
SENATE BILL NO. 401—SENATORS ROBERSON, HARDY,
HUTCHISON, HAMMOND, BROWER; AND KIECKHEFER

MARCH 18, 2013

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions governing the taxation of mines and mining claims and excludes the value of certain mineral deposits from the taxable value of property. (BDR 32-910)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

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

AN ACT relating to taxes; contingently revising provisions governing the taxation of minerals and mining claims; revising the definition of “personal property” for purposes of taxation to exclude certain ores, quartzes and minerals; providing that the taxable value of property must exclude the value of any mineral deposit in its natural state attached to the property; revising provisions relating to the taxation under certain circumstances of certain property otherwise exempted from taxation; removing the existing exemption of unpatented mines and mining claims from property taxes; deleting certain provisions governing the assessment of patented mines and mining claims; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Section 5 of Article 10 of the Nevada Constitution provides for a tax upon the
2 net proceeds of minerals which is separate from the tax imposed on all other
3 property. Senate Joint Resolution No. 15, proposed by the 76th Session of the
4 Legislature in 2011 and agreed to and passed by the 77th Session of the Legislature
5 in 2013, proposes to repeal the constitutional provision establishing a separate tax
6 on the net proceeds of minerals. This bill revises certain provisions governing the
7 taxes imposed on minerals and mining claims contingent upon approval and



* S B 4 0 1 *

8 ratification of the provisions of Senate Joint Resolution No. 15 by the voters at the
9 general election on November 4, 2014.

10 Existing law governing property taxes excepts from the definition of “personal
11 property” any gold-bearing and silver-bearing ores, quartz or minerals from which
12 gold or silver is extracted. (NRS 361.030) **Section 3** of this bill removes this
13 exception. **Section 4** of this bill provides that certain provisions governing the
14 taxation of certain property otherwise exempted from taxation do not apply to a
15 mine or mining claim. **Section 5** of this bill provides that in determining the taxable
16 value of property, the value of any mineral deposit in its natural state attached to
17 the property must be excluded from the computation of the taxable value of the
18 property.

19 **Section 22** of this bill: (1) removes the existing exemption of unpatented mines
20 and mining claims from property taxes; and (2) deletes certain provisions governing
21 the assessment of patented mines and mining claims. **Sections 1, 2 and 7-21** of this
22 bill revise provisions relating to assessed valuation consistent with the contingent
23 repeal of Section 5 of Article 10 of the Nevada Constitution.

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

1 **Section 1.** NRS 360.690 is hereby amended to read as follows:
2 360.690 1. Except as otherwise provided in NRS 360.730,
3 the Executive Director shall estimate monthly the amount each local
4 government, special district and enterprise district will receive from
5 the Account pursuant to the provisions of this section.

6 2. The Executive Director shall establish a base monthly
7 allocation for each local government, special district and enterprise
8 district by dividing the amount determined pursuant to NRS 360.680
9 for each local government, special district and enterprise district by
10 12, and the State Treasurer shall, except as otherwise provided in
11 subsections 3 to 8, inclusive, remit monthly that amount to each
12 local government, special district and enterprise district.

13 3. If, after making the allocation to each enterprise district for
14 the month, the Executive Director determines there is not sufficient
15 money available in the county’s subaccount in the Account to
16 allocate to each local government and special district the base
17 monthly allocation determined pursuant to subsection 2, he or she
18 shall prorate the money in the county’s subaccount and allocate to
19 each local government and special district an amount equal to its
20 proportionate percentage of the total amount of the base monthly
21 allocations determined pursuant to subsection 2 for all local
22 governments and special districts within the county. The State
23 Treasurer shall remit that amount to the local government or special
24 district.

25 4. Except as otherwise provided in subsections 5 to 8,
26 inclusive, if the Executive Director determines that there is money
27 remaining in the county’s subaccount in the Account after the base



1 monthly allocation determined pursuant to subsection 2 has been
2 allocated to each local government, special district and enterprise
3 district, he or she shall immediately determine and allocate each:

4 (a) Local government's share of the remaining money by:

5 (1) Multiplying one-twelfth of the amount allocated pursuant
6 to NRS 360.680 by the sum of the:

7 (I) Average percentage of change in the population of the
8 local government over the 5 fiscal years immediately preceding the
9 year in which the allocation is made, as certified by the Governor
10 pursuant to NRS 360.285, except as otherwise provided in
11 subsection 9; and

12 (II) Average percentage of change in the assessed
13 valuation of the taxable property in the local government, including
14 assessed valuation attributable to a redevelopment agency , ~~but~~
15 ~~excluding the portion attributable to the net proceeds of minerals,~~
16 over the year in which the allocation is made, as projected by the
17 Department, and the 4 fiscal years immediately preceding the year
18 in which the allocation is made; and

19 (2) Using the figure calculated pursuant to subparagraph (1)
20 to calculate and allocate to each local government an amount equal
21 to the proportion that the figure calculated pursuant to subparagraph
22 (1) bears to the total amount of the figures calculated pursuant to
23 subparagraph (1) of this paragraph and subparagraph (1) of
24 paragraph (b), respectively, for the local governments and special
25 districts located in the same county multiplied by the total amount
26 available in the subaccount; and

27 (b) Special district's share of the remaining money by:

28 (1) Multiplying one-twelfth of the amount allocated pursuant
29 to NRS 360.680 by the average change in the assessed valuation of
30 the taxable property in the special district, including assessed
31 valuation attributable to a redevelopment agency , ~~but excluding~~
32 ~~the portion attributable to the net proceeds of minerals,~~ over the
33 year in which the allocation is made, as projected by the
34 Department, and the 4 fiscal years immediately preceding the year
35 in which the allocation is made; and

36 (2) Using the figure calculated pursuant to subparagraph (1)
37 to calculate and allocate to each special district an amount equal to
38 the proportion that the figure calculated pursuant to subparagraph
39 (1) bears to the total amount of the figures calculated pursuant to
40 subparagraph (1) of this paragraph and subparagraph (1) of
41 paragraph (a), respectively, for the local governments and special
42 districts located in the same county multiplied by the total amount
43 available in the subaccount.

44 ➤ The State Treasurer shall remit the amount allocated to each local
45 government or special district pursuant to this subsection.



1 5. Except as otherwise provided in subsection 6 or 7, if the
2 Executive Director determines that there is money remaining in the
3 county's subaccount in the Account after the base monthly
4 allocation determined pursuant to subsection 2 has been allocated to
5 each local government, special district and enterprise district and
6 that ~~the average amount over the 5 fiscal years immediately~~
7 ~~preceding the year in which the allocation is made of the assessed~~
8 ~~valuation of taxable property which is attributable to the net~~
9 ~~proceeds of minerals in the county is equal to at least \$50,000,000~~
10 ~~or that the average percentage of change in population of the county~~
11 ~~over the 5 fiscal years immediately preceding the year in which the~~
12 ~~allocation is made, as certified by the Governor pursuant to NRS~~
13 ~~360.285, except as otherwise provided in subsection 9, is a negative~~
14 ~~figure or that the average amount over the 5 fiscal years~~
15 ~~immediately preceding the year in which the allocation is made of~~
16 ~~the assessed valuation of taxable property which is attributable to~~
17 ~~the net proceeds of minerals in the county is equal to at least~~
18 ~~\$50,000,000 and~~ the average percentage of change in population of
19 the county over the 5 fiscal years immediately preceding the year in
20 which the allocation is made, as certified by the Governor pursuant
21 to NRS 360.285, except as otherwise provided in subsection 9, is a
22 negative figure, the Executive Director shall immediately determine
23 and allocate each:

