

SENATE BILL NO. 38—SENATOR RHOADS

PREFILED FEBRUARY 4, 2005

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Referred to Committee on Taxation

SUMMARY—Revises formula for distribution of proceeds of certain taxes to local governments. (BDR 32-863)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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 taxation; revising retroactively the formula for the distribution of certain revenues among local governments; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law provides for the distribution of certain tax revenues among local  
2 governments (counties, cities and towns) and certain types of taxing districts  
3 (enterprise districts and special districts) pursuant to a formula. (NRS 360.600-  
4 360.740) Existing law also provides for a base monthly amount of the consolidated  
5 tax to be allocated to each local government, special district and enterprise district.  
6 (NRS 360.680, 360.690) In addition to the base monthly amount, each local  
7 government and special district is entitled to a share of any amount that is in excess  
8 of the total base monthly amount allocated to the local government or district.  
9 Existing law prescribes the formula for calculating the share of the excess amount  
10 to be allocated to a local government. (NRS 360.690)

11 This bill provides an additional method for calculating the excess amount of the  
12 base monthly amount to be allocated to a local government. This new method is  
13 applicable only to a local government or special district that is located in a county  
14 for which: (1) the average amount of the assessed valuation of taxable property  
15 attributable to the net proceeds of minerals over the immediately preceding 5 fiscal  
16 years is at least \$50 million; (2) the average percentage of change in the population  
17 over the immediately preceding 5 fiscal years is a negative figure; or (3) both.

18 This bill applies retroactively to January 1, 2005, but does not affect money  
19 previously distributed to a local government.

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

1       **Section 1.** NRS 360.680 is hereby amended to read as follows:  
2       360.680 1. On or before July 1 of each year, the Executive  
3 Director shall allocate to each enterprise district an amount equal to  
4 the amount that the enterprise district received from the Account in  
5 the immediately preceding fiscal year.

6       2. Except as otherwise provided in NRS 360.690 and 360.730,  
7 the Executive Director, after subtracting the amount allocated to  
8 each enterprise district pursuant to subsection 1, shall allocate to  
9 each local government or special district which is eligible for an  
10 allocation from the Account pursuant to NRS 360.670 an amount  
11 from the Account that is equal to the amount allocated to the local  
12 government or special district for the preceding fiscal year, minus  
13 any excess amount allocated pursuant to subsection 4, 5, ~~for~~ 6 or 7  
14 of NRS 360.690, multiplied by 1 plus the percentage change in the  
15 Consumer Price Index (All Items) for the year ending on  
16 December 31 immediately preceding the year in which the  
17 allocation is made.

18       **Sec. 2.** NRS 360.690 is hereby amended to read as follows:

19       360.690 1. Except as otherwise provided in NRS 360.730,  
20 the Executive Director shall estimate monthly the amount each local  
21 government, special district and enterprise district will receive from  
22 the Account pursuant to the provisions of this section.

23       2. The Executive Director shall establish a base monthly  
24 allocation for each local government, special district and enterprise  
25 district by dividing the amount determined pursuant to NRS 360.680  
26 for each local government, special district and enterprise district by  
27 12, and the State Treasurer shall, except as otherwise provided in  
28 subsections 3 to ~~7~~ 8, inclusive, remit monthly that amount to each  
29 local government, special district and enterprise district.

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



1 4. Except as otherwise provided in subsections ~~[5, 6 and 7.]~~ 5  
2 *to 8, inclusive*, if the Executive Director determines that there is  
3 money remaining in the county's subaccount in the Account after  
4 the base monthly allocation determined pursuant to subsection 2 has  
5 been allocated to each local government, special district and  
6 enterprise district, he shall immediately determine and allocate each:

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

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

10 (I) Average percentage of change in the population of the  
11 local government over the 5 fiscal years immediately preceding the  
12 year in which the allocation is made, as certified by the Governor  
13 pursuant to NRS 360.285, except as otherwise provided in  
14 subsection ~~[8.]~~ 9; and

15 (II) Average percentage of change in the assessed  
16 valuation of the taxable property in the local government, including  
17 assessed valuation attributable to a redevelopment agency but  
18 excluding the portion attributable to the net proceeds of minerals,  
19 over the year in which the allocation is made, as projected by the  
20 Department pursuant to NRS 361.390, and the 4 fiscal years  
21 immediately preceding the year in which the allocation is made; and

