

ASSEMBLY BILL NO. 8—COMMITTEE
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

PREFILED NOVEMBER 15, 2016

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the collection of delinquent municipal utility charges. (BDR 21-323)

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

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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 municipal utilities; expanding the utility services for which delinquent charges may be collected with general taxes of the county; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, the governing body of a city which provides sewerage may
2 have delinquent charges for sewerage collected with the county’s general taxes.
3 (NRS 268.043) **Section 1** of this bill expands this authority and provides that a
4 governing body providing any utility service may collect delinquent charges in such
5 a manner. **Sections 2 and 3** of this bill make conforming changes.

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

1 **Section 1.** NRS 268.043 is hereby amended to read as follows:
2 268.043 1. The governing body of a city which provides
3 ~~sewerage~~ *utility service* may elect by ordinance to have delinquent
4 charges for ~~sewerage~~ *any or all of those utility services* collected
5 on the tax roll in the same manner, by the same persons, and at the
6 same time as, together with and not separately from, the county’s
7 general taxes. The governing body shall cause a description of each
8 parcel of real property with respect to which the charge is delinquent



1 on May 1 and the amount of the delinquent charge to be prepared
2 and filed with the board of county commissioners no later than
3 June 1. The description of each parcel and the amount of the
4 delinquent charge must be filed in a form approved by the county
5 treasurer.

6 2. The powers authorized by this section are alternative to all
7 other powers of the city for the collection of such charges.

8 3. The real property may be described by reference to maps
9 prepared by and on file in the office of the county assessor or by
10 descriptions used by the county assessor.

11 4. The amount of the charge constitutes a lien against the lot or
12 parcel of land against which the charge has been imposed as of the
13 time when the lien of taxes on the roll attach.

14 5. The county treasurer shall include the amount of the charges
15 on bills for taxes levied against the respective lots and parcels of
16 land. Thereafter, the amount of the charges must be collected at the
17 same time and in the same manner and by the same persons as,
18 together with and not separately from, the general taxes for the
19 county.

20 6. All laws applicable to the levy, collection and enforcement
21 of general taxes of the county, including, but not limited to, those
22 pertaining to the matters of delinquency, correction, cancellation,
23 refund, redemption and sale, are applicable to delinquent charges for
24 ~~sewerage~~ utility services.

25 7. The county treasurer may issue separate bills for those
26 charges and separate receipts for collection on account of those
27 charges.

28 8. The governing body shall pay to the county treasurer, on the
29 date it files the information described in subsection 1, 4 percent of
30 the amount of the delinquent charges for ~~sewerage~~ the utility
31 services to be collected on the tax roll or the amount estimated by
32 the county treasurer which is necessary to collect and distribute
33 those delinquent charges, whichever is greater. If the amount paid
34 by the governing body to the county treasurer exceeds the actual
35 amount which is necessary to collect and distribute the delinquent
36 charges, the county treasurer shall refund the excess amount to the
37 governing body within 1 year after the date the governing body files
38 the information described in subsection 1.

39 **Sec. 2.** NRS 268.4112 is hereby amended to read as follows:

40 268.4112 1. In a county whose population is 700,000 or
41 more, the governing body of a city that owns a municipal water
42 system may, if requested by a water authority, impose an excise tax
43 on the use of water in an amount sufficient to ensure the payment,
44 wholly or in part, of obligations incurred by the water authority to
45 acquire, establish, construct, improve or equip, or any combination



1 thereof, a water facility. The tax must be imposed by ordinance on
2 customers of the municipal water system that are capable of using or
3 benefiting from the water facility financed, wholly or in part, with
4 the proceeds of the tax.

5 2. An excise tax imposed pursuant to subsection 1 must be
6 levied at different rates for different classes of customers and must
7 take into account differences in the amount of water used or
8 estimated to be used and the size of the connection.

9 3. The ordinance imposing the tax must provide:

10 (a) The rate or rates of the tax, which must not exceed one-
11 quarter of 1 percent of the monthly water bill of customers of all
12 residential classes and 5 percent of the monthly water bill of
13 customers of all commercial classes and any other class;

14 (b) The procedure for collection of the tax;

15 (c) The duration of the tax; and

16 (d) The rate of interest that will be charged on late payments.

17 4. Late payments of the tax must bear interest at a rate not
18 exceeding 1 percent per month, or fraction thereof. The tax due is a
19 perpetual lien against the property served by the water on whose use
20 the tax is imposed until the tax and any interest that may accrue
21 thereon are paid. Collection of the tax may be enforced in any
22 manner authorized by law for the collection of unpaid water bills. In
23 addition to all other methods available to enforce payment of the
24 tax, the city, by ordinance, may provide that it will be collected in
25 the same manner as delinquent ~~taxes~~ *charges* are collected
26 pursuant to NRS 268.043 for ~~sewerage~~ *utility services* charges.