24 (a) Local government's share of the remaining money by:

25 (1) Multiplying one-twelfth of the amount allocated pursuant
26 to NRS 360.680 by 1 plus the sum of the:

27 (I) Average percentage of change in the population of the
28 local government over the 5 fiscal years immediately preceding the
29 year in which the allocation is made, as certified by the Governor
30 pursuant to NRS 360.285, except as otherwise provided in
31 subsection 9; and

32 (II) Average percentage of change in the assessed
33 valuation of the taxable property in the local government, including
34 assessed valuation attributable to a redevelopment agency, ~~but~~
35 ~~excluding the portion attributable to the net proceeds of minerals,~~
36 over the year in which the allocation is made, as projected by the
37 Department, and the 4 fiscal years immediately preceding the year
38 in which the allocation is made; and

39 (2) Using the figure calculated pursuant to subparagraph (1)
40 to calculate and allocate to each local government an amount equal
41 to the proportion that the figure calculated pursuant to subparagraph
42 (1) bears to the total amount of the figures calculated pursuant to
43 subparagraph (1) of this paragraph and subparagraph (1) of
44 paragraph (b), respectively, for the local governments and special



1 districts located in the same county multiplied by the total amount
2 available in the subaccount; and

3 (b) Special district's share of the remaining money by:

4 (1) Multiplying one-twelfth of the amount allocated pursuant
5 to NRS 360.680 by 1 plus the average change in the assessed
6 valuation of the taxable property in the special district, including
7 assessed valuation attributable to a redevelopment agency, ~~but~~
8 ~~excluding the portion attributable to the net proceeds of minerals,~~
9 over the year in which the allocation is made, as projected by the
10 Department, and the 4 fiscal years immediately preceding the year
11 in which the allocation is made; and

12 (2) Using the figure calculated pursuant to subparagraph (1)
13 to calculate and allocate to each special district an amount equal to
14 the proportion that the figure calculated pursuant to subparagraph
15 (1) bears to the total amount of the figures calculated pursuant to
16 subparagraph (1) of this paragraph and subparagraph (1) of
17 paragraph (a), respectively, for the local governments and special
18 districts located in the same county multiplied by the total amount
19 available in the subaccount.

20 ➤ The State Treasurer shall remit the amount allocated to each local
21 government or special district pursuant to this subsection.

22 6. Except as otherwise provided in subsection 8, if the
23 Executive Director determines that there is money remaining in the
24 county's subaccount in the Account after the base monthly
25 allocation determined pursuant to subsection 2 has been allocated to
26 each local government, special district and enterprise district, that
27 the sum of the average percentage of change in population and the
28 average percentage of change in the assessed valuation of taxable
29 property, as calculated pursuant to subparagraph (1) of paragraph (a)
30 of subsection 4 for each of those local governments, is a negative
31 figure, and that the average change in the assessed valuation of the
32 taxable property in each of those special districts, as calculated
33 pursuant to subparagraph (1) of paragraph (b) of subsection 4, is a
34 negative figure, he or she shall immediately determine and allocate
35 each:

36 (a) Local government's share of the remaining money by:

37 (1) Multiplying one-twelfth of the amount allocated pursuant
38 to NRS 360.680 by 1 plus the sum of the:

39 (I) Average percentage of change in the population of the
40 local government over the 5 fiscal years immediately preceding the
41 year in which the allocation is made, as certified by the Governor
42 pursuant to NRS 360.285, except as otherwise provided in
43 subsection 9; and

44 (II) Average percentage of change in the assessed
45 valuation of the taxable property in the local government, including



1 assessed valuation attributable to a redevelopment agency , ~~but~~
2 ~~excluding the portion attributable to the net proceeds of minerals,~~
3 over the year in which the allocation is made, as projected by the
4 Department, and the 4 fiscal years immediately preceding the year
5 in which the allocation is made; and

6 (2) Using the figure calculated pursuant to subparagraph (1)
7 to calculate and allocate to each local government an amount equal
8 to the proportion that the figure calculated pursuant to subparagraph
9 (1) bears to the total amount of the figures calculated pursuant to
10 subparagraph (1) of this paragraph and subparagraph (1) of
11 paragraph (b), respectively, for the local governments and special
12 districts located in the same county multiplied by the total amount
13 available in the subaccount; and

14 (b) Special district's share of the remaining money by:

15 (1) Multiplying one-twelfth of the amount allocated pursuant
16 to NRS 360.680 by 1 plus the average change in the assessed
17 valuation of the taxable property in the special district, including
18 assessed valuation attributable to a redevelopment agency , ~~but~~
19 ~~excluding the portion attributable to the net proceeds of minerals,~~
20 over the year in which the allocation is made, as projected by the
21 Department, and the 4 fiscal years immediately preceding the year
22 in which the allocation is made; and

23 (2) Using the figure calculated pursuant to subparagraph (1)
24 to calculate and allocate to each special district an amount equal
25 to the proportion that the figure calculated pursuant to subparagraph
26 (1) bears to the total amount of the figures calculated pursuant to
27 subparagraph (1) of this paragraph and subparagraph (1) of
28 paragraph (a), respectively, for the local governments and special
29 districts located in the same county multiplied by the total amount
30 available in the subaccount.

31 ➤ The State Treasurer shall remit the amount allocated to each local
32 government or special district pursuant to this subsection.

33 7. Except as otherwise provided in subsection 8, if the
34 Executive Director determines that there is money remaining in the
35 county's subaccount in the Account after the base monthly
36 allocation determined pursuant to subsection 2 has been allocated to
37 each local government, special district and enterprise district, that
38 the sum of the average percentage of change in population and the
39 average percentage of change in the assessed valuation of taxable
40 property, as calculated pursuant to subparagraph (1) of paragraph (a)
41 of subsection 4 for each of those local governments, is a negative
42 figure, and that the average change in the assessed valuation of the
43 taxable property in any of those special districts, as calculated
44 pursuant to subparagraph (1) of paragraph (b) of subsection 4, is a



1 positive figure, he or she shall immediately determine and allocate
2 each:

3 (a) Local government's share of the remaining money by:

4 (1) Multiplying one-twelfth of the amount allocated pursuant
5 to NRS 360.680 by 1 plus the sum of the:

6 (I) Average percentage of change in the population of the
7 local government over the 5 fiscal years immediately preceding the
8 year in which the allocation is made, as certified by the Governor
9 pursuant to NRS 360.285, except as otherwise provided in
10 subsection 9; and

11 (II) Average percentage of change in the assessed
12 valuation of the taxable property in the local government, including
13 assessed valuation attributable to a redevelopment agency , ~~but~~
14 ~~excluding the portion attributable to the net proceeds of minerals,~~
15 over the year in which the allocation is made, as projected by the
16 Department, and the 4 fiscal years immediately preceding the year
17 in which the allocation is made; and

18 (2) Using the figure calculated pursuant to subparagraph (1)
19 to calculate and allocate to each local government an amount equal
20 to the proportion that the figure calculated pursuant to subparagraph
21 (1) bears to the total amount of the figures calculated pursuant to
22 subparagraph (1) of this paragraph and subparagraph (1) of
23 paragraph (b), respectively, for the local governments and special
24 districts located in the same county multiplied by the total amount
25 available in the subaccount; and

26 (b) Special district's share of the remaining money by:

