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AN ACT relating to counties; exempting the proceeds from the annual tax that a county may impose to support a county museum, art center or historical society from the limitation on allowed revenues from taxes ad valorem for the county; and providing other matters properly relating thereto.

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

**Section 1.** NRS 244.377 is hereby amended to read as follows:

244.377 1. The board of county commissioners of any county may include in the annual budget of the county items to cover the expense of maintaining a county museum, art center or historical society.

2. The expenditures so budgeted may be met by including them in the annual tax levy of the county, ~~§~~ but in no case may the tax levy for such purposes in any 1 year exceed 5 cents on each \$100 of the assessed valuation of the property of that county.

3. The proceeds of the tax levy may be paid under contract to a nonprofit historical society, nonprofit museum board or other nonprofit board, committee or organization for their use in paying salaries of museum or art center personnel, in building and maintaining exhibits, in purchasing cabinets, in displaying items and in conducting activities related to a museum or art center, but in no case may such *an* organization or board make capital improvements without the express approval of the board of county commissioners.

*4. The proceeds of the tax levied pursuant to this section are exempt from the limitation imposed by NRS 354.59811 and may be excluded in determining the allowed revenue from taxes ad valorem for the county.*

**Sec. 2.** NRS 354.59811 is hereby amended to read as follows:

354.59811 1. Except as otherwise provided in NRS ~~244.377~~, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987, 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, for each fiscal year beginning on or after July 1, 1989, the maximum amount of money that a local government, except a school district, a district to provide a telephone number for emergencies or a redevelopment agency, may receive from taxes ad valorem, other than those attributable to the net proceeds of minerals or those levied for the payment of bonded indebtedness and interest thereon incurred as general long-term debt of the issuer, or for the payment of obligations issued to pay the cost of a water project pursuant to NRS 349.950, or for the payment of obligations under a capital lease executed before April 30, 1981, must be calculated as follows:

(a) The rate must be set so that when applied to the current fiscal year's assessed valuation of all property which was on the preceding fiscal year's assessment roll, together with the assessed valuation of property on the central assessment roll which was allocated to the local government, but excluding any assessed valuation attributable to the net proceeds of minerals, assessed valuation attributable to a redevelopment area and assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, it will produce 106 percent of the maximum revenue allowable from taxes ad valorem for the preceding fiscal year, except that the rate so determined must not be less than the rate allowed for the previous fiscal year, except for any decrease attributable to the imposition of a tax pursuant to NRS 354.59813 in the previous year.

(b) This rate must then be applied to the total assessed valuation, excluding the assessed valuation attributable to the net proceeds of minerals and the assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, but including new real property, possessory interests and mobile homes, for the current fiscal year to determine the allowed revenue from taxes ad valorem for the local government.

2. As used in this section, "general long-term debt" does not include debt created for medium-term obligations pursuant to NRS 350.087 to 350.095, inclusive.

**Sec. 3.** This act becomes effective on July 1, 2003.