		5,158,488	1.00000	4,526,085	90,397,394	90,397,394	0		
				4,526,085				90,397,394			

ENTITY	FY 94-95 PROPOSED DISTRIBUTION	WITH DEC 2.5% CPI GROWTH	COMBINED GROWTH RATE	COMBINED GROWTH AMOUNT	PERCENT OF TOTAL	EXCESS DISTRIBUTION	FY 95-96 PROPOSED DISTRIBUTION	FY 95-96 ACTUAL DISTRIBUTION	DIFFERENCE	PERCENT GROWTH NEW FORMULA	PERCENT GROWTH OLD FORMULA
Washoe County	49,395,924	50,630,822	0.09262	4,575,050	0.601415	2,916,345	53,547,167	53,925,367	(378,200)	8.40%	8.22%
Reno	28,885,633	29,607,774	0.07479	2,160,356	0.283990	1,377,110	30,984,883	30,794,418	190,465	7.27%	8.03%
Sparks	12,115,837	12,418,733	0.07195	871,734	0.114594	555,683	12,974,416	12,786,682	187,734	7.09%	6.00%
	90,397,394	92,657,329		7,607,141	1.00000	4,849,138	97,506,467	97,506,467	(0)		
				4,849,138				97,506,467			

EXHIBIT F

CLARK COUNTY PRO FORMA

FISCAL YEAR 1995/96 AS THE BASE

SPRING VALLEY AND SUMMERLIN INCLUDED

SPECIAL DISTRICTS RECEIVE CPI ONLY

03/22/96

EXHIBIT F	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	FY 1996/97 REVENUES							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(12)-(14)							
	95/96 CURRENT DISTRIBUTION	CPI GROWTH AMOUNT	CURRENT DISTRIBUTION PLUS CPI	JULY 96 - FY 94/95 EST POPULATION	GROWTH	5 YEAR MOVING AVERAGE ASSESSED VALUE	GROWTH	COMBINED GROWTH	COMBINED GROWTH AMOUNT	% OF TOTAL	EXCESS DISTRIBUTION 13,341,186	96/97 PROPOSED DISTRIBUTION	NEW GROWTH RATE	96/97 CURRENT DISTRIBUTION	DIFFERENCE	ESTIMATE SCCRT	ESTIMATE CIGARETTE	ESTIMATE LIQUOR	ESTIMATE MVPT	ESTIMATE RPTT	ESTIMATE BCCRT	TOTAL	% OF TOTAL
CLARK COUNTY	130,429,861	3,260,747	133,690,608	1,035,172	0.08534	17,391,840,033	0.10361	0.18885	22,036,107	0.34282	4,570,957	136,261,564	0.08005	137,464,860	798,674	118,460,774	0	0	16,657,340	2,346,767	0	137,464,860	0.35452
BOULDER CITY	4,222,786	106,570	4,329,356	13,972	0.02632	221,088,302	0.08425	0.08657	374,021	0.00542	77,563	4,405,939	0.04337	4,211,708	194,230	1,749,570	221,218	34,829	232,129	162,844	1,811,121	4,211,708	0.01088
HENDERSON	32,724,817	618,120	33,342,937	117,181	0.10906	1,736,369,267	0.17171	0.26137	8,207,664	0.14318	1,808,853	35,452,860	0.08338	35,858,970	(407,080)	15,701,911	1,813,216	285,482	1,088,497	1,242,958	14,816,904	35,858,970	0.02248
LAS VEGAS	104,981,623	2,624,791	107,616,414	370,214	0.08800	4,945,744,467	0.11323	0.18213	18,121,868	0.28731	3,898,465	111,582,899	0.08278	112,588,387	(1,006,518)	48,574,802	8,783,326	810,557	8,618,780	42,840,820	112,588,387	0.29037	
MESQUITE	2,234,517	55,963	2,290,480	4,822	0.27956	86,088,134	0.54220	0.82076	1,634,001	0.02852	380,428	2,670,907	0.19525	4,051,642	(1,380,635)	3,172,836	80,365	12,858	86,038	43,850	655,879	4,051,642	0.01045
NORTH LAS VEGAS	18,964,321	424,106	19,388,428	78,196	0.12190	806,352,687	0.18607	0.31067	5,275,332	0.08202	1,084,284	18,462,863	0.08950	18,826,377	(443,664)	5,731,908	1,221,790	192,365	984,519	786,548	9,887,248	18,826,377	0.04881
BUKHEVILL	234,431	5,861	240,292	865	0.12332	27,881,199	0.20874	0.33208	77,846	0.00121	16,147	298,439	0.08368	298,153	(283,714)	263,472	17,683	176,845	26,681	0	0	263,472	0.00075
WHITNEY	296,031	7,401	303,432	11,792	0.08088	125,868,217	0.04228	0.05094	15,061	0.00023	3,126	306,580	0.03657	288,877	17,683	0	0	0	112,032	0	0	288,877	0.00075
GLENDAL	807	20	827	78	-0.01875	1,148,686	0.19441	0.17588	142	0.00000	29	857	0.08144	845	(88)	0	0	0	845	0	0	845	0.00000
INDIAN SPRINGS	0	0	0	1,368	0.01335	8,158,862	-0.03884	-0.02358	0	0.00000	0	0	0.00000	0	0	0	0	0	0	0	0	0	0.00000
LAUGHLIN	3,066,506	76,665	3,143,281	8,084	0.03473	447,272,648	0.04835	0.08309	254,793	0.00398	52,852	3,198,113	0.04223	3,034,745	161,368	2,973,862	0	0	80,863	0	0	3,034,745	0.00783
MOAPA	0	0	0	501	0.11408	85,456,596	-0.02815	0.08591	0	0.00000	0	0	0.00000	0	0	0	0	0	0	0	0	0	0.00000
MOAPA VALLEY	339,868	8,497	348,365	5,212	0.08018	52,115,864	0.07051	0.15070	51,217	0.00000	10,824	358,989	0.05626	350,463	8,526	308,208	0	0	42,257	0	0	350,463	0.00000
MT CHARLESTON	0	0	0	1,010	0.02327	18,296,723	0.02047	0.04374	0	0.00000	0	0	0.00000	0	0	0	0	0	0	0	0	0	0.00000
PARADISE	28,460,342	712,009	29,172,351	154,863	0.02558	4,200,878,024	0.08054	0.10812	3,022,285	0.04998	626,914	29,819,264	0.04701	28,735,258	1,084,008	24,739,138	0	0	3,988,120	0	0	28,735,258	0.07411
SEARCHLIGHT	191,778	4,794	196,572	715	0.01528	26,407,913	0.05171	0.08700	12,848	0.00020	2,865	199,238	0.03860	183,228	16,010	155,446	0	0	27,780	0	0	183,228	0.00047
SPRING VALLEY	0	0	0	81,386	0.08135	1,275,187,638	0.11485	0.19820	0	0.00000	0	1,787,229	0.00000	1,787,229	0	1,787,229	0	0	0	0	0	1,787,229	0.00461
SUMMERLIN	0	0	0	0	0.00000	0	0.00000	0.00000	0	0.00000	0	136,115	0.00000	136,115	0	136,115	0	0	0	0	0	136,115	0.00038
SUNRISE MANOR	3,700,629	82,518	3,783,146	127,528	0.04480	1,162,007,141	0.08474	0.12934	478,635	0.00744	99,283	3,882,428	0.05183	3,878,251	16,177	2,785,500	0	0	1,080,691	0	0	3,878,251	0.01000
WINCHESTER	6,441,946	161,048	6,602,994	30,861	0.01177	972,147,918	0.01200	0.02317	148,273	0.00232	30,964	6,633,958	0.02981	6,111,350	522,608	5,251,361	0	0	859,989	0	0	6,111,350	0.01578
CLARK CO FIRE	19,547,504	486,668	20,034,182	427,518	0.04118	8,517,410,112	0.06187	0.12305	2,405,337	0.03740	466,940	20,535,132	0.05052	19,908,501	626,631	15,813,228	0	0	4,335,273	0	0	19,908,501	0.05185
BOULDER LIBRARY	246,271	6,232	252,503	13,058	0.01291	230,883,867	0.08743	0.08034	0	0.00000	0	255,520	0.02500	246,783	8,737	218,518	0	0	246,783	0	0	246,783	0.00064
HENDERSON LIBRARY	828,082	20,852	848,934	106,585	0.12872	1,378,728,555	0.18897	0.31589	0	0.00000	0	848,714	0.02500	841,736	(6,978)	841,736	0	0	84,730	0	0	84,730	0.00242
LVCC LIBRARY	8,028,689	200,742	8,229,431	807,171	0.04588	15,064,802,255	0.08389	0.13675	0	0.00000	0	8,230,431	0.02500	8,343,141	(112,710)	7,530,213	0	0	803,928	0	0	8,343,141	0.02152
MOAPA VLY FIRE	349,781	8,745	358,526	5,707	0.08184	144,325,837	0.08742	0.10158	0	0.00000	0	358,536	0.02500	334,788	23,748	293,826	0	0	40,940	0	0	334,788	0.00088
MT CHAS FIRE	63,782	1,584	65,366	869	0.02178	18,117,126	0.08682	0.12141	0	0.00000	0	65,366	0.02500	64,422	(944)	59,186	0	0	7,236	0	0	64,422	0.00117
KYLE CANYON WATER	6,750	219	6,969	1,053	0.08697	13,030,831	0.08442	0.13136	0	0.00000	0	6,998	0.02500	6,828	170	0	0	0	6,828	0	0	6,828	0.00002
TOTAL	363,365,162	8,084,880	371,450,042	3,404,715	0.08632	56,953,008,800	0.09013	4.27713	64,316,471	1.00000	13,341,186	367,747,582		367,747,582	0	256,907,842	8,119,833	1,435,889	37,318,968	8,835,585	74,531,355	367,747,582	1.00000
TOTAL % GROWTH															0.08701	0.06462	0.03000	0.08976	0.09000	0.10000	0.08542	0.08701	
TOTAL COUNTY											5,912,504	205,388,885		202,172,003	3,214,882								

SEPT 95 CPI - 2.5%	JULY 94 - FY 93/94 ACTUAL POPULATION	5 YEAR MOVING AVERAGE ASSESSED VALUE	95/96 CURRENT DISTRIBUTION	ESTIMATE SCCRT	ESTIMATE CIGARETTE	ESTIMATE LIQUOR	ESTIMATE MVPT	ESTIMATE RPTT	ESTIMATE BCCRT	TOTAL	% OF TOTAL
CLARK COUNTY	971,680	15,750,082,349	130,429,861	113,048,053	0	0	15,248,383	2,133,425	0	130,429,861	0.35892
BOULDER CITY	13,940	207,741,112	1,616,438	1,616,438	224,008	34,311	230,201	148,040	1,798,792	4,222,786	0.01182
HENDERSON	105,810	1,463,843,534	32,724,817	14,103,634	1,734,402	285,956	1,786,240	1,129,862	13,702,823	32,724,817	0.08005
LAS VEGAS	346,350	4,442,707,422	104,981,623	44,288,085	8,688,006	871,222	5,352,231	3,855,110	44,938,989	104,981,623	0.28802
MESQUITE	3,850	55,820,290	2,234,517	1,553,861	63,227	9,664	66,322	39,964	498,538	2,234,517	0.00815
NORTH LAS VEGAS	60,700	878,137,151	18,964,321	4,981,876	1,144,993	175,328	683,112	725,951	8,043,563	18,964,321	0.04868
BUNKERVILLE	770	22,900,880	234,431	208,784	0	0	25,647	0	0	234,431	0.00085
WHITNEY	11,691	120,560,989	296,031	181,067	0	0	114,974	0	0	296,031	0.00081
GLENDALE	77	882,558	807	0	0	0	807	0	0	807	0.00000
INDIAN SPRINGS	1,350	8,365,121	0	0	0	0	0	0	0	0	0.00000
LAUGHLIN	7,813	428,642,752	3,066,506	3,005,072	0	0	61,524	0	0	3,066,506	0.00844
MOAPA	450	87,831,695	0	0	0	0	0	0	0	0	0.00000
MOAPA VALLEY	4,825	48,882,904	339,868	300,523	0	0	39,345	0	0	339,868	0.00094
MT CHARLESTON	987	15,972,784	0	0	0	0	0	0	0	0	0.00000
PARADISE	151,088	3,867,749,179	28,460,342	24,750,522	3,729,820	0	0	0	0	28,460,342	0.07837
SEARCHLIGHT	704	25,106,497	191,778	185,846	0	0	25,933	0	0	191,778	0.00053
SPRING VALLEY	75,283	1,143,800,378	0	0	0	0	0	0	0	0	0.00000
SUMMERLIN	0	0	0	0	0	0	0	0	0	0	0.00000
SUNRISE MANOR	122,083	1,071,235,821	3,700,629	2,748,198	0	0	951,443	0	0	3,700,629	0.01018
WINCHESTER	30,352	980,620,698	6,441,846	5,583,109	858,837	0	0	0	0	6,441,846	0.01773
CLARK CO FIRE	410,415	7,872,861,420	19,547,504	18,587,338	3,965,186	0	0	0	0	19,547,504	0.05379
BOULDER LIBRARY	12,890	218,297,964	246,271	221,182	0	0	25,070	0	0	246,271	0.00088
HENDERSON LIBRARY	87,280	1,157,817,152	828,082	741,275	84,787	0	0	0	0	828,082	0.00227
LVCC LIBRARY	771,777	13,771,830,229	8,028,689	7,292,958	738,731	0	0	0	0	8,028,689	0.02210
MOAPA VLY FIRE	5,275	142,814,235	349,781	308,492	349,791	0	0	41,299	0	349,791	0.00096
MT CHAS FIRE	948	16,475,846	63,782	58,825	0	0	7,137	0	0	63,782	0.00018
KYLE CANYON WATER	987	12,242,204	6,750	0	0	0	0	0	0	6,750	0.00002
TOTAL	3,217,848	53,636,928,079	363,365,182	240,961,723	8,854,304	1,356,199	54,235,788	8,032,362	89,954,836	363,365,182	1.00000

