

SENATE BILL NO. 74—COMMITTEE ON
REVENUE AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to the population total used in determining the distribution of certain taxes. (BDR 32-281)

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 ~~for mitted material~~ is material to be omitted.

AN ACT relating to taxation; clarifying that the population totals certified by the Governor annually are used in determining the allocation and deposit of proceeds of the basic city-county relief tax; revising provisions governing the population totals used in determining the distribution of certain taxes; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the Department of Taxation to annually determine the
2 population of each town, township, city and county and submit its determination to
3 the Governor, who is required to certify the respective population totals on or
4 before March 1 of each year. The Department is required to use the population
5 totals certified by the Governor for any tax that is collected for apportionment in
6 whole or in part to any political subdivision where the basis of the apportionment is
7 the population of the political subdivision. (NRS 360.283, 360.285) **Section 1** of
8 this bill eliminates, for certain taxes, the requirement to use the population totals of
9 the Bureau of the Census of the United States Department of Commerce in the case
10 of a conflict with the population totals of the Governor.

11 Existing law also requires the Department to determine the proportion of the
12 basic city-county relief taxes collected each month from out-of-state businesses for
13 each county, less the amount transferred to the State General Fund for the cost of
14 collecting the tax, which the population of each county bears to the total population
15 of all the counties that impose the city-county relief tax. (NRS 377.055) **Section 2**



16 of this bill clarifies that the population totals used to make these determinations are
17 the population totals certified by the Governor annually.

18 Existing law requires the calculation of the distribution of the supplemental
19 city-county relief tax to certain counties in an amount equal to one-twelfth of the
20 amount distributed in the preceding fiscal year multiplied by one plus the lesser of:
21 (1) the percentage change in the total receipts from the tax for all counties and from
22 out-of-state businesses for a specified period; or (2) the percentage change in
23 population of the county added to the percentage change in the Consumer Price
24 Index for the year ending on December 31 next preceding the year of distribution.
25 Existing law also provides that if the Bureau of the Census of the United States
26 Department of Commerce issues population totals that conflict with the totals
27 certified by the Governor, the population totals issued by the Bureau must be used
28 in determining the percentage change in population of each county. (NRS 377.057)
29 **Section 3** of this bill eliminates the requirement to use the population totals of the
30 Bureau of the Census in the case of a conflict with the population totals of the
31 Governor.

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

1 **Section 1.** NRS 360.690 is hereby amended to read as follows:

2 360.690 1. Except as otherwise provided in NRS 360.730,
3 the Executive Director shall estimate monthly the amount each local
4 government, special district and enterprise district will receive from
5 the Account pursuant to the provisions of this section.

6 2. The Executive Director shall establish a base monthly
7 allocation for each local government, special district and enterprise
8 district by dividing the amount determined pursuant to NRS 360.680
9 for each local government, special district and enterprise district by
10 12, and the State Treasurer shall, except as otherwise provided in
11 subsections 3 to 7, inclusive, remit monthly that amount to each
12 local government, special district and enterprise district.

13 3. If, after making the allocation to each enterprise district for
14 the month, the Executive Director determines there is not sufficient
15 money available in the county's subaccount in the Account to
16 allocate to each local government and special district the base
17 monthly allocation determined pursuant to subsection 2, he or she
18 shall prorate the money in the county's subaccount and allocate to
19 each local government and special district an amount equal to its
20 proportionate percentage of the total amount of the base monthly
21 allocations determined pursuant to subsection 2 for all local
22 governments and special districts within the county. The State
23 Treasurer shall remit that amount to the local government or special
24 district.

25 4. Except as otherwise provided in subsections 6 and 7, for a
26 county whose population is 100,000 or more, if the Executive
27 Director determines that there is money remaining in the county's



1 subaccount in the Account after the base monthly allocation
2 determined pursuant to subsection 2 has been allocated to each local
3 government, special district and enterprise district, he or she shall
4 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 0.02 plus the sum of:

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

13 (II) The greater of zero or the average percentage of
14 change in the assessed valuation of the taxable property in the local
15 government, including assessed valuation attributable to a
16 redevelopment agency but excluding the portion attributable to the
17 net proceeds of minerals, over the year in which the allocation is
18 made, as projected by the Department, 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 equal
22 to the proportion that the figure calculated pursuant to subparagraph
23 (1) bears to the total amount of the figures calculated pursuant to
24 subparagraph (1) of this paragraph and subparagraph (1) of
25 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, except that if the figure calculated
28 pursuant to subparagraph (1) is less than zero, that figure must be
29 treated as being zero for purposes of determining the allocation
30 pursuant to this subparagraph; and