27 (1) Multiplying one-twelfth of the amount allocated pursuant
28 to NRS 360.680 by 1 plus the sum of the:

29 (I) Average percentage of change in the population of the
30 county over the 5 fiscal years immediately preceding the year in
31 which the allocation is made, as certified by the Governor pursuant
32 to NRS 360.285, except as otherwise provided in subsection 9; and

33 (II) Average change in the assessed valuation of the
34 taxable property in the special district, including assessed valuation
35 attributable to a redevelopment agency , ~~but excluding the portion~~
36 ~~attributable to the net proceeds of minerals,~~ over the year in which
37 the allocation is made, as projected by the Department, and the 4
38 fiscal years immediately preceding the year in which the allocation
39 is made; and

40 (2) Using the figure calculated pursuant to subparagraph (1)
41 to calculate and allocate to each special district an amount equal to
42 the proportion that the figure calculated pursuant to subparagraph
43 (1) bears to the total amount of the figures calculated pursuant to
44 subparagraph (1) of this paragraph and subparagraph (1) of
45 paragraph (a), respectively, for the local governments and special



1 districts located in the same county multiplied by the total amount
2 available in the subaccount.

3 ➤ The State Treasurer shall remit the amount allocated to each local
4 government or special district pursuant to this subsection.

5 8. The Executive Director shall not allocate any amount to a
6 local government or special district pursuant to subsection 4, 5, 6 or
7 7 unless the amount distributed and allocated to each of the local
8 governments and special districts in the county in each
9 preceding month of the fiscal year in which the allocation is to be
10 made was at least equal to the base monthly allocation determined
11 pursuant to subsection 2. If the amounts distributed to the local
12 governments and special districts in the county for the preceding
13 months of the fiscal year in which the allocation is to be made were
14 less than the base monthly allocation determined pursuant to
15 subsection 2 and the Executive Director determines there is money
16 remaining in the county's subaccount in the Account after the
17 distribution for the month has been made, he or she shall:

18 (a) Determine the amount by which the base monthly allocations
19 determined pursuant to subsection 2 for each local government and
20 special district in the county for the preceding months of the fiscal
21 year in which the allocation is to be made exceeds the amounts
22 actually received by the local governments and special districts in
23 the county for the same period; and

24 (b) Compare the amount determined pursuant to paragraph (a) to
25 the amount of money remaining in the county's subaccount in the
26 Account to determine which amount is greater.

27 ➤ If the Executive Director determines that the amount determined
28 pursuant to paragraph (a) is greater, he or she shall allocate the
29 money remaining in the county's subaccount in the Account
30 pursuant to the provisions of subsection 3. If the Executive Director
31 determines that the amount of money remaining in the county's
32 subaccount in the Account is greater, he or she shall first allocate the
33 money necessary for each local government and special district to
34 receive the base monthly allocation determined pursuant to
35 subsection 2 and the State Treasurer shall remit that money so
36 allocated. The Executive Director shall allocate any additional
37 money in the county's subaccount in the Account pursuant to the
38 provisions of subsection 4, 5, 6 or 7, as appropriate.

39 9. The percentage changes in population calculated pursuant to
40 subsections 4 to 7, inclusive, must:

41 (a) Except as otherwise provided in paragraph (c), if the Bureau
42 of the Census of the United States Department of Commerce issues
43 population totals that conflict with the totals certified by the
44 Governor pursuant to NRS 360.285, be an estimate of the change in



* S B 4 0 1 *

1 population for the calendar year, based upon the population totals
2 issued by the Bureau of the Census.

3 (b) If a new method of determining population is established
4 pursuant to NRS 360.283, be adjusted in a manner that will result in
5 the percentage change being based on population determined
6 pursuant to the new method for both the fiscal year in which the
7 allocation is made and the fiscal year immediately preceding the
8 year in which the allocation is made.

9 (c) If a local government files a formal appeal with the Bureau
10 of the Census concerning the population total of the local
11 government issued by the Bureau of the Census, be calculated using
12 the population total certified by the Governor pursuant to NRS
13 360.285 until the appeal is resolved. If additional money is allocated
14 to the local government because the population total certified by the
15 Governor is greater than the population total issued by the Bureau of
16 the Census, the State Treasurer shall deposit that additional money
17 in a separate interest-bearing account. Upon resolution of the appeal,
18 if the population total finally determined pursuant to the appeal is:

19 (1) Equal to or less than the population total initially issued
20 by the Bureau of the Census, the State Treasurer shall transfer the
21 total amount in the separate interest-bearing account, including
22 interest but excluding any administrative fees, to the Local
23 Government Tax Distribution Account for allocation among the
24 local governments in the county pursuant to subsection 4, 5, 6 or 7,
25 as appropriate.

26 (2) Greater than the population total initially issued by the
27 Bureau of the Census, the Executive Director shall calculate the
28 amount that would have been allocated to the local government
29 pursuant to subsection 4, 5, 6 or 7, as appropriate, if the population
30 total finally determined pursuant to the appeal had been used and the
31 State Treasurer shall remit to the local government an amount equal
32 to the difference between the amount actually distributed and the
33 amount calculated pursuant to this subparagraph or the total amount
34 in the separate interest-bearing account, including interest but
35 excluding any administrative fees, whichever is less.

36 10. On or before February 15 of each year, the Executive
37 Director shall provide to each local government, special district and
38 enterprise district a preliminary estimate of the revenue it will
39 receive from the Account for that fiscal year.

40 11. On or before March 15 of each year, the Executive Director
41 shall:

42 (a) Make an estimate of the receipts from each tax included in
43 the Account on an accrual basis for the next fiscal year in
44 accordance with generally accepted accounting principles, including



1 an estimate for each county of the receipts from each tax included in
2 the Account; and

3 (b) Provide to each local government, special district and
4 enterprise district an estimate of the amount that local government,
5 special district or enterprise district would receive based upon the
6 estimate made pursuant to paragraph (a) and calculated pursuant to
7 the provisions of this section.

8 12. A local government, special district or enterprise district
9 may use the estimate provided by the Executive Director pursuant to
10 subsection 11 in the preparation of its budget.

11 **Sec. 2.** NRS 360.695 is hereby amended to read as follows:

12 360.695 1. If the population and assessed valuation of the
13 taxable property ~~[-, except any assessed valuation attributable to the~~
14 ~~net proceeds of minerals,]~~ within a local government or special
15 district has decreased in each of the 3 fiscal years immediately
16 preceding the current fiscal year, the Executive Director shall
17 review the amount allocated to the local government or special
18 district from the Account pursuant to NRS 360.680, to determine
19 whether to adjust the allocation. The local government or special
20 district may submit information to assist the Executive Director in
21 making a determination. If the Executive Director determines that
22 an adjustment to the allocation of the local government or special
23 district is necessary, the Executive Director shall submit his or her
24 findings on the matter to the Committee on Local Government
25 Finance.

26 2. The Committee on Local Government Finance shall review
27 the findings submitted by the Executive Director pursuant to
28 subsection 1. If the Committee determines that an adjustment to the
29 amount allocated to the local government or special district pursuant
30 to NRS 360.680 is appropriate, the Committee shall submit a
31 recommendation to the Nevada Tax Commission that sets forth the
32 amount of the recommended adjustment. If the Committee
33 determines that the adjustment is not appropriate, that decision is not
34 subject to review by the Nevada Tax Commission.

