Carson City
Request for Board Action

Date Submitted: 01/29/13 **Agenda Date Requested:** 02/07/13
Time Requested: Consent

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: to adopt a Resolution in support of AB 68 Consolidated Tax Bill.

Staff Summary: The 2011 Legislature passed Assembly Bill 71 directing the Legislative Commission to conduct an interim study concerning the equitable allocation of money distributed from the Local Government Tax Distribution Account. Carson City participated in the local government working group meetings and agrees with the consensus on changes to the allocation formula for the Local Government Tax Distribution Account as suggested by the group. Because we are a Consolidated Municipality and there are no changes recommended to the Tier 1formula, this bill will have no impact to Carson City.

Type of Action Requested: (check one)
(XX) Resolution (____) Ordinance
(____) Formal Action/Motion (____) Other (Specify)

Does this action require a Business Impact Statement: ( ) Yes (X) No

Recommended Board Action: I move to adopt Resolution # ____________, a Resolution in support of AB 68 Consolidated Tax Bill.

Explanation of Recommended Board Action: See Staff Summary.

Applicable Statute, Code, Policy, Rule or Regulation: AB 68

Fiscal Impact: N/A

Explanation of Impact: N/A

Funding Source: N/A

Alternatives: Elect to not support the working groups recommendations

Supporting Material: Resolution, AB 68

Prepared By: Nick Providenti

Reviewed By: ______________________ Date: 1/29/13
(Department Head)

: ______________________ Date: 1/28/13
(City Manager)

: ______________________ Date: 1/29/13
(District Attorney)

: ______________________ Date: 1/29/13
(Finance Director)

Board Action Taken:

Motion: ______________________ 1) ____________ Aye/Nay
2) ____________

____
(Vote Recorded By)

Resolution #___________

A Resolution in Support of AB 68 Consolidated Tax Bill

WHEREAS, The 2011 Legislature passed Assembly Bill 71 directing the Legislative Commission to conduct an interim study concerning the equitable allocation of money distributed from the Local Government Tax Distribution Account; and

WHEREAS, The Local Government Tax Distribution Account, also known as the Consolidated Tax; is comprised of six State collected tax revenues for the benefit of local governments, of which over eighty-percent is basic and supplemental city-county relief sales and use tax, and

WHEREAS, The Legislative Commission's Subcommittee to Study the Allocation of Money Distributed from the Local Government Tax Distribution Account sanctioned a working group of local government finance staff and others to work with the Legislative Counsel Bureau and the Nevada Department of Taxation to analyze the current formula and make recommendations for improvements; and

WHEREAS, Carson City participated in the local government working group meetings; and

WHEREAS, The local government working group conducted 44 meetings with more than 50 local government stakeholders from all regions of the state participating; and

WHEREAS, Significant contributions to the review and analysis of the consolidated tax review were also made by the Nevada Department of Taxation and Nevada's Legislative Counsel Bureau; and

WHEREAS, The local government working group reached a consensus on changes to the allocation formula for the Local Government Tax Distribution Account; and

WHEREAS, The local government working group collaborated with the Legislative Counsel Bureau to draft a bill codifying the changes as recommended; and

WHEREAS, The attached Assembly Bill 68 represents the aforementioned changes to the formula, which were passed out of the Legislative Commission's Subcommittee.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Supervisors of Carson City supports the attached bill to modify the allocation formula for the Local Government Tax Distribution Account effective in fiscal year 2014.

Resolution #____________

A Resolution in Support of AB 68 Consolidated Tax Bill

ADOPTED this _____ day of ____________________________, 2013.

AYES: Supervisors ____________________________

____

____

____

____

NAYES: Supervisors ____________________________

ABSENT: Supervisors ____________________________

____

ROBERT L. CROWELL, Mayor

ATTEST:

____

ALAN GLOVER, Clerk-Recorder

ASSEMBLY BILL NO. 68–COMMITTEE ON TAXATION

(ON BEHALF OF THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY THE ALLOCATION OF MONEY DISTRIBUTED FROM THE LOCAL GOVERNMENT TAX DISTRIBUTION ACCOUNT)

PREFILED DECEMBER 28, 2012

Referred to Committee on Taxation

SUMMARY—Revises various provisions relating to the distribution of certain taxes to local governments. (BDR 32-247)

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

~

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to taxation; revising the provisions relating to the certification of populations by the Governor; revising the provisions relating to the allocation and distribution of taxes from the Local Government Tax Distribution Account; revising the provisions relating to the establishment of an alternative formula for the distribution of taxes from the Local Government Tax Distribution Account by cooperative agreement; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

For purposes of apportioning taxes collected by the Department of Taxation where the basis of the apportionment is the population of the political subdivision, existing law requires the Department to use the populations certified by the Governor. (NRS 360.285) **Section 1** of this bill clarifies that each apportioned payment attributable to a fiscal year must be based upon the Governor's certification made on or before March 1 immediately preceding the fiscal year for which the payment will be made.