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

32 (1) Multiplying one-twelfth of the amount allocated pursuant
33 to NRS 360.680 by 0.02 plus the greater of zero or the average
34 change in the assessed valuation of the taxable property in the
35 special district, including assessed valuation attributable to a
36 redevelopment agency but excluding the portion attributable to the
37 net proceeds of minerals, over the year in which the allocation is
38 made, as projected by the Department, and the 4 fiscal years
39 immediately preceding the year in which the allocation is made; and

40 (2) Using the figure calculated pursuant to subparagraph (1)
41 to calculate and allocate to each special district an amount equal to
42 the proportion that the figure calculated pursuant to subparagraph
43 (1) bears to the total amount of the figures calculated pursuant to
44 subparagraph (1) of this paragraph and subparagraph (1) of
45 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 7, for a county
6 whose population is less than 100,000, if the Executive Director
7 determines that there is money remaining in the county's subaccount
8 in the Account after the base monthly allocation determined
9 pursuant to subsection 2 has been allocated to each local
10 government, special district and enterprise district, the Executive
11 Director shall immediately determine and allocate each:

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

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

15 (I) Average percentage of change in the population of the
16 local government over the 5 fiscal years immediately preceding the
17 year in which the allocation is made, as certified by the Governor
18 pursuant to NRS 360.285, except as otherwise provided in
19 subsection 8; and

20 (II) Average percentage of change in the assessed
21 valuation of the taxable property in the local government, 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, and the 4 fiscal years immediately preceding the year
26 in which the allocation is made; and

27 (2) Using the figure calculated pursuant to subparagraph (1)
28 to calculate and allocate to each local government an amount equal
29 to 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 (b), respectively, for the local governments and special
33 districts located in the same county multiplied by the total amount
34 available in the subaccount; and

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

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

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



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

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

9 6. Except as otherwise provided in subsection 7, if the
10 Executive Director determines that there is money remaining in the
11 county's subaccount in the Account after the base monthly
12 allocation determined pursuant to subsection 2 has been allocated to
13 each local government, special district and enterprise district in a
14 county whose population is 100,000 or more, and if the calculations
15 performed pursuant to paragraph (a) of subsection 4 require the use
16 of zero for each local government, the Executive Director shall
17 allocate to each local government and special district an amount
18 equal to its proportionate percentage of the total amount of the base
19 monthly allocations determined pursuant to subsection 2 for all local
20 governments and special districts within the county. The State
21 Treasurer shall remit the amount allocated to each local government
22 or special district pursuant to this subsection.

23 7. The Executive Director shall not allocate any amount to a
24 local government or special district pursuant to subsection 4, 5 or 6
25 unless the amount distributed and allocated to each of the local
26 governments and special districts in the county in each preceding
27 month of the fiscal year in which the allocation is to be made was at
28 least equal to the base monthly allocation determined pursuant to
29 subsection 2. If the amounts distributed to the local governments
30 and special districts in the county for the preceding months of the
31 fiscal year in which the allocation is to be made were less than the
32 base monthly allocation determined pursuant to subsection 2 and
33 the Executive Director determines there is money remaining in the
34 county's subaccount in the Account after the distribution for the
35 month has been made, he or she shall:

36 (a) Determine the amount by which the base monthly allocations
37 determined pursuant to subsection 2 for each local government and
38 special district in the county for the preceding months of the fiscal
39 year in which the allocation is to be made exceeds the amounts
40 actually received by the local governments and special districts in
41 the county for the same period; and

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



1 ↪ If the Executive Director determines that the amount determined
2 pursuant to paragraph (a) is greater, he or she shall allocate the
3 money remaining in the county's subaccount in the Account
4 pursuant to the provisions of subsection 3. If the Executive Director
5 determines that the amount of money remaining in the county's
6 subaccount in the Account is greater, he or she shall first allocate the
7 money necessary for each local government and special district to
8 receive the base monthly allocation determined pursuant to
9 subsection 2 and the State Treasurer shall remit that money so
10 allocated. The Executive Director shall allocate any additional
11 money in the county's subaccount in the Account pursuant to the
12 provisions of subsection 4, 5 or 6, as appropriate.

