

Senate Bill No. 74—Committee on
Revenue and Economic Development

CHAPTER.....

AN ACT relating to taxation; clarifying that the population totals certified by the Governor annually are used in determining the allocation and deposit of proceeds of the basic city-county relief tax; revising provisions governing the population totals used in determining the distribution of certain taxes; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Department of Taxation to annually determine the population of each town, township, city and county and submit its determination to the Governor, who is required to certify the respective population totals on or before March 1 of each year. The Department is required to use the population totals certified by the Governor for any tax that is collected for apportionment in whole or in part to any political subdivision where the basis of the apportionment is the population of the political subdivision. (NRS 360.283, 360.285) **Section 1** of this bill eliminates, for certain taxes, the requirement to use the population totals of the Bureau of the Census of the United States Department of Commerce in the case of a conflict with the population totals of the Governor.

Existing law also requires the Department to determine the proportion of the basic city-county relief taxes collected each month from out-of-state businesses for each county, less the amount transferred to the State General Fund for the cost of collecting the tax, which the population of each county bears to the total population of all the counties that impose the city-county relief tax. (NRS 377.055) **Section 2** of this bill clarifies that the population totals used to make these determinations are the population totals certified by the Governor annually.

Existing law requires the calculation of the distribution of the supplemental city-county relief tax to certain counties in an amount equal to one-twelfth of the amount distributed in the preceding fiscal year multiplied by one plus the lesser of: (1) the percentage change in the total receipts from the tax for all counties and from out-of-state businesses for a specified period; or (2) the percentage change in population of the county added to the percentage change in the Consumer Price Index for the year ending on December 31 next preceding the year of distribution. Existing law also provides that if the Bureau of the Census of the United States Department of Commerce issues population totals that conflict with the totals certified by the Governor, the population totals issued by the Bureau must be used in determining the percentage change in population of each county. (NRS 377.057) **Section 3** of this bill eliminates the requirement to use the population totals of the Bureau of the Census in the case of a conflict with the population totals of the Governor.



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

Section 1. NRS 360.690 is hereby amended to read as follows:

360.690 1. Except as otherwise provided in NRS 360.730, the Executive Director shall estimate monthly the amount each local government, special district and enterprise district will receive from the Account pursuant to the provisions of this section.

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

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

4. Except as otherwise provided in subsections 6 and 7, for a county whose population is 100,000 or more, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, he or she shall immediately determine and allocate each:

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

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 0.02 plus the sum of:

(I) The average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the



Governor pursuant to NRS 360.285, except as otherwise provided in subsection 8; and

(II) The greater of zero or the average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency but excluding the portion attributable to the net proceeds of minerals, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount, except that if the figure calculated pursuant to subparagraph (1) is less than zero, that figure must be treated as being zero for purposes of determining the allocation pursuant to this subparagraph; and

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

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 0.02 plus the greater of zero or the average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency but excluding the portion attributable to the net proceeds of minerals, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

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

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

5. Except as otherwise provided in subsection 7, for a county whose population is less than 100,000, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined



pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, the Executive Director shall immediately determine and allocate each:

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

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

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

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

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

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

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

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



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

6. Except as otherwise provided in subsection 7, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district in a county whose population is 100,000 or more, and if the calculations performed pursuant to paragraph (a) of subsection 4 require the use of zero for each local government, the Executive Director shall allocate to each local government and special district an amount equal to its proportionate percentage of the total amount of the base monthly allocations determined pursuant to subsection 2 for all local governments and special districts within the county. The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

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

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

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

↳ If the Executive Director determines that the amount determined pursuant to paragraph (a) is greater, he or she shall allocate the money remaining in the county's subaccount in the Account pursuant to the provisions of subsection 3. If the Executive Director determines that the amount of money remaining in the county's



subaccount in the Account is greater, he or she shall first allocate the money necessary for each local government and special district to receive the base monthly allocation determined pursuant to subsection 2 and the State Treasurer shall remit that money so allocated. The Executive Director shall allocate any additional money in the county's subaccount in the Account pursuant to the provisions of subsection 4, 5 or 6, as appropriate.

8. The percentage changes in population calculated pursuant to subsections 4 and 5 must ~~[-~~

~~—(a) Except as otherwise provided in paragraph (c), if the Bureau of the Census of the United States Department of Commerce issues population totals that conflict with the totals certified by the Governor pursuant to NRS 360.285, be an estimate of the change in population for the calendar year, based upon the population totals issued by the Bureau of the Census.~~

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

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

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

~~—(2) Greater than the population total initially issued by the Bureau of the Census, the Executive Director shall calculate the amount that would have been allocated to the local government pursuant to subsection 4, 5 or 6, as appropriate, if the population total finally determined pursuant to the appeal had been used and the~~



~~State Treasurer shall remit to the local government an amount equal to the difference between the amount actually distributed and the amount calculated pursuant to this subparagraph or the total amount in the separate interest bearing account, including interest but excluding any administrative fees, whichever is less.]~~

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

10. On or before March 15 of each year, the Executive Director shall:

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

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

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

Sec. 2. NRS 377.055 is hereby amended to read as follows:

377.055 The Department shall monthly determine for each county an amount of money equal to the sum of:

1. Any fees and any taxes, interest and penalties which derive from the basic city-county relief tax collected in that county pursuant to this chapter during the preceding month, less the corresponding amount transferred to the State General Fund pursuant to subsection 3 of NRS 377.050; and

2. That proportion of the total amount of taxes which derive from that portion of the tax levied at the rate of one-half of 1 percent collected pursuant to this chapter during the preceding month from out-of-state businesses not maintaining a fixed place of business within this State, less the corresponding amount transferred to the State General Fund pursuant to subsection 3 of NRS 377.050, which the population of that county , *as certified by the Governor pursuant to NRS 360.285*, bears to the total population of all counties , *as certified by the Governor pursuant to NRS 360.285*, which have in effect a city-county relief tax ordinance,



↪ and, except as otherwise required to carry out NRS 360.850 and 360.855, deposit the money in the Local Government Tax Distribution Account created by NRS 360.660 for credit to the respective subaccounts of each county.

Sec. 3. NRS 377.057 is hereby amended to read as follows:

377.057 1. The State Controller, acting upon the relevant information furnished by the Department, shall distribute monthly from the fees, taxes, interest and penalties which derive from the supplemental city-county relief tax collected in all counties and from out-of-state businesses during the preceding month, excluding any amounts required to be remitted pursuant to NRS 360.850 and 360.855 and except as otherwise provided in subsection 2, to:

(a) Douglas, Esmeralda, Eureka, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey and White Pine counties, an amount equal to one-twelfth of the amount distributed in the immediately preceding fiscal year multiplied by one plus:

(1) The percentage change in the total receipts from the supplemental city-county relief tax for all counties and from out-of-state businesses, from the fiscal year 2 years preceding the immediately preceding fiscal year to the fiscal year preceding the immediately preceding fiscal year; or

(2) ~~[Except as otherwise provided in this paragraph, the]~~ *The* percentage change in the population of the county, as certified by the Governor pursuant to NRS 360.285, added to the percentage change in the Consumer Price Index for the year ending on December 31 next preceding the year of distribution,

↪ whichever is less, except that the amount distributed to the county must not be less than the amount specified in subsection 5. ~~[If the Bureau of the Census of the United States Department of Commerce issues population totals that conflict with the totals certified by the Governor pursuant to NRS 360.285, the percentage change calculated pursuant to subparagraph (2) for the ensuing fiscal year must be an estimate of the change in population for the calendar year, based upon the population totals issued by the Bureau of the Census.]~~

(b) All other counties, the amount remaining after making the distributions required by paragraph (a) to each of these counties in the proportion that the amount of supplemental city-county relief tax collected in the county for the month bears to the total amount of supplemental city-county relief tax collected for that month in the counties whose distribution will be determined pursuant to this paragraph.



2. If the amount of supplemental city-county relief tax collected in a county listed in paragraph (a) of subsection 1 for the 12 most recent months for which information concerning the actual amount collected is available on February 15 of any year exceeds by more than 10 percent the amount distributed pursuant to paragraph (a) to that county for the same period, the State Controller shall distribute that county’s portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (b) of subsection 1 in all subsequent fiscal years, unless a waiver is granted pursuant to subsection 3.

3. A county which, pursuant to subsection 2, is required to have its portion of the proceeds from the supplemental city-county relief tax distributed pursuant to paragraph (b) of subsection 1 may file a request with the Nevada Tax Commission for a waiver of the requirements of subsection 2. The request must be filed on or before February 20 next preceding the fiscal year for which the county will first receive its portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (b) of subsection 1 and must be accompanied by evidence which supports the granting of the waiver. The Commission shall grant or deny a request for a waiver on or before March 10 next following the timely filing of the request. If the Commission determines that the increase in the amount of supplemental city-county relief tax collected in the county was primarily caused by:

- (a) Nonrecurring taxable sales, it shall grant the request.
- (b) Normal or sustainable growth in taxable sales, it shall deny the request.

➔ A county which is granted a waiver pursuant to this subsection is not required to obtain a waiver in any subsequent fiscal year to continue to receive its portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (a) of subsection 1 unless the amount of supplemental city-county relief tax collected in the county in a fiscal year again exceeds the threshold established in subsection 2.

4. The amount apportioned to each county must be deposited in the Local Government Tax Distribution Account created by NRS 360.660 for credit to the respective accounts of each county.

5. The minimum amount which may be distributed to the following counties in a month pursuant to paragraph (a) of subsection 1 is as follows:

Douglas.....	\$580,993
Esmeralda.....	53,093



Lander.....	\$155,106
Lincoln.....	72,973
Lyon	356,858
Mineral	118,299
Nye	296,609
Pershing.....	96,731
Storey.....	69,914
White Pine	158,863

~~¶6. As used in this section, unless the context otherwise requires:~~

~~—(a) “Enterprise district” has the meaning ascribed to it in NRS 360.620.~~

~~—(b) “Local government” has the meaning ascribed to it in NRS 360.640.~~

~~—(c) “Special district” has the meaning ascribed to it in NRS 360.650.]~~

Sec. 4. This act becomes effective upon passage and approval.

