

Senate Bill No. 54—Committee on Revenue
and Economic Development

CHAPTER.....

AN ACT relating to taxation; authorizing additional uses of the proceeds of a tax for infrastructure by certain smaller counties; requiring periodic reviews of the plan for the use of the proceeds of such a tax by certain smaller counties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes each county to impose a sales and use tax for certain infrastructure projects. (NRS 377B.100, 377B.160) Existing law authorizes certain smaller counties (currently any county other than Clark and Washoe Counties) to use the proceeds of the tax for certain purposes related to the construction or renovation of schools, the construction or renovation of cultural or historical facilities, or the construction, improvement or equipping of public safety, cultural and recreational, or judicial facilities. (NRS 377B.160) **Section 2** of this bill authorizes these smaller counties to use the proceeds of the tax for certain purposes related to the construction, improvement or equipping of additional types of governmental facilities. In addition, **section 2** authorizes these smaller counties to use the proceeds of the tax to pay the costs of operating and maintaining certain governmental facilities. Under existing law, any change to use the proceeds of the tax for the additional purposes authorized by this bill must be approved by a two-thirds majority of the board of county commissioners of the county. (NRS 377B.100)

Section 1 of this bill requires certain smaller counties (currently counties other than Clark and Washoe Counties) that use the proceeds of the tax for certain purposes to review the plan for the use of those proceeds at least once every 4 years.

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

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

Section 1. NRS 377B.100 is hereby amended to read as follows:

377B.100 1. The board of county commissioners of any county may by ordinance, but not as in a case of emergency, impose a tax for infrastructure pursuant to this section and NRS 377B.110.

2. An ordinance enacted pursuant to this chapter may not become effective before a question concerning the imposition of the tax is approved by a two-thirds majority of the members of the board of county commissioners. Any proposal to increase the rate of the tax or change the previously approved uses for the proceeds of the tax must be approved by a two-thirds majority of the members of the board of county commissioners. The board of county



commissioners shall not change a previously approved use for the proceeds of the tax to a use that is not authorized for that county pursuant to NRS 377B.160.

3. An ordinance enacted pursuant to this section must:

(a) Specify the date on which the tax must first be imposed or on which an increase in the rate of the tax becomes effective, which must occur on the first day of the first month of the next calendar quarter that is at least 120 days after the date on which a two-thirds majority of the board of county commissioners approved the question.

(b) In a county whose population is 700,000 or more, provide for the cessation of the tax not later than:

(1) The last day of the month in which the Department determines that the total sum collected since the tax was first imposed, exclusive of any penalties and interest, exceeds \$2.3 billion; or

(2) June 30, 2025,

↳ whichever occurs earlier.

4. Notwithstanding the provisions of an ordinance described in subsection 3, in a county whose population is 700,000 or more, the tax may continue to be imposed after the date set forth in the ordinance for the cessation of the tax if the board of county commissioners determines by an affirmative vote of at least two-thirds of its members that the cessation of the tax is not advisable.

5. The board of county commissioners in a county whose population is 700,000 or more and in which a water authority exists shall review the necessity for the continued imposition of the tax authorized pursuant to this chapter at least once every 10 years.

6. Before enacting an ordinance pursuant to this chapter, the board of county commissioners shall hold a public hearing regarding the imposition of a tax for infrastructure. In a county whose population is 700,000 or more and in which a water authority exists, the water authority shall also hold a public hearing regarding the tax for infrastructure. Notice of the time and place of each hearing must be:

(a) Published in a newspaper of general circulation in the county at least once a week for the 2 consecutive weeks immediately preceding the date of the hearing. Such notice must be a display advertisement of not less than 3 inches by 5 inches.

(b) Posted at the building in which the meeting is to be held and at not less than three other separate, prominent places within the county at least 2 weeks before the date of the hearing.



