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AN ACT relating to taxation; revising provisions governing the expenditure by police departments of the proceeds of the sales and use tax imposed pursuant to the Clark County Sales and Use Tax Act of 2005; revising certain reporting requirements concerning such expenditures; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

The Clark County Sales and Use Tax Act of 2005 authorizes the Board of County Commissioners of Clark County to enact an ordinance imposing a local sales and use tax to employ and equip additional police officers in certain police departments in Clark County. (Sections 9-10 of the Act) A police department is prohibited from spending the proceeds of the tax unless the expenditure has been approved by a designated body and only if the use will not replace or supplant existing funding for the police department. (Section 13 of the Act) **Section 1** of this bill revises the requirements governing the approval and expenditure of the proceeds of the tax to allow, under certain circumstances, for the approval and expenditure of such proceeds during fiscal years in which the designated body projects a decrease in its receipt of certain other tax revenue. **Section 1** also establishes a procedure pursuant to which, under certain circumstances, the County Treasurer may approve the use by a police department of the proceeds of the tax that have been allocated to another police department.

The Act also requires that certain reports concerning expenditures pursuant to the Act be submitted to the Director of the Legislative Counsel Bureau for transmittal to the Legislature or to the Legislative Commission if the Legislature is not in session. (Section 13.5 of the Act) **Section 2** of this bill requires that the reports be submitted instead to the Department of Taxation.

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

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

Section 1. Section 13 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 915, is hereby amended to read as follows:

Sec. 13. 1. A police department shall not expend proceeds received from any sales and use tax imposed pursuant to this act unless the expenditure has been approved by the body designated pursuant to this section for the approval of expenditures of that police department. The body designated pursuant to this section must approve the expenditure of the proceeds by the police department if it determines that:



(a) The proposed use of the money conforms to all provisions of this act; and

(b) The proposed use will not replace or supplant existing funding for the police department.

2. The body designated to approve an expenditure for:

(a) The Boulder City Police Department is the City Council of the City of Boulder City;

(b) The Henderson Police Department is the City Council of the City of Henderson;

(c) The Las Vegas Metropolitan Police Department is the Metropolitan Police Committee on Fiscal Affairs;

(d) The Mesquite Police Department is the City Council of the City of Mesquite; and

(e) The North Las Vegas Police Department is the City Council of the City of North Las Vegas.

3. In determining ~~[whether]~~ *that* a proposed use meets the requirement set forth in paragraph (b) of subsection 1, a body designated pursuant to ~~[paragraph (a), (b), (d) or (e) of]~~ subsection 2 ~~[, shall determine whether the]~~ *must find that either:*

(a) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is equal to or greater than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department ~~;~~

~~— 4. In determining whether a proposed use meets the requirements set forth in paragraph (b) of subsection 1, a body designated pursuant to paragraph (c) of subsection 2 shall determine whether:~~

~~— (a) The amount approved for expenditure by the City of Las Vegas for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act or any money collected pursuant to an additional ad valorem tax approved by the voters pursuant to NRS 280.265, is equal to or greater than the amount determined by multiplying the sum of the amounts approved for expenditure by both the City of Las Vegas and Clark County for the support of the police department during the immediately preceding fiscal year by the percentage of the expense of the operating and maintaining the police department apportioned to the City of Las Vegas for the fiscal year pursuant to NRS 280.201; and~~



~~—(b) The amount approved for expenditure by the County for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act or any money collected pursuant to an additional ad valorem tax approved by the voters pursuant to NRS 280.265, is equal to or greater than the amount determined by multiplying the sum of the amounts approved for expenditure by both the City of Las Vegas and the County for the support of the police department during the immediately preceding fiscal year by the percentage of the expense of operating and maintaining the police department apportioned to the County for the fiscal year pursuant to NRS 280.210.]; or~~

(b) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is less than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department and the body projects a decrease in its receipt of revenue in that fiscal year from consolidated taxes and property taxes of more than 2 percent from its base fiscal year.

4. If a body designated pursuant to subsection 2 makes a finding pursuant to subsection 3, the body shall adopt a resolution setting forth the finding and the reasons therefor. If the finding is made pursuant to paragraph (b) of subsection 3, the finding must include, without limitation, all facts supporting the projection of a decrease in revenue.

