

SENATE BILL NO. 395—SENATOR GOICOECHEA

MARCH 26, 2021

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions governing the funding of capital projects by school districts in certain counties. (BDR 34-815)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 the capital projects of school districts; requiring the board of county commissioners of certain counties, upon the approval of the registered voters of the county, to impose an ad valorem tax for the capital projects of the school districts in those counties; exempting the ad valorem tax from certain partial abatements from taxation and the statutory limitation on the total ad valorem tax levy; authorizing such a school district to use the proceeds of this tax to finance capital projects; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The board of trustees of each school district is required to establish a fund for
2 capital projects. (NRS 387.328) **Section 1** of this bill requires the board of county
3 commissioners of each county whose population is less than 45,000 (currently Nye,
4 Churchill, Humboldt, White Pine, Pershing, Lander, Lincoln, Mineral, Storey,
5 Eureka and Esmeralda Counties) to impose, upon the approval of the registered
6 voters of the county, a new property tax at the rate of not more than 25 cents on
7 each \$100 of assessed valuation. **Section 2** of this bill authorizes the school district
8 in each county where these new taxes are imposed to pledge the proceeds of these
9 taxes, and the portion of the governmental services tax whose allocation to the
10 school district is based on the amount of the property tax levy attributable to its
11 debt service, to the payment of any bonds or other obligations the school district
12 issues for capital projects.

13 Existing law generally limits the total amount of property taxes which may be
14 imposed to \$3.64 on each \$100 of assessed valuation. (NRS 361.453) **Sections 1**
15 **and 3** of this bill exempt the new property tax imposed pursuant to **section 1** from
16 this limitation.



17 Existing law provides a partial abatement of the property taxes levied on
18 property for which an assessed valuation has previously been established, a
19 remainder parcel of real property, certain single-family residences and certain
20 residential rental dwellings (NRS 361.4722-361.4724) **Section 4** of this bill
21 exempts the new property tax authorized by **section 1** from those partial tax
22 abatements.

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

1 **Section 1.** Chapter 387 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. Upon the approval of a majority of the registered voters of*
4 *a county voting upon the question, the board of county*
5 *commissioners of a county whose population is less than 45,000*
6 *shall, in addition to any taxes levied in accordance with NRS*
7 *387.195, levy a tax of not more than 25 cents on each \$100 of*
8 *assessed valuation of taxable property within the county for the*
9 *capital projects of the school district.*

10 *2. Any money collected pursuant to this section must be*
11 *deposited in the county treasury for credit to the fund for capital*
12 *projects established pursuant to NRS 387.328, to be held and*
13 *expended in the same manner as other money deposited in that*
14 *fund.*

15 *3. The rate of any tax levied pursuant to subsection 1 must*
16 *not be included in the total ad valorem tax levy for the purposes of*
17 *the application of the limitation in NRS 361.453.*

18 **Sec. 2.** NRS 387.328 is hereby amended to read as follows:

19 387.328 1. The board of trustees of each school district shall
20 establish a fund for capital projects for the purposes set forth in
21 subsection 1 of NRS 387.335. The money in the fund for capital
22 projects may be transferred to the debt service fund to pay the cost
23 of the school district's debt service.

24 2. The board of trustees may accumulate money in the fund for
25 capital projects for a period not to exceed 20 years.


26 3. That portion of the governmental services tax whose
27 allocation to the school district pursuant to NRS 482.181 is based on
28 the amount of the property tax levy attributable to its debt service
29 must be deposited in the county treasury to the credit of the fund
30 established under subsection 1 or the school district's debt service
31 fund.

32 4. No money in the fund for capital projects at the end of the
33 fiscal year may revert to the county school district fund, nor may the
34 money be a surplus for any other purpose than those specified in
35 subsection 1.



1 5. The proceeds of the taxes deposited in the fund for capital
2 projects pursuant to NRS 244.3354, 268.0962, 375.070, 377C.110
3 and 387.3288 *and section 1 of this act* and, in a county whose
4 population is 100,000 or more but less than 700,000, the portion of
5 the governmental services tax whose allocation to the school district
6 pursuant to NRS 482.181 is based on the amount of the property tax
7 levy attributable to its debt service may be pledged to the payment
8 of the principal and interest on bonds or other obligations issued for
9 one or more of the purposes set forth in NRS 387.335. The proceeds
10 of such taxes so pledged may be treated as pledged revenues for the
11 purposes of subsection 3 of NRS 350.020, and the board of trustees
12 of a school district may issue bonds for those purposes in
13 accordance with the provisions of chapter 350 of NRS.

