
ASSEMBLY BILL NO. 561—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

Referred to Committee on Ways and Means

SUMMARY—Makes various changes concerning governmental financial administration. (BDR 31-1166)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to governmental financial administration; delaying the commencement of certain transfers to the Fund to Stabilize the Operation of the State Government; revising the provisions governing the amount and use of certain reserve accounts for bond payments; revising the provisions governing the rate and calculation of the payroll tax imposed on certain businesses other than financial institutions; requiring the deposit of certain fees imposed on the short-term lease of passenger cars into the State General Fund; extending the prospective expiration of certain requirements regarding the advance payment of the tax imposed on the net proceeds of minerals; temporarily authorizing the securitization of the proceeds of the tax on insurance premiums; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 The Fund to Stabilize the Operation of the State Government, also known as
- 2 the Rainy Day Fund, is a special revenue fund into which surplus state revenues are
- 3 deposited to be used in case of fiscal emergencies. Under existing law, the State
- 4 Controller is required to transfer from the State General Fund to the Fund to
- 5 Stabilize the Operation of the State Government at the beginning of each fiscal year
- 6 that begins on or after July 1, 2011, 1 percent of the total anticipated revenue
- 7 projected for that fiscal year by the Economic Forum in May of odd-numbered
- 8 years, as adjusted by any legislation enacted by the Legislature that affects state



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revenue for that fiscal year. (NRS 353.288) **Sections 1 and 10** of this bill delay the commencement of those transfers until July 1, 2013.

Under existing law, a school district that issues certain general obligation bonds is required to maintain a reserve account for the payment of those bonds which equals or exceeds the amount of the payments due on those bonds for the next fiscal year or 10 percent of the outstanding principal amount of the bonds, whichever is less. **Section 2** of this bill reduces the amount required to be maintained in such a reserve account by 75 percent for school districts in counties whose population is less than 100,000 (currently counties other than Clark and Washoe Counties) and by 90 percent for school districts in other counties. **Section 14** of this bill requires the transfer of the resulting excess amount into the county school district fund and requires the allocation of that amount as local funds available for the next 2 fiscal years for the purpose of determining the pertinent apportionments from the State Distributive School Account in the State General Fund.

Existing law imposes an excise tax on certain businesses other than financial institutions at the rate of 0.5 percent of the total wages paid by the business each calendar quarter that do not exceed \$62,500 and 1.17 percent of those wages paid in excess of \$62,500. (NRS 363B.110) On July 1, 2011, this rate is scheduled to change to 0.63 percent of the total wages paid by the business each calendar quarter. (Chapter 395, Statutes of Nevada 2009, pp. 2190, 2199) **Section 4** of this bill revises that rate change to impose the tax at the rate of 0.5 percent of the total wages paid by the business each calendar quarter that do not exceed \$62,500 and 0.63 percent of those wages paid in excess of \$62,500. **Section 3** of this bill revises the method for determining the amount of the tax due from a company that leases employees to client companies, by requiring separate calculations of the tax for the wages paid to employees leased to each separate client company.

Under existing law, a short-term lessor of passenger cars is required to collect from its customers a governmental services fee of 10 percent of the adjusted total amount of each lease, and to remit the fee to the Department of Taxation. Of the amount remitted to the Department, 90 percent must be deposited in the State General Fund and 10 percent must be deposited in the State Highway Fund. (NRS 482.313) **Section 6** of this bill instead requires the deposit of all of that amount into the State General Fund.

Existing law requires, until June 30, 2011, the advance payment of the tax on the net proceeds of minerals based upon the estimated net proceeds and royalties of a mining operation for the current calendar year. (Chapter 4, Statutes of Nevada 2008, 25th Special Session, pp. 15-18, 23) **Sections 7, 8, 9 and 11** of this bill delay the expiration of this requirement for advance payment until June 30, 2013.

Section 12 of this bill authorizes the State Treasurer to securitize a portion of the proceeds of the tax on insurance premiums for the next 10 fiscal years.