EXHIBIT G

CLARK COUNTY PRO FORMA

FISCAL YEAR 1995/96 AS THE BASE

SPRING VALLEY AND SUMMERLIN INCLUDED

SPECIAL DISTRICTS GROWING BY CPI AND ASSESSED VALUATION

03/22/96

EXHIBIT G	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	FY 1996/97 REVENUES							
		CPI x (1)	(1) x (2)	(4)	(5)	(6)	(7)	(8) x (7)	(9)	(11) x (8)	excess x (10)	(3) x (11)	(13)	(14)	(15)	(12)-(14)							
CPI 2.5%	95/96 CURRENT DISTRIBUTION	CPI GROWTH AMOUNT	CURRENT DISTRIBUTION PLUS CPI	JULY 95 - FY 94/95 EST POPULATION	5 YEAR MOVING AVERAGE ASSESSED VALUE	GROWTH	COMBINED GROWTH	COMBINED GROWTH AMOUNT	% OF TOTAL	EXCESS DISTRIBUTION 13,341,186	95/97 PROPOSED DISTRIBUTION	NEW GROWTH RATE	95/97 CURRENT DISTRIBUTION	DIFFERENCE	ESTIMATE SCCRT	ESTIMATE CIGARETTE	ESTIMATE LIQUOR	ESTIMATE MVPT	ESTIMATE RPTT	ESTIMATE BCCRT	TOTAL	% OF TOTAL	
CLARK COUNTY	130,429,861	3,260,747	133,690,608	1,635,172	0.06534	17,391,840,033	0.10361	0.16895	22,036,107	0.33770	4,505,293	138,195,900	0.05954	137,464,800	731,010	118,460,774	0	0	16,857,349	2,346,767	0	137,464,800	0.35452
BOULDER CITY	4,222,786	105,570	4,328,356	13,872	0.02432	221,088,302	0.06425	0.08857	374,021	0.00573	76,469	4,404,824	0.04311	4,211,709	183,115	1,749,570	221,218	34,829	232,129	182,844	1,611,121	4,211,709	0.01098
HENDERSON	32,724,817	818,120	33,542,937	117,181	0.10088	1,736,390,287	0.17171	0.28137	9,207,584	0.14111	1,882,515	35,425,453	0.08253	35,850,970	(434,517)	15,701,813	1,813,216	285,482	1,899,487	1,242,958	14,816,904	35,850,970	0.02248
LAS VEGAS	104,991,823	2,824,791	107,816,614	370,214	0.08880	4,945,744,487	0.11323	0.18213	19,121,868	0.29304	3,908,475	111,525,689	0.06224	112,598,367	(1,063,486)	48,574,902	5,783,326	910,557	5,819,780	4,240,620	47,260,202	112,598,367	0.29037
MESQUITE	2,234,517	55,963	2,290,380	4,922	0.27858	86,006,134	0.54220	0.92078	1,834,001	0.02811	374,962	2,665,342	0.19290	4,951,642	(1,386,300)	3,172,838	80,395	12,956	96,036	43,850	855,879	4,051,642	0.01045
NORTH LAS VEGAS	18,964,321	424,106	19,388,429	78,188	0.12180	808,352,687	0.18507	0.31097	1,078,544	0.06094	1,078,544	18,466,973	0.04658	18,926,377	(459,404)	5,731,808	1,221,790	192,365	994,519	798,546	9,987,249	18,926,377	0.04681
BUNKERVILLE	234,431	5,961	240,392	865	0.12332	27,681,189	0.20874	0.33206	77,745	0.01119	15,915	258,207	0.02989	280,153	(33,946)	263,472			26,881		290,153	0.00075	
WHITNEY	298,031	7,401	305,432	11,792	0.00999	128,856,217	0.04228	0.05094	15,061	0.00023	3,063	306,515	0.03542	268,677	17,838	176,845			112,832		268,677	0.00075	
GLENDAL	807	20	827	78	0.01875	1,148,886	0.18441	0.17568	142	0.00020	29	858	0.00091	845	(89)	0			945		845	0.00000	
INDIAN SPRINGS	0	0	0	1,388	0.01335	8,158,862	0.03994	0.02359	0	0.00000	0	0	0.00000	0	0	0			0		0	0.00000	
LAUGHLIN	3,066,598	75,665	3,142,261	8,084	0.03473	447,272,849	0.04835	0.08308	254,793	0.00390	52,083	3,195,353	0.04199	3,034,745	160,608	2,873,862			60,863		3,034,745	0.00783	
MOAPA	0	0	0	501	0.11408	85,456,586	0.02815	0.05891	0	0.00000	0	0	0.00000	0	0	0			0		0	0.00000	
MOAPA VALLEY	338,868	8,497	347,365	5,212	0.08018	82,115,864	0.07051	0.15070	51,217	0.00078	10,471	358,836	0.05581	350,463	8,373	308,266			42,257		350,463	0.00090	
MT CHARLESTON	0	0	0	1,010	0.02237	18,298,723	0.02047	0.04374	0	0.00000	0	0	0.00000	0	0	0			0		0	0.00000	
PARADISE	28,480,342	712,028	29,192,371	154,953	0.02558	4,200,878,024	0.08054	0.10812	3,022,285	0.04832	817,908	29,810,258	0.04670	28,735,256	1,075,002	24,739,136			3,986,120		28,735,256	0.07411	
SEARCHLIGHT	191,778	4,794	196,572	715	0.01529	28,407,913	0.05171	0.08700	12,849	0.00020	2,827	199,190	0.03870	183,228	15,971	155,448			27,790		183,228	0.00547	
SPRING VALLEY	0	0	0	81,388	0.08135	1,275,187,638	0.11465	0.19620	0	0.00000	0	1,787,229	0.00000	1,787,229	0	1,787,229			0		1,787,229	0.00461	
SUMMERLIN	0	0	0	0	0.00000	0	0.00000	0.00000	0	0.00000	0	139,115	0.00000	139,115	0	139,115			0		139,115	0.00036	
SUNRISE MANOR	3,700,629	92,518	3,793,146	127,528	0.04480	1,182,007,141	0.08474	0.12834	478,536	0.00733	97,857	3,891,002	0.05144	3,878,251	14,751	2,795,580			1,080,661		3,878,251	0.01000	
WANCHESTER	8,441,946	181,049	8,623,995	30,961	0.01117	872,147,916	0.01200	0.02317	148,273	0.00229	30,519	8,833,514	0.02974	8,611,350	222,164	5,251,361			856,989		8,611,350	0.01578	
CLARK CO FIRE	19,547,504	488,658	20,036,162	427,318	0.04118	8,517,410,012	0.08187	0.12305	2,405,337	0.03688	481,772	20,527,984	0.05018	19,909,501	618,483	15,573,226			4,336,273		19,909,501	0.05135	
BOULDER LIBRARY	248,271	6,232	254,503	13,056	0.00000	230,883,867	0.08743	0.08743	18,808	0.00028	3,437	258,938	0.03879	248,783	12,156	216,818			28,267		246,783	0.00064	
HENDERSON LIBRARY	828,082	20,852	848,934	188,585	0.00000	1,378,726,565	0.18697	0.18697	158,088	0.00238	31,915	878,828	0.03363	836,468	(42,360)	841,738			94,730		836,468	0.00242	
LVCC LIBRARY	8,029,686	200,142	8,230,431	807,171	0.00000	15,084,802,255	0.06389	0.06389	753,880	0.01155	154,131	8,384,562	0.04420	8,343,141	41,421	7,539,213			803,928		8,343,141	0.02152	
MOAPA VLY FIRE	348,791	8,745	357,536	5,707	0.00000	144,325,827	0.01058	0.01058	3,702	0.00008	757	358,283	0.02716	334,788	24,527	293,828			40,940		334,788	0.00068	
MT CHAS FIRE	63,782	1,584	65,366	889	0.00000	18,117,128	0.08682	0.08682	8,352	0.00010	1,299	65,855	0.04537	66,422	233	58,188			7,236		66,422	0.00017	
KYLE CANYON WATER	8,750	219	8,969	1,053	0.00000	13,030,631	0.06442	0.06442	564	0.00001	115	9,084	0.03817	8,928	150	0			8,928		8,928	0.00002	
TOTAL	363,365,182	8,084,880	372,450,062	3,408,715	0.05832	58,063,008,800	0.09913	0.16895	3,921,04	0.00000	13,341,186	387,747,582	387,747,582	387,747,582	0	258,507,842	9,118,833	1,435,888	37,316,968	8,835,585	74,531,355	387,747,582	1.00000
TOTAL % GROWTH																							
TOTAL COUNTY											5,827,567	205,301,949		202,172,003	3,129,946								

SEPT 95 CPI - 2.5%	JULY 94 - FY 93/94 ACTUAL POPULATION	5 YEAR MOVING AVERAGE ASSESSED VALUE	95/96 CURRENT DISTRIBUTION	ESTIMATE SCCRT	ESTIMATE CIGARETTE	ESTIMATE LIQUOR	ESTIMATE MVPT	ESTIMATE RPTT	ESTIMATE BCCRT	TOTAL	% OF TOTAL
CLARK COUNTY	971,680	15,750,082,349	130,429,861	113,048,053	0	0	15,248,383	2,133,425	0	130,429,861	0.35882
BOULDER CITY	13,840	207,741,112	4,222,786	1,816,438	224,008	34,311	230,201	148,040	1,788,792	4,222,786	0.01182
HENDERSON	105,610	1,483,843,534	32,724,817	14,103,834	1,734,402	285,858	1,748,240	1,128,982	13,702,923	32,724,817	0.08005
LAS VEGAS	346,350	4,442,707,422	104,991,823	44,288,085	5,848,008	871,222	5,365,231	3,855,110	44,838,989	104,991,823	0.28802
MESQUITE	3,850	55,820,288	2,234,517	1,553,981	83,227	9,684	86,322	39,864	499,539	2,234,517	0.00615
NORTH LAS VEGAS	69,700	678,137,151	18,964,321	4,981,878	1,144,063	175,328	883,112	725,951	9,043,593	18,964,321	0.04688
BUNKERVILLE	770	22,800,880	234,431	208,784			25,847		234,431	234,431	0.00061
WHITNEY	11,691	120,580,988	298,031	181,057			114,974		298,031	298,031	0.00081
GLENDAL	77	962,558	807	0			807		807	807	0.00000
INDIAN SPRINGS	77	8,305,121	0	0			0		0	0	0.00000
LAUGHLIN	7,813	426,842,782	3,066,598	3,005,072			61,524		3,066,598	3,066,598	0.00844
MOAPA	450	87,831,895	0	0			39,345		39,345	39,345	0.00094
MOAPA VALLEY	4,825	48,892,984	338,868	300,523			0		300,523	338,868	0.00090
MT CHARLESTON	987	15,972,784	0	0			0		0	0	0.00000
PARADISE	151,086	3,887,749,178	28,480,342	24,750,522			3,729,820		28,480,342	28,480,342	0.07837
SEARCHLIGHT	704	25,108,497	191,778	185,845			25,933		191,778	191,778	0.00053
SPRING VALLEY	75,263	1,143,800,378	0	0			0		0	0	0.00000
SUMMERLIN	0	0	0	0			0		0	0	0.00000
SUNRISE MANOR	122,063	1,071,235,621	3,700,629	2,746,186			951,443		3,700,629	3,700,629	0.01018
WANCHESTER	30,352	860,820,988	8,441,946	5,583,109			856,837		8,441,946	8,441,946	0.01773
CLARK CO FIRE	410,415	7,872,851,420	19,547,504	15,587,338			3,960,166		19,547,504	19,547,504	0.05179
BOULDER LIBRARY	12,860	218,297,964	248,271	248,271			28,078		248,271	248,271	0.00068
HENDERSON LIBRARY	97,260	1,157,811,152	828,082	741,275			84,787		828,082	828,082	0.00227
LVCC LIBRARY	771,777	13,771,830,229	8,029,686	7,292,958			736,731		8,029,686	8,029,686	0.02210
MOAPA VLY FIRE	5,275	142,814,235	348,791	308,482			41,299		348,791	348,791	0.00096
MT CHAS FIRE	948	18,475,848	63,782	7,137			56,675		63,782	63,782	0.00018
KYLE CANYON WATER	987	12,242,204	8,750	0			8,750		8,750	8,750	0.00002
TOTAL	3,217,846	53,635,828,079	363,365,182	240,861,723	8,854,304	1,358,199	34,235,758	8,032,352	69,954,836	363,365,182	1.00000

Appendix P1
BDR 32-187

SUMMARY—Makes various changes to formulas for distribution of certain taxes.

(BDR 32-187)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to taxation; revising the formulas for the distribution of the proceeds of certain taxes; prohibiting certain governmental entities from pledging certain revenues to secure the payment of bonds or other obligations; revising the rate certain governmental entities must not exceed if levying an additional tax ad valorem under certain circumstances; requiring the executive director to allocate to certain governmental entities an amount equal to the average amount received from certain taxes for 1 fiscal year under certain circumstances; and providing other matters properly relating thereto.

WHEREAS, The legislature finds and declares that a general law cannot be made applicable for all provisions of this act because of the economic diversity of the local governments of this state, the unusual growth patterns in certain of those local governments and the special conditions experienced in certain counties related to the need to provide basic services; now, therefore,

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 360 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 15, inclusive, of this act.

Sec. 2. *As used in sections 2 to 15, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 7, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“County” includes Carson City.*

Sec. 4. *“Enterprise district” means any of the following governmental entities:*

- 1. Carson Water Subconservancy District;*
- 2. Douglas County Sewer Improvement District No. 1;*
- 3. Elk Point Sanitation District;*
- 4. Elko Convention and Visitors Authority;*
- 5. Elko Television District;*
- 6. Eureka County TV District;*
- 7. Kyle Canyon Water District;*
- 8. Lander County Sewer and Water District No. 2;*
- 9. Minden Gardnerville Sanitation District;*
- 10. Stagecoach General Improvement District;*



11. *Sun Valley Water and Sanitation District;*
12. *Tahoe-Douglas District (sewer);*
13. *Verdi Television Maintenance District; and*
14. *Willowcreek General Improvement District.*

Sec. 5. *“Fund” means the local government tax distribution fund created pursuant to section 8 of this act.*

Sec. 6. *“Local government” means any county, city or town that receives any portion of the proceeds of a tax which is included in the fund.*

Sec. 7. *“Special district” means a governmental entity that receives any portion of the proceeds of a tax which is included in the fund and which is not:*

1. *A county;*
2. *A city;*
3. *A town; or*
4. *An enterprise district.*

Sec. 8. *The local government tax distribution fund is hereby created in the state treasury as a special revenue fund. The executive director shall administer the fund.*

Sec. 9. *Except as otherwise provided in section 15 of this act, each:*

1. *Local government that receives, before July 1, 1998, any portion of the proceeds of a tax which is included in the fund;*
2. *Special district that receives, before July 1, 1998, any portion of the proceeds of a tax which is included in the fund; and*



3. *Enterprise district,*
is eligible for an allocation from the fund in the manner prescribed in section 10 of this act.

Sec. 10. 1. *On or before July 1 of each year, the executive director shall allocate to each enterprise district an amount equal to the amount that the enterprise district received from the fund in the immediately preceding fiscal year.*

2. *Except as otherwise provided in sections 11 and 14 of this act, the executive director, after subtracting the amount allocated to each enterprise district pursuant to subsection 1, shall allocate to each local government or special district which is eligible for an allocation from the fund pursuant to section 9 of this act an amount from the fund that is equal to the amount allocated to the local government or special district for the preceding fiscal year multiplied by one plus the percentage change in the Consumer Price Index (All Items) for the year ending on December 31 immediately preceding the year in which the allocation is made.*

Sec. 11. 1. *Except as otherwise provided in section 14 of this act, the executive director shall estimate monthly the amount each local government, special district and enterprise district will receive from the fund 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 section 10 of this act for each local government, special district and enterprise district by 12 and the state treasurer shall, except as otherwise provided in subsections 3, 4*



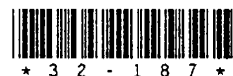
and 5, remit monthly that amount to each local government, special district and enterprise district.

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 account in the fund to allocate to each local government and special district the base monthly allocation determined pursuant to subsection 2, he shall prorate the money in the account and allocate to each local government and special district an amount equal to the percentage of the amount that the local government or special district received from the total amount which was distributed to all local governments and special districts within the county for the fiscal year immediately preceding the year in which the allocation is made. The state treasurer shall remit that amount to the local government or special district.

4. Except as otherwise provided in subsection 5, if the executive director determines that there is money remaining in the county's account in the fund after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, he 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 section 10 of this act by one plus the sum of the:



(I) Percentage change in the population of the local government for the fiscal year 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 6; and

(II) Average percentage change in the assessed valuation of taxable property in the local government, except any assessed valuation attributable to the net proceeds of minerals, over the 5 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 account; and

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

(1) Multiplying one-twelfth of the amount allocated pursuant to section 10 of this act by one plus the average change in the assessed valuation of taxable property in the special district, except any assessed valuation attributable to the net proceeds of minerals, over the 5 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 account.

FLUSH The state treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

5. The executive director shall not allocate any amount to a local government or special district pursuant to subsection 4, 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 account in the fund after the distribution for the month has been made, he 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 account in the fund to determine which amount is greater.

If the executive director determines that the amount determined pursuant to paragraph (a) is greater, he shall allocate the money remaining in the county's account in the fund pursuant to the provisions of subsection 3. If the executive director determines that the amount of money remaining in the county's account in the fund is greater, he 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 account in the fund pursuant to the provisions of subsection 4.

6. 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, the percentage change calculated pursuant to paragraph (a) of subsection 3 must be an estimate of the change in population for the calendar year, based upon the population totals issued by the Bureau of the Census.

7. 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 fund for that fiscal year.

8. 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 fund 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 fund;
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.

9. A local government, special district or enterprise district may use the estimate provided by the executive director pursuant to subsection 8 in the preparation of its budget.

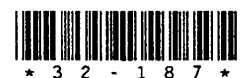
Sec. 12. *The executive director shall ensure that each local government, special district or enterprise district that:*

1. Received, before July 1, 1998, any portion of the proceeds of a tax which is included in the fund; and

*2. Pledged a portion of the money described in subsection 1 to secure the payment of bonds or other types of obligations,
receives an amount at least equal to that amount which the local government, special district or enterprise district would have received before July 1, 1998, that is pledged to secure the payment of those bonds or other types of obligations.*

Sec. 13. *1. An enterprise district shall not pledge any portion of the revenues from any of the taxes included in the fund to secure the payment of bonds or other obligations.*

2. The executive director shall ensure that a governmental entity created between July 1, 1996, and July 1, 1998, does not receive money from the taxes included in the fund



unless that governmental entity provides police protection and at least two of the following services:

- (a) Fire protection;*
- (b) Construction, maintenance and repair of roads; or*
- (c) Parks and recreation.*

3. As used in this section:

- (a) "Fire protection" has the meaning ascribed to it in section 15 of this act.*
- (b) "Parks and recreation" has the meaning ascribed to it in section 15 of this act.*
- (c) "Police protection" has the meaning ascribed to it in section 15 of this act.*
- (d) "Construction, maintenance and repair of roads" has the meaning ascribed to it in section 15 of this act.*

Sec. 14. *1. The governing bodies of two or more local governments or special districts, or any combination thereof, may, pursuant to the provisions of NRS 277.045, enter into a cooperative agreement that sets forth an alternative formula for the distribution of the taxes included in the fund to the local governments or special districts which are parties to the agreement. The governing bodies of each local government or special district that is a party to the agreement must approve the alternative formula by majority vote.*

2. The county clerk of a county in which a local government or special district that is a party to a cooperative agreement pursuant to subsection 1 is located shall transmit a copy of the cooperative agreement to the executive director:



(a) Within 10 days after the agreement is approved by each of the governing bodies of the local governments or special districts that are parties to the agreement; and

(b) Not later than December 31 of the year immediately preceding the initial year of distribution that will be governed by the cooperative agreement.