35 3. The Nevada Tax Commission shall schedule a public
36 hearing within 30 days after the Committee on Local Government
37 Finance submits its recommendation. The Nevada Tax Commission
38 shall provide public notice of the hearing at least 10 days before the
39 date on which the hearing will be held. The Executive Director shall
40 provide copies of all documents relevant to the adjustment
41 recommended by the Committee on Local Government Finance to
42 the governing body of each local government and special district
43 that is located in the same county as the local government or special
44 district that is subject to the recommended adjustment.



1 4. If, after the public hearing, the Nevada Tax Commission
2 determines that the recommended adjustment is appropriate, it shall
3 order the Executive Director to adjust the amount allocated to the
4 local government or special district pursuant to NRS 360.680.

5 **Sec. 3.** NRS 361.030 is hereby amended to read as follows:

6 361.030 ~~(f)~~ “Personal property” means:

7 ~~(a)~~ 1. All household and kitchen furniture.

8 ~~(b)~~ 2. All law, medical and miscellaneous libraries.

9 ~~(c)~~ 3. All goods, wares and merchandise.

10 ~~(d)~~ 4. All chattels of every kind and description, except
11 vehicles as defined in NRS 371.020.

12 ~~(e)~~ 5. Stocks of goods on hand.

13 ~~(f)~~ 6. Any vehicle not included in the definition of vehicle in
14 NRS 371.020.

15 ~~(g)~~ 7. All locomotives, cars, rolling stock and other personal
16 property used in operating any railroad within the State.

17 ~~(h)~~ 8. All machines and machinery, all works and
18 improvements, all steamers, vessels and watercraft of every kind
19 and name navigating or used upon the waters of any river or lake
20 within this State or having a general depot or terminus within this
21 State.

22 ~~(i)~~ 9. The money, property and effects of every kind, except
23 real estate, of all banks, banking institutions or firms, bankers,
24 moneylenders and brokers.

25 ~~(j)~~ 10. All property of whatever kind or nature, except
26 vehicles as defined in NRS 371.020, not included in the term “real
27 estate” as that term is defined in NRS 361.035.

28 ~~{2. Gold bearing and silver bearing ores, quartz or minerals
29 from which gold or silver is extracted, when in the hands of the
30 producers thereof, shall not mean, not be taken to mean, nor be
31 listed and assessed under the term “personal property” as used in
32 this section, but are specially excepted therefrom, and shall be listed,
33 assessed and taxed as provided by law.}~~

34 **Sec. 4.** NRS 361.157 is hereby amended to read as follows:

35 361.157 1. When any real estate or portion of real estate
36 which for any reason is exempt from taxation is leased, loaned or
37 otherwise made available to and used by a natural person,
38 association, partnership or corporation in connection with a business
39 conducted for profit or as a residence, or both, the leasehold interest,
40 possessory interest, beneficial interest or beneficial use of the lessee
41 or user of the property is subject to taxation to the extent the:

42 (a) Portion of the property leased or used; and

43 (b) Percentage of time during the fiscal year that the property is
44 leased by the lessee or used by the user, in accordance with
45 NRS 361.2275,



1 ↪ can be segregated and identified. The taxable value of the interest
2 or use must be determined in the manner provided in subsection 3 of
3 NRS 361.227 and in accordance with NRS 361.2275.

4 2. Subsection 1 does not apply to:

5 (a) Property located upon a public airport, park, market or
6 fairground, or any property owned by a public airport, unless the
7 property owned by the public airport is not located upon the public
8 airport and the property is leased, loaned or otherwise made
9 available for purposes other than for the purposes of a public airport,
10 including, without limitation, residential, commercial or industrial
11 purposes;

12 (b) Federal property for which payments are made in lieu of
13 taxes in amounts equivalent to taxes which might otherwise be
14 lawfully assessed;

15 (c) Property of any state-supported educational institution,
16 except any part of such property located within a tax increment area
17 created pursuant to NRS 278C.155;

18 (d) Property leased or otherwise made available to and used by a
19 natural person, private association, private corporation, municipal
20 corporation, quasi-municipal corporation or a political subdivision
21 under the provisions of the Taylor Grazing Act or by the United
22 States Forest Service or the Bureau of Reclamation of the United
23 States Department of the Interior;

24 (e) Property of any Indian or of any Indian tribe, band or
25 community which is held in trust by the United States or subject to a
26 restriction against alienation by the United States;

27 (f) Vending stand locations and facilities operated by persons
28 who are blind under the auspices of the Bureau of Services to
29 Persons Who Are Blind or Visually Impaired of the Rehabilitation
30 Division of the Department of Employment, Training and
31 Rehabilitation, whether or not the property is owned by the federal,
32 state or a local government;

33 (g) Leases held by a natural person, corporation, association,
34 municipal corporation, quasi-municipal corporation or political
35 subdivision for development of geothermal resources, but only for
36 resources which have not been put into commercial production;

37 (h) The use of exempt property that is leased, loaned or made
38 available to a public officer or employee, incident to or in the course
39 of public employment;

40 (i) A parsonage owned by a recognized religious society or
41 corporation when used exclusively as a parsonage;

42 (j) Property owned by a charitable or religious organization all,
43 or a portion, of which is made available to and is used as a residence
44 by a natural person in connection with carrying out the activities of
45 the organization;



1 (k) Property owned by a governmental entity and used to
2 provide shelter at a reduced rate to elderly persons or persons having
3 low incomes;

4 (l) The occasional rental of meeting rooms or similar facilities
5 for periods of less than 30 consecutive days;

6 (m) The use of exempt property to provide day care for children
7 if the day care is provided by a nonprofit organization; ~~for~~

8 (n) Any lease, easement, operating agreement, license, permit or
9 right of entry for any exempt state property granted by the
10 Department or the Regional Transportation Commission of
11 Southern Nevada pursuant to section 45 of the Boulder City Bypass
12 Toll Road Demonstration Project Act ~~+~~; *or*

13 *(o) A mine or mining claim.*

14 3. Taxes must be assessed to lessees or users of exempt real
15 estate and collected in the same manner as taxes assessed to owners
16 of other real estate, except that taxes due under this section do not
17 become a lien against the property. When due, the taxes constitute a
18 debt due from the lessee or user to the county for which the taxes
19 were assessed and, if unpaid, are recoverable by the county in the
20 proper court of the county.

21 **Sec. 5.** NRS 361.227 is hereby amended to read as follows:

22 361.227 1. Any person determining the taxable value of real
23 property shall appraise:

24 (a) The full cash value of:

25 (1) Vacant land by considering the uses to which it may
26 lawfully be put, any legal or physical restrictions upon those uses,
27 the character of the terrain, and the uses of other land in the vicinity.

28 (2) Improved land consistently with the use to which the
29 improvements are being put.

30 (b) Any improvements made on the land by subtracting from the
31 cost of replacement of the improvements all applicable depreciation
32 and obsolescence. Depreciation of an improvement made on real
33 property must be calculated at 1.5 percent of the cost of replacement
34 for each year of adjusted actual age of the improvement, up to a
35 maximum of 50 years.

36 2. The unit of appraisal must be a single parcel unless:

37 (a) The location of the improvements causes two or more
38 parcels to function as a single parcel;

39 (b) The parcel is one of a group of contiguous parcels which
40 qualifies for valuation as a subdivision pursuant to the regulations of
41 the Nevada Tax Commission; or

42 (c) In the professional judgment of the person determining the
43 taxable value, the parcel is one of a group of parcels which should
44 be valued as a collective unit.



