

PROPOSED REGULATION OF THE DEPARTMENT OF TAXATION

Proposed Nevada Administrative Code

Proposed NAC related to Senate Bill No. 534 that amends Chapter 360 of the Nevada Revised Statutes

Adds adjustment to allocations from Local Government Tax Distribution Account

Explanation: Additions are in *italics*, deletions are within brackets **H**.

NAC 360.XXX Review of certain criteria to determine if adjustment to allocation of revenue from the local government tax account is necessary.

1. The executive director shall review the population and assessed valuation data on or before March 31, following population certification and completion of revenue projections for the subsequent fiscal years.

(a) The population and assessed valuation figures are those utilized pursuant to NRS 360.690.

2. If the executive director determines that the review of the population and assessed valuation may warrant an adjustment to the allocation of an entity within a county; notification shall immediately be made to the effected entity for the purposes of seeking additional information.

(a) The county may submit information to assist the executive director in making a recommendation, and to the Committee on Local Government Finance, for a determination of adjustment.

(b) In determining whether to adjust the allocation, the executive director shall review all available information, including but not limited to:

1. Whether or not the local government has been placed in severe financial difficulty pursuant to NRS 354.685.

2. The total revenue per capita of the local government compared to other local governments of similar size and type.

3. The executive director is to provide a report of his findings to the Committee on Local Government Finance on or before December 1.

4. The Committee on Local government Finance will meet on or before December 15, following the receipt of the report & recommendation from the executive director. All entities

within the county, which may be affected by the allocation adjustment, will be notified within 10 days of the hearing. If the committee determines an adjustment is appropriate, a recommendation will be forwarded to the Nevada Tax Commission. If the committee determines an adjustment is not appropriate the decision is not subject to review by the Nevada Tax Commission.

5. The Nevada Tax Commission is required to schedule a public hearing within 30 days after the Committee on local Government Finance submits its recommendation. A public notice of 10 days is required for the hearing. The executive director is required to provide copies of all documents related to the recommended adjustment to all the governing bodies of each local government and special district that is located within the affected county.

6. If the Nevada Tax Commission determines an adjustment is warranted, the adjustment shall be made to the amount of the base allocation established pursuant to NRS 360.680 and included in the final revenue projections for the subsequent fiscal year.