3. The governing body of a local government or special district shall not enter into more than one cooperative agreement pursuant to subsection 1.

4. If at least two cooperative agreements exist among the local governments and special districts that are located in the same county, the executive director shall ensure that the terms of those cooperative agreements do not conflict.

5. Any local government or special district that is not a party to a cooperative agreement pursuant to subsection 1 must continue to receive money from the fund pursuant to the provisions of sections 10 and 11 of this act.

6. The governing bodies of the local governments and special districts that have entered into a cooperative agreement pursuant to subsection 1 may, by majority vote, amend the terms of the agreement. The governing bodies shall not amend the terms of a cooperative agreement more than once during the first 2 years after the cooperative agreement is effective and once every year thereafter, unless the committee on local government finance approves the amendment. The provisions of this subsection do not apply to any interlocal agreements for the consolidation of governmental services entered into by local governments or special districts pursuant to the provisions of NRS 277.080 to 277.180, inclusive, that do not relate to the distribution of taxes included in the fund.



7. *A cooperative agreement executed pursuant to this section may not be terminated unless the governing body of each local government or special district that is a party to a cooperative agreement pursuant to subsection 1 agrees by unanimous consent to terminate the agreement.*

8. *For each fiscal year the cooperative agreement is in effect, the executive director shall continue to calculate the amount each local government or special district that is a party to a cooperative agreement pursuant to subsection 1 would receive pursuant to the provisions of sections 10 and 11 of this act.*

9. *If the governing bodies of the local governments or special districts that are parties to a cooperative agreement terminate the agreement pursuant to subsection 7, the executive director must distribute to those local governments or special districts an amount equal to the amount the local government or special district would have received pursuant to the provisions of sections 10 and 11 of this act according to the calculations performed pursuant to subsection 8.*

Sec. 15. *1. The governing body of a local government or special district that is created after July 1, 1998, and which provides police protection and at least two of the following services:*

- (a) Fire protection;*
- (b) Construction, maintenance and repair of roads; or*
- (c) Parks and recreation,*



may, by majority vote, request the Nevada tax commission to direct the executive director to allocate money from the fund to the local government or special district pursuant to the provisions of sections 10 and 11 of this act.

2. On or before December 31 of the year immediately preceding the first fiscal year that the local government or special district would receive money from the fund, a governing body that submits a request pursuant to subsection 1 must:

(a) Submit the request to the executive director; and

(b) Provide copies of the request and any information it submits to the executive director in support of the request to each local government and special district that:

(1) Receives money from the fund; and

(2) Is located within the same county.

3. The executive director shall review each request submitted pursuant to subsection 1 and submit his findings to the committee on local government finance. In reviewing the request, the executive director shall:

(a) For the initial year of distribution, establish an amount to be allocated to the new local government or special district pursuant to the provisions of sections 10 and 11 of this act. If the new local government or special district will provide a service that was provided by another local government or special district before the creation of the new local government or special district, the amount allocated to the local government or special district which previously provided the service must be decreased by the amount allocated to the new local government or special district; and



(b) Consider:

(1) The effect of the distribution of money in the fund, pursuant to the provisions of sections 10 and 11 of this act, to the new local government or special district on the amounts that the other local governments and special districts that are located in the same county will receive from the fund; and

(2) The comparison of the amount established to be allocated pursuant to the provisions of sections 10 and 11 of this act for the new local government or special district to the amounts allocated to the other local governments and special districts that are located in the same county.

4. The committee on local government finance shall review the findings submitted by the executive director pursuant to subsection 3. If the committee determines that the distribution of money in the fund to the new local government or special district is appropriate, it shall submit a recommendation to the Nevada tax commission. If the committee determines that the distribution is not appropriate, that decision is not subject to review by the Nevada tax commission.

5. The Nevada tax commission shall schedule a public hearing within 30 days after the committee on local government finance submits its recommendation. The Nevada tax commission shall provide public notice of the hearing at least 10 days before the date on which the hearing will be held. The executive director shall provide copies of all documents relevant to the recommendation of the committee on local government finance to the



governing body of each local government and special district that is located in the same county as the new local government or special district.

6. If, after the public hearing, the Nevada tax commission determines that the recommendation of the committee on local government finance is appropriate, it shall order the executive director to distribute money in the fund to the new local government or special district pursuant to the provisions of sections 10 and 11 of this act.

7. For the purposes of this section, the local government or special district may enter into an interlocal agreement with another governmental entity for the provision of the services set forth in subsection 1 if that local government or special district compensates the governmental entity that provides the services in an amount equal to the value of those services.

8. As used in this section:

(a) "Fire protection" includes the provision of services related to:

(1) The prevention and suppression of fire; and

(2) Rescue,

and the acquisition and maintenance of the equipment necessary to provide those services.

(b) "Parks and recreation" includes the employment by the local government or special district, on a permanent and full-time basis, of persons who administer and maintain recreational facilities and parks. "Parks and recreation" does not include the construction or maintenance of roadside parks or rest areas that are constructed or maintained by the



local government or special district as part of the construction, maintenance and repair of roads.

(c) "Police protection" includes the employment by the local government or special district, on a permanent and full-time basis, of at least three persons whose primary functions specifically include:

- (1) Routine patrol;*
- (2) Criminal investigations;*
- (3) Enforcement of traffic laws; and*
- (4) Investigation of motor vehicle accidents.*

(d) "Construction, maintenance and repair of roads" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a road and that is necessary for the safe and efficient use of the road except alleys and pathways for bicycles that are separate from the roadway and, including, without limitation:

- (1) Grades or regrades;*
- (2) Gravel;*
- (3) Oiling;*
- (4) Surfacing;*
- (5) Macadamizing;*
- (6) Paving;*



- (7) Cleaning;*
- (8) Sanding or snow removal;*
- (9) Crosswalks;*
- (10) Sidewalks;*
- (11) Culverts;*
- (12) Catch basins;*
- (13) Drains;*
- (14) Sewers;*
- (15) Manholes;*
- (16) Inlets;*
- (17) Outlets;*
- (18) Retaining walls;*
- (19) Bridges;*
- (20) Overpasses;*
- (21) Tunnels;*
- (22) Underpasses;*
- (23) Approaches;*
- (24) Sprinkling facilities;*
- (25) Artificial lights and lighting equipment;*
- (26) Parkways;*



- (27) Fences or barriers that control access to the road;*
- (28) Control of vegetation;*
- (29) Rights of way;*
- (30) Grade separators;*
- (31) Traffic separators;*
- (32) Devices and signs for control of traffic;*
- (33) Facilities for personnel who construct, maintain or repair roads; and*
- (34) Facilities for the storage of equipment or materials used to construct, maintain or repair roads.*

Sec. 16. NRS 360.283 is hereby amended to read as follows:

360.283 1. The department shall adopt regulations to establish a method of determining annually the population of each *town*, township, city and county in this state and estimate the population of each *town*, township, city and county pursuant to those regulations.

2. The department shall issue an annual report of the estimated population of each *town*, township, city and county in this state.

3. Any *town*, city or county in this state may petition the department to revise the estimated population of that *town*, city or county. No such petition may be filed on behalf of a township. The department shall by regulation establish a procedure to review each petition and to appeal the decision on review.



4. The department shall, upon the completion of any review and appeal thereon pursuant to subsection 3, determine the population of each *town*, township, city and county in this state, and submit its determination to the governor.

5. The department shall employ a demographer to assist in the determination of population pursuant to this section and to cooperate with the Federal Government in the conduct of each decennial census as it relates to this state.

Sec. 17. NRS 369.173 is hereby amended to read as follows:

369.173 The department shall apportion , [and the state controller shall distribute,] on a monthly basis, from the tax on liquor containing more than 22 percent of alcohol by volume, the portion of the tax collected during the preceding month which is equivalent to 50 cents per wine gallon, among Carson City and the counties of this state in proportion to their respective populations. [The department shall apportion that money within the counties as follows:

1. If there are no incorporated cities within the county, the entire amount must go into the county treasury.

2. If there is one incorporated city within the county the money must be apportioned between the city and the county on the basis of the population of the city and the population of the county excluding the population of the city.



3. If there are two or more incorporated cities within the county, the entire amount must be apportioned among the cities in proportion to their respective populations.

4. In Carson City the entire amount must go into the city treasury.] *The state controller shall deposit the amounts apportioned to Carson City and each county in the local government tax distribution fund created by section 8 of this act for credit to the respective accounts of Carson City and each county.*

Sec. 18. NRS 370.260 is hereby amended to read as follows:

370.260 1. All taxes and license fees imposed by the provisions of NRS 370.001 to 370.430, inclusive, less any refunds granted as provided by law, must be paid to the department in the form of remittances payable to the department.

2. The department shall:

(a) As compensation to the state for the costs of collecting the taxes and license fees, transmit each month the sum the legislature specifies from the remittances made to it pursuant to subsection 1 during the preceding month to the state treasurer for deposit to the credit of the department. The deposited money must be expended by the department in accordance with its work program.

(b) From the remittances made to it pursuant to subsection 1 during the preceding month, less the amount transmitted pursuant to paragraph (a), transmit each month the portion of the tax which is equivalent to 12.5 mills per cigarette to the state treasurer for deposit to the credit of the account for the tax on cigarettes in the state general fund.



(c) Transmit the balance of the payments each month to the state treasurer for deposit [to the credit of the cigarette tax account in the intergovernmental fund.] *in the local government tax distribution fund created by section 8 of this act.*

(d) Report to the state controller monthly the amount of collections.

3. The money [in the cigarette tax account] *deposited pursuant to paragraph (c) of subsection 2 in the local government tax distribution fund* is hereby appropriated to Carson City and to each of the counties in proportion to their respective populations [. The amount in the account which was collected during the preceding month must be apportioned by the department and distributed by the state controller as follows:

(a) In a county whose population is 6,000 or more:

(1) If there are no incorporated cities within the county, the entire amount must go into the county treasury.

(2) If there is one incorporated city within the county the money must be apportioned between the city and the county on the basis of the population of the city and the population of the county excluding the population of the city.

(3) If there are two or more incorporated cities within the county, the entire amount must be apportioned among the cities in proportion to their respective populations.

(b) In a county whose population is less than 6,000:

(1) If there are no incorporated cities or unincorporated towns within the county, the entire amount must go into the county treasury.



(2) If there is one incorporated city or one unincorporated town within the county the money must be apportioned between the city or town and the county on the basis of the population of the city or town and the population of the county excluding the population of the city or town.

(3) If there are two or more incorporated cities or unincorporated towns or an incorporated city and an unincorporated town within the county, the entire amount must be apportioned among the cities or towns in proportion to their respective populations.

(c) In Carson City the entire amount must go into the city treasury.

4. For the purposes of this section, "unincorporated town" means only those towns governed by town boards organized pursuant to NRS 269.016 to 269.019, inclusive.] *and must be credited to the respective accounts of Carson City and each county.*

Sec. 19. NRS 375.070 is hereby amended to read as follows:

375.070 [1.] The county recorder shall transmit the proceeds of the real property transfer tax at the end of each quarter in the following manner:

[(a)] 1. An amount equal to that portion of the proceeds which is equivalent to 10 cents for each \$500 of value or fraction thereof must be transmitted to the state treasurer who shall deposit that amount in the account for low-income housing created pursuant to NRS 319.500.

[(b)] 2. The remaining proceeds must be transmitted to the [county treasurer, who shall in Carson City, and in any county where there are no incorporated cities, deposit them



all in the general fund, and in other counties deposit 25 percent of them in the general fund and apportion the remainder as follows:

(1) If there is one incorporated city in the county, between that city and the county general fund in proportion to the respective populations of the city and the unincorporated area of the county.

(2) If there are two or more cities in the county, among the cities in proportion to their respective populations.

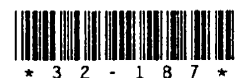
2. If there is any incorporated city in a county, the county recorder shall charge each city a fee equal to 2 percent of the real property transfer tax which is transferred to that city.] *state treasurer for deposit in the local government tax distribution fund created by section 8 of this act for credit to the respective accounts of Carson City and each county.*

Sec. 20. NRS 377.055 is hereby amended to read as follows:

377.055 1. The department [,] shall monthly determine for each county an amount of money equal to the sum of:

(a) Any fees and any taxes, interest and penalties which derive from the basic city-county relief tax collected in that county pursuant to this chapter during the preceding month, less the corresponding amount transferred to the state general fund pursuant to subsection 3 of NRS 377.050; and

(b) That proportion of the total amount of taxes which derive from that portion of the tax levied at the rate of one-half of 1 percent collected pursuant to this chapter during the preceding month from out-of-state businesses not maintaining a fixed place of business



within this state, less the corresponding amount transferred to the state general fund pursuant to subsection 3 of NRS 377.050, which the population of that county bears to the total population of all counties which have in effect a city-county relief tax ordinance [.

2. The department shall apportion and the state controller shall remit the amount determined for each county in the following manner:

(a) If there is one incorporated city in the county, apportion the money between the city and the county general fund in proportion to the respective populations of the city and the unincorporated area of the county.

(b) If there are two or more cities in the county, apportion all such money among the cities in proportion to their respective populations.

(c) If there are no incorporated cities in the county, remit the entire amount to the county treasurer for deposit in the county general fund.

3. The provisions of subsection 2 do not apply to Carson City, where the treasurer shall deposit the entire amount determined for the city and received from the state controller in the general fund.

4.] ,

and deposit the money in the local government tax distribution fund created by section 8 of this act for credit to the respective accounts of each county.

2. For the purpose of the distribution required by this section, the occasional sale of a vehicle shall be deemed to take place in the county to which the privilege tax payable by the buyer upon that vehicle is distributed.



Sec. 21. NRS 377.057 is hereby amended to read as follows:

377.057 1. The state controller, acting upon the relevant information furnished by the department, shall monthly from the fees, taxes, interest and penalties which derive from the supplemental city-county relief tax collected in all counties and from out-of-state businesses during the preceding month, except as otherwise provided in subsection 2:

(a) For Douglas, Esmeralda, Eureka, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey and White Pine counties, distribute to each county an amount equal to one-twelfth of the amount distributed in the immediately preceding fiscal year multiplied by one plus:

(1) The percentage change in the total receipts from the supplemental city-county relief tax for all counties and from out-of-state businesses, from the fiscal year 2 years preceding the immediately preceding fiscal year to the fiscal year preceding the immediately preceding fiscal year; or

(2) Except as otherwise provided in this paragraph, the percentage change in the population of the county, as certified by the governor pursuant to NRS 360.285, added to the percentage change in the Consumer Price Index for the year ending on December 31 next preceding the year of distribution,

whichever is less, except that the amount distributed to the county must not be less than the amount specified in subsection [10.] 6. If the [United States] 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, the percentage change calculated pursuant to subparagraph (2) for the ensuing fiscal year must be an estimate of the change

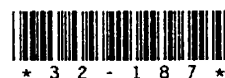


in population for the calendar year, based upon the population totals issued by the Bureau of the Census.

(b) For all other counties, distribute the amount remaining after making the distributions required by paragraph (a) to each county in the proportion that the amount of supplemental city-county relief tax collected in the county for the month bears to the total amount of supplemental city-county relief tax collected for that month in the counties whose distribution will be determined pursuant to this paragraph.

2. If the amount of supplemental city-county relief tax collected in a county listed in paragraph (a) of subsection 1 for the 12 most recent months for which information concerning the actual amount collected is available on February 15 of any year exceeds by more than 10 percent the amount distributed pursuant to paragraph (a) to that county for the same period, the state controller shall distribute that county's portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (b) in all subsequent fiscal years, unless a waiver is granted pursuant to subsection 3.

3. A county which, pursuant to subsection 2, is required to have its portion of the proceeds from the supplemental city-county relief tax distributed pursuant to paragraph (b) of subsection 1, may file a request with the Nevada tax commission for a waiver of the requirements of subsection 2. The request must be filed on or before February 20 next preceding the fiscal year for which the county will first receive its portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (b) of subsection 1, and must be accompanied by evidence which supports the granting of the waiver. The



commission shall grant or deny a request for a waiver on or before March 10 next following the timely filing of the request. If the commission determines that the increase in the amount of supplemental city-county relief tax collected in the county was primarily caused by:

(a) Nonrecurring taxable sales, it shall grant the request.

(b) Normal or sustainable growth in taxable sales, it shall deny the request.

A county which is granted a waiver pursuant to this subsection is not required to obtain a waiver in any subsequent fiscal year to continue to receive its portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (a) of subsection 1 unless the amount of supplemental city-county relief tax collected in the county in a fiscal year again exceeds the threshold established in subsection 2.