1 3. The taxable value of a leasehold interest, possessory interest,
2 beneficial interest or beneficial use for the purpose of NRS 361.157
3 or 361.159 must be determined in the same manner as the taxable
4 value of the property would otherwise be determined if the lessee or
5 user of the property was the owner of the property and it was not
6 exempt from taxation, except that the taxable value so determined
7 must be reduced by a percentage of the taxable value that is equal to
8 the:

9 (a) Percentage of the property that is not actually leased by the
10 lessee or used by the user during the fiscal year; and

11 (b) Percentage of time that the property is not actually leased by
12 the lessee or used by the user during the fiscal year, which must be
13 determined in accordance with NRS 361.2275.

14 4. The taxable value of other taxable personal property, except
15 a mobile or manufactured home, must be determined by subtracting
16 from the cost of replacement of the property all applicable
17 depreciation and obsolescence. Depreciation of a billboard must be
18 calculated at 1.5 percent of the cost of replacement for each year
19 after the year of acquisition of the billboard, up to a maximum of 50
20 years.

21 5. *In determining the taxable value of property, the value of*
22 *any mineral deposit in its natural state attached to the land must*
23 *be excluded from the computation of the taxable value of the*
24 *property.*

25 6. The computed taxable value of any property must not exceed
26 its full cash value. Each person determining the taxable value of
27 property shall reduce it if necessary to comply with this
28 requirement. A person determining whether taxable value exceeds
29 that full cash value or whether obsolescence is a factor in valuation
30 may consider:

31 (a) Comparative sales, based on prices actually paid in market
32 transactions.

33 (b) A summation of the estimated full cash value of the land and
34 contributory value of the improvements.

35 (c) Capitalization of the fair economic income expectancy or fair
36 economic rent, or an analysis of the discounted cash flow.

37 ➤ A county assessor is required to make the reduction prescribed in
38 this subsection if the owner calls to his or her attention the facts
39 warranting it, if the county assessor discovers those facts during
40 physical reappraisal of the property or if the county assessor is
41 otherwise aware of those facts.

42 ~~6.~~ 7. The Nevada Tax Commission shall, by regulation,
43 establish:

44 (a) Standards for determining the cost of replacement of
45 improvements of various kinds.



1 (b) Standards for determining the cost of replacement of
2 personal property of various kinds. The standards must include a
3 separate index of factors for application to the acquisition cost of a
4 billboard to determine its replacement cost.

5 (c) Schedules of depreciation for personal property based on its
6 estimated life.

7 (d) Criteria for the valuation of two or more parcels as a
8 subdivision.

9 ~~7-1~~ 8. In determining, for the purpose of computing taxable
10 value, the cost of replacement of:

11 (a) Any personal property, the cost of all improvements of the
12 personal property, including any additions to or renovations of the
13 personal property, but excluding routine maintenance and repairs,
14 must be added to the cost of acquisition of the personal property.

15 (b) An improvement made on land, a county assessor may use
16 any final representations of the improvement prepared by the
17 architect or builder of the improvement, including, without
18 limitation, any final building plans, drawings, sketches and surveys,
19 and any specifications included in such representations, as a basis
20 for establishing any relevant measurements of size or quantity.

21 ~~8-1~~ 9. The county assessor shall, upon the request of the
22 owner, furnish within 15 days to the owner a copy of the most
23 recent appraisal of the property, including, without limitation, copies
24 of any sales data, materials presented on appeal to the county board
25 of equalization or State Board of Equalization and other materials
26 used to determine or defend the taxable value of the property.

27 ~~9-1~~ 10. The provisions of this section do not apply to property
28 which is assessed pursuant to NRS 361.320.

29 **Sec. 6.** NRS 361.2285 is hereby amended to read as follows:

30 361.2285 The Nevada Tax Commission shall adopt regulations
31 which:

32 1. Provide for the creation of a simple, easily understood form
33 which may be completed by the owner of any real property used to
34 conduct a business and used to:

35 (a) Compute and determine the value of the property using the
36 income approach and to compare that value to the existing taxable
37 value of the property to determine the existence of any
38 obsolescence; and

39 (b) Apply to the appropriate county assessor or board of
40 equalization for computation of the taxable value of the property in
41 accordance with subsection ~~5-1~~ 6 of NRS 361.227.

42 2. Clearly set forth the methodology for applying the income
43 approach to valuation for tax purposes of real property used to
44 conduct a business to determine whether obsolescence is a factor.



1 The methodology must be described in a manner that may be easily
2 understood by the owners of such property.

3 3. Will make available to the owner of any real property used
4 to conduct a business information that will allow the owner to apply
5 the income approach to establish the full cash value of the property
6 for the purpose of comparing that value to the taxable value
7 established by the county assessor.

8 **Sec. 7.** NRS 361.390 is hereby amended to read as follows:

9 361.390 Each county assessor shall:

10 1. File with or cause to be filed with the Secretary of the State
11 Board of Equalization, on or before March 10 of each year, the tax
12 roll, or a true copy thereof, of his or her county for the current year
13 as corrected by the county board of equalization.

14 2. Prepare and file with the Department on or before
15 January 31, March 5 and October 31 of each year, a segregation
16 report showing the assessed values for each taxing entity within the
17 county on a form prescribed by the Department. The assessor shall
18 make projections of assessed value for the current fiscal year and the
19 upcoming fiscal year regarding real and personal property for which
20 the taxable value is determined by the assessor. The Department
21 shall make any projections required for the upcoming fiscal year
22 regarding ~~the net proceeds of minerals and~~ any property for which
23 the taxable value is determined by the Nevada Tax Commission.

24 3. Prepare and file with the Department on or before May 5 for
25 the unsecured roll, on or before August 10 for the secured roll, and
26 on or before October 31 for the unsecured roll and the secured roll, a
27 statistical report showing values for all categories of property on a
28 form prescribed by the Department.

29 **Sec. 8.** NRS 361.405 is hereby amended to read as follows:

30 361.405 1. The Secretary of the State Board of Equalization
31 forthwith shall certify any change made by the Board in the assessed
32 valuation of any property in whole or in part to the county auditor of
33 the county where the property is assessed, and whenever the
34 valuation of any property is raised, the Secretary of the State Board
35 of Equalization shall forward by certified mail to the property owner
36 or owners affected, notice of the increased valuation.

37 2. As soon as changes resulting from cases having a substantial
38 effect on tax revenues have been certified to the county auditor by
39 the Secretary of the State Board of Equalization, the county auditor
40 shall:

41 (a) Enter all such changes and the value of any construction
42 work in progress ~~and net proceeds of minerals~~ which were
43 certified to him or her by the Department, on the assessment roll
44 before the delivery thereof to the tax receiver.



1 (b) Add up the valuations and enter the total valuation of each
2 kind of property and the total valuation of all property on the
3 assessment roll.

4 (c) Certify the results to the board of county commissioners and
5 the Department.

6 3. ~~{The board of county commissioners shall not levy a tax on
7 the net proceeds of minerals added to the assessed valuation
8 pursuant to paragraph (a) of subsection 2, but, except as otherwise
9 provided by specific statute, the net proceeds of minerals must be
10 included in the assessed valuation of the taxable property of the
11 county and all local governments in the county for the determination
12 of the rate of tax and all other purposes for which assessed valuation
13 is used.~~

14 ~~—4.}~~ As soon as changes resulting from cases having less than a
15 substantial effect on tax revenue have been certified to the county
16 tax receiver by the Secretary of the State Board of Equalization, the
17 county tax receiver shall adjust the assessment roll or the tax
18 statement or make a tax refund, as directed by the State Board of
19 Equalization.