27 5. Subject to the provisions of this subsection, the governing
28 body of the city may reduce the amount of the tax imposed pursuant
29 to this section as the obligations of the city and the water authority
30 allow. No ordinance imposing a tax which is enacted pursuant to
31 this section may be repealed or amended or otherwise directly or
32 indirectly modified in such a manner as to impair any outstanding
33 bonds or other obligations which are payable from or secured by a
34 pledge of a tax enacted pursuant to this section until those bonds or
35 other obligations have been discharged in full.

36 6. The governing body of the city shall review the necessity for
37 the continued imposition of the tax authorized pursuant to this
38 section at least once every 10 years.

39 7. As used in this section:

40 (a) "Water authority" means a water authority organized as a
41 public agency or entity created by cooperative agreement pursuant
42 to chapter 277 of NRS whose members at the time of formation
43 include the three largest retail water purveyors in the county and
44 which is responsible for the acquisition, treatment and delivery of



1 water and water resources on a wholesale basis to utilities,
2 governmental agencies and entities and other large customers.

3 (b) "Water facility" means a facility pertaining to a water system
4 for the collection, transportation, treatment, purification and
5 distribution of water, including, without limitation, springs, wells,
6 ponds, lakes, water rights, other raw water sources, basin cribs,
7 dams, spillways, retarding basins, detention basins, reservoirs,
8 towers and other storage facilities, pumping plants, infiltration
9 galleries, filtration plants, purification systems, other water
10 treatment facilities, waterworks plants, pumping stations, gauging
11 stations, ventilating facilities, stream gauges, rain gauges, valves,
12 standpipes, connections, hydrants, conduits, flumes, sluices, canals,
13 channels, ditches, pipes, lines, laterals, service pipes, force mains,
14 submains, siphons, other water transmission and distribution mains,
15 engines, boilers, pumps, meters, apparatus, tools, equipment,
16 fixtures, structures, buildings and other facilities for the acquisition,
17 transportation, treatment, purification and distribution of untreated
18 water or potable water for domestic, commercial and industrial use
19 and irrigation, or any combination thereof.

20 **Sec. 3.** Section 28 of the Las Vegas Valley Water District Act,
21 being chapter 506, Statutes of Nevada 1997, at page 2404, is hereby
22 amended to read as follows:

23 Sec. 28. 1. At the request of the Southern Nevada
24 Water Authority, to pay all or any part of the cost to acquire,
25 establish, construct, improve or equip, or any combination
26 thereof, one or more water facilities, the Board of Directors of
27 the District may impose an excise tax on the use of water in
28 an amount sufficient to ensure the payment, wholly or in part,
29 of obligations incurred by the Southern Nevada Water
30 Authority. The tax must be imposed as a rate or charge
31 pursuant to the procedures for adopting a schedule of rates
32 and charges set forth in section 9.2 on customers of the water
33 system of the District that are capable of using or benefiting
34 from the water facilities financed, wholly or in part, with the
35 proceeds of the tax.

36 2. An excise tax imposed pursuant to subsection 1 must
37 be levied at different rates for different classes of customers
38 and must take into account differences in the amount of water
39 used or estimated to be used and the size of the connection.

40 3. The schedule imposing the rate or charge must
41 provide:

42 (a) The amount of the rate or charge, which must not
43 exceed one-quarter of 1 percent of the monthly water bill of
44 customers of all residential classes and 5 percent of the



1 monthly water bill of customers of all commercial classes and
2 any other class;

3 (b) The procedure for collection of the rate or charge;

4 (c) The duration of the rate or charge; and

5 (d) The rate of interest that will be charged on late
6 payments.

7 4. Late payments of the tax must bear interest at a rate
8 not exceeding 1 percent per month, or fraction thereof. The
9 tax due is a perpetual lien against the property served by the
10 water on whose use the tax is imposed until the tax and any
11 interest that may accrue thereon are paid. Collection of the
12 tax may be enforced in any manner authorized by law for the
13 collection of unpaid water bills. In addition to all other
14 methods available to enforce payment of the tax, the District
15 may provide that it will be collected in the same manner as
16 delinquent ~~taxes~~ *charges* are collected pursuant to NRS
17 268.043 for ~~sewerage~~ *utility services* charges.

18 5. Subject to the provisions of this subsection, the Board
19 of Directors of the District may reduce the amount of the tax
20 imposed pursuant to this section as the obligations of the
21 District or the water authority allow. The Board of Directors
22 of the District shall not repeal or amend or otherwise directly
23 or indirectly modify the tax in such a manner as to impair any
24 outstanding bonds or other obligations which are payable
25 from or secured by a pledge of a tax imposed pursuant to this
26 section until those bonds or other obligations have been
27 discharged in full.

28 6. The Board of Directors of the District shall review the
29 necessity for the continued imposition of the tax authorized
30 pursuant to this section at least once every 10 years.

31 7. As used in this section, "water facility" has the
32 meaning ascribed to "water project" in paragraph (b) of
33 subsection 6 of section 27.