13 8. The percentage changes in population calculated pursuant to
14 subsections 4 and 5 must ~~be:~~

15 ~~—(a) Except as otherwise provided in paragraph (c), if the Bureau~~
16 ~~of the Census of the United States Department of Commerce issues~~
17 ~~population totals that conflict with the totals certified by the~~
18 ~~Governor pursuant to NRS 360.285, be an estimate of the change in~~
19 ~~population for the calendar year, based upon the population totals~~
20 ~~issued by the Bureau of the Census.~~

21 ~~—(b) If~~, if a new method of determining population is established
22 pursuant to NRS 360.283, be adjusted in a manner that will result in
23 the percentage change being based on population determined
24 pursuant to the new method for both the fiscal year in which the
25 allocation is made and the fiscal year immediately preceding the
26 year in which the allocation is made.

27 ~~[(c) If a local government files a formal appeal with the Bureau~~
28 ~~of the Census concerning the population total of the local~~
29 ~~government issued by the Bureau of the Census, be calculated using~~
30 ~~the population total certified by the Governor pursuant to NRS~~
31 ~~360.285 until the appeal is resolved. If additional money is allocated~~
32 ~~to the local government because the population total certified by the~~
33 ~~Governor is greater than the population total issued by the Bureau of~~
34 ~~the Census, the State Treasurer shall deposit that additional money~~
35 ~~in a separate interest-bearing account. Upon resolution of the appeal,~~
36 ~~if the population total finally determined pursuant to the appeal is:~~

37 ~~—(1) Equal to or less than the population total initially issued~~
38 ~~by the Bureau of the Census, the State Treasurer shall transfer the~~
39 ~~total amount in the separate interest-bearing account, including~~
40 ~~interest but excluding any administrative fees, to the Local~~
41 ~~Government Tax Distribution Account for allocation among the~~
42 ~~local governments in the county pursuant to subsection 4, 5 or 6, as~~
43 ~~appropriate.~~

44 ~~—(2) Greater than the population total initially issued by the~~
45 ~~Bureau of the Census, the Executive Director shall calculate the~~



~~amount that would have been allocated to the local government pursuant to subsection 4, 5 or 6, as appropriate, if the population total finally determined pursuant to the appeal had been used and the State Treasurer shall remit to the local government an amount equal to the difference between the amount actually distributed and the amount calculated pursuant to this subparagraph or the total amount in the separate interest bearing account, including interest but excluding any administrative fees, whichever is less.]~~

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

10. On or before March 15 of each year, the Executive Director shall:

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

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

11. A local government, special district or enterprise district may use the estimate provided by the Executive Director pursuant to subsection 10 in the preparation of its budget.

Sec. 2. NRS 377.055 is hereby amended to read as follows:

377.055 The Department shall monthly determine for each county an amount of money equal to the sum of:

1. Any fees and any taxes, interest and penalties which derive from the basic city-county relief tax collected in that county pursuant to this chapter during the preceding month, less the corresponding amount transferred to the State General Fund pursuant to subsection 3 of NRS 377.050; and

2. That proportion of the total amount of taxes which derive from that portion of the tax levied at the rate of one-half of 1 percent collected pursuant to this chapter during the preceding month from out-of-state businesses not maintaining a fixed place of business within this State, less the corresponding amount transferred to the State General Fund pursuant to subsection 3 of NRS 377.050, which the population of that county , *as certified by the Governor pursuant to NRS 360.285*, bears to the total population of all counties , *as certified by the Governor pursuant to NRS 360.285*, which have in effect a city-county relief tax ordinance,



1 ↪ and, except as otherwise required to carry out NRS 360.850 and
2 360.855, deposit the money in the Local Government Tax
3 Distribution Account created by NRS 360.660 for credit to the
4 respective subaccounts of each county.