20 **Sec. 9.** NRS 377B.170 is hereby amended to read as follows:

21 377B.170 1. In a county whose population is 700,000 or
22 more and in which a water authority exists, the water authority shall
23 enter into an interlocal agreement with a city or town located in the
24 county whose territory is not within the boundaries of the area
25 served by the water authority or with a public entity in the county
26 which provides water or wastewater services and which is not a
27 member of the water authority to provide a distribution from the
28 infrastructure fund of the water authority to the city, town or public
29 entity after the city, town or public entity has filed with the water
30 authority a detailed plan for acquiring, establishing, constructing,
31 improving or equipping, or any combination thereof, a water or
32 wastewater facility.

33 2. Such a city, town or public entity may request annually from
34 the infrastructure fund of the water authority an amount of the
35 proceeds of the tax for infrastructure received annually by the water
36 authority that is equal to the proportion that the assessed valuation
37 of taxable property within the boundaries of the city or town or the
38 area served by the public entity ~~{, except any assessed valuation
39 attributable to the net proceeds of minerals,}~~ bears to the total
40 assessed valuation of taxable property within the county. ~~{, except
41 any assessed valuation attributable to the net proceeds of minerals.}~~
42 If the boundaries of such a city or town overlap with the boundaries
43 of a public entity in such a county which provides water or
44 wastewater services and which is not a member of the water
45 authority, the water authority shall apportion equally between the



1 city or town and the public entity the distribution from the
2 infrastructure fund attributable to the assessed valuation in the area
3 where the boundaries overlap.

4 3. The water authority shall not unreasonably refuse a request
5 from such a city, town or public entity for a distribution from the
6 infrastructure fund pursuant to the provisions of this section.

7 **Sec. 10.** NRS 349.238 is hereby amended to read as follows:

8 349.238 1. There must be levied annually a special tax on all
9 property, both real and personal, subject to taxation within the
10 boundaries of the State of Nevada, fully sufficient ~~together with the~~
11 ~~revenue which will result from application of the rate to the net~~
12 ~~proceeds of minerals.~~ without regard to any statutory limitations
13 now or hereafter existing, to pay the interest on the general
14 obligation state securities and to pay and retire the securities as
15 provided in the State Securities Law and in any act supplemental
16 hereto. The amount of money to be raised by the tax must be
17 included in the annual estimate or budget for each county in the
18 state for each year for which the tax is hereby required to be levied.
19 The tax must be levied and collected in the same manner and at the
20 same time as other taxes are levied and collected.

21 2. The proceeds thereof levied to pay interest on the securities
22 must be kept by the State Treasurer in a special fund, separate and
23 apart from all other funds, and the proceeds of the tax levied to pay
24 the principal of the securities must be kept by the Treasurer in a
25 special fund, separate and apart from all other funds. The two
26 special funds must be used for no other purpose than the payment of
27 the interest on the securities and the principal thereof, respectively,
28 when due.

29 **Sec. 11.** NRS 350.592 is hereby amended to read as follows:

30 350.592 1. There must be levied annually in due season a
31 special tax on all property, both real and personal, subject to
32 taxation within the boundaries of the municipality, fully sufficient
33 ~~together with the revenue which will result from application of the~~
34 ~~rate to the net proceeds of minerals.~~ without regard to any statutory
35 or charter tax limitations other than the limitation set forth in NRS
36 361.453, to pay the interest on the general obligation municipal
37 securities and to pay and retire the securities as provided in the
38 Local Government Securities Law and in any act supplemental
39 hereto. The amount of money to be raised by the tax must be
40 included in the annual estimate or budget for each county within the
41 state for each year for which the tax is hereby required to be levied.
42 The tax must be levied and collected in the same manner and at the
43 same time as other taxes are levied and collected.

44 2. The proceeds thereof levied to pay interest on the securities
45 must be kept by the treasurer in a special fund, separate and apart



1 from all other funds, and the proceeds of the tax levied to pay the
2 principal of the securities must be kept by the treasurer in a special
3 fund, separate and apart from all other funds. The two special funds
4 must be used for no other purpose than the payment of the interest
5 on the securities and the principal thereof, respectively, when due;
6 but, except as prevented by any contractual limitations imposed
7 upon the municipality by proceedings appertaining to its outstanding
8 securities, the municipality may provide for a consolidated debt
9 service fund to pay principal of and interest on outstanding
10 securities, when due.

11 **Sec. 12.** NRS 354.59811 is hereby amended to read as
12 follows:

13 354.59811 1. Except as otherwise provided in NRS 244.377,
14 278C.260, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987,
15 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, for
16 each fiscal year beginning on or after July 1, 1989, the maximum
17 amount of money that a local government, except a school district, a
18 district to provide a telephone number for emergencies or a
19 redevelopment agency, may receive from taxes ad valorem, other
20 than those ~~attributable to the net proceeds of minerals or those~~
21 levied for the payment of bonded indebtedness and interest thereon
22 incurred as general long-term debt of the issuer, or for the payment
23 of obligations issued to pay the cost of a water project pursuant to
24 NRS 349.950, or for the payment of obligations under a capital lease
25 executed before April 30, 1981, must be calculated as follows:

26 (a) The rate must be set so that when applied to the current fiscal
27 year's assessed valuation of all property which was on the preceding
28 fiscal year's assessment roll, together with the assessed valuation of
29 property on the central assessment roll which was allocated to the
30 local government, but excluding any ~~assessed valuation attributable~~
31 ~~to the net proceeds of minerals,~~ assessed valuation attributable to a
32 redevelopment area and assessed valuation of a fire protection
33 district attributable to real property which is transferred from private
34 ownership to public ownership for the purpose of conservation, it
35 will produce 106 percent of the maximum revenue allowable from
36 taxes ad valorem for the preceding fiscal year, except that the rate so
37 determined must not be less than the rate allowed for the previous
38 fiscal year, except for any decrease attributable to the imposition of
39 a tax pursuant to NRS 354.59813 in the previous year.

40 (b) This rate must then be applied to the total assessed valuation,
41 excluding ~~the assessed valuation attributable to the net proceeds of~~
42 ~~minerals and~~ the assessed valuation of a fire protection district
43 attributable to real property which is transferred from private
44 ownership to public ownership for the purpose of conservation, but
45 including new real property, possessory interests and mobile homes,



1 for the current fiscal year to determine the allowed revenue from
2 taxes ad valorem for the local government.

3 2. As used in this section, “general long-term debt” does not
4 include debt created for medium-term obligations pursuant to NRS
5 350.087 to 350.095, inclusive.