7. Before enacting an ordinance pursuant to this chapter, the board of county commissioners of a county whose population is less than 700,000 or a county whose population is 700,000 or more and in which no water authority exists, shall develop a plan for the expenditure of the proceeds of a tax imposed pursuant to this chapter for the purposes set forth in NRS 377B.160. The plan may include a regional project for which two or more such counties have entered into an interlocal agreement to expend jointly all or a portion of the proceeds of a tax imposed in each county pursuant to this chapter. Such a plan must include, without limitation, the date on which the plan expires, a description of each proposed project, the method of financing each project and the costs related to each project. Before adopting a plan pursuant to this subsection, the board of county commissioners of a county in which a regional planning commission has been established pursuant to NRS 278.0262 shall transmit to the regional planning commission a list of the proposed projects for which a tax for infrastructure may be imposed. The regional planning commission shall hold a public hearing at which it shall rank each project in relative priority. The regional planning commission shall transmit its rankings to the board of county commissioners. The recommendations of the regional planning commission regarding the priority of the proposed projects are not binding on the board of county commissioners. The board of county commissioners shall hold at least one public hearing on the plan. Notice of the time and place of the hearing must be provided in the manner set forth in subsection 6. The plan must be approved by the board of county commissioners at a public hearing. Subject to the provisions of subsection ~~8.1~~ 9, on or before the date on which a plan expires, the board of county commissioners shall determine whether a necessity exists for the continued imposition of the tax. If the board determines that such a necessity does not exist, the board shall repeal the ordinance that enacted the tax. If the board of county commissioners determines that the tax must be continued for a purpose set forth in NRS 377B.160, the board shall adopt, in the manner prescribed in this subsection, a new plan for the expenditure of the proceeds of the tax for such a purpose.

8. *If the plan approved pursuant to subsection 7 by the board of county commissioners of a county whose population is 100,000 or less includes the expenditure of the proceeds of a tax imposed pursuant to this chapter for a purpose set forth in paragraph (f) or (g) of subsection 3 of NRS 377B.160, the board must review the plan at least once every 4 years.*



9. No ordinance imposing a tax which is enacted pursuant to this chapter may be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair any outstanding bonds or other obligations which are payable from or secured by a pledge of a tax enacted pursuant to this chapter until those bonds or other obligations have been discharged in full.

Sec. 2. NRS 377B.160 is hereby amended to read as follows:

377B.160 The money in the infrastructure fund, including interest and any other income from the fund:

1. In a county whose population is 700,000 or more, must only be expended by the water authority, distributed by the water authority to its members, distributed by the water authority pursuant to NRS 377B.170 to a city or town located in the county whose territory is not within the boundaries of the area served by the water authority or to a public entity in the county which provides water or wastewater services and which is not a member of the water authority or, if no water authority exists in the county, expended by the board of county commissioners for:

(a) The acquisition, establishment, construction, improvement or equipping of water and wastewater facilities;

(b) The payment of principal and interest on notes, bonds or other securities issued to provide money for the cost of projects described in paragraph (a); or

(c) Any combination of those purposes.

↳ The board of county commissioners may only expend money from the infrastructure fund pursuant to this subsection in the manner set forth in the plan adopted pursuant to subsection 7 of NRS 377B.100.

2. In a county whose population is 100,000 or more but less than 700,000, must only be expended by the board of county commissioners in the manner set forth in the plan adopted pursuant to subsection 7 of NRS 377B.100 for:

(a) The acquisition, establishment, construction or expansion of:

(1) Projects for the management of floodplains or the prevention of floods; or

(2) Facilities relating to public safety;

(b) The payment of principal and interest on notes, bonds or other securities issued to provide money for the cost of projects described in paragraph (a);

(c) The ongoing expenses of operation and maintenance of projects described in subparagraph (1) of paragraph (a), if such projects were included in a plan adopted by the board of county



commissioners pursuant to subsection 7 of NRS 377B.100 before January 1, 2003;

(d) Any program to provide financial assistance to owners of public and private property in areas likely to be flooded in order to make such property resistant to flood damage that is established pursuant to NRS 244.3653; or

(e) Any combination of those purposes.

3. In a county whose population is less than 100,000, must only be expended by the board of county commissioners in the manner set forth in the plan adopted pursuant to subsection 7 of NRS 377B.100 for:

(a) The acquisition, establishment, construction, improvement or equipping of:

(1) Water facilities; or

(2) Wastewater facilities;

(b) The acquisition, establishment, construction, operation, maintenance or expansion of:

(1) Projects for the management of floodplains or the prevention of floods; or

(2) Facilities for the disposal of solid waste;

(c) The construction or renovation of facilities for schools;

(d) The construction or renovation of facilities having cultural or historical value;

(e) Projects described in subsection 2 of NRS 373.028;

(f) The acquisition, establishment, construction, expansion, improvement or equipping of facilities relating to public safety or to cultural and recreational , ~~for~~ judicial ~~functions;~~ *or health and welfare functions;*

(g) *The ongoing expenses of operation and maintenance for services and supplies of facilities described in paragraph (f), excluding salaries and benefits;*

(h) The payment of principal and interest on notes, bonds or other securities issued to provide money for the cost of projects, facilities and activities described in paragraphs (a) to ~~(f)~~ (g), inclusive; or

~~(h)~~ (i) Any combination of those purposes.

Sec. 3. This act becomes effective on July 1, 2017.