5 **Sec. 3.** NRS 377.057 is hereby amended to read as follows:

6 377.057 1. The State Controller, acting upon the relevant
7 information furnished by the Department, shall distribute monthly
8 from the fees, taxes, interest and penalties which derive from the
9 supplemental city-county relief tax collected in all counties and
10 from out-of-state businesses during the preceding month, excluding
11 any amounts required to be remitted pursuant to NRS 360.850 and
12 360.855 and except as otherwise provided in subsection 2, to:

13 (a) Douglas, Esmeralda, Eureka, Lander, Lincoln, Lyon,
14 Mineral, Nye, Pershing, Storey and White Pine counties, an amount
15 equal to one-twelfth of the amount distributed in the immediately
16 preceding fiscal year multiplied by one plus:

17 (1) The percentage change in the total receipts from the
18 supplemental city-county relief tax for all counties and from out-of-
19 state businesses, from the fiscal year 2 years preceding the
20 immediately preceding fiscal year to the fiscal year preceding the
21 immediately preceding fiscal year; or

22 (2) ~~[Except as otherwise provided in this paragraph, the]~~ *The*
23 percentage change in the population of the county, as certified by
24 the Governor pursuant to NRS 360.285, added to the percentage
25 change in the Consumer Price Index for the year ending on
26 December 31 next preceding the year of distribution,

27 ↪ whichever is less, except that the amount distributed to the
28 county must not be less than the amount specified in subsection 5.
29 ~~[If the Bureau of the Census of the United States Department of~~
30 ~~Commerce issues population totals that conflict with the totals~~
31 ~~certified by the Governor pursuant to NRS 360.285, the percentage~~
32 ~~change calculated pursuant to subparagraph (2) for the ensuing~~
33 ~~fiscal year must be an estimate of the change in population for the~~
34 ~~calendar year, based upon the population totals issued by the Bureau~~
35 ~~of the Census.]~~

36 (b) All other counties, the amount remaining after making the
37 distributions required by paragraph (a) to each of these counties in
38 the proportion that the amount of supplemental city-county relief tax
39 collected in the county for the month bears to the total amount of
40 supplemental city-county relief tax collected for that month in the
41 counties whose distribution will be determined pursuant to this
42 paragraph.

43 2. If the amount of supplemental city-county relief tax
44 collected in a county listed in paragraph (a) of subsection 1 for the
45 12 most recent months for which information concerning the actual



1 amount collected is available on February 15 of any year exceeds by
2 more than 10 percent the amount distributed pursuant to paragraph
3 (a) to that county for the same period, the State Controller shall
4 distribute that county's portion of the proceeds from the
5 supplemental city-county relief tax pursuant to paragraph (b) of
6 subsection 1 in all subsequent fiscal years, unless a waiver is
7 granted pursuant to subsection 3.

8 3. A county which, pursuant to subsection 2, is required to
9 have its portion of the proceeds from the supplemental city-county
10 relief tax distributed pursuant to paragraph (b) of subsection 1 may
11 file a request with the Nevada Tax Commission for a waiver of the
12 requirements of subsection 2. The request must be filed on or before
13 February 20 next preceding the fiscal year for which the county will
14 first receive its portion of the proceeds from the supplemental city-
15 county relief tax pursuant to paragraph (b) of subsection 1 and must
16 be accompanied by evidence which supports the granting of the
17 waiver. The Commission shall grant or deny a request for a waiver
18 on or before March 10 next following the timely filing of
19 the request. If the Commission determines that the increase in the
20 amount of supplemental city-county relief tax collected in the
21 county was primarily caused by:

- 22 (a) Nonrecurring taxable sales, it shall grant the request.
- 23 (b) Normal or sustainable growth in taxable sales, it shall deny
24 the request.

25 ↪ A county which is granted a waiver pursuant to this subsection is
26 not required to obtain a waiver in any subsequent fiscal year to
27 continue to receive its portion of the proceeds from the
28 supplemental city-county relief tax pursuant to paragraph (a) of
29 subsection 1 unless the amount of supplemental city-county relief
30 tax collected in the county in a fiscal year again exceeds the
31 threshold established in subsection 2.

32 4. The amount apportioned to each county must be deposited in
33 the Local Government Tax Distribution Account created by NRS
34 360.660 for credit to the respective accounts of each county.

35 5. The minimum amount which may be distributed to the
36 following counties in a month pursuant to paragraph (a) of
37 subsection 1 is as follows:

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39	Douglas.....	\$580,993
40	Esmeralda.....	53,093
41	Lander.....	155,106
42	Lincoln.....	72,973
43	Lyon.....	356,858
44	Mineral.....	118,299
45	Nye.....	296,609



1	Pershing	\$96,731
2	Storey.....	69,914
3	White Pine	158,863

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~~[6. As used in this section, unless the context otherwise requires:
(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.
(b) "Local government" has the meaning ascribed to it in NRS 360.640.
(c) "Special district" has the meaning ascribed to it in NRS 360.650.]~~

Sec. 4. This act becomes effective upon passage and approval.