14 **Sec. 3.** NRS 361.453 is hereby amended to read as follows:

15 361.453 1. Except as otherwise provided in this section and
16 NRS 354.705, 354.723, 387.3288 and 450.760  *and section 1 of*
17 *this act*, the total ad valorem tax levy for all public purposes must
18 not exceed \$3.64 on each \$100 of assessed valuation, or a lesser or
19 greater amount fixed by the State Board of Examiners if the State
20 Board of Examiners is directed by law to fix a lesser or greater
21 amount for that fiscal year.

22 2. Any levy imposed by the Legislature for the repayment of
23 bonded indebtedness or the operating expenses of the State of
24 Nevada and any levy imposed by the board of county
25 commissioners pursuant to NRS 387.195 that is in excess of 50
26 cents on each \$100 of assessed valuation of taxable property within
27 the county must not be included in calculating the limitation set
28 forth in subsection 1 on the total ad valorem tax levied within the
29 boundaries of the county, city or unincorporated town, if, in a
30 county whose population is less than 45,000, or in a city or
31 unincorporated town located within that county:

32 (a) The combined tax rate certified by the Nevada Tax
33 Commission was at least \$3.50 on each \$100 of assessed valuation
34 on June 25, 1998;

35 (b) The governing body of that county, city or unincorporated
36 town proposes to its registered voters an additional levy ad valorem
37 above the total ad valorem tax levy for all public purposes set forth
38 in subsection 1;

39 (c) The proposal specifies the amount of money to be derived,
40 the purpose for which it is to be expended and the duration of the
41 levy; and

42 (d) The proposal is approved by a majority of the voters voting
43 on the question at a general election or a special election called for
44 that purpose.



1 3. The duration of the additional levy ad valorem levied
2 pursuant to subsection 2 must not exceed 5 years. The governing
3 body of the county, city or unincorporated town may discontinue the
4 levy before it expires and may not thereafter reimpose it in whole or
5 in part without following the procedure required for its original
6 imposition set forth in subsection 2.

7 4. A special election may be held pursuant to subsection 2 only
8 if the governing body of the county, city or unincorporated town
9 determines, by a unanimous vote, that an emergency exists. The
10 determination made by the governing body is conclusive unless it is
11 shown that the governing body acted with fraud or a gross abuse of
12 discretion. An action to challenge the determination made by the
13 governing body must be commenced within 15 days after the
14 governing body's determination is final. As used in this subsection,
15 "emergency" means any unexpected occurrence or combination of
16 occurrences which requires immediate action by the governing body
17 of the county, city or unincorporated town to prevent or mitigate a
18 substantial financial loss to the county, city or unincorporated town
19 or to enable the governing body to provide an essential service to
20 the residents of the county, city or unincorporated town.

21 **Sec. 4.** NRS 361.4726 is hereby amended to read as follows:

22 361.4726 1. Except as otherwise provided by specific statute,
23 if any legislative act which becomes effective after April 6, 2005,
24 imposes a duty on a taxing entity to levy a new ad valorem tax or to
25 increase the rate of an existing ad valorem tax, the amount of the
26 new tax or increase in the rate of the existing tax is exempt from
27 each partial abatement from taxation provided pursuant to NRS
28 361.4722, 361.4723 and 361.4724.

29 2. *The amount of any tax imposed pursuant to section 1 of*
30 *this act is exempt from each partial abatement from taxation*
31 *provided pursuant to NRS 361.4722, 361.4723 and 361.4724.*

32 3. The amount of any tax imposed pursuant to NRS 354.705
33 and 387.3288 is exempt from each partial abatement from taxation
34 provided pursuant to NRS 361.4722, 361.4723 and 361.4724.

35 ~~3.~~ 4. For the purposes of this section, "taxing entity" does
36 not include the State.

37 **Sec. 5.** Notwithstanding the provisions of NRS 218D.430 and
38 218D.435, a committee, other than the Assembly Standing
39 Committee on Ways and Means and the Senate Standing Committee
40 on Finance, may vote on this act before the expiration of the period
41 prescribed for the return of a fiscal note in NRS 218D.475. This
42 section applies retroactively from and after March 22, 2021.

43 **Sec. 6.** This act becomes effective upon passage and approval.