Existing law establishes the statutory formulas for distributing tax proceeds from the Local Government Tax Distribution Account to local governments, enterprise districts and special districts. (NRS 360.680, 360.690) **Sections 2-4** of this bill establish different formulas to calculate the distribution of the tax proceeds.

Existing law authorizes the governing bodies of two or more local governments or special districts, or any combination thereof, to enter into a cooperative agreement that sets forth an alternative formula for the distribution of taxes from the Local Government Tax Distribution Account. (NRS 360.730) **Section 5** of this bill changes the date by which a copy of an approved cooperative agreement must be transmitted to the Executive Director of the Department of Taxation from December 1 of the year immediately preceding the initial year of distribution that will be governed by the cooperative agreement to April 1 of the initial year of distribution. **Section 5** also requires local governments and special districts who anticipate being parties to such a cooperative agreement to provide to the Department of Taxation on or before March 1 of the initial year of distribution that will be governed by the cooperative agreement a nonbinding notice of intent to enter into the cooperative agreement.

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

Section 1. NRS 360.285 is hereby amended to read as follows:

360.285 1. For the purposes of this title, the Governor shall, on or before March 1 of each year, certify the population of each town, township, city and county in this state as of the immediately preceding July 1 from the determination submitted to the Governor by the Department pursuant to subsection 4 of NRS 360.283.

2. Where any tax is collected by the Department for apportionment in whole or in part to any political subdivision and the basis of the apportionment is the population of the political subdivision, the Department shall use the populations certified by the Governor. The transition from one such certification to the next must be made on July 1 following the certification for use in the fiscal year beginning then. Every payment ~~[before that date]~~ ***attributable to a fiscal year*** must be based upon the ~~[earlier]~~ certification ~~[and every payment on or after that date must be based upon the later certification.]~~ ***made on or before March 1 immediately preceding the fiscal year to which the payment will be attributed.***

Sec. 2. NRS 360.680 is hereby amended to read as follows:

360.680 1. On or before July 1 of each year, the Executive Director shall allocate to each enterprise district an amount equal to the amount that the enterprise district received from the Account in the immediately preceding fiscal year.

2. Except as otherwise provided in NRS 360.690 and 360.730, the Executive Director, after subtracting the amount allocated to each enterprise district pursuant to subsection 1, shall allocate to each local government or special district which is eligible for an allocation from the Account pursuant to NRS 360.670 an amount from the Account that is equal to the amount allocated to the local government or special district for the preceding fiscal year, minus

any excess amount allocated pursuant to subsection 4, 5, 6 or 7 of NRS 360.690, *as that section existed before July 1, 2013,* multiplied by 1 plus the *average* percentage change in the Consumer Price Index (All Items) ~~[for]~~ *over* the ~~[year ending on December 31]~~ *5 calendar years* immediately preceding the year in which the allocation is made.

Sec. 3. NRS 360.680 is hereby amended to read as follows:

360.680 1. On or before July 1 of each year, the Executive Director shall allocate to each enterprise district an amount equal to the amount that the enterprise district received from the Account in the immediately preceding fiscal year.

2. Except as otherwise provided in NRS 360.690 and 360.730, the Executive Director, after subtracting the amount allocated to each enterprise district pursuant to subsection 1, shall allocate to each local government or special district which is eligible for an allocation from the Account pursuant to NRS 360.670 an amount from the Account that is equal to the amount allocated to the local government or special district for the preceding fiscal year ~~[, minus any excess amount allocated pursuant to subsection 4, 5, 6 or 7 of NRS 360.690, as that section existed before July 1, 2013,]~~ multiplied by 1 plus the average percentage change in the Consumer Price Index (All Items) over the 5 calendar years immediately preceding the year in which the allocation is made.

Sec. 4. NRS 360.690 is hereby amended to read as follows:

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

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

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

Treasurer shall remit that amount to the local government or special district.

4. Except as otherwise provided in subsections ~~[5 to 8, inclusive,]~~ *6 and 7, for a county whose population is 100,000 or more,* if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, he or she shall immediately determine and allocate each:

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

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by ***0.02 plus*** the sum of ~~[the:]~~ *:*

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

(II) ~~[Average]~~ ***The greater of zero or the average*** percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency but excluding the portion attributable to the net proceeds of minerals, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount ~~[.]~~ ***, except that if the figure calculated pursuant to subparagraph (1) is less than zero, that figure must be treated as being zero for purposes of determining the allocation pursuant to this subparagraph;*** and

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

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

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

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

5. Except as otherwise provided in subsection [~~6 or~~] 7, ***for a county whose population is less than 100,000,*** if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district , [~~and that the average amount over the 5 fiscal years immediately preceding the year in which the allocation is made of the assessed valuation of taxable property which is attributable to the net proceeds of minerals in the county is equal to at least $50,000,000 or that the average percentage of change in population of the county over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9, is a negative figure or that the average amount over the 5 fiscal years immediately preceding the year in which the allocation is made of the assessed valuation of taxable property which is attributable to the net proceeds of minerals in the county is equal to at least $50,000,000 and the average percentage of change in population of the county over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9, is a negative figure.~~] the Executive Director shall immediately determine and allocate each:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