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

Section 1. NRS 353.288 is hereby amended to read as follows:
353.288 1. The Fund to Stabilize the Operation of the State Government is hereby created as a special revenue fund. Except as otherwise provided in subsections 3 and 4, each year after the close of the previous fiscal year and before the issuance of the State Controller's annual report, the State Controller shall transfer from



1 the State General Fund to the Fund to Stabilize the Operation of the
2 State Government:

3 (a) Forty percent of the unrestricted balance of the State General
4 Fund, as of the close of the previous fiscal year, which remains after
5 subtracting an amount equal to 7 percent of all appropriations made
6 from the State General Fund during that previous fiscal year for the
7 operation of all departments, institutions and agencies of State
8 Government and for the funding of schools; and

9 (b) Commencing with the fiscal year that begins on July 1,
10 ~~[2011,]~~ 2013, 1 percent of the total anticipated revenue for the fiscal
11 year in which the transfer will be made, as projected by the
12 Economic Forum for that fiscal year pursuant to paragraph (e) of
13 subsection 1 of NRS 353.228 and as adjusted by any legislation
14 enacted by the Legislature that affects state revenue for that fiscal
15 year.

16 2. Money transferred pursuant to subsection 1 to the Fund to
17 Stabilize the Operation of the State Government is a continuing
18 appropriation solely for the purpose of authorizing the expenditure
19 of the transferred money for the purposes set forth in this section.

20 3. The balance in the Fund to Stabilize the Operation of the
21 State Government, excluding the aggregate balance in the Disaster
22 Relief Account and the Emergency Assistance Subaccount, must not
23 exceed 20 percent of the total of all appropriations from the State
24 General Fund for the operation of all departments, institutions and
25 agencies of the State Government and for the funding of schools and
26 authorized expenditures from the State General Fund for the
27 regulation of gaming for the fiscal year in which that revenue will
28 be transferred to the Fund to Stabilize the Operation of the State
29 Government.

30 4. Except as otherwise provided in this subsection and NRS
31 353.2735, beginning with the fiscal year that begins on July 1, 2003,
32 the State Controller shall, at the end of each quarter of a fiscal year,
33 transfer from the State General Fund to the Disaster Relief Account
34 created pursuant to NRS 353.2735 an amount equal to not more than
35 10 percent of the aggregate balance in the Fund to Stabilize the
36 Operation of the State Government during the previous quarter,
37 excluding the aggregate balance in the Disaster Relief Account and
38 the Emergency Assistance Subaccount created pursuant to NRS
39 414.135. The State Controller shall not transfer more than \$500,000
40 for any quarter pursuant to this subsection.

41 5. The Chief of the Budget Division of the Department of
42 Administration may submit a request to the State Board of
43 Examiners to transfer money from the Fund to Stabilize the
44 Operation of the State Government to the State General Fund:



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(a) If the total actual revenue of the State falls short by 5 percent or more of the total anticipated revenue for the biennium in which the transfer will be made, as determined by the Legislature, or the Interim Finance Committee if the Legislature is not in session; or

(b) If the Legislature, or the Interim Finance Committee if the Legislature is not in session, and the Governor declare that a fiscal emergency exists.

6. The State Board of Examiners shall consider a request made pursuant to subsection 5 and shall, if it finds that a transfer should be made, recommend the amount of the transfer to the Interim Finance Committee for its independent evaluation and action. The Interim Finance Committee is not bound to follow the recommendation of the State Board of Examiners.

7. If the Interim Finance Committee finds that a transfer recommended by the State Board of Examiners should and may lawfully be made, the Committee shall by resolution establish the amount and direct the State Controller to transfer that amount to the State General Fund. The State Controller shall thereupon make the transfer.

8. In addition to the manner of allocation authorized pursuant to subsections 5, 6 and 7, the money in the Fund to Stabilize the Operation of the State Government may be allocated directly by the Legislature to be used for any other purpose.

Sec. 2. NRS 350.020 is hereby amended to read as follows:

350.020 1. Except as otherwise provided by subsections 3 and 4, if a municipality proposes to issue or incur general obligations, the proposal must be submitted to the electors of the municipality at a special election called for that purpose or the next general municipal election or general state election.

2. Such a special election may be held:

(a) At any time, including, without limitation, on the date of a primary municipal election or a primary state election, if the governing body of the municipality determines, by a unanimous vote, that an emergency exists; or

(b) On the first Tuesday after the first Monday in June of an odd-numbered year.

➤ 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 occurrence or combination of occurrences which requires immediate action by the governing body of the municipality to prevent or mitigate a substantial financial loss



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1 to the municipality or to enable the governing body to provide an
2 essential service to the residents of the municipality.