4. The amount apportioned to each county must [then be apportioned among the several local governments therein, including the county and excluding the school district, any district created to provide a telephone number for emergencies, any district created under chapter 318 of NRS to furnish emergency medical services, any redevelopment agency, any tax increment area and any other local government excluded by specific statute, in the proportion which each local government's basic ad valorem revenue bears to the total basic ad valorem revenue of all these local governments.

5. As used in this section, the "basic ad valorem revenue" of each local government, except as otherwise provided in subsection 6 of NRS 354.5987, is its assessed valuation, including assessed valuation attributable to a redevelopment agency or tax increment area



but excluding the portion attributable to the net proceeds of minerals, for the year of distribution, multiplied by the rate levied on its behalf for the fiscal year ending June 30, 1981, for purposes other than paying the interest on and principal of its general obligations.

For the purposes of this subsection:

(a) A county whose actual tax rate, for purposes other than debt service, for the fiscal year ending on June 30, 1981, was less than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than 80 cents per \$100 of assessed valuation.

(b) A fire district in such a county whose tax rate was more than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than \$1.10 per \$100 of assessed valuation.

6. For the purposes of determining basic ad valorem revenue, the assessed valuation of a fire protection district includes property which was transferred from private ownership to public ownership after July 1, 1986, pursuant to:

(a) The Santini-Burton Act, Public Law 96-586; or

(b) Chapter 585, Statutes of Nevada 1985, at page 1866, approved by the voters on November 4, 1986.

7. On or before February 15 of each year, the executive director shall provide to each local government a preliminary estimate of the revenue it will receive from the supplemental city-county relief tax in the next fiscal year.

8. On or before March 15 of each year, the executive director shall:



(a) Make an estimate of the receipts from the supplemental city-county relief tax on an accrual basis for the next fiscal year in accordance with generally accepted accounting principles; and

(b) Provide to each local government an estimate of the tax that local government would receive based upon the estimate made pursuant to paragraph (a) and calculated pursuant to the provisions of this section.

9. A local government may use the estimate provided by the executive director pursuant to subsection 8 in the preparation of its budget.

10.] *be deposited in the local government tax distribution fund created by section 8 of this act for credit to the respective accounts of each county.*

5. The minimum amount which may be distributed to the following counties in a month pursuant to paragraph (a) of subsection 1 is as follows:

Douglas.....	\$580,993
Esmeralda.....	53,093
Lander.....	155,106
Lincoln	72,973
Lyon	356,858
Mineral	118,299
Nye	296,609



Pershing.....	96,731
Storey	69,914
White Pine	158,863

[11.] 6. As used in this section, unless the context otherwise requires:

(a) ["Local government" includes a fire protection district organized pursuant to chapter 473 of NRS.] *"Enterprise district" has the meaning ascribed to it in section 4 of this act.*

(b) "Local government" [does not include the Nevada rural housing authority.] *has the meaning ascribed to it in section 6 of this act.*

(c) *"Special district" has the meaning ascribed to it in section 7 of this act.*

Sec. 22. Chapter 354 of NRS is hereby amended by adding thereto sections 23 and 24 of this act.

Sec. 23. *Except as otherwise provided in section 24 of this act, if one or more local governments assume the functions previously performed by a local government that no longer exists, the Nevada tax commission shall add to the allowed revenue from taxes ad valorem otherwise allowable to the local government or local governments pursuant to NRS 354.59811 an amount equal to the allowed revenue from taxes ad valorem for the last fiscal year of existence of the local government whose functions were assumed. If more than one local government assumes the functions, the additional revenue must be divided among the local governments 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 taxes ad valorem if the increase would result in a decrease in revenue of any local government in the county that does not assume those functions.

Sec. 24. *1. For the purpose of calculating the amount to be distributed pursuant to the provisions of sections 10 and 11 of this act from a county's account in the local government tax distribution fund 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 subsection and subsection 2, the executive director of the department of taxation shall:

(1) Add the amounts calculated pursuant to subsection 1 or 2 of section 10 of this act 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 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, except any assessed valuation attributable to the net proceeds of minerals, pursuant to subsection 3 of section 11 of this act to the 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 account in the local government tax distribution fund 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 sections 2 to 15, inclusive, of this act.

3. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in section 4 of this act.

(b) "Local government" has the meaning ascribed to it in section 6 of this act.

(c) "Special district" has the meaning ascribed to it in section 7 of this act.

Sec. 25. NRS 354.470 is hereby amended to read as follows:

354.470 NRS 354.470 to 354.626, inclusive, *and sections 23 and 24 of this act* may be cited as the Local Government Budget Act.



Sec. 26. 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, [when] *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 [NRS 377.057] *subsection 8 of section 11 of this act* 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 [state,] *county*, 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 [amount] :

(a) *Amount* of revenue from supplemental city-county relief tax estimated to be received by [that local government and] *the county pursuant to subsection 8 of section 11 of this act; and*

(b) *The tax that [it] 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 [state.] county,*
multiplied by the proportion determined for the local government pursuant to subparagraph (2) of paragraph (a) of subsection 3 of section 11 of this act.



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 section 6 of this act.*

Sec. 27. NRS 354.5982 is hereby amended to read as follows:

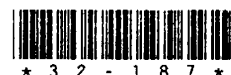
354.5982 1. The local government may exceed the limit imposed by NRS 354.59811 upon the calculated receipts from taxes ad valorem only if its governing body proposes to its registered voters an additional levy ad valorem, specifying the amount of money to be derived, the purpose for which it is to be expended and the duration of the levy, and the proposal is approved by a majority of the voters voting on the question at a primary or general election or a special election called for that purpose. The duration of the levy must not exceed 30 years. The governing body may discontinue the levy before it expires and may not thereafter reimpose it in whole or in part without following the procedure required for its original imposition.

2. A special election may be held only if the governing body of the local government determines, by a unanimous vote, that an emergency exists. The determination made by the governing body is conclusive unless it is shown that the governing body acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the governing body must be commenced within 15 days after the governing body's determination is final. As used in this subsection, "emergency" means any unexpected

occurrence or combination of occurrences which requires immediate action by the governing body of the local government to prevent or mitigate a substantial financial loss to the local government or to enable the governing body to provide an essential service to the residents of the local government.

3. To the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811 for a local government, the executive director of the department of taxation shall add any amount approved by the legislature for the cost to that local government of any substantial program or expense required by legislative enactment.

[4. Except as otherwise provided in this subsection, if one or more local governments take over the functions previously performed by a local government which no longer exists, the Nevada tax commission shall add to the allowed revenue from taxes ad valorem and the basic ad valorem revenue, respectively, otherwise allowable to the local government or local governments pursuant to NRS 354.59811 and 377.057, an amount equal to the allowed revenue from taxes ad valorem and the basic ad valorem revenue, respectively, for the last fiscal year of existence of the local government whose functions were assumed. If more than one local government assumes the functions, the additional revenue must be divided among the local governments 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 taxes ad valorem or basic ad valorem revenue if the increase would result in a decrease in revenue of any local government in the county which does not assume those functions.]



Sec. 28. NRS 354.5987 is hereby amended to read as follows:

354.5987 1. For the purposes of NRS 354.59811 , [and 377.057,] the allowed revenue from taxes ad valorem [and the basic ad valorem revenue] of any local government:

(a) Which comes into being on or after July 1, 1989, whether newly created, consolidated, or both;

[(b) Which was in existence before July 1, 1989, but for which the basic ad valorem revenue was not established for the fiscal year ending June 30, 1989; or

(c)] *or*

(b) Which was in existence before July 1, 1989, but did not receive revenue from taxes ad valorem, except any levied for debt service, for the fiscal year ending June 30, 1989, must be initially established by the Nevada tax commission.

2. Except as otherwise provided in subsections 3 and [8,] 6, if the local government for which the allowed revenue from taxes ad valorem [and the basic ad valorem revenue are] is to be established performs a function previously performed by another local government, the total revenue allowed to all local governments for performance of substantially the same function in substantially the same geographical area must not be increased. To achieve this result, the Nevada tax commission shall request the committee on local government finance to prepare a statement of the prior cost of performing the function for each predecessor local government. Within 60 days after receipt of such a request, the committee on local government finance shall prepare a statement pursuant to the request

and transmit it to the Nevada tax commission. The Nevada tax commission may accept, reject or amend the statement of the committee on local government finance. The decision of the Nevada tax commission is final. Upon making a final determination of the prior cost of performing the function for each predecessor local government, the Nevada tax commission shall:

(a) Determine the percentage that the prior cost of performing the function for each predecessor local government is of [the basic ad valorem revenue and of] the allowed revenue from taxes ad valorem of that local government; and

(b) Apply the [percentages] *percentage* determined pursuant to paragraph (a) to the [basic ad valorem revenue and to the] allowed revenue from taxes ad valorem [, respectively,] and subtract [those amounts respectively from the basic ad valorem revenue and] *that amount* from the allowed revenue from taxes ad valorem of the predecessor local government.

The [basic ad valorem revenue and] allowed revenue from taxes ad valorem [, respectively,] attributable to the new local government for the cost of performing the function must equal the total of the amounts subtracted for the prior cost of performing the function from the [basic ad valorem revenue and] allowed revenue from taxes ad valorem [, respectively,] of all of the predecessor local governments.

3. [If the local government for which the basic ad valorem revenue is to be established pursuant to subsection 1 is a city, the Nevada tax commission shall:



(a) Using the basic ad valorem revenue of the town replaced by the city, if any, as a basis, set the basic ad valorem revenue of the city at an amount sufficient to allow the city, with other available revenue, to provide the basic services for which it was created;

(b) Reduce the basic ad valorem revenue of the county by the amount set for the city pursuant to paragraph (a);

(c) Add to the basic ad valorem revenue of the county the basic ad valorem revenue of any town which the city has replaced; and

(d) Add to the allowed revenue from taxes ad valorem of the county the allowed revenue from taxes ad valorem for any town which the city replaced.

4.] If the local government for which the allowed revenue from taxes ad valorem [or the basic ad valorem revenue] is to be established is an unincorporated town which provides a service not previously provided by another local government, and the board of county commissioners has included the unincorporated town in a resolution adopted pursuant to the provisions of NRS 269.5755, the Nevada tax commission shall [:

(a) Establish the basic ad valorem revenue of the town at an amount which is in the same ratio to the assessed valuation of the town as the combined basic ad valorem revenues are to the combined assessed valuations of all other unincorporated towns included in the common levy authorized pursuant to NRS 269.5755; and

(b) If] , *if* the unincorporated town [also] does not receive revenue from taxes ad valorem, establish the allowed revenue of the town from taxes ad valorem at an amount which is in the same ratio to the assessed valuation of the town as the combined allowed



revenues from taxes ad valorem are to the combined assessed valuations of the other unincorporated towns included in the common levy.

[5. The basic ad valorem revenue and]

4. *The* allowed revenue from taxes ad valorem of an unincorporated town which provides a service not previously provided by another local government must be:

(a) Reduced by 75 percent for the first fiscal year following the fiscal year in which the [basic ad valorem revenue and] allowed revenue from taxes ad valorem [are] *is* established pursuant to subsection [4;] 3;

(b) Reduced by 50 percent for the second fiscal year following the fiscal year in which the [basic ad valorem revenue and] allowed revenue from taxes ad valorem [are] *is* established pursuant to subsection [4;] 3; and

(c) Reduced by 25 percent for the third fiscal year following the fiscal year in which the [basic ad valorem revenue and] allowed revenue from taxes ad valorem [are] *is* established pursuant to subsection [4.

6.] 3.

5. In any other case, except as otherwise provided in subsection [8,] 6, the allowed revenue from taxes ad valorem of all local governments in the county, determined pursuant to NRS 354.59811, must not be increased, but the total [basic ad valorem revenue and] allowed revenue from taxes ad valorem must be reallocated among the local governments consistent with subsection 2 to accommodate the amount established for the new local government pursuant to subsection 1.



[7. Any amount of basic ad valorem revenue allowable which is established or changed pursuant to this section must be used to determine a new tax rate for the fiscal year ending June 30, 1981, for each affected local government. This new tax rate must be used to make the distributions among the local governments in the county required by NRS 377.057 for each year following the year in which the amount was established or changed.

8.] 6. In establishing the allowed revenue from taxes ad valorem of a county, city or town pursuant to this section, the Nevada tax commission shall allow a tax rate for operating expenses of at least 15 cents per \$100 of assessed valuation in addition to the tax rate allowed for any identified and restricted purposes and for debt service.

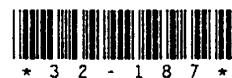
[9.] 7. As used in this section:

(a) "Predecessor local government" means a local government which previously performed all or part of a function to be performed by the local government for which the allowed revenue from taxes ad valorem [and the basic ad valorem revenue are] *is* being established pursuant to subsection 1.

(b) "Prior cost of performing the function" means the amount expended by a local government to perform a function which is now to be performed by another local government. The amount must be determined on the basis of the most recent fiscal year for which reliable information is available.

Sec. 29. NRS 354.59874 is hereby amended to read as follows:

354.59874 Except as otherwise provided in [subsection 4 of NRS 354.5982] *sections 23 and 24 of this act* and subsection 2 of NRS 354.5987, if one local government takes over



a function or provides a service previously performed by another local government pursuant to an agreement between the local governments, upon petition by the participating local governments, the executive director of the department of taxation shall:

1. Reduce the allowed revenue from taxes ad valorem calculated pursuant to NRS 354.59811 of the local government which previously performed the function or provided the service, for the first year the service is provided or the function is performed by an amount equal to the cost of performing the function or providing the service; and

2. Increase the allowed revenue from taxes ad valorem calculated pursuant to NRS 354.59811 of the local government which assumed the performance of the function or the provision of the service, for the first year the service is provided or the function is performed by an amount equal to the amount by which the reduction was made pursuant to subsection 1.

Sec. 30. NRS 408.235 is hereby amended to read as follows:

408.235 1. There is hereby created the state highway fund.

2. Except as otherwise provided in subsection [6] 7 of NRS 482.180, the proceeds from the imposition of any license or registration fee and other charges with respect to the operation of any motor vehicle upon any public highway, city, town or county road, street, alley or highway in this state and the proceeds from the imposition of any excise tax on gasoline or other motor vehicle fuel must be deposited in the state highway fund and must, except for costs of administering the collection thereof, be used exclusively for



administration, construction, reconstruction, improvement and maintenance of highways as provided for in this chapter.

3. The interest and income earned on the money in the state highway fund, after deducting any applicable charges, must be credited to the fund.

4. Costs of administration for the collection of the proceeds for any license or registration fees and other charges with respect to the operation of any motor vehicle must be limited to a sum not to exceed 22 percent of the total proceeds so collected.

5. Costs of administration for the collection of any excise tax on gasoline or other motor vehicle fuel must be limited to a sum not to exceed 1 percent of the total proceeds so collected.

6. All bills and charges against the state highway fund for administration, construction, reconstruction, improvement and maintenance of highways under the provisions of this chapter must be certified by the director and must be presented to and examined by the state board of examiners. When allowed by the state board of examiners and upon being audited by the state controller, the state controller shall draw his warrant therefor upon the state treasurer.

Sec. 31. NRS 482.180 is hereby amended to read as follows:

482.180 1. The motor vehicle fund is hereby created as an agency fund. Except as otherwise provided *in subsection 4 or* by a specific statute, all money received or collected by the department must be deposited in the state treasury for credit to the motor vehicle fund.



2. The interest and income on the money in the motor vehicle fund, after deducting any applicable charges, must be credited to the state highway fund.

3. Any check accepted by the department in payment of vehicle privilege tax or any other fee required to be collected under this chapter must, if it is dishonored upon presentation for payment, be charged back against the motor vehicle fund or the county to which the payment was credited, in the proper proportion.

4. *All money received or collected by the department for the basic vehicle privilege tax must be deposited in the local government tax distribution fund, created by section 8 of this act, for credit to the appropriate county pursuant to subsection 6.*

5. Money for the administration of the provisions of this chapter must be provided by direct legislative appropriation from the state highway fund, upon the presentation of budgets in the manner required by law. Out of the appropriation the department shall pay every item of expense.

[5.] 6. The privilege tax collected on vehicles subject to the provisions of chapter 706 of NRS and engaged in interstate or intercounty operation must be distributed among the counties in the following percentages:

Carson City	1.07 percent	Lincoln	3.12 percent
Churchill	5.21 percent	Lyon	2.90 percent
Clark.....	22.54 percent	Mineral	2.40 percent



Douglas	2.52 percent	Nye.....	4.09 percent
Elko	13.31 percent	Pershing.....	7.00 percent
Esmeralda.....	2.52 percent	Storey19 percent
Eureka	3.10 percent	Washoe.....	12.24 percent
Humboldt	8.25 percent	White Pine.....	5.66 percent
Lander	3.88 percent		

The distributions must be allocated among local governments within the respective counties pursuant to the provisions of NRS 482.181.