6 **Sec. 13.** NRS 354.59813 is hereby amended to read as
7 follows:

8 354.59813 1. In addition to the allowed revenue from taxes
9 ad valorem determined pursuant to NRS 354.59811, if the estimate
10 of the revenue available from the supplemental city-county relief tax
11 to the county as determined by the Executive Director of the
12 Department of Taxation pursuant to the provisions of subsection 11
13 of NRS 360.690 is less than the amount of money that would be
14 generated by applying a tax rate of \$1.15 per \$100 of assessed
15 valuation to the assessed valuation of the county, ~~except any~~
16 ~~assessed valuation attributable to the net proceeds of minerals,~~ the
17 governing body of each local government may levy an additional
18 tax ad valorem for operating purposes. The total tax levied by the
19 governing body of a local government pursuant to this section must
20 not exceed a rate calculated to produce revenue equal to the
21 difference between the:

22 (a) Amount of revenue from supplemental city-county relief tax
23 estimated to be received by the county pursuant to subsection 11 of
24 NRS 360.690; and

25 (b) The tax that the county would have been estimated to receive
26 if the estimate for the total revenue available from the tax was equal
27 to the amount of money that would be generated by applying a tax
28 rate of \$1.15 per \$100 of assessed valuation to the assessed
29 valuation of the county,

30 ↪ multiplied by the proportion determined for the local government
31 pursuant to subparagraph (2) of paragraph (a) of subsection 4 of
32 NRS 360.690, subparagraph (2) of paragraph (a) of subsection 6 of
33 NRS 360.690 or subparagraph (2) of paragraph (a) of subsection 7
34 of NRS 360.690, as appropriate.

35 2. Any additional taxes ad valorem levied as a result of the
36 application of this section must not be included in the base from
37 which the allowed revenue from taxes ad valorem for the next
38 subsequent year is computed.

39 3. As used in this section, “local government” has the meaning
40 ascribed to it in NRS 360.640.

41 **Sec. 14.** NRS 354.598747 is hereby amended to read as
42 follows:

43 354.598747 1. To calculate the amount to be distributed
44 pursuant to the provisions of NRS 360.680 and 360.690 from a
45 county’s subaccount in the Local Government Tax Distribution



1 Account to a local government, special district or enterprise district
2 after it assumes the functions of another local government, special
3 district or enterprise district:

4 (a) Except as otherwise provided in this section, the Executive
5 Director of the Department of Taxation shall:

6 (1) Add the amounts calculated pursuant to subsection 1 or 2
7 of NRS 360.680 for each local government, special district or
8 enterprise district and allocate the combined amount to the local
9 government, special district or enterprise district that assumes the
10 functions; and

11 (2) If applicable, add the average change in population and
12 average change in the assessed valuation of taxable property that
13 would otherwise be allowed to the local government or special
14 district whose functions are assumed, including the assessed
15 valuation attributable to a redevelopment agency , ~~but excluding~~
16 ~~the portion attributable to the net proceeds of minerals,~~ pursuant to
17 subsection 4, 5, 6 or 7 of NRS 360.690, as appropriate, to the
18 average change in population and average change in assessed
19 valuation for the local government, special district or enterprise
20 district that assumes the functions.

21 (b) If two or more local governments, special districts or
22 enterprise districts assume the functions of another local
23 government, special district or enterprise district, the additional
24 revenue must be divided among the local governments, special
25 districts or enterprise districts that assume the functions on the basis
26 of the proportionate costs of the functions assumed.

27 ➤ The Nevada Tax Commission shall not allow any increase in the
28 allowed revenue from the taxes contained in the county's
29 subaccount in the Local Government Tax Distribution Account if
30 the increase would result in a decrease in revenue of any local
31 government, special district or enterprise district in the county that
32 does not assume those functions. If more than one local government,
33 special district or enterprise district assumes the functions, the
34 Nevada Tax Commission shall determine the appropriate amounts
35 calculated pursuant to subparagraphs (1) and (2) of paragraph (a).

36 2. If a city disincorporates, the board of county commissioners
37 of the county in which the city is located must determine the amount
38 the unincorporated town created by the disincorporation will receive
39 pursuant to the provisions of NRS 360.600 to 360.740, inclusive.

40 3. As used in this section:

41 (a) "Enterprise district" has the meaning ascribed to it in
42 NRS 360.620.

43 (b) "Local government" has the meaning ascribed to it in
44 NRS 360.640.



1 (c) "Special district" has the meaning ascribed to it in
2 NRS 360.650.

3 **Sec. 15.** NRS 380.130 is hereby amended to read as follows:

4 380.130 1. Whenever it appears to the board of county
5 commissioners of any county having a law library that for any
6 reason any debt incurred in the purchase and establishment of the
7 library has not been fully paid or materially reduced with the money
8 provided by the provisions of NRS 380.110, within the period of 5
9 years immediately preceding, the board of county commissioners
10 may, at the next annual tax levy, levy a special tax upon all taxable
11 property within the county, both real and personal, sufficient ~~to~~
12 ~~together with the revenue which will result from application of the~~
13 ~~rate to the net proceeds of minerals,} to raise a sum which will~~
14 discharge any such indebtedness, but no more. The money must be
15 placed in the law library fund in the county treasury and must be
16 used for the payment of the indebtedness and for no other purpose.

17 2. In lieu of the levy of a special tax as provided in subsection
18 1, the board of county commissioners of any county having a law
19 library may, in the discretion of the board of county commissioners,
20 transfer from the general funds of the county to the law library fund
21 a sufficient sum of money to pay any debts incurred in the purchase
22 and establishment and maintenance of the library, which has not
23 been fully paid or materially reduced with the money provided by
24 the provisions of NRS 380.110, within the period of 5 years
25 immediately preceding March 1, 1959.

26 **Sec. 16.** NRS 387.1235 is hereby amended to read as follows:

27 387.1235 ~~{1. Except as otherwise provided in subsection 2,~~
28 ~~local}~~

29 *Local* funds available are the sum of:

30 ~~{(a)}~~ 1. The amount of one-third of the tax collected pursuant to
31 subsection 1 of NRS 387.195 for the school district for the
32 concurrent school year; and

33 ~~{(b)}~~ 2. The proceeds of the local school support tax imposed
34 by chapter 374 of NRS, excluding any amounts required to be
35 remitted pursuant to NRS 360.850 and 360.855. The Department of
36 Superintendent of Public Instruction shall furnish an estimate of these proceeds to the
37 Superintendent of Public Instruction on or before July 15 for the
38 fiscal year then begun, and the Superintendent shall adjust the final
39 apportionment of the current school year to reflect any difference
40 between the estimate and actual receipts.

41 ~~{2. The amount computed under subsection 1 that is~~
42 ~~attributable to any assessed valuation attributable to the net proceeds~~
43 ~~of minerals must be held in reserve and may not be considered as~~
44 ~~local funds available until the succeeding fiscal year.}~~



1 **Sec. 17.** NRS 387.195 is hereby amended to read as follows:

2 387.195 1. Each board of county commissioners shall levy a
3 tax of 75 cents on each \$100 of assessed valuation of taxable
4 property within the county for the support of the public schools
5 within the county school district.

6 2. ~~{The tax collected pursuant to subsection 1 on any assessed~~
7 ~~valuation attributable to the net proceeds of minerals must not be~~
8 ~~considered as available to pay liabilities of the fiscal year in which~~
9 ~~the tax is collected but must be deferred for use in the subsequent~~
10 ~~fiscal year. The annual budget for the school district must only~~
11 ~~consider as an available source the tax on the net proceeds of~~
12 ~~minerals which was collected in the prior year.~~

13 ~~—3—~~ In addition to any tax levied in accordance with subsection
14 1, each board of county commissioners shall levy a tax for the
15 payment of interest and redemption of outstanding bonds of the
16 county school district.

17 ~~{4—~~ 3. The tax collected pursuant to subsection 1 and any
18 interest earned from the investment of the proceeds of that tax must
19 be credited to the county's school district fund.

20 ~~{5—~~ 4. The tax collected pursuant to subsection ~~{3}~~ 2 and any
21 interest earned from the investment of the proceeds of that tax must
22 be credited to the county school district's debt service fund.