3 3. If payment of a general obligation of the municipality is
4 additionally secured by a pledge of gross or net revenue of a project
5 to be financed by its issue, and the governing body determines, by
6 an affirmative vote of two-thirds of the members elected to the
7 governing body, that the pledged revenue will at least equal the
8 amount required in each year for the payment of interest and
9 principal, without regard to any option reserved by the municipality
10 for early redemption, the municipality may, after a public hearing,
11 incur this general obligation without an election unless, within 90
12 days after publication of a resolution of intent to issue the bonds, a
13 petition is presented to the governing body signed by not less than 5
14 percent of the registered voters of the municipality. Any member
15 elected to the governing body whose authority to vote is limited by
16 charter, statute or otherwise may vote on the determination required
17 to be made by the governing body pursuant to this subsection. The
18 determination by the governing body becomes conclusive on the last
19 day for filing the petition. For the purpose of this subsection, the
20 number of registered voters must be determined as of the close of
21 registration for the last preceding general election. The resolution of
22 intent need not be published in full, but the publication must include
23 the amount of the obligation and the purpose for which it is to be
24 incurred. Notice of the public hearing must be published at least 10
25 days before the day of the hearing. The publications must be made
26 once in a newspaper of general circulation in the municipality.
27 When published, the notice of the public hearing must be at least as
28 large as 5 inches high by 4 inches wide.

29 4. The board of trustees of a school district may issue general
30 obligation bonds which are not expected to result in an increase in
31 the existing property tax levy for the payment of bonds of the school
32 district without holding an election for each issuance of the bonds if
33 the qualified electors approve a question submitted by the board of
34 trustees that authorizes issuance of bonds for a period of 10 years
35 after the date of approval by the voters. If the question is approved,
36 the board of trustees of the school district may issue the bonds for a
37 period of 10 years after the date of approval by the voters, after
38 obtaining the approval of the debt management commission in the
39 county in which the school district is located and, in a county whose
40 population is 100,000 or more, the approval of the oversight panel
41 for school facilities established pursuant to NRS 393.092 in that
42 county, if the board of trustees of the school district finds that the
43 existing tax for debt service will at least equal the amount required
44 to pay the principal and interest on the outstanding general
45 obligations of the school district and the general obligations



1 proposed to be issued. The finding made by the board of trustees is
2 conclusive in the absence of fraud or gross abuse of discretion. As
3 used in this subsection, "general obligations" does not include
4 medium-term obligations issued pursuant to NRS 350.087 to
5 350.095, inclusive.

6 5. At the time of issuance of bonds authorized pursuant to
7 subsection 4, the board of trustees shall establish a reserve account
8 in its debt service fund for payment of the outstanding bonds of the
9 school district. ~~[The]~~ *In a county whose population:*

10 (a) *Is less than 100,000, the* reserve account must be established
11 and maintained in an amount at least equal to the lesser of **25**
12 *percent of* the amount of principal and interest payments due on all
13 of the outstanding bonds of the school district in the next fiscal year
14 or ~~[40]~~ **2.5** percent of the outstanding principal amount of the
15 outstanding bonds of the school district.

16 (b) *Is 100,000 or more, the reserve account must be established*
17 *and maintained in an amount at least equal to the lesser of 10*
18 *percent of the amount of principal and interest payments due on*
19 *all of the outstanding bonds of the school district in the next fiscal*
20 *year or 1 percent of the outstanding principal amount of the*
21 *outstanding bonds of the school district.*

22 6. If the amount in the reserve account *required by subsection*
23 **5** falls below the amount required by ~~[this]~~ *that* subsection:

24 (a) The board of trustees shall not issue additional bonds
25 pursuant to subsection 4 until the reserve account is restored to the
26 level required by this subsection; and

27 (b) The board of trustees shall apply all of the taxes levied by
28 the school district for payment of bonds of the school district that
29 are not needed for payment of the principal and interest on bonds of
30 the school district in the current fiscal year to restore the reserve
31 account to the level required pursuant to this subsection.

32 ~~[6-]~~ **7.** A question presented to the voters pursuant to
33 subsection 4 may authorize all or a portion of the revenue generated
34 by the debt rate which is in excess of the amount required:

35 (a) For debt service in the current fiscal year;

36 (b) For other purposes related to the bonds by the instrument
37 pursuant to which the bonds were issued; and

38 (c) To maintain the reserve account required pursuant to
39 subsection 5,

40 ➔ to be transferred to the county school district's fund for capital
41 projects established pursuant to NRS 387.328 and used to pay the
42 cost of capital projects which can lawfully be paid from that fund.
43 Any such transfer must not limit the ability of the school district to
44 issue bonds during the period of voter authorization if the findings
45 and approvals required by subsection 4 are obtained.