[6.] 7. As commission to the department for collecting the privilege tax on vehicles subject to the provisions of this chapter and chapter 706 of NRS, the department shall deduct and withhold 1 percent of the privilege tax collected by a county assessor and 6 percent of the other privilege tax collected.

[7.] 8. When the requirements of this section and NRS 482.181 have been met, and when directed by the department, the state controller shall transfer monthly to the state highway fund any balance in the motor vehicle fund.

[8.] 9. If a statute requires that any money in the motor vehicle fund be transferred to another fund or account, the department shall direct the controller to transfer the money in accordance with the statute.

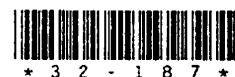
Sec. 32. NRS 482.181 is hereby amended to read as follows:



482.181 1. Except as otherwise provided in subsection 4, the department shall certify monthly to the state board of examiners the amount of the basic and supplemental privilege taxes collected for each county by the department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental privilege tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.045 and 371.047.

3. The distribution of the basic privilege tax within a county must be made to local governments, [as defined in NRS 354.474, except redevelopment agencies and tax increment areas,] *special districts and enterprise districts pursuant to the provisions of sections 10 and 11 of this act. The distribution of the basic privilege tax must be made to the county school district within the county before the distribution of the basic privilege tax pursuant to the provisions of sections 10 and 11 of this act and in the same ratio as all property taxes were levied in the county in the previous fiscal year, but the State of Nevada is not entitled to share in that distribution . [and at least 5 percent of the basic privilege tax disbursed to a county must be deposited for credit to the county's general fund.] For the purpose of [this subsection,] calculating the amount of basic privilege tax to be distributed to the county school district, the taxes levied by each local government , special district and enterprise district are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS*



361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. An amount equal to any basic privilege tax distributed to a redevelopment agency or tax increment area in the fiscal year 1987-1988 must continue to be distributed to that agency or area as long as it exists but must not be increased.

5. [Local governments, other than incorporated cities, are entitled to receive no distribution of basic privilege tax if the distribution to the local government is less than \$100. Any undistributed money accrues to the county general fund of the county in which the local government is located.

6.] The department shall make distributions of basic privilege tax directly to [counties,] county school districts . [and incorporated cities. Distributions for other local governments within a county must be paid to the counties for distribution to the other local governments.]

6. *As used in this section:*

(a) *"Enterprise district" has the meaning ascribed to it in section 4 of this act.*

(b) *"Local government" has the meaning ascribed to it in section 6 of this act.*

(c) *"Special district" has the meaning ascribed to it in section 7 of this act.*

Sec. 33. Section 10 of chapter 590, Statutes of Nevada 1995, at page 2187, is hereby amended to read as follows:

Sec. 10. [1.] This section and sections 1 to 7, inclusive, and 9 of this act become effective on July 1, 1995.

[2. Section 8 of this act becomes effective on July 1, 2000.]

Sec. 34. NRS 354.489 and section 8 of chapter 590, Statutes of Nevada 1995, at page 2183, are hereby repealed.

Sec. 35. 1. Notwithstanding the provisions of subsection 1 of section 10 of this act, the executive director of the department of taxation shall, for the initial year of distribution of the money contained in the local government tax distribution fund, allocate to each enterprise district an amount in lieu of the amount allocated pursuant to subsection 1 of section 10 of this act that is equal to the average annual amount that the enterprise district received from the proceeds from each tax included in the fund for the fiscal years ending on June 30, 1996, and June 30, 1997.

2. Notwithstanding the provisions of subsection 2 of section 10 of this act, the executive director of the department of taxation shall, for the initial year of distribution of the money contained in the local government tax distribution fund, allocate to each local government and special district that receives, before July 1, 1998, any of the proceeds from a tax which is included in the local government tax distribution fund an amount in lieu of the amount allocated pursuant to the provisions of sections 10 and 11 of this act that is equal to the average of the amount of each tax included in the fund that was distributed to the local government or special district for the fiscal year ending on June 30, 1996, multiplied by one plus the average percentage change in the Consumer Price Index (All



Items) for the years ending on December 31, 1995, December 31, 1996, and December 31, 1997.

3. For the purposes of this section, the fiscal year ending on June 30, 1999, is the initial year of distribution.

4. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in section 4 of this act.

(b) "Local government" has the meaning ascribed to it in section 6 of this act.

(c) "Special district" has the meaning ascribed to it in section 7 of this act.

Sec. 36. 1. The governing body of a local government or special district that receives, before July 1, 1998, any portion of the proceeds from a tax which is included in the local government tax distribution fund may submit a request to the executive director of the department of taxation for an adjustment to the amount calculated pursuant to section 35 of this act.

2. A governing body that submits a request pursuant to subsection 1 must:

(a) Submit the request to the executive director of the department of taxation; and

(b) Provide copies of the request and any information it submits to the executive director in support of the request to each of the other local governments and special districts that receive any portion of the proceeds from a tax which is included in the local government tax distribution fund and which is located within the same county, on or before December 31, 1997.



3. The executive director of the department of taxation shall review a request submitted pursuant to subsection 1 and submit his findings to the committee on local government finance. In reviewing the request, the executive director shall:

(a) Analyze the revenues available to the local government or special district in the fiscal year ending on June 30, 1981, including, without limitation:

(1) The rate of property taxes levied for the fiscal year ending on June 30, 1981;

(2) The change in the rate of property taxes for the 5 years immediately preceding the fiscal year ending on June 30, 1981; and

(3) The change in the assessed valuation of the taxable property within the local government or special district over the 5 years immediately preceding the fiscal year ending on June 30, 1981, but excluding any assessed valuation attributable to the net proceeds of minerals; and

(b) Consider:

(1) The effect of an increase in the amount calculated pursuant to the provisions of sections 10 and 11 of this act for the local government or special district on the amounts that the other local governments and special districts that are located within the same county will receive from the local government tax distribution fund;

(2) Any other factors that may have caused the local government or special district to experience growth or other effects which are not reflected in the formula for distribution for the supplemental city-county relief tax set forth in NRS 377.057 as that formula exists before July 1, 1998; and



(3) The comparison of the amount calculated pursuant to the provisions of sections 10 and 11 of this act for the local government or special district to the amounts calculated pursuant to provisions of sections 10 and 11 of this act for the other local governments and special districts that are located in the same county.

The executive director shall not base his findings solely on the fact that a local government or special district did not levy a rate of property tax equal in rate to those levied by other similar local governments or special districts for the fiscal year ending on June 30, 1981.

4. The committee on local government finance shall review the findings submitted by the executive director of the department of taxation pursuant to subsection 3. If the committee determines that the adjustment to the amount calculated pursuant to subsection 2 of section 10 of this act is appropriate, it shall submit a recommendation to the Nevada tax commission that sets forth the amount of the recommended adjustment. If the committee determines that the adjustment is not appropriate, that decision is not subject to review by the Nevada tax commission.

5. The Nevada tax commission shall schedule a public hearing within 30 days after the committee on local government finance submits its recommendation. The Nevada tax commission shall provide public notice of the hearing at least 10 days before the date on which the hearing will be held. The executive director of the department of taxation shall provide copies of all documents relevant to the adjustment recommended by the committee on local government finance to the governing body of each local government and special



district that is located in the same county as the local government or special district that requests the adjustment.

6. If, after the public hearing, the Nevada tax commission determines that the recommended adjustment is appropriate, it shall order the executive director of the department of taxation to adjust the amount calculated pursuant to the provisions of sections 10 and 11 of this act.

7. The executive director of the department of taxation, the committee on local government finance and the Nevada tax commission shall not consider any request for an adjustment to the amount calculated pursuant to the provisions of sections 10 and 11 of this act for a local government or special district that is submitted after December 31, 1997.

8. As used in this section:

(a) "Local government" has the meaning ascribed to it in section 6 of this act.

(b) "Special district" has the meaning ascribed to it in section 7 of this act.

Sec. 37. 1. On or before September 15, 1997, the executive director of the department of taxation shall calculate the amount each enterprise district will receive pursuant to subsection 1 of section 10 of this act.

2. As used in this section, "enterprise district" has the meaning ascribed to it in section 4 of this act.

Sec. 38. 1. This section and sections 1 to 7, inclusive, 12, 13 and 37 of this act become effective upon passage and approval.



2. Sections 8 to 11, inclusive, and 14 to 36, inclusive, of this act become effective on July 1, 1998.

TEXT OF REPEALED SECTIONS

354.489 "Basic ad valorem revenue" defined. "Basic ad valorem revenue" has the meaning ascribed to it in NRS 377.057.

Section 8 of chapter 590, Statutes of Nevada 1995:

Sec. 8. NRS 482.181 is hereby amended to read as follows:

482.181 1. Except as otherwise provided in subsection [4,] 5, the department shall certify monthly to the state board of examiners the amount of the basic and supplemental privilege taxes collected for each county by the department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental privilege tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.045.

3. The distribution of the basic privilege tax within a county must be made to local governments, as defined in NRS 354.474, except redevelopment agencies and tax increment areas, in the same ratio as all property taxes were levied in the county



in the previous fiscal year, but the State of Nevada is not entitled to share in that distribution and at least 5 percent of the basic privilege tax disbursed to a county must be deposited for credit to the county's general fund. For the purpose of this subsection, the taxes levied by each local government are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. The tax rate for the fiscal year beginning on July 1, 1980, of an unincorporated town created after July 1, 1980, for which the Nevada tax commission establishes the allowed revenue from taxes ad valorem or basic ad valorem revenue pursuant to subsection 4 of NRS 354.5987 shall be deemed to be the average tax rate levied for the fiscal year beginning on July 1, 1980, by other unincorporated towns included in the same common levy authorized by NRS 269.5755 which were in existence on July 1, 1980.

5. An amount equal to any basic privilege tax distributed to a redevelopment agency or tax increment area in the fiscal year 1987-1988 must continue to be distributed to that agency or area as long as it exists but must not be increased.



[5.] 6. Local governments, other than incorporated cities, are entitled to receive no distribution of basic privilege tax if the distribution to the local government is less than \$100. Any undistributed money accrues to the county general fund of the county in which the local government is located.

[6.] 7. The department shall make distributions of basic privilege tax directly to counties, county school districts and incorporated cities. Distributions for other local governments within a county must be paid to the counties for distribution to the other local governments.



Appendix P2
BDR 17-193

SUMMARY—Creates legislative committee to study distribution among local governments of revenue from state and local taxes. (BDR 17-193)

FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to the state legislature; creating a legislative committee to study the distribution among local governments of revenue from state and local taxes; providing the powers of the committee; and providing other matters properly relating thereto.

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

Section 1. Chapter 218 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. *As used in sections 2 to 7, inclusive, of this act, "committee" means a legislative committee to study the distribution among local governments of revenue from state and local taxes.*



Sec. 3. 1. *There is hereby established a legislative committee to study the distribution among local governments of revenue from state and local taxes consisting of:*

- (a) Two members of the senate standing committee on government affairs;*
- (b) Two members of the senate standing committee on taxation;*
- (c) Two members of the assembly standing committee on government affairs; and*
- (d) Two members of the assembly standing committee on taxation.*

2. *The committee shall consult with an advisory committee consisting of the executive director of the department of taxation and eight members who are representative of various geographical areas of the state and are appointed by the legislative commission as follows:*

(a) Two members of the committee on local government finance created pursuant to NRS 266.0165;

(b) Three members involved in the government of a county; and

(c) Three members involved in the government of an incorporated city.

FLUSH *The members of the advisory committee are nonvoting members of the committee.*

3. *The legislative commission shall select the chairman and vice chairman of the committee from among the legislative members of the committee. Each chairman and vice chairman shall hold office for a term of 2 years commencing on July 1 of each odd-numbered year. The chairmanship of the committee must alternate each biennium between the houses of the legislature.*



4. *Any member of the committee who is not a candidate for reelection or who is defeated for reelection continues to serve until the next session of the legislature convenes.*

5. *Vacancies on the committee must be filled in the same manner as original appointments.*

6. *The committee shall report annually to the legislative commission concerning its activities and any recommendations.*

Sec. 4. 1. *The members of the committee shall meet throughout each year at the times and places specified by a call of the chairman or a majority of the committee.*

2. *The director of the legislative counsel bureau or a person he designates shall act as the nonvoting recording secretary.*

3. *The committee shall prescribe regulations for its own management and government.*

4. *Except as otherwise provided in subsection 5, five members of the committee constitute a quorum.*

5. *Any recommended legislation proposed by the committee must be approved by a majority of the members of the senate and by a majority of the members of the assembly appointed to the committee.*

6. *Each legislative member of the committee, except during a regular or special session of the legislature, and any member of the advisory committee who is not employed by a local government is entitled to receive the compensation provided for a majority of the members of the legislature during the first 60 days of the preceding regular session for*



each day or portion of a day during which he attends a meeting of the committee or is otherwise engaged in the business of the committee plus the per diem allowance provided for state officers and employees generally and the travel expenses provided pursuant to NRS 218.2207. The salaries and expenses paid pursuant to this subsection and the expenses of the committee must be paid from the legislative fund.

7. A local government that employs a member of the advisory committee shall pay the regular salary, per diem allowance and travel expenses of that member for each day or portion of a day during which he attends a meeting of the committee or is otherwise engaged in the business of the committee.

Sec. 5. *1. The committee shall review the laws relating to the distribution of revenue generated by state and local taxes including the distribution of the revenue from:*

- (a) The local school support tax imposed by chapter 374 of NRS;*
- (b) The tax on aviation fuel and motor vehicle fuel imposed by or pursuant to chapter 365 of NRS;*
- (c) The tax on intoxicating liquor imposed by chapter 369 of NRS;*
- (d) The tax on fuel imposed pursuant to chapter 373 of NRS;*
- (e) The tax on tobacco imposed by chapter 370 of NRS;*
- (f) The vehicle privilege tax imposed by or pursuant to chapter 371 of NRS;*
- (g) The tax imposed on gaming licensees by or pursuant to chapter 463 of NRS;*

(h) The tax on the transfer of real property imposed by or pursuant to chapter 375 of NRS; and

(i) Any other state or local tax.

2. The committee may:

(a) Conduct investigations and hold hearings in connection with its review;

(b) Apply for any available grants and accept any gifts, grants or donations and use any such gifts, grants or donations to aid the committee in carrying out its duties pursuant to this chapter;

(c) Direct the legislative counsel bureau to assist in its research, investigations and review; and

(d) Recommend to the legislature, as a result of its review, any appropriate legislation.

Sec. 6. 1. *In conducting the investigations and hearings of the committee:*

(a) Any member of the committee may administer oaths.

(b) The chairman of the committee may cause the deposition of witnesses, residing either within or outside of the state, to be taken in the manner prescribed by rule of court for taking depositions in civil actions in the district courts.

(c) The chairman of the committee may issue subpoenas to compel the attendance of witnesses and the production of books, papers or documents.

2. *If a witness refuses to attend or testify or produce books, papers or documents as required by the subpoena, the chairman of the committee may report to the district court by petition, setting forth:*

(a) That due notice has been given of the time and place of attendance of the witness or the production of the books, papers or documents;

(b) That the witness has been subpoenaed by the committee pursuant to this section; and

(c) That the witness has failed or refused to attend or produce the books, papers or documents required by the subpoena before the committee that is named in the subpoena, or has refused to answer questions propounded to him, and asking for an order of the court compelling the witness to attend and testify or produce the books, papers or documents before the committee.

3. *Upon such a petition, the court shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 10 days after the date of the order, and to show cause why he has not attended or testified or produced the books, papers or documents before the committee. A certified copy of the order must be served upon the witness.*

4. *If it appears to the court that the subpoena was regularly issued by the committee, the court shall enter an order that the witness appear before the committee at the time and*



place fixed in the order and testify or produce the required books, papers or documents.

Failure to obey the order constitutes contempt of court.

Sec. 7. *Each witness who appears before the committee by its order, except a state officer or employee, is entitled to receive for his attendance the fees and mileage provided for witnesses in civil cases in the courts of record of this state. The fees and mileage must be audited and paid upon the presentation of proper claims sworn to by the witness and approved by the secretary and chairman of the committee.*

Sec. 8. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 9. This act becomes effective on July 1, 1997, and expires by limitation on July 1, 2001.



Appendix P3
BDR 32-314

SUMMARY—Makes various changes to formulas for distribution of certain taxes.

(BDR 32-314)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to taxation; revising the formulas for the distribution of the proceeds of certain taxes; prohibiting certain governmental entities from pledging certain revenues to secure the payment of bonds or other obligations; revising the rate certain governmental entities must not exceed if levying an additional tax ad valorem under certain circumstances; requiring the executive director to allocate to certain governmental entities an amount equal to an amount calculated by using the average amount received from certain taxes for 2 fiscal years under certain circumstances; and providing other matters properly relating thereto.

