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SENATE BILL NO. 337—SENATORS PARKS; AND DENIS

MARCH 16, 2015

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Referred to Committee on Revenue and  
Economic Development

**SUMMARY**—Revises provisions relating to the expenditure of sales and use taxes generated to employ and equip additional police officers in certain counties. (BDR S-1043)

**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.

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AN ACT relating to sales and use taxes; revising provisions relating to the expenditure of sales and use taxes generated by the Clark County Sales and Use Tax Act of 2005; 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)

10 **Section 1** of this bill amends the Clark County Sales and Use Tax Act of 2005  
11 to provide that money generated by the sales and use tax: (1) must be used  
12 exclusively to hire and equip nonsupervisory, entry-level personnel; and (2) may  
13 not be placed in a reserve fund for long-term future use. In addition, **section 1**  
14 removes the requirement that money generated by the sales and use tax may not  
15 supplant existing funding for a police department. **Section 2** of this bill repeals  
16 previous amendments to the Clark County Sales and Use Tax Act of 2005 related to  
17 the provisions removed in **section 1**.

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

1       **Section 1.** Section 13 of the Clark County Sales and Use Tax  
2 of 2005, being chapter 249, Statutes of Nevada 2005, as amended by  
3 chapter 497, Statutes of Nevada 2011, at page 3158, is hereby  
4 amended to read as follows:

5           Sec. 13. 1. A police department shall not expend  
6 proceeds received from any sales and use tax imposed  
7 pursuant to this act unless the expenditure has been approved  
8 by the body designated pursuant to this section for the  
9 approval of expenditures of that police department. The body  
10 designated pursuant to this section must approve the  
11 expenditure of the proceeds by the police department if it  
12 determines that:

13           (a) The proposed use of the money conforms to all  
14 provisions of this act; and

15           (b) The ~~[proposed use will not replace or supplant~~  
16 ~~existing funding for the police department.]~~ *money will be*  
17 *expended exclusively for nonsupervisory, entry-level public*  
18 *safety personnel and related equipment; and*

19           (c) *The money will not be placed in a reserve fund for*  
20 *long-term future use.*

21           2. The body designated to approve an expenditure for:

22           (a) The Boulder City Police Department is the City  
23 Council of the City of Boulder City;

24           (b) The Henderson Police Department is the City Council  
25 of the City of Henderson;

26           (c) The Las Vegas Metropolitan Police Department is the  
27 Metropolitan Police Committee on Fiscal Affairs;

28           (d) The Mesquite Police Department is the City Council  
29 of the City of Mesquite; and

30           (e) The North Las Vegas Police Department is the City  
31 Council of the City of North Las Vegas.

32           ~~[3. In determining that a proposed use meets the~~  
33 ~~requirement set forth in paragraph (b) of subsection 1, a body~~  
34 ~~designated pursuant to subsection 2 must find that either:~~

35           ~~—(a) The amount approved for expenditure by the body for~~  
36 ~~the fiscal year for the support of the police department, not~~  
37 ~~including any money received or expended pursuant to this~~  
38 ~~act, is equal to or greater than the amount approved for~~  
39 ~~expenditure in the immediately preceding fiscal year for the~~  
40 ~~support of the police department; or~~

41           ~~—(b) The amount approved for expenditure by the body for~~  
42 ~~the fiscal year for the support of the police department, not~~



1 including any money received or expended pursuant to this  
2 act, is less than the amount approved for expenditure in the  
3 immediately preceding fiscal year for the support of the  
4 police department and the body projects a decrease in its  
5 receipt of revenue in that fiscal year from consolidated taxes  
6 and property taxes of more than 2 percent from its base fiscal  
7 year.

8 — 4. If a body designated pursuant to subsection 2 makes a  
9 finding pursuant to subsection 3, the body shall adopt a  
10 resolution setting forth the finding and the reasons therefor. If  
11 the finding is made pursuant to paragraph (b) of subsection 3,  
12 the finding must include, without limitation, all facts  
13 supporting the projection of a decrease in revenue.