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

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

31 (1) Multiplying one-twelfth of the amount allocated pursuant  
32 to NRS 360.680 by the average change in the assessed valuation of  
33 the taxable property in the special district, including assessed  
34 valuation attributable to a redevelopment agency but excluding the  
35 portion attributable to the net proceeds of minerals, over the year in  
36 which the allocation is made, as projected by the Department  
37 pursuant to NRS 361.390, and the 4 fiscal years immediately  
38 preceding the year in which the allocation is made; and

39 (2) Using the figure calculated pursuant to subparagraph (1)  
40 to calculate and allocate to each special district an amount equal to  
41 the proportion that the figure calculated pursuant to subparagraph  
42 (1) bears to the total amount of the figures calculated pursuant to  
43 subparagraph (1) of this paragraph and subparagraph (1) of  
44 paragraph (a), respectively, for the local governments and special



1 districts located in the same county multiplied by the total amount  
2 available in the subaccount.

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

5 5. *Except as otherwise provided in subsection 6 or 7, if the*  
6 *Executive Director determines that there is money remaining in*  
7 *the county's subaccount in the Account after the base monthly*  
8 *allocation determined pursuant to subsection 2 has been allocated*  
9 *to each local government, special district and enterprise district*  
10 *and that the average amount over the 5 fiscal years immediately*  
11 *preceding the year in which the allocation is made of the assessed*  
12 *valuation of taxable property which is attributable to the net*  
13 *proceeds of minerals in the county is equal to at least \$50,000,000*  
14 *or that the average percentage of change in population of the*  
15 *county over the 5 fiscal years immediately preceding the year in*  
16 *which the allocation is made, as certified by the Governor*  
17 *pursuant to NRS 360.285, except as otherwise provided in*  
18 *subsection 9, is a negative figure or that the average amount over*  
19 *the 5 fiscal years immediately preceding the year in which the*  
20 *allocation is made of the assessed valuation of taxable property*  
21 *which is attributable to the net proceeds of minerals in the county*  
22 *is equal to at least \$50,000,000 and the average percentage of*  
23 *change in population of the county over the 5 fiscal years*  
24 *immediately preceding the year in which the allocation is made, as*  
25 *certified by the Governor pursuant to NRS 360.285, except as*  
26 *otherwise provided in subsection 9, is a negative figure, he shall*  
27 *immediately determine and allocate each:*

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

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

31 (I) *Average percentage of change in the population of*  
32 *the local government over the 5 fiscal years immediately preceding*  
33 *the year in which the allocation is made, as certified by the*  
34 *Governor pursuant to NRS 360.285, except as otherwise provided*  
35 *in subsection 9; and*

36 (II) *Average percentage of change in the assessed*  
37 *valuation of the taxable property in the local government,*  
38 *including assessed valuation attributable to a redevelopment*  
39 *agency but excluding the portion attributable to the net proceeds*  
40 *of minerals, over the year in which the allocation is made, as*  
41 *projected by the Department pursuant to NRS 361.390, and the 4*  
42 *fiscal years immediately preceding the year in which the allocation*  
43 *is made; and*

44 (2) *Using the figure calculated pursuant to subparagraph*  
45 (1) *to calculate and allocate to each local government an amount*



1 *equal to the proportion that the figure calculated pursuant to*  
2 *subparagraph (1) bears to the total amount of the figures*  
3 *calculated pursuant to subparagraph (1) of this paragraph and*  
4 *subparagraph (1) of paragraph (b), respectively, for the local*  
5 *governments and special districts located in the same county*  
6 *multiplied by the total amount available in the subaccount; and*

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

8 *(1) Multiplying one-twelfth of the amount allocated*  
9 *pursuant to NRS 360.680 by 1 plus the average change in the*  
10 *assessed valuation of the taxable property in the special district,*  
11 *including assessed valuation attributable to a redevelopment*  
12 *agency but excluding the portion attributable to the net proceeds*  
13 *of minerals, over the year in which the allocation is made, as*  
14 *projected by the Department pursuant to NRS 361.390, and the 4*  
15 *fiscal years immediately preceding the year in which the allocation*  
16 *is made; and*

