

Chapter 354 of NAC

LCB File No. T051-09

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

Filed with the Secretary of State on August 24, 2009

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

AUTHORITY: §§1-5; NRS 354.107, 354.280 and 387.175

A REGULATION relating to local financial administration; providing for the administration of county records of the county school district fund; and providing other matters properly relating thereto.

Section 1. Chapter 354 of NAC is hereby amended by adding thereto the provisions set forth as sections 1 to 11, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 11, inclusive, of this regulation, unless the context otherwise requires, the terms defined in sections 3 through 6 of this regulation have the meaning ascribed to them in those sections.*

Sec. 3. *“Centrally assessed roll” has the meaning ascribed to it in NRS 361.3205.*

Sec. 4. *“Property tax receipts” means property taxes collected from any of the following, without limitation:*

- 1. Property tax on real and personal property and paid pursuant to NRS 361.483;*
- 2. Deferred tax on real property previously held for agricultural or open space use and paid pursuant to NRS 361A.280;*
- 3. Property tax on personal property or other property on the unsecured roll and paid pursuant to NRS 361.505, NRS 361.767, NRS 361.769, or NRS 361.770.*

4. Property tax on property assessed by the Nevada Tax Commission pursuant to NRS 361.320 and paid pursuant to NRS 361.3205; and

5. Net proceeds of mineral tax appropriated to each county pursuant to NRS 362.170. ↪except that property tax receipts do not include franchise fees, oil and gas lease payments, Fish & Game fees, or payments made by the federal government in lieu of taxes.

Sec. 5. "Secured tax roll" has the meaning ascribed to it in NRS 361.260.

Sec. 6. "Unsecured tax roll" has the meaning ascribed to it in NRS 361.260.

Sec. 7. Each county tax receiver shall file with the local school district, the Department of Taxation and the Department of Education, on or before August 1 of the current fiscal year, a preliminary summary report of the total amount of all property tax receipts received for the prior fiscal year through June 30. The preliminary report must not duplicate any amounts previously reported in the prior fiscal year.

Sec. 8. The preliminary summary report shall include the following information: 1. The total county collection by tax receipt type, including:

- a.) Total taxes collected on the secured roll for the prior fiscal year;*
- b.) Total taxes collected on the unsecured roll for the prior fiscal year;*
- c.) Total taxes collected on the centrally-assessed roll for the prior fiscal year;*
- d.) Total net proceeds of minerals taxes distributed by the Department of Taxation for the immediately preceding calendar year;*
- e.) Total net proceeds of minerals taxes distributed by the Department of Taxation for the current calendar year;*
- f.) Total delinquent tax receipts for fiscal year 2004-2005 and years prior to 2004-2005;*

- g.) Total delinquent tax receipts for fiscal year 2005-2006 through all subsequent years except the current fiscal year;*
- h.) Grand total of all receipts for items (a) through (g);*
- i.) The total amount of commission pursuant to NRS 361.530; and*
- j.) Grand total of all receipts for items (a) through (g) less the total amount of commission pursuant to NRS 361.530.*

2. The public school operating tax distribution, using a rate of levy of .0075, as follows:

- (a) The portion of the total taxes collected on the secured roll from the prior fiscal year and distributed to the school district;*
- (b) The portion of the total taxes collected on the unsecured roll from the prior fiscal year and distributed to the school district;*
- (c) The portion of the total taxes collected on the centrally-assessed roll from the prior fiscal year and distributed to the school district;*
- (d) The portion of the total net proceeds of mineral taxes distributed in the preceding fiscal year and available to the school district in the current fiscal year pursuant to NRS 387.195(2);*
- (e) The portion of the total net proceeds of mineral taxes distributed by the Department of Taxation from the immediately preceding calendar year and distributed to the school district;*
- (f) The portion of the total net proceeds of minerals taxes distributed by the Department of Taxation for the current calendar year and distributed to the school district;*
- (g) The portion of the total delinquent tax receipts for fiscal year 2004-2005 and years prior to 2004-2005 distributed to the school district;*
- (h) The portion of the total delinquent tax receipts for fiscal year 2005-2006 through all subsequent years except the current fiscal year distributed to the school district;*

(i) Grand total of all receipts for items (a) through (g);

(j) The total amount of commission pursuant to NRS 361.530; and

(k) Grand total of all receipts for items (a) through (g) less the total amount of commission pursuant to NRS 361.530.