14 — 5. If a body designated pursuant to subsection 2 does not  
15 make a finding pursuant to subsection 3 for a fiscal year on or  
16 before July 1 of that fiscal year, the body shall retain the  
17 proceeds received for that fiscal year from any sales and use  
18 tax imposed pursuant to this act in the special revenue fund  
19 created by the body pursuant to section 17 of this act for use  
20 pursuant to this section. Any other body designated pursuant  
21 to subsection 2 which makes a finding pursuant to subsection  
22 3 for that fiscal year may apply to the County Treasurer  
23 requesting approval for the use by the police department for  
24 which the other body approves expenditures of any portion of  
25 those proceeds in accordance with the provisions of this  
26 section.

27 — 6. The County Treasurer, upon receiving a request  
28 pursuant to subsection 5 and proper documentation of  
29 compliance with the provisions of this section, shall provide  
30 written notice to the designated body which failed to make a  
31 finding pursuant to subsection 3 that it is required to transfer  
32 from the special revenue fund created by the body pursuant to  
33 section 17 of this act to the County Treasurer such amount of  
34 the proceeds received for that fiscal year from any sales and  
35 use tax imposed pursuant to this act as approved by the  
36 County Treasurer for use by the designated body that  
37 submitted the request.

38 — 7. Notwithstanding the provisions of subsection 3 of  
39 section 17 of this act, a designated body that receives written  
40 notice from the County Treasurer pursuant to subsection 6  
41 shall transfer all available required money to the County  
42 Treasurer as soon as practicable following its receipt of any  
43 portion of the proceeds. Upon receipt of the money, the  
44 County Treasurer shall transfer the money to the designated  
45 body that submitted the request, which shall deposit the



1 money in the special revenue fund created by that designated  
2 body pursuant to section 17 of this act.

3 ~~— 8. As used in this section, “base fiscal year” means, with  
4 respect to a body designated pursuant to subsection 2, Fiscal  
5 Year 2009-2010, except that:~~

6 ~~— (a) If, in any subsequent fiscal year, the amount approved  
7 for expenditure by the body for that subsequent fiscal year for  
8 the support of the police department, not including any  
9 money received or expended pursuant to this act, exceeds by  
10 more than 2 percent the amount approved for expenditure in  
11 Fiscal Year 2009-2010, the base fiscal year for that body  
12 becomes the most recent of such subsequent fiscal years.~~

13 ~~— (b) If the base fiscal year is revised pursuant to paragraph  
14 (a) and, in any subsequent fiscal year, the amount approved  
15 for expenditure by the body for that subsequent fiscal year for  
16 the support of the police department, not including any  
17 money received or expended pursuant to this act, is equal to  
18 or less than the amount approved for expenditure in Fiscal  
19 Year 2009-2010, the base fiscal year for that body becomes  
20 Fiscal Year 2009-2010 but is subject to subsequent revision  
21 pursuant to paragraph (a).]~~

22 **Sec. 2.** Sections 1 and 2 of chapter 1, Statutes of Nevada 2013,  
23 27th Special Session, at page 2, are hereby repealed.

24 **Sec. 3.** 1. This act becomes effective on July 1, 2015.

25 2. Section 1 of this act expires by limitation on  
26 October 1, 2025.

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**TEXT OF REPEALED SECTIONS**

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**Section 1 of chapter 1, Statutes of Nevada 2013, 27th Special Session:**

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

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



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

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

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

**Section 2 of chapter 1, Statutes of Nevada 2013, 27th Special Session:**

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

*Sec. 13.7. Notwithstanding the provisions of subsection 8 of section 13 of this act, for Fiscal Year 2015-2016, the base fiscal year for each body must be adjusted for the purposes of section 13 of this act as provided in this section, and that adjusted base fiscal year must be used as the base fiscal year for all purposes, including future calculations of base fiscal years. To determine the adjusted base fiscal year for Fiscal Year 2015-2016, any expenditures authorized as a result of the provisions of subsection 1 of section 13.3 of this act must not be included when calculating the amount of money received or expended in that fiscal year.*