23 **Sec. 18.** NRS 450.660 is hereby amended to read as follows:

24 450.660 1. At the time of making the levy of county taxes for
25 that year, each board of trustees shall levy a tax sufficient ~~{, together~~
26 ~~with the revenue which will result from application of the rate to the~~
27 ~~net proceeds of minerals,}~~ to raise the amount so budgeted upon any
28 real and personal property that is subject to taxation within the
29 boundaries of the district. Any tax levied on interstate or intercounty
30 telephone lines, power lines and other public utility lines pursuant to
31 this section must be based upon valuations as established by the
32 Nevada Tax Commission pursuant to the provisions of NRS
33 361.315 to 361.330, inclusive.

34 2. When levied, the tax must be:

35 (a) Entered upon the assessment rolls of each county that is
36 included within the district; and

37 (b) Collected in the same manner as state and county taxes.

38 3. When the tax is collected it must be:

39 (a) Placed in the treasury of the county in which the district
40 hospital is located;

41 (b) Credited to the current expense fund of the district; and

42 (c) Used only for the purpose for which it was raised.

43 **Sec. 19.** NRS 474.190 is hereby amended to read as follows:

44 474.190 1. Subject to the provisions of subsection 3, the
45 board of directors of each county fire protection district shall



1 prepare annual budgets in accordance with NRS 354.470 to
2 354.626, inclusive.

3 2. The budget of a district must be based on estimates of the
4 amount of money that will be needed to defray the expenses of the
5 district and to meet unforeseen emergencies and the amount of a fire
6 protection tax sufficient ~~[, together with the revenue which will
7 result from application of the rate to the net proceeds of minerals,]~~
8 to raise such sums.

9 3. The amount of money to be raised for the purpose of
10 establishing, equipping and maintaining the district with fire-
11 fighting facilities must not in any 1 year exceed 1 percent of the
12 assessed value of the property described in NRS 474.200. ~~[and any
13 net proceeds of minerals derived from within the boundaries of the
14 district.]~~

15 **Sec. 20.** NRS 474.510 is hereby amended to read as follows:

16 474.510 1. The board of fire commissioners shall prepare an
17 annual budget in accordance with the provisions of NRS 354.470 to
18 354.626, inclusive, for each district organized in accordance with
19 NRS 474.460.

20 2. Each budget must be based on estimates of the amount of
21 money which will be needed to defray the expenses of the district
22 and to meet unforeseen emergencies and the amount of a fire
23 protection tax sufficient ~~[, together with the revenue which will
24 result from application of the rate to the net proceeds of minerals,]~~
25 to raise such sums.

26 3. At the time of making the levy of county taxes for the year,
27 the board of county commissioners shall levy the tax provided by
28 subsection 2, upon all property, both real and personal, subject to
29 taxation within the boundaries of the district. Any tax levied on
30 interstate or intercounty telephone lines, power lines and other
31 public utility lines as authorized in this section must be based upon
32 valuations established by the Nevada Tax Commission pursuant to
33 the provisions of NRS 361.315 to 361.330, inclusive.

34 4. The amount of tax to be collected for the purposes of this
35 section must not exceed, in any 1 year, 1 percent of the value of the
36 property described in subsection 3. ~~[and any net proceeds of
37 minerals derived from within the boundaries of the district.]~~

38 5. If levied, the tax must be entered upon the assessment roll
39 and collected in the same manner as state and county taxes. Taxes
40 may be paid in four approximately equal installments at the times
41 specified in NRS 361.483, and the same penalties as specified in
42 NRS 361.483 must be added for failure to pay the taxes.

43 6. For the purposes of NRS 474.460 to 474.540, inclusive, the
44 treasurer of the district shall keep two separate funds for each
45 district, one to be known as the district fire protection operating



1 fund and one to be known as the district emergency fund. The
2 money collected to defray the expenses of any district organized
3 pursuant to NRS 474.460 must be deposited in the district fire
4 protection operating fund, and the money collected to meet
5 unforeseen emergencies must be deposited in the district emergency
6 fund. The district emergency fund must be used solely for
7 emergencies and must not be used for regular operating expenses.
8 The money deposited in the district emergency fund must not
9 exceed the sum of \$1,000,000. Any interest earned on the money in
10 the district emergency fund that causes the balance in that fund to
11 exceed \$1,000,000 must be credited to the district fire protection
12 operating fund.

13 7. For the purposes of subsection 6, an emergency includes,
14 without limitation, any event that:

15 (a) Causes widespread or severe damage to property or injury to
16 or the death of persons within the district;

17 (b) As determined by the district fire chief, requires immediate
18 action to protect the health, safety and welfare of persons who reside
19 within the district; and

20 (c) Requires the district to provide money to obtain a matching
21 grant from an agency of the Federal Government to repair damage
22 caused by a natural disaster that occurred within the district.

23 **Sec. 21.** NRS 514A.060 is hereby amended to read as follows:

24 514A.060 Notwithstanding any other provision of law, the
25 Commission shall provide oversight of compliance with Nevada law
26 relating to the activities of each state agency, board, bureau,
27 commission, department or division with respect to the taxation,
28 operation, safety and environmental regulation of mines and mining
29 in this State, including, without limitation, the activities of:

30 1. The Nevada Tax Commission and the Department of
31 Taxation in the taxation of the net proceeds of minerals pursuant to
32 chapter 362 of NRS . ~~and Section 5 of Article 10 of the Nevada~~
33 ~~Constitution.~~

34 2. The Division of Industrial Relations of the Department of
35 Business and Industry in administering the provisions of chapter
36 512 of NRS concerning the safe and healthful working conditions at
37 mines.

38 3. The Commission on Mineral Resources and the Division of
39 Minerals of the Commission in the administration of the provisions
40 of chapters 513 and 522 of NRS concerning the conduct of mining
41 operations and operations for the production of oil, gas and
42 geothermal energy in the State.

43 4. The Bureau of Mines and Geology of the State of Nevada in
44 the Public Service Division of the Nevada System of Higher



1 Education in its administration of the provisions of chapter 514 of
2 NRS.

3 5. The Division of Environmental Protection of the State
4 Department of Conservation and Natural Resources in its
5 administration of the provisions of chapter 519A of NRS concerning
6 the reclamation of mined land, areas of exploration and former areas
7 of mining or exploration.

8 **Sec. 22.** NRS 361.075, 362.030, 362.040, 362.050, 362.060,
9 362.070, 362.090 and 362.095 are hereby repealed.

10 **Sec. 23.** This act becomes effective on January 1, 2015, if and
11 only if the provisions of Senate Joint Resolution No. 15, proposed
12 by the 76th Session of the Legislature and agreed to and passed by
13 the 77th Session of the Legislature, are approved and ratified by the
14 voters at the general election on November 4, 2014.

LEADLINES OF REPEALED SECTIONS

361.075 Exemption of unpatented mines and mining claims.

**362.030 County assessor to assess surface of patented mines
and mining claims; exceptions.**

362.040 Exclusion of assessment from roll.

**362.050 Affidavit of labor: Requirement for exemption of
surface of patented mine or mining claim from taxation; form
and contents.**

362.060 Who may make affidavit.

**362.070 Contiguous patented mines or mining claims:
Performance of work on one mine.**

**362.090 One affidavit may be recorded for labor on several
patented mines or mining claims.**

**362.095 Method of taxation of patented mine or mining
claim used for purpose other than mining or agriculture.**