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

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

27 **6.** Except as otherwise provided in subsection ~~7~~ 8, if the  
28 Executive Director determines that there is money remaining in the  
29 county's subaccount in the Account after the base monthly  
30 allocation determined pursuant to subsection 2 has been allocated to  
31 each local government, special district and enterprise district, that  
32 the sum of the average percentage of change in population and the  
33 average percentage of change in the assessed valuation of taxable  
34 property, as calculated pursuant to subparagraph (1) of paragraph (a)  
35 of subsection 4 for each of those local governments, is a negative  
36 figure, and that the average change in the assessed valuation of the  
37 taxable property in each of those special districts, as calculated  
38 pursuant to subparagraph (1) of paragraph (b) of subsection 4, is a  
39 negative figure, he shall immediately determine and allocate each:

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

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

43 (I) Average percentage of change in the population of the  
44 local government over the 5 fiscal years immediately preceding the  
45 year in which the allocation is made, as certified by the Governor



1 pursuant to NRS 360.285, except as otherwise provided in  
2 subsection ~~[8:] 9~~; and

3 (II) Average percentage of change in the assessed  
4 valuation of the taxable property in the local government, including  
5 assessed valuation attributable to a redevelopment agency but  
6 excluding the portion attributable to the net proceeds of minerals,  
7 over the year in which the allocation is made, as projected by the  
8 Department pursuant to NRS 361.390, and the 4 fiscal years  
9 immediately preceding the year in which the allocation is made; and

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

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

19 (1) Multiplying one-twelfth of the amount allocated pursuant  
20 to NRS 360.680 by 1 plus the average change in the assessed  
21 valuation of the taxable property in the special district, including  
22 assessed valuation attributable to a redevelopment agency but  
23 excluding the portion attributable to the net proceeds of minerals,  
24 over the year in which the allocation is made, as projected by the  
25 Department pursuant to NRS 361.390, and the 4 fiscal years  
26 immediately preceding the year in which the allocation is made; and

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

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

37 ~~[6:] 7~~. Except as otherwise provided in subsection ~~[7:] 8~~, if the  
38 Executive Director determines that there is money remaining in the  
39 county's subaccount in the Account after the base monthly  
40 allocation determined pursuant to subsection 2 has been allocated to  
41 each local government, special district and enterprise district, that  
42 the sum of the average percentage of change in population and the  
43 average percentage of change in the assessed valuation of taxable  
44 property, as calculated pursuant to subparagraph (1) of paragraph (a)  
45 of subsection 4 for each of those local governments, is a negative



1 figure, and that the average change in the assessed valuation of the  
2 taxable property in any of those special districts, as calculated  
3 pursuant to subparagraph (1) of paragraph (b) of subsection 4, is a  
4 positive figure, he shall immediately determine and allocate each:

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

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

8 (I) Average percentage of change in the population of the  
9 local government over the 5 fiscal years immediately preceding the  
10 year in which the allocation is made, as certified by the Governor  
11 pursuant to NRS 360.285, except as otherwise provided in  
12 subsection ~~8;~~ 9; and

13 (II) Average percentage of change in the assessed  
14 valuation of the taxable property in the local government, including  
15 assessed valuation attributable to a redevelopment agency but  
16 excluding the portion attributable to the net proceeds of minerals,  
17 over the year in which the allocation is made, as projected by the  
18 Department pursuant to NRS 361.390, and the 4 fiscal years  
19 immediately preceding the year in which the allocation is made; and

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

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

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

31 (I) Average percentage of change in the population of the  
32 county over the 5 fiscal years immediately preceding the year in  
33 which the allocation is made, as certified by the Governor pursuant  
34 to NRS 360.285, except as otherwise provided in subsection ~~8;~~ 9;  
35 and

36 (II) Average change in the assessed valuation of the  
37 taxable property in the special district, including assessed valuation  
38 attributable to a redevelopment agency but excluding the portion  
39 attributable to the net proceeds of minerals, over the year in which  
40 the allocation is made, as projected by the Department pursuant to  
41 NRS 361.390, and the 4 fiscal years immediately preceding the year  
42 in which the allocation is made; and

43 (2) Using the figure calculated pursuant to subparagraph (1)  
44 to calculate and allocate to each special district an amount  
45 equal to the proportion that the figure calculated pursuant to





1 subparagraph (1) bears to the total amount of the figures calculated  
2 pursuant to subparagraph (1) of this paragraph and subparagraph (1)  
3 of paragraph (a), respectively, for the local governments and special  
4 districts located in the same county multiplied by the total amount  
5 available in the subaccount.