~~[7-]~~ 8. A municipality may issue special or medium-term obligations without an election.

Sec. 3. Chapter 363B of NRS is hereby amended by adding thereto a new section to read as follows:

1. The amount of the tax imposed by NRS 363B.110 on an employee leasing company for each calendar quarter must be calculated by:

(a) Determining separately for each client company to whom the employee leasing company leases employees the amount of the tax based upon the sum of all the wages paid by the employee leasing company during that calendar quarter with respect to the employment of its employees for the purpose of leasing those employees to that client company; and

(b) Determining separately the amount of the tax based upon the sum of all the wages paid by the employee leasing company during that calendar quarter with respect to the employment of its employees in connection with its business activities for any purpose other than the leasing of those employees to a client company.

2. The Nevada Tax Commission shall adopt such regulations as may be necessary to carry out the provisions of this section, including, without limitation, regulations establishing a formula for the appropriate apportionment by an employee leasing company of any deductions authorized by NRS 363B.115 from the total amount of wages reported by the employee leasing company.

3. As used in this section, "client company" and "employee leasing company" have the meanings ascribed to them in NRS 616B.670.

Sec. 4. NRS 363B.110 is hereby amended to read as follows:

363B.110 1. There is hereby imposed an excise tax on each employer ~~[at the rate of 0.63 percent of the wages, as defined in NRS 612.190,]~~ in the amount determined as follows:

(a) If the sum of all the wages paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer ~~[]~~ does not exceed \$62,500, the amount of the tax for that calendar quarter is 0.5 percent of the sum of those wages; or

(b) If the sum of all the wages paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds \$62,500, the amount of the tax for that calendar quarter is \$312.50 plus 0.63 percent of the amount by which the sum of those wages exceeds \$62,500.



2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

Sec. 5. 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 by a specific statute, the proceeds from the imposition of any:

(a) 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

(b) 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 the 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 or her warrant therefor upon the State Treasurer.



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7. The money deposited in the State Highway Fund pursuant to NRS 244A.637 and 354.59815 must be maintained in a separate account for the county from which the money was received. The interest and income on the money in the account, after deducting any applicable charges, must be credited to the account. Any money remaining in the account at the end of each fiscal year does not revert to the State Highway Fund but must be carried over into the next fiscal year. The money in the account:

(a) Must be used exclusively for the construction, reconstruction, improvement and maintenance of highways in that county as provided for in this chapter;

(b) Must not be used to reduce or supplant the amount or percentage of any money which would otherwise be made available from the State Highway Fund for projects in that county; and

(c) Must not be used for any costs of administration or to purchase any equipment.

~~[8. The money deposited in the State Highway Fund pursuant to NRS 482.313 must be maintained in a separate account. The interest and income on the money in the account, after deducting any applicable charges, must be credited to the account. Any money remaining in the account at the end of each fiscal year does not revert to the State Highway Fund but must be carried over into the next fiscal year. The money in the account:~~

~~—(a) Must be used exclusively for the construction, reconstruction, improvement and maintenance of highways as provided for in this chapter; and~~

~~—(b) Must not be used for any costs of administration or to purchase any equipment.]~~

Sec. 6. NRS 482.313 is hereby amended to read as follows:

482.313 1. Upon the lease of a passenger car by a short-term lessor in this State, the short-term lessor shall charge and collect from the short-term lessee:

(a) A governmental services fee of 10 percent of the total amount for which the passenger car was leased, excluding the items described in subsection 7; and

(b) Any fee required pursuant to NRS 244A.810 or 244A.860.

➤ The amount of each fee charged pursuant to this subsection must be indicated in the lease agreement.

2. The fees due from a short-term lessor to the Department of Taxation pursuant to subsection 1 are due on the last day of each calendar quarter. On or before the last day of the month following each calendar quarter, the short-term lessor shall:

(a) File with the Department of Taxation, on a form prescribed by the Department of Taxation, a report indicating the total amount



1 of each of the fees collected by the short-term lessor pursuant to
2 subsection 1 during the immediately preceding calendar quarter; and

3 (b) Remit to the Department of Taxation the fees collected by
4 the short-term lessor pursuant to subsection 1 during the
5 immediately preceding calendar quarter.