WHEREAS, The legislature finds and declares that a general law cannot be made applicable for all provisions of this act because of the economic diversity of the local governments of this state, the unusual growth patterns in certain of those local governments and the special conditions experienced in certain counties related to the need to provide basic services; now, therefore,



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

Section 1. Chapter 360 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 15, inclusive, of this act.

Sec. 2. *As used in sections 2 to 15, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 7, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“County” includes Carson City.*

Sec. 4. *“Enterprise district” means any of the following governmental entities:*

- 1. Carson Water Subconservancy District;*
- 2. Douglas County Sewer Improvement District No. 1;*
- 3. Elk Point Sanitation District;*
- 4. Elko Convention and Visitors Authority;*
- 5. Elko Television District;*
- 6. Eureka County TV District;*
- 7. Kyle Canyon Water District;*
- 8. Lander County Sewer and Water District No. 2;*
- 9. Minden Gardnerville Sanitation District;*



10. *Stagecoach General Improvement District;*

11. *Sun Valley Water and Sanitation District;*

12. *Tahoe-Douglas District (sewer);*

13. *Verdi Television Maintenance District; and*

14. *Willowcreek General Improvement District.*

Sec. 5. *“Fund” means the local government tax distribution fund created pursuant to section 8 of this act.*

Sec. 6. *“Local government” means any county, city or town that receives any portion of the proceeds of a tax which is included in the fund.*

Sec. 7. *“Special district” means a governmental entity that receives any portion of the proceeds of a tax which is included in the fund and which is not:*

1. *A county;*
2. *A city;*
3. *A town; or*
4. *An enterprise district.*

Sec. 8. *The local government tax distribution fund is hereby created in the state treasury as a special revenue fund. The executive director shall administer the fund.*

Sec. 9. *Except as otherwise provided in section 15 of this act, each:*

1. *Local government that receives, before July 1, 1998, any portion of the proceeds of a tax which is included in the fund;*



2. *Special district that receives, before July 1, 1998, any portion of the proceeds of a tax which is included in the fund; and*

3. *Enterprise district,*
is eligible for an allocation from the fund in the manner prescribed in section 10 of this act.

Sec. 10. 1. *On or before July 1 of each year, the executive director shall allocate to each enterprise district an amount equal to the amount that the enterprise district received from the fund in the immediately preceding fiscal year.*

2. *Except as otherwise provided in sections 11 and 14 of this act, the executive director, after subtracting the amount allocated to each enterprise district pursuant to subsection 1, shall allocate to each local government or special district which is eligible for an allocation from the fund pursuant to section 9 of this act an amount from the fund that is equal to the amount allocated to the local government or special district for the preceding fiscal year multiplied by one plus the percentage change in the Consumer Price Index (All Items) for the year ending on December 31 immediately preceding the year in which the allocation is made.*

Sec. 11. 1. *Except as otherwise provided in section 14 of this act, the executive director shall estimate monthly the amount each local government, special district and enterprise district will receive from the fund 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 section 10 of this act for each local government, special district and enterprise*



district by 12 and the state treasurer shall, except as otherwise provided in subsections 3, 4 and 5, 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 account in the fund to allocate to each local government and special district the base monthly allocation determined pursuant to subsection 2, he shall prorate the money in the account and allocate to each local government and special district an amount equal to the percentage of the amount that the local government or special district received from the total amount which was distributed to all local governments and special districts within the county for the fiscal year immediately preceding the year in which the allocation is made. The state treasurer shall remit that amount to the local government or special district.

4. Except as otherwise provided in subsection 5, if the executive director determines that there is money remaining in the county's account in the fund after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, he 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 section 10 of this act by one plus the sum of the:

(I) Percentage change in the population of the local government for the fiscal year 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 6; and

(II) Average percentage change in the assessed valuation of taxable property in the local government, except any assessed valuation attributable to the net proceeds of minerals, over the 5 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 account; and

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

(1) Multiplying one-twelfth of the amount allocated pursuant to section 10 of this act by one plus the average change in the assessed valuation of taxable property in the special district, except any assessed valuation attributable to the net proceeds of minerals, over the 5 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 account.

The state treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

5. The executive director shall not allocate any amount to a local government or special district pursuant to subsection 4, 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 account in the fund after the distribution for the month has been made, he 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 account in the fund to determine which amount is greater.

If the executive director determines that the amount determined pursuant to paragraph (a) is greater, he shall allocate the money remaining in the county's account in the fund pursuant to the provisions of subsection 3. If the executive director determines that the amount of money remaining in the county's account in the fund is greater, he 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 account in the fund pursuant to the provisions of subsection 4.

6. 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, the percentage change calculated pursuant to paragraph (a) of subsection 3 must be an estimate of the change in population for the calendar year, based upon the population totals issued by the Bureau of the Census.

7. 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 fund for that fiscal year.

8. 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 fund 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 fund;
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.

9. A local government, special district or enterprise district may use the estimate provided by the executive director pursuant to subsection 8 in the preparation of its budget.

Sec. 12. *The executive director shall ensure that each local government, special district or enterprise district that:*

1. Received, before July 1, 1998, any portion of the proceeds of a tax which is included in the fund; and

*2. Pledged a portion of the money described in subsection 1 to secure the payment of bonds or other types of obligations,
receives an amount at least equal to that amount which the local government, special district or enterprise district would have received before July 1, 1998, that is pledged to secure the payment of those bonds or other types of obligations.*

Sec. 13. *1. An enterprise district shall not pledge any portion of the revenues from any of the taxes included in the fund to secure the payment of bonds or other obligations.*

2. The executive director shall ensure that a governmental entity created between July 1, 1996, and July 1, 1998, does not receive money from the taxes included in the fund



unless that governmental entity provides police protection and at least two of the following services:

- (a) Fire protection;*
- (b) Construction, maintenance and repair of roads; or*
- (c) Parks and recreation.*

3. As used in this section:

- (a) "Fire protection" has the meaning ascribed to it in section 15 of this act.*
- (b) "Parks and recreation" has the meaning ascribed to it in section 15 of this act.*
- (c) "Police protection" has the meaning ascribed to it in section 15 of this act.*
- (d) "Construction, maintenance and repair of roads" has the meaning ascribed to it in section 15 of this act.*

Sec. 14. *1. The governing bodies of two or more local governments or special districts, or any combination thereof, may, pursuant to the provisions of NRS 277.045, enter into a cooperative agreement that sets forth an alternative formula for the distribution of the taxes included in the fund to the local governments or special districts which are parties to the agreement. The governing bodies of each local government or special district that is a party to the agreement must approve the alternative formula by majority vote.*

2. The county clerk of a county in which a local government or special district that is a party to a cooperative agreement pursuant to subsection 1 is located shall transmit a copy of the cooperative agreement to the executive director:



(a) Within 10 days after the agreement is approved by each of the governing bodies of the local governments or special districts that are parties to the agreement; and

(b) Not later than December 31 of the year immediately preceding the initial year of distribution that will be governed by the cooperative agreement.

3. The governing body of a local government or special district shall not enter into more than one cooperative agreement pursuant to subsection 1.

4. If at least two cooperative agreements exist among the local governments and special districts that are located in the same county, the executive director shall ensure that the terms of those cooperative agreements do not conflict.

5. Any local government or special district that is not a party to a cooperative agreement pursuant to subsection 1 must continue to receive money from the fund pursuant to the provisions of sections 10 and 11 of this act.

6. The governing bodies of the local governments and special districts that have entered into a cooperative agreement pursuant to subsection 1 may, by majority vote, amend the terms of the agreement. The governing bodies shall not amend the terms of a cooperative agreement more than once during the first 2 years after the cooperative agreement is effective and once every year thereafter, unless the committee on local government finance approves the amendment. The provisions of this subsection do not apply to any interlocal agreements for the consolidation of governmental services entered into by local governments or special districts pursuant to the provisions of NRS 277.080 to 277.180, inclusive, that do not relate to the distribution of taxes included in the fund.



7. *A cooperative agreement executed pursuant to this section may not be terminated unless the governing body of each local government or special district that is a party to a cooperative agreement pursuant to subsection 1 agrees by unanimous consent to terminate the agreement.*

8. *For each fiscal year the cooperative agreement is in effect, the executive director shall continue to calculate the amount each local government or special district that is a party to a cooperative agreement pursuant to subsection 1 would receive pursuant to the provisions of sections 10 and 11 of this act.*

9. *If the governing bodies of the local governments or special districts that are parties to a cooperative agreement terminate the agreement pursuant to subsection 7, the executive director must distribute to those local governments or special districts an amount equal to the amount the local government or special district would have received pursuant to the provisions of sections 10 and 11 of this act according to the calculations performed pursuant to subsection 8.*

Sec. 15. 1. *The governing body of a local government or special district that is created after July 1, 1998, and which provides police protection and at least two of the following services:*

- (a) Fire protection;*
- (b) Construction, maintenance and repair of roads; or*
- (c) Parks and recreation,*



may, by majority vote, request the Nevada tax commission to direct the executive director to allocate money from the fund to the local government or special district pursuant to the provisions of sections 10 and 11 of this act.

2. On or before December 31 of the year immediately preceding the first fiscal year that the local government or special district would receive money from the fund, a governing body that submits a request pursuant to subsection 1 must:

(a) Submit the request to the executive director; and

(b) Provide copies of the request and any information it submits to the executive director in support of the request to each local government and special district that:

(1) Receives money from the fund; and

(2) Is located within the same county.

3. The executive director shall review each request submitted pursuant to subsection 1 and submit his findings to the committee on local government finance. In reviewing the request, the executive director shall:

(a) For the initial year of distribution, establish an amount to be allocated to the new local government or special district pursuant to the provisions of sections 10 and 11 of this act. If the new local government or special district will provide a service that was provided by another local government or special district before the creation of the new local government or special district, the amount allocated to the local government or special district which previously provided the service must be decreased by the amount allocated to the new local government or special district; and

(b) Consider:

(1) The effect of the distribution of money in the fund, pursuant to the provisions of sections 10 and 11 of this act, to the new local government or special district on the amounts that the other local governments and special districts that are located in the same county will receive from the fund; and

(2) The comparison of the amount established to be allocated pursuant to the provisions of sections 10 and 11 of this act for the new local government or special district to the amounts allocated to the other local governments and special districts that are located in the same county.

4. The committee on local government finance shall review the findings submitted by the executive director pursuant to subsection 3. If the committee determines that the distribution of money in the fund to the new local government or special district is appropriate, it shall submit a recommendation to the Nevada tax commission. If the committee determines that the distribution is not appropriate, that decision is not subject to review by the Nevada tax commission.

5. The Nevada tax commission shall schedule a public hearing within 30 days after the committee on local government finance submits its recommendation. The Nevada tax commission shall provide public notice of the hearing at least 10 days before the date on which the hearing will be held. The executive director shall provide copies of all documents relevant to the recommendation of the committee on local government finance to the



governing body of each local government and special district that is located in the same county as the new local government or special district.

6. If, after the public hearing, the Nevada tax commission determines that the recommendation of the committee on local government finance is appropriate, it shall order the executive director to distribute money in the fund to the new local government or special district pursuant to the provisions of sections 10 and 11 of this act.

7. For the purposes of this section, the local government or special district may enter into an interlocal agreement with another governmental entity for the provision of the services set forth in subsection 1 if that local government or special district compensates the governmental entity that provides the services in an amount equal to the value of those services.

8. As used in this section:

(a) "Fire protection" includes the provision of services related to:

(1) The prevention and suppression of fire; and

(2) Rescue,

and the acquisition and maintenance of the equipment necessary to provide those services.

(b) "Parks and recreation" includes the employment by the local government or special district, on a permanent and full-time basis, of persons who administer and maintain recreational facilities and parks. "Parks and recreation" does not include the construction or maintenance of roadside parks or rest areas that are constructed or maintained by the



local government or special district as part of the construction, maintenance and repair of roads.

(c) "Police protection" includes the employment by the local government or special district, on a permanent and full-time basis, of at least three persons whose primary functions specifically include:

- (1) Routine patrol;*
- (2) Criminal investigations;*
- (3) Enforcement of traffic laws; and*
- (4) Investigation of motor vehicle accidents.*

(d) "Construction, maintenance and repair of roads" includes the acquisition, operation or use of any material, equipment or facility that is used exclusively for the construction, maintenance or repair of a road and that is necessary for the safe and efficient use of the road except alleys and pathways for bicycles that are separate from the roadway and, including, without limitation:

- (1) Grades or regrades;*
- (2) Gravel;*
- (3) Oiling;*
- (4) Surfacing;*
- (5) Macadamizing;*
- (6) Paving;*



- (7) Cleaning;*
- (8) Sanding or snow removal;*
- (9) Crosswalks;*
- (10) Sidewalks;*
- (11) Culverts;*
- (12) Catch basins;*
- (13) Drains;*
- (14) Sewers;*
- (15) Manholes;*
- (16) Inlets;*
- (17) Outlets;*
- (18) Retaining walls;*
- (19) Bridges;*
- (20) Overpasses;*
- (21) Tunnels;*
- (22) Underpasses;*
- (23) Approaches;*
- (24) Sprinkling facilities;*
- (25) Artificial lights and lighting equipment;*
- (26) Parkways;*



- (27) Fences or barriers that control access to the road;*
- (28) Control of vegetation;*
- (29) Rights of way;*
- (30) Grade separators;*
- (31) Traffic separators;*
- (32) Devices and signs for control of traffic;*
- (33) Facilities for personnel who construct, maintain or repair roads; and*
- (34) Facilities for the storage of equipment or materials used to construct, maintain or repair roads.*

Sec. 16. NRS 360.283 is hereby amended to read as follows:

360.283 1. The department shall adopt regulations to establish a method of determining annually the population of each *town*, township, city and county in this state and estimate the population of each *town*, township, city and county pursuant to those regulations.

2. The department shall issue an annual report of the estimated population of each *town*, township, city and county in this state.

3. Any *town*, city or county in this state may petition the department to revise the estimated population of that *town*, city or county. No such petition may be filed on behalf of a township. The department shall by regulation establish a procedure to review each petition and to appeal the decision on review.



4. The department shall, upon the completion of any review and appeal thereon pursuant to subsection 3, determine the population of each *town*, township, city and county in this state, and submit its determination to the governor.

5. The department shall employ a demographer to assist in the determination of population pursuant to this section and to cooperate with the Federal Government in the conduct of each decennial census as it relates to this state.

Sec. 17. NRS 369.173 is hereby amended to read as follows:

369.173 The department shall apportion , [and the state controller shall distribute,] on a monthly basis, from the tax on liquor containing more than 22 percent of alcohol by volume, the portion of the tax collected during the preceding month which is equivalent to 50 cents per wine gallon, among Carson City and the counties of this state in proportion to their respective populations. [The department shall apportion that money within the counties as follows:

1. If there are no incorporated cities within the county, the entire amount must go into the county treasury.

2. If there is one incorporated city within the county the money must be apportioned between the city and the county on the basis of the population of the city and the population of the county excluding the population of the city.



3. If there are two or more incorporated cities within the county, the entire amount must be apportioned among the cities in proportion to their respective populations.

4. In Carson City the entire amount must go into the city treasury.] *The state controller shall deposit the amounts apportioned to Carson City and each county in the local government tax distribution fund created by section 8 of this act for credit to the respective accounts of Carson City and each county.*

Sec. 18. NRS 370.260 is hereby amended to read as follows:

370.260 1. All taxes and license fees imposed by the provisions of NRS 370.001 to 370.430, inclusive, less any refunds granted as provided by law, must be paid to the department in the form of remittances payable to the department.

2. The department shall:

(a) As compensation to the state for the costs of collecting the taxes and license fees, transmit each month the sum the legislature specifies from the remittances made to it pursuant to subsection 1 during the preceding month to the state treasurer for deposit to the credit of the department. The deposited money must be expended by the department in accordance with its work program.

(b) From the remittances made to it pursuant to subsection 1 during the preceding month, less the amount transmitted pursuant to paragraph (a), transmit each month the portion of the tax which is equivalent to 12.5 mills per cigarette to the state treasurer for deposit to the credit of the account for the tax on cigarettes in the state general fund.



(c) Transmit the balance of the payments each month to the state treasurer for deposit [to the credit of the cigarette tax account in the intergovernmental fund.] *in the local government tax distribution fund created by section 8 of this act.*

(d) Report to the state controller monthly the amount of collections.

3. The money [in the cigarette tax account] *deposited pursuant to paragraph (c) of subsection 2 in the local government tax distribution fund* is hereby appropriated to Carson City and to each of the counties in proportion to their respective populations [. The amount in the account which was collected during the preceding month must be apportioned by the department and distributed by the state controller as follows:

(a) In a county whose population is 6,000 or more:

(1) If there are no incorporated cities within the county, the entire amount must go into the county treasury.

(2) If there is one incorporated city within the county the money must be apportioned between the city and the county on the basis of the population of the city and the population of the county excluding the population of the city.