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

8 ~~[7.]~~ 8. The Executive Director shall not allocate any amount to  
9 a local government or special district pursuant to subsection 4, 5 ,  
10 ~~[or]~~ 6 or 7 unless the amount distributed and allocated to each of the  
11 local governments and special districts in the county in each  
12 preceding month of the fiscal year in which the allocation is to be  
13 made was at least equal to the base monthly allocation determined  
14 pursuant to subsection 2. If the amounts distributed to the local  
15 governments and special districts in the county for the preceding  
16 months of the fiscal year in which the allocation is to be made were  
17 less than the base monthly allocation determined pursuant to  
18 subsection 2 and the Executive Director determines there is money  
19 remaining in the county's subaccount in the Account after the  
20 distribution for the month has been made, he shall:

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

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

30 ➤ If the Executive Director determines that the amount determined  
31 pursuant to paragraph (a) is greater, he shall allocate the money  
32 remaining in the county's subaccount in the Account pursuant to the  
33 provisions of subsection 3. If the Executive Director determines that  
34 the amount of money remaining in the county's subaccount in the  
35 Account is greater, he shall first allocate the money necessary for  
36 each local government and special district to receive the base  
37 monthly allocation determined pursuant to subsection 2 and the  
38 State Treasurer shall remit that money so allocated. The Executive  
39 Director shall allocate any additional money in the county's  
40 subaccount in the Account pursuant to the provisions of  
41 subsection 4, 5 ~~[or 6.]~~, 6 or 7, as appropriate.

42 ~~[8.]~~ 9. The percentage changes in population calculated  
43 pursuant to subsections ~~[4, 5 and 6]~~ 4 to 7, inclusive, must:

44 (a) Except as otherwise provided in paragraph (c), if the Bureau  
45 of the Census of the United States Department of Commerce issues





1 population totals that conflict with the totals certified by the  
2 Governor pursuant to NRS 360.285, be an estimate of the change in  
3 population for the calendar year, based upon the population totals  
4 issued by the Bureau of the Census.

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

11 (c) If a local government files a formal appeal with the Bureau  
12 of the Census concerning the population total of the local  
13 government issued by the Bureau of the Census, be calculated using  
14 the population total certified by the Governor pursuant to NRS  
15 360.285 until the appeal is resolved. If additional money is allocated  
16 to the local government because the population total certified by the  
17 Governor is greater than the population total issued by the Bureau of  
18 the Census, the State Treasurer shall deposit that additional money  
19 in a separate interest-bearing account. Upon resolution of the appeal,  
20 if the population total finally determined pursuant to the appeal is:

21 (1) Equal to or less than the population total initially issued  
22 by the Bureau of the Census, the State Treasurer shall transfer the  
23 total amount in the separate interest-bearing account, including  
24 interest but excluding any administrative fees, to the Local  
25 Government Tax Distribution Account for allocation among the  
26 local governments in the county pursuant to subsection 4, 5 ~~6,~~  
27 **6 or 7**, as appropriate.

28 (2) Greater than the population total initially issued by the  
29 Bureau of the Census, the Executive Director shall calculate the  
30 amount that would have been allocated to the local government  
31 pursuant to subsection 4, 5 ~~6,~~ **6 or 7**, as appropriate, if the  
32 population total finally determined pursuant to the appeal had been  
33 used and the State Treasurer shall remit to the local government an  
34 amount equal to the difference between the amount actually  
35 distributed and the amount calculated pursuant to this subparagraph  
36 or the total amount in the separate interest-bearing account,  
37 including interest but excluding any administrative fees, whichever  
38 is less.

39 ~~9.~~ **10.** On or before February 15 of each year, the Executive  
40 Director shall provide to each local government, special district and  
41 enterprise district a preliminary estimate of the revenue it will  
42 receive from the Account for that fiscal year.

43 ~~10.~~ **11.** On or before March 15 of each year, the Executive  
44 Director shall:



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

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

11 ~~11.1~~ 12. A local government, special district or enterprise  
12 district may use the estimate provided by the Executive Director  
13 pursuant to subsection ~~11.1~~ 11 in the preparation of its budget.

