

SUMMARY—Revises provisions relating to taxation. (BDR 32-703)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.

Effect on the State: Yes.

AN ACT relating to taxation; revising the permissible uses of proceeds of a certain sales and use tax for the benefit of counties and school districts; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the board of county commissioners of each county to enact an ordinance imposing, by a two-thirds vote of the members of the board or by a majority vote of the people at a primary, general or special election, a sales and use tax at the rate of one-quarter of 1 percent of the gross receipts of retailers. (NRS 377D.100) Existing law authorizes the proceeds of the tax to be used to pay the cost of: (1) one or more programs of early childhood education; (2) one or more programs of adult education; (3) one or more programs to reduce truancy; (4) one or more programs to reduce homelessness; (5) certain matters relating to affordable housing; (6) incentives for the recruitment or retention of licensed teachers for high-vacancy schools; and (7) certain programs of workforce training. (NRS 377D.130) **Section 1** of this bill provides instead that the proceeds of the tax must be used to pay for the cost of: (1) one or more programs to reduce homelessness; and (2) establishing, operating or maintaining a public transit system.



Section 2 of this bill prohibits the use of money received from a tax imposed by such an ordinance on or after October 1, 2025, for: (1) any program of early childhood education operated by the county school district or any public school in the county school district; (2) any program of adult education operated by the county school district or any public school in the county school district; (3) any program to reduce truancy; (4) any development or redevelopment of affordable housing or ensuring the availability or affordability of housing, including, without limitation, any infrastructure or services to support the development or redevelopment of affordable housing; (5) any incentive for the recruitment or retention of licensed teachers for high-vacancy schools in the county school district; or (6) any joint labor-management program of workforce training in the hospitality industry.

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

Section 1. NRS 377D.130 is hereby amended to read as follows:

377D.130 1. The money received from any tax imposed pursuant to NRS 377D.100 and any applicable penalty or interest must be retained by the county, or remitted to a city ~~for school district~~ in the county, and must only be used to pay the cost of:

(a) ~~One or more programs of early childhood education operated by the county school district or any public school in the county school district;~~



~~—(b) One or more programs of adult education operated by the county school district or any public school in the county school district;~~

~~—(c) One or more programs to reduce truancy;~~

~~—(d)] One or more programs to reduce homelessness; *and*~~

(b) Establishing, operating or maintaining a public transit system.

~~[(e) The development or redevelopment of affordable housing or ensuring the availability or affordability of housing, including, without limitation, any infrastructure or services to support the development or redevelopment of affordable housing;~~

~~—(f) Incentives for the recruitment or retention of licensed teachers for high vacancy schools in the county school district; and~~

~~—(g) One or more joint labor management programs of workforce training in the hospitality industry.]~~

2. ~~[If a public school ceases to be a high vacancy school, the county school district in which the public school is located:~~

~~—(a) May continue to use the money received by the county school district from any tax imposed pursuant to NRS 377D.100 to pay incentives to licensed teachers at the public school pursuant to paragraph (f) of subsection 1 for the remainder of the school year in which the public school ceased to be a high vacancy school; and~~

~~—(b) Shall not use the money received by the county school district from any tax imposed pursuant to NRS 377D.100 to pay incentives to licensed teachers at the public school pursuant to~~



~~paragraph (f) of subsection 1 for any subsequent school year unless the public school newly qualifies as a high-vacancy school.~~

~~—3.]~~ A county that receives money from a tax imposed pursuant to NRS 377D.100, and any city ~~[or school district]~~ to which the money is remitted, must account separately for all such money. On or before November 1 of each year, each such county ~~[,]~~ *or* city ~~[or school district]~~ shall prepare a report detailing how all money received from a tax imposed pursuant to NRS 377D.100 was spent during the immediately preceding fiscal year and submit the report to the Director of the Legislative Counsel Bureau for transmission to the next session of the Legislature, if the report is submitted in an even-numbered year, or to the Legislative Commission, if the report is submitted in an odd-numbered year.

~~[4.]~~ 3. As used in this section, ~~[“high-vacancy school”]~~ *“public transit system”* means a *system employing any method of conveyance that is operated for* public ~~[school, other than a charter school, in which 10 percent or more of the classroom teacher positions at the public school are:~~

~~—(a) Vacant for 20 consecutive days or more; or~~

~~—(b) Filled by a substitute teacher for 20 consecutive days or more in the same classroom or assignment.]~~ *use and transports persons within a county.*

Sec. 2. No money received from a tax imposed by an ordinance approved pursuant to NRS 377D.130 before October 1, 2025, may be used on or after October 1, 2025, for:

1. Any program of early childhood education operated by the county school district or any public school in the county school district;



2. Any program of adult education operated by the county school district or any public school in the county school district;
3. Any program to reduce truancy;
4. Any development or redevelopment of affordable housing or ensuring the availability or affordability of housing, including, without limitation, any infrastructure or services to support the development or redevelopment of affordable housing;
5. Any incentive for the recruitment or retention of licensed teachers for high-vacancy schools in the county school district; or
6. Any joint labor-management program of workforce training in the hospitality industry.