6 3. Except as otherwise provided in a contract made pursuant to
7 NRS 244A.820 or 244A.870, the Department of Taxation shall
8 deposit ~~£~~:

9 ~~—(a) All~~ **all** money received from short-term lessors pursuant to
10 the provisions of ~~[paragraph (b) of]~~ subsection 1 with the State
11 Treasurer for credit to the State General Fund. ~~£~~;

12 ~~—(b) Nine tenths of the money received from short term lessors~~
13 ~~pursuant to the terms of paragraph (a) of subsection 1 with the State~~
14 ~~Treasurer for credit to the State General Fund; and~~

15 ~~—(c) One tenth of the money received from short term lessors~~
16 ~~pursuant to the terms of paragraph (a) of subsection 1 with the State~~
17 ~~Treasurer for credit to the State Highway Fund for administration~~
18 ~~pursuant to subsection 8 of NRS 408.235.]~~

19 4. To ensure compliance with this section, the Department of
20 Taxation may audit the records of a short-term lessor.

21 5. The provisions of this section do not limit or affect the
22 payment of any taxes or fees imposed pursuant to the provisions of
23 this chapter.

24 6. The Department of Motor Vehicles shall, upon request,
25 provide to the Department of Taxation any information in its records
26 relating to a short-term lessor that the Department of Taxation
27 considers necessary to collect the fees described in subsection 1.

28 7. For the purposes of charging and collecting the
29 governmental services fee described in paragraph (a) of subsection
30 1, the following items must not be included in the total amount for
31 which the passenger car was leased:

32 (a) The amount of any fee charged and collected pursuant to
33 paragraph (b) of subsection 1;

34 (b) The amount of any charge for fuel used to operate the
35 passenger car;

36 (c) The amount of any fee or charge for the delivery,
37 transportation or other handling of the passenger car;

38 (d) The amount of any fee or charge for insurance, including,
39 without limitation, personal accident insurance, extended coverage
40 or insurance coverage for personal property; and

41 (e) The amount of any charges assessed against a short-term
42 lessee for damages for which the short-term lessee is held
43 responsible.

44 8. The Executive Director of the Department of Taxation shall:



(a) Adopt such regulations as the Executive Director determines are necessary to carry out the provisions of this section; and

(b) Upon the request of the Director of the Department of Motor Vehicles, provide to the Director of the Department of Motor Vehicles a copy of any record or report described in this section.

Sec. 7. Section 16 of chapter 4, Statutes of Nevada 2008, 25th Special Session, as amended by chapter 387, Statutes of Nevada 2009, at page 2097, is hereby amended to read as follows:

Sec. 16. 1. This section and sections 2, 4, 14 and 15 of this act become effective upon passage and approval.

2. Sections 6 to 12, inclusive, of this act become effective on January 1, 2009.

3. Sections 4 and 12 of this act expire by limitation on June 30, 2009.

4. Sections 1, 3, 5 and 13 of this act become effective on July 1, 2009.

5. Sections 1, 2, 3 and 5 of this act expire by limitation on June 30, ~~2011~~ 2013.

Sec. 8. Section 29 of chapter 287, Statutes of Nevada 2009, at page 1233, is hereby amended to read as follows:

Sec. 29. ~~1.~~ NRS 361A.155 is hereby repealed.

~~2. Section 5 of chapter 4, Statutes of Nevada 2008, 25th Special Session, at page 17, is hereby repealed.~~

Sec. 9. Section 31 of chapter 287, Statutes of Nevada 2009, at page 1233, is hereby amended to read as follows:

Sec. 31. 1. This section and sections 3, 4, 27 ~~28, subsection 2 of section 29 and section~~ and 30 of this act become effective upon passage and approval.

2. Sections 1, 2, ~~and~~ 5 to 26, inclusive, and ~~subsection 1 of section~~ 29 of this act become effective on July 1, 2009.

Sec. 10. Section 3 of chapter 322, Statutes of Nevada 2009, at page 1415, is hereby amended to read as follows:

Sec. 3. 1. The Governor shall provide initially for the reserve required pursuant to paragraph (b) of subsection 3 of NRS 353.213, as amended by section 1 of this act, in the proposed biennial budget for the period that begins on July 1, 2011, and ends on June 30, 2013.