(3) If there are two or more incorporated cities within the county, the entire amount must be apportioned among the cities in proportion to their respective populations.

(b) In a county whose population is less than 6,000:

(1) If there are no incorporated cities or unincorporated towns within the county, the entire amount must go into the county treasury.



(2) If there is one incorporated city or one unincorporated town within the county the money must be apportioned between the city or town and the county on the basis of the population of the city or town and the population of the county excluding the population of the city or town.

(3) If there are two or more incorporated cities or unincorporated towns or an incorporated city and an unincorporated town within the county, the entire amount must be apportioned among the cities or towns in proportion to their respective populations.

(c) In Carson City the entire amount must go into the city treasury.

4. For the purposes of this section, "unincorporated town" means only those towns governed by town boards organized pursuant to NRS 269.016 to 269.019, inclusive.] *and must be credited to the respective accounts of Carson City and each county.*

Sec. 19. NRS 375.070 is hereby amended to read as follows:

375.070 [1.] The county recorder shall transmit the proceeds of the real property transfer tax at the end of each quarter in the following manner:

[(a)] 1. An amount equal to that portion of the proceeds which is equivalent to 10 cents for each \$500 of value or fraction thereof must be transmitted to the state treasurer who shall deposit that amount in the account for low-income housing created pursuant to NRS 319.500.

[(b)] 2. The remaining proceeds must be transmitted to the [county treasurer, who shall in Carson City, and in any county where there are no incorporated cities, deposit them



all in the general fund, and in other counties deposit 25 percent of them in the general fund and apportion the remainder as follows:

(1) If there is one incorporated city in the county, between that city and the county general fund in proportion to the respective populations of the city and the unincorporated area of the county.

(2) If there are two or more cities in the county, among the cities in proportion to their respective populations.

2. If there is any incorporated city in a county, the county recorder shall charge each city a fee equal to 2 percent of the real property transfer tax which is transferred to that city.] *state treasurer for deposit in the local government tax distribution fund created by section 8 of this act for credit to the respective accounts of Carson City and each county.*

Sec. 20. NRS 377.055 is hereby amended to read as follows:

377.055 1. The department [,] shall monthly determine for each county an amount of money equal to the sum of:

(a) Any fees and any taxes, interest and penalties which derive from the basic city-county relief tax collected in that county pursuant to this chapter during the preceding month, less the corresponding amount transferred to the state general fund pursuant to subsection 3 of NRS 377.050; and

(b) That proportion of the total amount of taxes which derive from that portion of the tax levied at the rate of one-half of 1 percent collected pursuant to this chapter during the preceding month from out-of-state businesses not maintaining a fixed place of business



within this state, less the corresponding amount transferred to the state general fund pursuant to subsection 3 of NRS 377.050, which the population of that county bears to the total population of all counties which have in effect a city-county relief tax ordinance [.

2. The department shall apportion and the state controller shall remit the amount determined for each county in the following manner:

(a) If there is one incorporated city in the county, apportion the money between the city and the county general fund in proportion to the respective populations of the city and the unincorporated area of the county.

(b) If there are two or more cities in the county, apportion all such money among the cities in proportion to their respective populations.

(c) If there are no incorporated cities in the county, remit the entire amount to the county treasurer for deposit in the county general fund.

3. The provisions of subsection 2 do not apply to Carson City, where the treasurer shall deposit the entire amount determined for the city and received from the state controller in the general fund.

4.],

and deposit the money in the local government tax distribution fund created by section 8 of this act for credit to the respective accounts of each county.

2. For the purpose of the distribution required by this section, the occasional sale of a vehicle shall be deemed to take place in the county to which the privilege tax payable by the buyer upon that vehicle is distributed.



Sec. 21. NRS 377.057 is hereby amended to read as follows:

377.057 1. The state controller, acting upon the relevant information furnished by the department, shall monthly from the fees, taxes, interest and penalties which derive from the supplemental city-county relief tax collected in all counties and from out-of-state businesses during the preceding month, except as otherwise provided in subsection 2:

(a) For Douglas, Esmeralda, Eureka, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey and White Pine counties, distribute to each county an amount equal to one-twelfth of the amount distributed in the immediately preceding fiscal year multiplied by one plus:

(1) The percentage change in the total receipts from the supplemental city-county relief tax for all counties and from out-of-state businesses, from the fiscal year 2 years preceding the immediately preceding fiscal year to the fiscal year preceding the immediately preceding fiscal year; or

(2) Except as otherwise provided in this paragraph, the percentage change in the population of the county, as certified by the governor pursuant to NRS 360.285, added to the percentage change in the Consumer Price Index for the year ending on December 31 next preceding the year of distribution,

whichever is less, except that the amount distributed to the county must not be less than the amount specified in subsection [10.] 6. If the [United States] 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, the percentage change calculated pursuant to subparagraph (2) for the ensuing fiscal year must 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) For all other counties, distribute the amount remaining after making the distributions required by paragraph (a) to each county in the proportion that the amount of supplemental city-county relief tax collected in the county for the month bears to the total amount of supplemental city-county relief tax collected for that month in the counties whose distribution will be determined pursuant to this paragraph.

2. If the amount of supplemental city-county relief tax collected in a county listed in paragraph (a) of subsection 1 for the 12 most recent months for which information concerning the actual amount collected is available on February 15 of any year exceeds by more than 10 percent the amount distributed pursuant to paragraph (a) to that county for the same period, the state controller shall distribute that county's portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (b) in all subsequent fiscal years, unless a waiver is granted pursuant to subsection 3.

3. A county which, pursuant to subsection 2, is required to have its portion of the proceeds from the supplemental city-county relief tax distributed pursuant to paragraph (b) of subsection 1, may file a request with the Nevada tax commission for a waiver of the requirements of subsection 2. The request must be filed on or before February 20 next preceding the fiscal year for which the county will first receive its portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (b) of subsection 1, and must be accompanied by evidence which supports the granting of the waiver. The



commission shall grant or deny a request for a waiver on or before March 10 next following the timely filing of the request. If the commission determines that the increase in the amount of supplemental city-county relief tax collected in the county was primarily caused by:

(a) Nonrecurring taxable sales, it shall grant the request.

(b) Normal or sustainable growth in taxable sales, it shall deny the request.

A county which is granted a waiver pursuant to this subsection is not required to obtain a waiver in any subsequent fiscal year to continue to receive its portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (a) of subsection 1 unless the amount of supplemental city-county relief tax collected in the county in a fiscal year again exceeds the threshold established in subsection 2.

4. The amount apportioned to each county must [then be apportioned among the several local governments therein, including the county and excluding the school district, any district created to provide a telephone number for emergencies, any district created under chapter 318 of NRS to furnish emergency medical services, any redevelopment agency, any tax increment area and any other local government excluded by specific statute, in the proportion which each local government's basic ad valorem revenue bears to the total basic ad valorem revenue of all these local governments.

5. As used in this section, the "basic ad valorem revenue" of each local government, except as otherwise provided in subsection 6 of NRS 354.5987, is its assessed valuation, including assessed valuation attributable to a redevelopment agency or tax increment area



but excluding the portion attributable to the net proceeds of minerals, for the year of distribution, multiplied by the rate levied on its behalf for the fiscal year ending June 30, 1981, for purposes other than paying the interest on and principal of its general obligations.

For the purposes of this subsection:

(a) A county whose actual tax rate, for purposes other than debt service, for the fiscal year ending on June 30, 1981, was less than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than 80 cents per \$100 of assessed valuation.

(b) A fire district in such a county whose tax rate was more than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than \$1.10 per \$100 of assessed valuation.

6. For the purposes of determining basic ad valorem revenue, the assessed valuation of a fire protection district includes property which was transferred from private ownership to public ownership after July 1, 1986, pursuant to:

(a) The Santini-Burton Act, Public Law 96-586; or

(b) Chapter 585, Statutes of Nevada 1985, at page 1866, approved by the voters on November 4, 1986.

7. On or before February 15 of each year, the executive director shall provide to each local government a preliminary estimate of the revenue it will receive from the supplemental city-county relief tax in the next fiscal year.

8. On or before March 15 of each year, the executive director shall:



(a) Make an estimate of the receipts from the supplemental city-county relief tax on an accrual basis for the next fiscal year in accordance with generally accepted accounting principles; and

(b) Provide to each local government an estimate of the tax that local government would receive based upon the estimate made pursuant to paragraph (a) and calculated pursuant to the provisions of this section.

9. A local government may use the estimate provided by the executive director pursuant to subsection 8 in the preparation of its budget.

10.] *be deposited in the local government tax distribution fund created by section 8 of this act for credit to the respective accounts of each county.*

5. The minimum amount which may be distributed to the following counties in a month pursuant to paragraph (a) of subsection 1 is as follows:

Douglas.....	\$580,993
Esmeralda.....	53,093
Lander.....	155,106
Lincoln	72,973
Lyon	356,858
Mineral	118,299
Nye	296,609



Pershing	96,731
Storey	69,914
White Pine	158,863

[11.] 6. As used in this section, unless the context otherwise requires:

(a) [“Local government” includes a fire protection district organized pursuant to chapter 473 of NRS.] *“Enterprise district” has the meaning ascribed to it in section 4 of this act.*

(b) “Local government” [does not include the Nevada rural housing authority.] *has the meaning ascribed to it in section 6 of this act.*

(c) *“Special district” has the meaning ascribed to it in section 7 of this act.*

Sec. 22. Chapter 354 of NRS is hereby amended by adding thereto sections 23 and 24 of this act.

Sec. 23. *Except as otherwise provided in section 24 of this act, if one or more local governments assume the functions previously performed by a local government that no longer exists, the Nevada tax commission shall add to the allowed revenue from taxes ad valorem otherwise allowable to the local government or local governments pursuant to NRS 354.59811 an amount equal to the allowed revenue from taxes ad valorem for the last fiscal year of existence of the local government whose functions were assumed. If more than one local government assumes the functions, the additional revenue must be divided among the local governments 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 taxes ad valorem if the increase would result in a decrease in revenue of any local government in the county that does not assume those functions.

Sec. 24. *1. For the purpose of calculating the amount to be distributed pursuant to the provisions of sections 10 and 11 of this act from a county's account in the local government tax distribution fund 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 subsection and subsection 2, the executive director of the department of taxation shall:

(1) Add the amounts calculated pursuant to subsection 1 or 2 of section 10 of this act 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 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, except any assessed valuation attributable to the net proceeds of minerals, pursuant to subsection 3 of section 11 of this act to the 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 account in the local government tax distribution fund 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 sections 2 to 15, inclusive, of this act.

3. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in section 4 of this act.

(b) "Local government" has the meaning ascribed to it in section 6 of this act.

(c) "Special district" has the meaning ascribed to it in section 7 of this act.

Sec. 25. NRS 354.470 is hereby amended to read as follows:

354.470 NRS 354.470 to 354.626, inclusive, and sections 23 and 24 of this act may be cited as the Local Government Budget Act.



Sec. 26. 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, [when] *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 [NRS 377.057] *subsection 8 of section 11 of this act* 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 [state,] *county*, 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 [amount] :

(a) *Amount* of revenue from supplemental city-county relief tax estimated to be received by [that local government and] *the county pursuant to subsection 8 of section 11 of this act; and*

(b) *The tax that [it] 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 [state.] county,*
multiplied by the proportion determined for the local government pursuant to subparagraph (2) of paragraph (a) of subsection 3 of section 11 of this act.



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 section 6 of this act.*

Sec. 27. NRS 354.5982 is hereby amended to read as follows:

354.5982 1. The local government may exceed the limit imposed by NRS 354.59811 upon the calculated receipts from taxes ad valorem only if its governing body proposes to its registered voters an additional levy ad valorem, specifying the amount of money to be derived, the purpose for which it is to be expended and the duration of the levy, and the proposal is approved by a majority of the voters voting on the question at a primary or general election or a special election called for that purpose. The duration of the levy must not exceed 30 years. The governing body may discontinue the levy before it expires and may not thereafter reimpose it in whole or in part without following the procedure required for its original imposition.

2. A special election may be held only if the governing body of the local government determines, by a unanimous vote, that an emergency exists. The determination made by the governing body is conclusive unless it is shown that the governing body acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the governing body must be commenced within 15 days after the governing body's determination is final. As used in this subsection, "emergency" means any unexpected



occurrence or combination of occurrences which requires immediate action by the governing body of the local government to prevent or mitigate a substantial financial loss to the local government or to enable the governing body to provide an essential service to the residents of the local government.

3. To the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811 for a local government, the executive director of the department of taxation shall add any amount approved by the legislature for the cost to that local government of any substantial program or expense required by legislative enactment.

[4. Except as otherwise provided in this subsection, if one or more local governments take over the functions previously performed by a local government which no longer exists, the Nevada tax commission shall add to the allowed revenue from taxes ad valorem and the basic ad valorem revenue, respectively, otherwise allowable to the local government or local governments pursuant to NRS 354.59811 and 377.057, an amount equal to the allowed revenue from taxes ad valorem and the basic ad valorem revenue, respectively, for the last fiscal year of existence of the local government whose functions were assumed. If more than one local government assumes the functions, the additional revenue must be divided among the local governments 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 taxes ad valorem or basic ad valorem revenue if the increase would result in a decrease in revenue of any local government in the county which does not assume those functions.]



Sec. 28. NRS 354.5987 is hereby amended to read as follows:

354.5987 1. For the purposes of NRS 354.59811 , [and 377.057,] the allowed revenue from taxes ad valorem [and the basic ad valorem revenue] of any local government:

(a) Which comes into being on or after July 1, 1989, whether newly created, consolidated, or both;

[(b) Which was in existence before July 1, 1989, but for which the basic ad valorem revenue was not established for the fiscal year ending June 30, 1989; or

(c)] *or*

(b) Which was in existence before July 1, 1989, but did not receive revenue from taxes ad valorem, except any levied for debt service, for the fiscal year ending June 30, 1989, must be initially established by the Nevada tax commission.

2. Except as otherwise provided in subsections 3 and [8,] 6, if the local government for which the allowed revenue from taxes ad valorem [and the basic ad valorem revenue are] is to be established performs a function previously performed by another local government, the total revenue allowed to all local governments for performance of substantially the same function in substantially the same geographical area must not be increased. To achieve this result, the Nevada tax commission shall request the committee on local government finance to prepare a statement of the prior cost of performing the function for each predecessor local government. Within 60 days after receipt of such a request, the committee on local government finance shall prepare a statement pursuant to the request



and transmit it to the Nevada tax commission. The Nevada tax commission may accept, reject or amend the statement of the committee on local government finance. The decision of the Nevada tax commission is final. Upon making a final determination of the prior cost of performing the function for each predecessor local government, the Nevada tax commission shall:

(a) Determine the percentage that the prior cost of performing the function for each predecessor local government is of [the basic ad valorem revenue and of] the allowed revenue from taxes ad valorem of that local government; and

(b) Apply the [percentages] *percentage* determined pursuant to paragraph (a) to the [basic ad valorem revenue and to the] allowed revenue from taxes ad valorem [, respectively,] and subtract [those amounts respectively from the basic ad valorem revenue and] *that amount* from the allowed revenue from taxes ad valorem of the predecessor local government.

The [basic ad valorem revenue and] allowed revenue from taxes ad valorem [, respectively,] attributable to the new local government for the cost of performing the function must equal the total of the amounts subtracted for the prior cost of performing the function from the [basic ad valorem revenue and] allowed revenue from taxes ad valorem [, respectively,] of all of the predecessor local governments.

3. [If the local government for which the basic ad valorem revenue is to be established pursuant to subsection 1 is a city, the Nevada tax commission shall:

(a) Using the basic ad valorem revenue of the town replaced by the city, if any, as a basis, set the basic ad valorem revenue of the city at an amount sufficient to allow the city, with other available revenue, to provide the basic services for which it was created;

(b) Reduce the basic ad valorem revenue of the county by the amount set for the city pursuant to paragraph (a);

(c) Add to the basic ad valorem revenue of the county the basic ad valorem revenue of any town which the city has replaced; and

(d) Add to the allowed revenue from taxes ad valorem of the county the allowed revenue from taxes ad valorem for any town which the city replaced.

4.] If the local government for which the allowed revenue from taxes ad valorem [or the basic ad valorem revenue] is to be established is an unincorporated town which provides a service not previously provided by another local government, and the board of county commissioners has included the unincorporated town in a resolution adopted pursuant to the provisions of NRS 269.5755, the Nevada tax commission shall [:

(a) Establish the basic ad valorem revenue of the town at an amount which is in the same ratio to the assessed valuation of the town as the combined basic ad valorem revenues are to the combined assessed valuations of all other unincorporated towns included in the common levy authorized pursuant to NRS 269.5755; and

(b) If] , *if* the unincorporated town [also] does not receive revenue from taxes ad valorem, establish the allowed revenue of the town from taxes ad valorem at an amount which is in the same ratio to the assessed valuation of the town as the combined allowed



revenues from taxes ad valorem are to the combined assessed valuations of the other unincorporated towns included in the common levy.

