

ASSEMBLY BILL NO. 496—COMMITTEE ON TAXATION

MARCH 25, 2013

Referred to Committee on Taxation

SUMMARY—Makes various changes relating to the Clark County Sales and Use Tax Act of 2005. (BDR S-1068)

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

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

AN ACT relating to taxation; providing the legislative approval required for an increase in the tax imposed pursuant to the Clark County Sales and Use Tax Act of 2005; suspending temporarily the application of certain provisions of the Act; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Board of County Commissioners of Clark County
2 to impose a sales and use tax in Clark County of one-quarter of 1 percent to employ
3 and equip additional police officers for the Boulder City Police Department,
4 Henderson Police Department, Las Vegas Metropolitan Police Department,
5 Mesquite Police Department and North Las Vegas Police Department, and allows
6 the imposition of an increase in that tax of not more than one-quarter of 1 percent if
7 the date on which the increased rate is first imposed is on or after October 1, 2009,
8 and if the Legislature first approves the increased rate. (Clark County Sales and Use
9 Tax Act of 2005) **Section 3** of this bill provides the legislative approval required
10 for the imposition of an increase in that tax of not more than fifteen-hundredths of 1
11 percent on or after October 1, 2013, if the increase is approved by two-thirds of the
12 members of the Board of County Commissioners of Clark County and if the
13 increased rate expires on or before September 30, 2017.

14 **Section 1** of this bill amends the Clark County Sales and Use Tax Act of 2005
15 to suspend temporarily certain provisions of the Act which require a governing
16 body to approve expenditures by a police department of proceeds received from the
17 taxes imposed pursuant to the Act if the governing body determines that the
18 proposed expenditure will not replace or supplant existing funding for the police
19 department. **Section 1** also requires that certain periodic reports required by the Act
20 include a separate detailed description of any expenditures as a result of the
21 temporary suspension of those provisions of the Act. Additionally, **section 1**
22 requires that a copy of the separate detailed description be submitted to the Director
23 of the Legislative Counsel Bureau for transmittal to the Interim Finance



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24 Committee. **Section 2** of this bill amends the Act to specify the method for
25 calculating the base fiscal year for certain purposes of the Act.

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

1 **Section 1.** The Clark County Sales and Use Tax Act of 2005,
2 being chapter 249, Statutes of Nevada 2005, at page 912, is hereby
3 amended by adding thereto a new section to be designated as section
4 13.3, immediately following section 13, to read as follows:

5 *Sec. 13.3. 1. The provisions of paragraph (b) of*
6 *subsection 1 and subsections 3 to 8, inclusive, of section 13*
7 *of this act do not apply to any expenditure of proceeds from*
8 *any sales and use tax imposed pursuant to this act on or*
9 *after July 1, 2013, but before July 1, 2016.*

10 2. *In addition to the requirements of section 13.5 of*
11 *this act:*

12 (a) *The periodic reports required by that section must*
13 *include, with respect to the period covered by the report, a*
14 *separate detailed description of the expenditure of any*
15 *proceeds from the sales and use tax imposed pursuant to*
16 *this act as a result of the provisions of subsection 1; and*

17 (b) *A governing body that is required to submit a report*
18 *pursuant to section 13.5 of this act shall submit a copy of*
19 *the separate detailed description required by paragraph (a)*
20 *for the period covered by the report to the Director of the*
21 *Legislative Counsel Bureau for transmittal to the Interim*
22 *Finance Committee on or before the date by which the*
23 *governing body is required to submit the report for that*
24 *period to the Department pursuant to section 13.5 of this*
25 *act.*

26 **Sec. 2.** The Clark County Sales and Use Tax Act of 2005,
27 being chapter 249, Statutes of Nevada 2005, at page 912, is hereby
28 amended by adding thereto a new section to be designated as section
29 13.7, immediately following section 13.5, to read as follows:

30 *Sec. 13.7. Notwithstanding the provisions of*
31 *subsection 8 of section 13 of this act, for Fiscal Year 2015-*
32 *2016, the base fiscal year for each body must be adjusted for*
33 *the purposes of section 13 of this act as provided in this*
34 *section, and that adjusted base fiscal year must be used as*
35 *the base fiscal year for all purposes, including future*
36 *calculations of base fiscal years. To determine the adjusted*
37 *base fiscal year for Fiscal Year 2015-2016, any*
38 *expenditures authorized as a result of the provisions of*
39 *subsection 1 of section 13.3 of this act must not be included*



1 *when calculating the amount of money received or*
2 *expended in that fiscal year.*

3 **Sec. 3.** The Legislature hereby approves an increase, pursuant
4 to paragraph (b) of subsection 1 of section 10 of the Clark County
5 Sales and Use Tax Act of 2005, being chapter 249, Statutes of
6 Nevada 2005, at page 912, in the rate of the tax imposed pursuant to
7 that Act in the amount of not more than fifteen-hundredths of 1
8 percent, if:

9 1. The increase authorized by this section is enacted by an
10 ordinance approved by a two-thirds majority of the members of the
11 Board of County Commissioners of Clark County;

12 2. The date on which that increased rate is first imposed is on
13 or after October 1, 2013; and

14 3. That increased rate expires on or before September 30, 2017.

15 **Sec. 4.** 1. This act becomes effective upon passage and
16 approval.

17 2. Sections 1 and 2 of this act expire by limitation on
18 October 1, 2025.