2. The fiscal year that begins on July 1, ~~2011~~ 2013, is the initial fiscal year in which a transfer of money must be made from the State General Fund to the Fund to Stabilize the Operation of the State Government pursuant to paragraph (b) of subsection 1 of NRS 353.288, as amended by section 2 of this act.



1 **Sec. 11.** Section 28 of chapter 287, Statutes of Nevada 2009,
2 at page 1232, is hereby repealed.

3 **Sec. 12.** The State Treasurer may securitize any portion of the
4 proceeds of the tax imposed by NRS 680B.027 that the State
5 Treasurer determines to be appropriate for the benefit of the State.

6 **Sec. 13.** Sections 3 and 4 of this act do not apply to any taxes
7 due for any period ending on or before June 30, 2011.

8 **Sec. 14.** 1. Notwithstanding any other statutory provision to
9 the contrary, the board of trustees of a school district that maintains
10 a separate account in its debt service fund pursuant to subsection 5
11 of NRS 350.020 shall transfer from that account to the county
12 school district fund the amount contained in that account on July 1,
13 2011, which is not required by subsection 5 of NRS 350.020, as
14 amended by section 2 of this act, to be maintained in that account on
15 that date.

16 2. From the amount of any money transferred to a county
17 school district fund pursuant to subsection 1:

18 (a) Fifty percent of that amount shall be deemed, for the
19 purposes of NRS 387.124, to constitute local funds available
20 pursuant to NRS 387.1235 for the fiscal year beginning on July 1,
21 2011; and

22 (b) Fifty percent of that amount shall be deemed, for the
23 purposes of NRS 387.124, to constitute local funds available
24 pursuant to NRS 387.1235 for the fiscal year beginning on July 1,
25 2012.

26 **Sec. 15.** 1. When preparing its certificate of the tax due from
27 a taxpayer pursuant to NRS 362.130 during the calendar year 2014,
28 the Department of Taxation shall reduce the amount of the tax due
29 from the taxpayer by the amount of:

30 (a) Any estimated payments of the tax made by or on behalf of
31 the taxpayer during the calendar year 2013 pursuant to NRS
32 362.115, as that section read on January 1, 2013; and

33 (b) Any unused credit to which the taxpayer may be entitled as a
34 result of any previous overpayment of the tax.

35 2. Notwithstanding any provision of NRS 362.170 to the
36 contrary:

37 (a) The amount appropriated to each county pursuant to that
38 section for distribution to the county during the calendar year 2014
39 must be reduced by the amount appropriated to the county pursuant
40 to that section for distribution to the county during the calendar year
41 2013, excluding any portion of the amount appropriated to the
42 county pursuant to that section for distribution to the county during
43 the calendar year 2013 which is attributable to a pro rata share of
44 any penalties and interest collected by the Department of Taxation
45 for the late payment of taxes distributed to the county.



(b) In calculating the amount required to be apportioned to each local government or other local entity pursuant to subsection 2 of that section for the calendar year 2014, the county treasurer shall reduce the amount required to be determined pursuant to paragraph (a) of that subsection for that calendar year by the amount determined pursuant to that paragraph for the calendar year 2013.

Sec. 16. 1. This section and sections 1, 7 to 11, inclusive, and 15 of this act become effective upon passage and approval.

2. Sections 2, 3, 4, 6, 13 and 14 of this act become effective on July 1, 2011.

3. Section 12 of this act becomes effective on July 1, 2011, and expires by limitation on June 30, 2021.

4. Section 5 of this act becomes effective on the date that the balance of the separate account required by subsection 8 of NRS 408.235 is reduced to zero.

TEXT OF REPEALED SECTION

Section 28 of chapter 287, Statutes of Nevada 2009:

Sec. 28. Section 16 of chapter 4, Statutes of Nevada 2008, 25th Special Session, at page 23, is hereby amended to read as follows:

Sec. 16. 1. This section and sections 2, 4, 14 and 15 of this act become effective upon passage and approval.

2. Sections 6 to 12, inclusive, of this act become effective on January 1, 2009 ~~[-~~.

~~—3. Sections 4 and 6 to 12, inclusive, of this act], and~~
expire by limitation on June 30, 2009.

~~[4.]~~ 3. Sections 1, 3 ~~[-, 5]~~ and 13 of this act become effective on July 1, 2009.

~~[5.]~~ 4. Sections 1 ~~[-, 2, 3 and 5]~~ *to 4, inclusive*, of this act expire by limitation on June 30, 2011.



