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**Washoe County School District
SB 442--Proposals Affecting NRS 360
April 3, 2003**

Section 3 defines an "affected local government" as any local government that will receive less money as a direct result of the acquisition of any public utility or the expansion of any facilities by a local government.

Sections 4, 5, and 6 provide additional definitions pertinent to this area.

Section 7, subsection 1 (a), sets forth the affect date of January 1, 2001, as the date by which the entity was created or obtained.

Section 7, subsection 1(b) delineates the role of the Nevada Tax Commission in this proposed process, providing for the calculation of money for distribution among local governments pursuant to a formula required by state law. This subsection further identifies the property subject to this calculation.

Section 7, subsection 2, contains the opportunity for a local government to contest the validity and amount of the any payment in lieu of a tax or franchise fee.

Section 7, subsection 3, further clarifies to whom these provisions apply.

Section 8 further establishes that these provisions apply to entities acquired on or after January 1, 2001. If a local government acquires from another entity a public utility that provides water service or sewer service or expands facilities for the provision of water service, sewer service, electric service, natural gas service, telecommunications service or community antenna television service, and the expansion results in the local government serving additional retail customers who were, before the expansion, retail customers of a public utility which provided that service. Technical language also is included in subsection 3 to address debt and duplicate compensation.

Section 9 covers the contingency when a local government and an affected local government cannot reach agreement pursuant to Section 8. We believe this is the heart of this proposal and a process currently missing from existing NRS 360. The Nevada Tax Commission will play an important role in this process, if the parties cannot reach agreement.