14 **Sec. 3.** NRS 354.59813 is hereby amended to read as follows:

15 354.59813 1. In addition to the allowed revenue from taxes  
16 ad valorem determined pursuant to NRS 354.59811, if the estimate  
17 of the revenue available from the supplemental city-county relief tax  
18 to the county as determined by the Executive Director of the  
19 Department of Taxation pursuant to the provisions of subsection  
20 ~~11.1~~ 11 of NRS 360.690 is less than the amount of money that  
21 would be generated by applying a tax rate of \$1.15 per \$100 of  
22 assessed valuation to the assessed valuation of the county, except  
23 any assessed valuation attributable to the net proceeds of minerals,  
24 the governing body of each local government may levy an  
25 additional tax ad valorem for operating purposes. The total tax  
26 levied by the governing body of a local government pursuant to this  
27 section must not exceed a rate calculated to produce revenue equal  
28 to the difference between the:

29 (a) Amount of revenue from supplemental city-county relief tax  
30 estimated to be received by the county pursuant to subsection ~~11.1~~  
31 11 of NRS 360.690; and

32 (b) The tax that the county would have been estimated to receive  
33 if the estimate for the total revenue available from the tax was equal  
34 to the amount of money that would be generated by applying a tax  
35 rate of \$1.15 per \$100 of assessed valuation to the assessed  
36 valuation of the county,

37 ↪ multiplied by the proportion determined for the local government  
38 pursuant to subparagraph (2) of paragraph (a) of subsection 4 of  
39 NRS 360.690, subparagraph (2) of paragraph (a) of subsection ~~6~~  
40 of NRS 360.690 or subparagraph (2) of paragraph (a) of subsection  
41 ~~7~~ 7 of NRS 360.690, as appropriate.

42 2. Any additional taxes ad valorem levied as a result of the  
43 application of this section must not be included in the base from  
44 which the allowed revenue from taxes ad valorem for the next  
45 subsequent year is computed.



1 3. As used in this section, "local government" has the meaning  
2 ascribed to it in NRS 360.640.

3 **Sec. 4.** NRS 354.598747 is hereby amended to read as  
4 follows:

5 354.598747 1. To calculate the amount to be distributed  
6 pursuant to the provisions of NRS 360.680 and 360.690 from a  
7 county's subaccount in the Local Government Tax Distribution  
8 Account to a local government, special district or enterprise district  
9 after it assumes the functions of another local government, special  
10 district or enterprise district:

11 (a) Except as otherwise provided in this section, the Executive  
12 Director of the Department of Taxation shall:

13 (1) Add the amounts calculated pursuant to subsection 1 or 2  
14 of NRS 360.680 for each local government, special district or  
15 enterprise district and allocate the combined amount to the local  
16 government, special district or enterprise district that assumes the  
17 functions; and

18 (2) If applicable, add the average change in population and  
19 average change in the assessed valuation of taxable property that  
20 would otherwise be allowed to the local government or special  
21 district whose functions are assumed, including the assessed  
22 valuation attributable to a redevelopment agency but excluding the  
23 portion attributable to the net proceeds of minerals, pursuant to  
24 subsection 4, 5, ~~6~~ 6 or 7 of NRS 360.690, as appropriate, to the  
25 average change in population and average change in assessed  
26 valuation for the local government, special district or enterprise  
27 district that assumes the functions.

28 (b) If two or more local governments, special districts or  
29 enterprise districts assume the functions of another local  
30 government, special district or enterprise district, the additional  
31 revenue must be divided among the local governments, special  
32 districts or enterprise districts that assume the functions on the basis  
33 of the proportionate costs of the functions assumed.

34 ➔ The Nevada Tax Commission shall not allow any increase in the  
35 allowed revenue from the taxes contained in the county's  
36 subaccount in the Local Government Tax Distribution Account if  
37 the increase would result in a decrease in revenue of any local  
38 government, special district or enterprise district in the county that  
39 does not assume those functions. If more than one local government,  
40 special district or enterprise district assumes the functions, the  
41 Nevada Tax Commission shall determine the appropriate amounts  
42 calculated pursuant to subparagraphs (1) and (2) of paragraph (a).

43 2. If a city disincorporates, the board of county commissioners  
44 of the county in which the city is located must determine the amount



1 the unincorporated town created by the disincorporation will receive  
2 pursuant to the provisions of NRS 360.600 to 360.740, inclusive.  
3 3. As used in this section:  
4 (a) "Enterprise district" has the meaning ascribed to it in  
5 NRS 360.620.  
6 (b) "Local government" has the meaning ascribed to it in  
7 NRS 360.640.  
8 (c) "Special district" has the meaning ascribed to it in  
9 NRS 360.650.  
10 **Sec. 5.** This act becomes effective upon passage and approval  
11 and applies retroactively to January 1, 2005.