[5. The basic ad valorem revenue and]

4. *The* allowed revenue from taxes ad valorem of an unincorporated town which provides a service not previously provided by another local government must be:

(a) Reduced by 75 percent for the first fiscal year following the fiscal year in which the [basic ad valorem revenue and] allowed revenue from taxes ad valorem [are] *is* established pursuant to subsection [4;] 3;

(b) Reduced by 50 percent for the second fiscal year following the fiscal year in which the [basic ad valorem revenue and] allowed revenue from taxes ad valorem [are] *is* established pursuant to subsection [4;] 3; and

(c) Reduced by 25 percent for the third fiscal year following the fiscal year in which the [basic ad valorem revenue and] allowed revenue from taxes ad valorem [are] *is* established pursuant to subsection [4.

6.] 3.

5. In any other case, except as otherwise provided in subsection [8,] 6, the allowed revenue from taxes ad valorem of all local governments in the county, determined pursuant to NRS 354.59811, must not be increased, but the total [basic ad valorem revenue and] allowed revenue from taxes ad valorem must be reallocated among the local governments consistent with subsection 2 to accommodate the amount established for the new local government pursuant to subsection 1.



[7. Any amount of basic ad valorem revenue allowable which is established or changed pursuant to this section must be used to determine a new tax rate for the fiscal year ending June 30, 1981, for each affected local government. This new tax rate must be used to make the distributions among the local governments in the county required by NRS 377.057 for each year following the year in which the amount was established or changed.

8.] 6. In establishing the allowed revenue from taxes ad valorem of a county, city or town pursuant to this section, the Nevada tax commission shall allow a tax rate for operating expenses of at least 15 cents per \$100 of assessed valuation in addition to the tax rate allowed for any identified and restricted purposes and for debt service.

[9.] 7. As used in this section:

(a) "Predecessor local government" means a local government which previously performed all or part of a function to be performed by the local government for which the allowed revenue from taxes ad valorem [and the basic ad valorem revenue are] is being established pursuant to subsection 1.

(b) "Prior cost of performing the function" means the amount expended by a local government to perform a function which is now to be performed by another local government. The amount must be determined on the basis of the most recent fiscal year for which reliable information is available.

Sec. 29. NRS 354.59874 is hereby amended to read as follows:

354.59874 Except as otherwise provided in [subsection 4 of NRS 354.5982] *sections 23 and 24 of this act* and subsection 2 of NRS 354.5987, if one local government takes over



a function or provides a service previously performed by another local government pursuant to an agreement between the local governments, upon petition by the participating local governments, the executive director of the department of taxation shall:

1. Reduce the allowed revenue from taxes ad valorem calculated pursuant to NRS 354.59811 of the local government which previously performed the function or provided the service, for the first year the service is provided or the function is performed by an amount equal to the cost of performing the function or providing the service; and

2. Increase the allowed revenue from taxes ad valorem calculated pursuant to NRS 354.59811 of the local government which assumed the performance of the function or the provision of the service, for the first year the service is provided or the function is performed by an amount equal to the amount by which the reduction was made pursuant to subsection 1.

Sec. 30. NRS 408.235 is hereby amended to read as follows:

408.235 1. There is hereby created the state highway fund.

2. Except as otherwise provided in subsection [6] 7 of NRS 482.180, the proceeds from the imposition of any license or registration fee and other charges with respect to the operation of any motor vehicle upon any public highway, city, town or county road, street, alley or highway in this state and the proceeds from the imposition of any excise tax on gasoline or other motor vehicle fuel must be deposited in the state highway fund and must, except for costs of administering the collection thereof, be used exclusively for



administration, construction, reconstruction, improvement and maintenance of highways as provided for in this chapter.

3. The interest and income earned on the money in the state highway fund, after deducting any applicable charges, must be credited to the fund.

4. Costs of administration for the collection of the proceeds for any license or registration fees and other charges with respect to the operation of any motor vehicle must be limited to a sum not to exceed 22 percent of the total proceeds so collected.

5. Costs of administration for the collection of any excise tax on gasoline or other motor vehicle fuel must be limited to a sum not to exceed 1 percent of the total proceeds so collected.

6. All bills and charges against the state highway fund for administration, construction, reconstruction, improvement and maintenance of highways under the provisions of this chapter must be certified by the director and must be presented to and examined by the state board of examiners. When allowed by the state board of examiners and upon being audited by the state controller, the state controller shall draw his warrant therefor upon the state treasurer.

Sec. 31. NRS 482.180 is hereby amended to read as follows:

482.180 1. The motor vehicle fund is hereby created as an agency fund. Except as otherwise provided *in subsection 4 or* by a specific statute, all money received or collected by the department must be deposited in the state treasury for credit to the motor vehicle fund.



2. The interest and income on the money in the motor vehicle fund, after deducting any applicable charges, must be credited to the state highway fund.

3. Any check accepted by the department in payment of vehicle privilege tax or any other fee required to be collected under this chapter must, if it is dishonored upon presentation for payment, be charged back against the motor vehicle fund or the county to which the payment was credited, in the proper proportion.

4. *All money received or collected by the department for the basic vehicle privilege tax must be deposited in the local government tax distribution fund, created by section 8 of this act, for credit to the appropriate county pursuant to subsection 6.*

5. Money for the administration of the provisions of this chapter must be provided by direct legislative appropriation from the state highway fund, upon the presentation of budgets in the manner required by law. Out of the appropriation the department shall pay every item of expense.

[5.] 6. The privilege tax collected on vehicles subject to the provisions of chapter 706 of NRS and engaged in interstate or intercounty operation must be distributed among the counties in the following percentages:

Carson City	1.07 percent	Lincoln	3.12 percent
Churchill	5.21 percent	Lyon	2.90 percent
Clark	22.54 percent	Mineral	2.40 percent



Douglas.....	2.52 percent	Nye.....	4.09 percent
Elko	13.31 percent	Pershing.....	7.00 percent
Esmeralda	2.52 percent	Storey19 percent
Eureka.....	3.10 percent	Washoe.....	12.24 percent
Humboldt.....	8.25 percent	White Pine.....	5.66 percent
Lander.....	3.88 percent		

The distributions must be allocated among local governments within the respective counties pursuant to the provisions of NRS 482.181.

[6.] 7. As commission to the department for collecting the privilege tax on vehicles subject to the provisions of this chapter and chapter 706 of NRS, the department shall deduct and withhold 1 percent of the privilege tax collected by a county assessor and 6 percent of the other privilege tax collected.

[7.] 8. When the requirements of this section and NRS 482.181 have been met, and when directed by the department, the state controller shall transfer monthly to the state highway fund any balance in the motor vehicle fund.

[8.] 9. If a statute requires that any money in the motor vehicle fund be transferred to another fund or account, the department shall direct the controller to transfer the money in accordance with the statute.

Sec. 32. NRS 482.181 is hereby amended to read as follows:



482.181 1. Except as otherwise provided in subsection 4, the department shall certify monthly to the state board of examiners the amount of the basic and supplemental privilege taxes collected for each county by the department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental privilege tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.045 and 371.047.

3. The distribution of the basic privilege tax within a county must be made to local governments, [as defined in NRS 354.474, except redevelopment agencies and tax increment areas,] *special districts and enterprise districts pursuant to the provisions of sections 10 and 11 of this act. The distribution of the basic privilege tax must be made to the county school district within the county before the distribution of the basic privilege tax pursuant to the provisions of sections 10 and 11 of this act and in the same ratio as all property taxes were levied in the county in the previous fiscal year, but the State of Nevada is not entitled to share in that distribution . [and at least 5 percent of the basic privilege tax disbursed to a county must be deposited for credit to the county's general fund.] For the purpose of [this subsection,] calculating the amount of basic privilege tax to be distributed to the county school district, the taxes levied by each local government , special district and enterprise district are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS*



361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. An amount equal to any basic privilege tax distributed to a redevelopment agency or tax increment area in the fiscal year 1987-1988 must continue to be distributed to that agency or area as long as it exists but must not be increased.

5. [Local governments, other than incorporated cities, are entitled to receive no distribution of basic privilege tax if the distribution to the local government is less than \$100. Any undistributed money accrues to the county general fund of the county in which the local government is located.

6.] The department shall make distributions of basic privilege tax directly to [counties,] county school districts . [and incorporated cities. Distributions for other local governments within a county must be paid to the counties for distribution to the other local governments.]

6. *As used in this section:*

(a) *"Enterprise district" has the meaning ascribed to it in section 4 of this act.*

(b) *"Local government" has the meaning ascribed to it in section 6 of this act.*

(c) *"Special district" has the meaning ascribed to it in section 7 of this act.*

Sec. 33. Section 10 of chapter 590, Statutes of Nevada 1995, at page 2187, is hereby amended to read as follows:



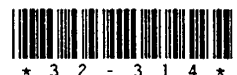
Sec. 10. [1.] This section and sections 1 to 7, inclusive, and 9 of this act become effective on July 1, 1995.

[2. Section 8 of this act becomes effective on July 1, 2000.]

Sec. 34. NRS 354.489 and section 8 of chapter 590, Statutes of Nevada 1995, at page 2183, are hereby repealed.

Sec. 35. 1. Notwithstanding the provisions of subsection 1 of section 10 of this act, the executive director of the department of taxation shall, for the initial year of distribution of the money contained in the local government tax distribution fund, allocate to each enterprise district an amount in lieu of the amount allocated pursuant to subsection 1 of section 10 of this act that is equal to the average annual amount that the enterprise district received from the proceeds from each tax included in the fund for the fiscal years ending on June 30, 1996, and June 30, 1997.

2. Notwithstanding the provisions of subsection 2 of section 10 of this act, the executive director of the department of taxation shall, for the initial year of distribution of the money contained in the local government tax distribution fund, allocate to each local government and special district that receives, before July 1, 1998, any of the proceeds from a tax which is included in the local government tax distribution fund an amount in lieu of the amount allocated pursuant to the provisions of sections 10 and 11 of this act that is equal to an amount calculated by:



(a) Multiplying the average of the amount of each tax included in the fund that was distributed to the local government or special district for the fiscal years ending on June 30, 1996, and June 30, 1997, by one plus the average percentage change between the:

(1) Total amounts received by the local governments and special districts located in the same county for the fiscal year ending on June 30, 1997; and

(2) Average of the total amounts received by the local governments and special districts located in the same county for the fiscal years ending on June 30, 1996, and June 30, 1997; and

(b) Multiplying the amount calculated in paragraph (a) by one plus the average percentage change in the Consumer Price Index (All Items) for the period from July 1, 1997, to December 31, 1997.

3. For the purposes of this section, the fiscal year ending on June 30, 1999, is the initial year of distribution.

4. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in section 4 of this act.

(b) "Local government" has the meaning ascribed to it in section 6 of this act.

(c) "Special district" has the meaning ascribed to it in section 7 of this act.

Sec. 36. 1. The governing body of a local government or special district that receives, before July 1, 1998, any portion of the proceeds from a tax which is included in the local government tax distribution fund may submit a request to the executive director of



the department of taxation for an adjustment to the amount calculated pursuant to section 35 of this act.

2. A governing body that submits a request pursuant to subsection 1 must:

(a) Submit the request to the executive director of the department of taxation; and

(b) Provide copies of the request and any information it submits to the executive director in support of the request to each of the other local governments and special districts that receive any portion of the proceeds from a tax which is included in the local government tax distribution fund and which is located within the same county, on or before December 31, 1997.

3. The executive director of the department of taxation shall review a request submitted pursuant to subsection 1 and submit his findings to the committee on local government finance. In reviewing the request, the executive director shall:

(a) Analyze the revenues available to the local government or special district in the fiscal year ending on June 30, 1981, including, without limitation:

(1) The rate of property taxes levied for the fiscal year ending on June 30, 1981;

(2) The change in the rate of property taxes for the 5 years immediately preceding the fiscal year ending on June 30, 1981; and

(3) The change in the assessed valuation of the taxable property within the local government or special district over the 5 years immediately preceding the fiscal year ending on June 30, 1981, but excluding any assessed valuation attributable to the net proceeds of minerals; and



(b) Consider:

(1) The effect of an increase in the amount calculated pursuant to the provisions of sections 10 and 11 of this act for the local government or special district on the amounts that the other local governments and special districts that are located within the same county will receive from the local government tax distribution fund;

(2) Any other factors that may have caused the local government or special district to experience growth or other effects which are not reflected in the formula for distribution for the supplemental city-county relief tax set forth in NRS 377.057 as that formula exists before July 1, 1998; and

(3) The comparison of the amount calculated pursuant to the provisions of sections 10 and 11 of this act for the local government or special district to the amounts calculated pursuant to provisions of sections 10 and 11 of this act for the other local governments and special districts that are located in the same county.

The executive director shall not base his findings solely on the fact that a local government or special district did not levy a rate of property tax equal in rate to those levied by other similar local governments or special districts for the fiscal year ending on June 30, 1981.

4. The committee on local government finance shall review the findings submitted by the executive director of the department of taxation pursuant to subsection 3. If the committee determines that the adjustment to the amount calculated pursuant to subsection 2 of section 10 of this act is appropriate, it shall submit a recommendation to the Nevada tax commission that sets forth the amount of the recommended adjustment. If the committee



determines that the adjustment is not appropriate, that decision is not subject to review by the Nevada tax commission.

5. The Nevada tax commission shall schedule a public hearing within 30 days after the committee on local government finance submits its recommendation. The Nevada tax commission shall provide public notice of the hearing at least 10 days before the date on which the hearing will be held. The executive director of the department of taxation shall provide copies of all documents relevant to the adjustment recommended by the committee on local government finance to the governing body of each local government and special district that is located in the same county as the local government or special district that requests the adjustment.

6. If, after the public hearing, the Nevada tax commission determines that the recommended adjustment is appropriate, it shall order the executive director of the department of taxation to adjust the amount calculated pursuant to the provisions of sections 10 and 11 of this act.

7. The executive director of the department of taxation, the committee on local government finance and the Nevada tax commission shall not consider any request for an adjustment to the amount calculated pursuant to the provisions of sections 10 and 11 of this act for a local government or special district that is submitted after December 31, 1997.

8. As used in this section:

(a) "Local government" has the meaning ascribed to it in section 6 of this act.



(b) "Special district" has the meaning ascribed to it in section 7 of this act.

Sec. 37. 1. On or before September 15, 1997, the executive director of the department of taxation shall calculate the amount each enterprise district will receive pursuant to subsection 1 of section 10 of this act.

2. As used in this section, "enterprise district" has the meaning ascribed to it in section 4 of this act.

Sec. 38. 1. This section and sections 1 to 7, inclusive, 12, 13 and 37 of this act become effective upon passage and approval.

2. Sections 8 to 11, inclusive, and 14 to 36, inclusive, of this act become effective on July 1, 1998.

TEXT OF REPEALED SECTIONS

354.489 "Basic ad valorem revenue" defined. "Basic ad valorem revenue" has the meaning ascribed to it in NRS 377.057.

Section 8 of chapter 590, Statutes of Nevada 1995:

Sec. 8. NRS 482.181 is hereby amended to read as follows:

482.181 1. Except as otherwise provided in subsection [4,] 5, the department shall certify monthly to the state board of examiners the amount of the basic and



supplemental privilege taxes collected for each county by the department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental privilege tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.045.

3. The distribution of the basic privilege tax within a county must be made to local governments, as defined in NRS 354.474, except redevelopment agencies and tax increment areas, in the same ratio as all property taxes were levied in the county in the previous fiscal year, but the State of Nevada is not entitled to share in that distribution and at least 5 percent of the basic privilege tax disbursed to a county must be deposited for credit to the county's general fund. For the purpose of this subsection, the taxes levied by each local government are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. *The tax rate for the fiscal year beginning on July 1, 1980, of an unincorporated town created after July 1, 1980, for which the Nevada tax*



commission establishes the allowed revenue from taxes ad valorem or basic ad valorem revenue pursuant to subsection 4 of NRS 354.5987 shall be deemed to be the average tax rate levied for the fiscal year beginning on July 1, 1980, by other unincorporated towns included in the same common levy authorized by NRS 269.5755 which were in existence on July 1, 1980.

5. An amount equal to any basic privilege tax distributed to a redevelopment agency or tax increment area in the fiscal year 1987-1988 must continue to be distributed to that agency or area as long as it exists but must not be increased.

[5.] 6. Local governments, other than incorporated cities, are entitled to receive no distribution of basic privilege tax if the distribution to the local government is less than \$100. Any undistributed money accrues to the county general fund of the county in which the local government is located.

[6.] 7. The department shall make distributions of basic privilege tax directly to counties, county school districts and incorporated cities. Distributions for other local governments within a county must be paid to the counties for distribution to the other local governments.