Sec. 9. *Each school district shall send a reconciliation report to the Department of Education, Department of Taxation and the county tax receiver no later than August 10 of the current fiscal year. If the total amount of receipts or deductions reported by the school district differs from the preliminary summary report of the county tax receiver by more than three percent (3%) in any category, representatives of the school district and the county tax receiver shall jointly determine the cause of the difference.*

Sec. 10. *The tax receiver shall make any necessary reconciliation adjustments to the preliminary summary report and send a copy of the summary report as adjusted to the county school district, the Department of Education and the Department of Taxation no later than August 15 of the current fiscal year. The report must include the reasons for any differences in the total amount of receipts or deductions greater than 3% between the school district and the county treasurer as provided in section 9.*

Sec. 11. *Each county tax receiver shall file with the local school district, the Department of Taxation and the Department of Education, on or before September 10 of the current fiscal year, a final summary report of the total amount of all property tax receipts received for the prior fiscal year. The final summary report must include all items in subsection 8 of these regulations plus any amounts received during July and August of the current fiscal year which are posted to the prior fiscal year. The amounts so reported must not be duplicated in*

any subsequent year preliminary report. The information so reported must be accounted for in the subsequent fiscal year collection report.

**NOTICE OF ADOPTION OF TEMPORARY REGULATION
LCB File No. T051-09**

The Committee on Local Government Finance (CLGF) adopted temporary regulations on July 15, 2009, adding to and amending Nevada Administration Code Chapter 354 clarifying the procedures for reporting property tax collections to the Department of Taxation, Department of Education, and the local school districts and providing other matters properly relating thereto. A copy of the regulations as adopted is attached hereto.

INFORMATIONAL STATEMENT

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

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

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop</u>	<u>Number Notified</u>	<u>Representing Businesses</u>
5-18-09	Workshop	6-2-09	336	182
6-11-09	Hearing	7- 1 5-09	336	182

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

No written comments were received at the workshop. A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2 100 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at Ihopper@tax.state.nv.us.

- 2. The number of persons who:**

- (a) Attended and testified at each workshop:**

<u>Date of Workshop</u>	<u>Attended</u>	<u>Testified</u>
6-2-09	11	9

- (b) Attended and testified at each hearing:**

<u>Date of Hearing</u>	<u>Committee/ Public Attended</u>	<u>Public Testified</u>
7/15/09	8/18	1

- (c) Submitted to the agency written comments:**

<u>Date of Workshop / Hearing</u>	<u>Number Received</u>
6-2-09	0

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

Comments were solicited from local governments, and persons, by notices posted at the Nevada State Library; various Department of Taxation locations throughout the state; and at the Main Public Libraries in counties where an office of the Department of Taxation is not located. Comments were also solicited by direct mail to interested parties list maintained by the Department.

Members of the CLGF, officials of the Nevada Department of Taxation, local government officials, and members of the general public commented on some or all of the proposed language changes during the workshop process and during the Adoption Hearing.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at lhopper@tax.state.nv.us.

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

The regulation was adopted with changes reflecting the verbal comments submitted to, or received by, the Department of Taxation primarily from CLGF members and the public during the workshop and hearing listed above. CLGF adopted the temporary regulation as revised in a workshop and hearing; and believed no changes other than those made were necessary.

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

(a) Both adverse and beneficial effects; and

(b) Both immediate and long-term effects.

CLGF found that the regulation does not impose a direct and significant burden upon businesses and the public in Nevada. The regulation provides the process by which information regarding property tax collections is disseminated to the Department of Taxation, Department of Education, and to the school districts.

The regulations present no reasonably foreseeable or anticipated immediate or long-term negative economic effects to businesses. The immediate and long-term effects of the regulation are to provide a uniform procedure for the calculation of the property tax abatement for parcels annexed into a new tax jurisdiction.

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

The Department anticipates some additional cost for local governments to administer the regulation.

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

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

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

CLGF is not aware of any provision in this regulation which is also governed by federal regulation.

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

CLGF is not aware of any provision in this regulation that provides for a new fee, or increases an existing fee.