5. If a body designated pursuant to subsection 2 does not make a finding pursuant to subsection 3 for a fiscal year on or before July 1 of that fiscal year, the body shall retain the proceeds received for that fiscal year from any sales and use tax imposed pursuant to this act in the special revenue fund created by the body pursuant to section 17 of this act for use pursuant to this section. Any other body designated pursuant to subsection 2 which makes a finding pursuant to subsection 3 for that fiscal year may apply to the County Treasurer requesting approval for the use by the police department for which the other body approves expenditures of any portion of those proceeds in accordance with the provisions of this section.

6. The County Treasurer, upon receiving a request pursuant to subsection 5 and proper documentation of compliance with the provisions of this section, shall provide



written notice to the designated body which failed to make a finding pursuant to subsection 3 that it is required to transfer from the special revenue fund created by the body pursuant to section 17 of this act to the County Treasurer such amount of the proceeds received for that fiscal year from any sales and use tax imposed pursuant to this act as approved by the County Treasurer for use by the designated body that submitted the request.

7. Notwithstanding the provisions of subsection 3 of section 17 of this act, a designated body that receives written notice from the County Treasurer pursuant to subsection 6 shall transfer all available required money to the County Treasurer as soon as practicable following its receipt of any portion of the proceeds. Upon receipt of the money, the County Treasurer shall transfer the money to the designated body that submitted the request, which shall deposit the money in the special revenue fund created by that designated body pursuant to section 17 of this act.

8. As used in this section, "base fiscal year" means, with respect to a body designated pursuant to subsection 2, Fiscal Year 2009-2010, except that:

(a) If, in any subsequent fiscal year, the amount approved for expenditure by the body for that subsequent fiscal year for the support of the police department, not including any money received or expended pursuant to this act, exceeds by more than 2 percent the amount approved for expenditure in Fiscal Year 2009-2010, the base fiscal year for that body becomes the most recent of such subsequent fiscal years.

(b) If the base fiscal year is revised pursuant to paragraph (a) and, in any subsequent fiscal year, the amount approved for expenditure by the body for that subsequent fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is equal to or less than the amount approved for expenditure in Fiscal Year 2009-2010, the base fiscal year for that body becomes Fiscal Year 2009-2010 but is subject to subsequent revision pursuant to paragraph (a).



Sec. 2. Section 13.5 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as added by chapter 545, Statutes of Nevada 2007, at page 3422, is hereby amended to read as follows:

Sec. 13.5. 1. Any governing body that has approved expenditures pursuant to section 13 of this act shall submit to the ~~{Director of the Legislative Counsel Bureau for transmittal to the members of the Legislature, or the Legislative Commission when the Legislature is not in regular session,}~~ *Department* the periodic reports required pursuant to this section and such other information relating to the provisions of this act as may be requested by the ~~{Director of the Legislative Counsel Bureau.}~~ *Department*.

2. The reports required pursuant to this section must be submitted:

(a) On or before:

(1) February 15 for the 3-month period ending on the immediately preceding December 31;

(2) May 15 for the 3-month period ending on the immediately preceding March 31;

(3) August 15 for the 3-month period ending on the immediately preceding June 30; and

(4) November 15 for the 3-month period ending on the immediately preceding September 30; and

(b) On or before August 15 for the 12-month period ending on the immediately preceding June 30.

3. Each report must be submitted on a form provided by the ~~{Director of the Legislative Counsel Bureau}~~ *Department* and include, with respect to the period covered by the report:

(a) The total proceeds received by the respective police department from the sales and use tax imposed pursuant to this act;

(b) A detailed description of the use of the proceeds, including, without limitation:

(1) The total expenditures made by the respective police department from the sales and use tax imposed pursuant to this act;

(2) The total number of police officers hired by the police department and the number of those officers that are filling authorized, funded positions for new officers; and

(3) A detailed analysis of the manner in which each expenditure:

(I) Conforms to all provisions of this act; and



(II) Does not replace or supplant funding which existed before October 1, 2005, for the police department; and

(c) Any other information required to complete the form for the report.

4. The ~~Legislative Commission~~ *Department* may review and investigate the reports submitted pursuant to this section and the expenditure of any proceeds pursuant to section 13 of this act.

Sec. 3. This act becomes effective upon passage and approval.