➥ ~~The~~] ***in a county whose population is 100,000 or more, and if the calculations performed pursuant to paragraph (a) of subsection 4 require the use of zero for each local government, the Executive Director shall allocate to each local government and special district an amount equal to its proportionate percentage of the total amount of the base monthly allocations determined***

pursuant to subsection 2 for all local governments and special districts within the county. The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

7. ~~[Except as otherwise provided in subsection 8, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, that the sum of the average percentage of change in population and the average percentage of change in the assessed valuation of taxable property, as calculated pursuant to subparagraph (1) of paragraph (a) of subsection 4 for each of those local governments, is a negative figure, and that the average change in the assessed valuation of the taxable property in any of those special districts, as calculated pursuant to subparagraph (1) of paragraph (b) of subsection 4, is a positive figure, he or she shall immediately determine and allocate each:~~

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

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

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

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

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

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

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

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

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

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

~~➥ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.~~

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

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

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

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

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

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

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

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

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

(2) Greater than the population total initially issued by the 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 , ~~[or 7.]~~ 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.

~~[10.]~~ *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.

~~[11.]~~ *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.

~~[12.]~~ *11.* A local government, special district or enterprise district may use the estimate provided by the Executive Director pursuant to subsection ~~[11]~~ *10* in the preparation of its budget.

Sec. 5. NRS 360.730 is hereby amended to read as follows:

360.730 1. The governing bodies of two or more local governments or special districts, or any combination thereof, may, pursuant to the provisions of NRS 277.045, enter into a cooperative agreement that sets forth an alternative formula for the distribution of the taxes included in the Account to the local governments or special districts which are parties to the agreement. The governing bodies of each local government or special district that is a party to the agreement must approve the alternative formula by majority vote.

2. *If a person who is authorized to make administrative decisions regarding cooperative agreements on behalf of a local government or special district anticipates that the local government or special district will enter into a cooperative agreement pursuant to subsection 1, a notice of intent must be provided to the Department on or before March 1 of the initial year of distribution that will be governed by the cooperative agreement. The notice:*

(a) May be submitted by the authorized person without a vote of the governing body of the local government or special district;

(b) Must be submitted on a form prescribed by the Department and, to the extent possible, be accompanied by an explanation of the provisions anticipated to be included in the cooperative agreement; and

(c) Is not binding on the local government or special district on whose behalf it is submitted, and does not prevent the local government or special district from negotiating or entering into a cooperative agreement after March 1 of the initial year of distribution that will be governed by the cooperative agreement.

3. The county clerk of a county in which a local government or special district that is a party to a cooperative agreement pursuant to subsection 1 is located shall transmit a copy of the cooperative agreement to the Executive Director:

(a) Within 10 days after the agreement is approved by each of the governing bodies of the local governments or special districts that are parties to the agreement; and

(b) Not later than [~~December 31 of the year immediately preceding~~] *April 1 of* the initial year of distribution that will be governed by the cooperative agreement.

[~~3.~~] *4.* The governing bodies of two or more local governments or special districts shall not enter into more than one cooperative agreement pursuant to subsection 1 that involves the same local governments or special districts.

[~~4.~~] *5.* If at least two cooperative agreements exist among the local governments and special districts that are located in the same county, the Executive Director shall ensure that the terms of those cooperative agreements do not conflict.

[~~5.~~] *6.* Any local government or special district that is not a party to a cooperative agreement pursuant to subsection 1 must continue to receive money from the Account pursuant to the provisions of NRS 360.680 and 360.690.

[~~6.~~] *7.* The governing bodies of the local governments and special districts that have entered into a cooperative agreement pursuant to subsection 1 may, by majority vote, amend the terms of the agreement. The governing bodies shall not amend the terms of a cooperative agreement more than once during the first 2 years after the cooperative agreement is effective and once every year thereafter, unless the Committee on Local Government Finance approves the amendment. The provisions of this subsection do not apply to any interlocal agreements for the consolidation of governmental services entered into by local governments or special districts pursuant to the provisions of NRS 277.080 to 277.180, inclusive, that do not relate to the distribution of taxes included in the Account.

~~[7.]~~ *8.* A cooperative agreement executed pursuant to this section may not be terminated unless the governing body of each local government or special district that is a party to a cooperative agreement pursuant to subsection 1 agrees to terminate the agreement.

~~[8.]~~ *9.* For each fiscal year the cooperative agreement is in effect, the Executive Director shall continue to calculate the amount each local government or special district that is a party to a cooperative agreement pursuant to subsection 1 would receive pursuant to the provisions of NRS 360.680 and 360.690.

~~[9.]~~ *10.* If the governing bodies of the local governments or special districts that are parties to a cooperative agreement terminate the agreement pursuant to subsection ~~[7.]~~ *8,* the Executive Director must distribute to those local governments or special districts an amount equal to the amount the local government or special district would have received pursuant to the provisions of NRS 360.680 and 360.690 according to the calculations performed pursuant to subsection ~~[8.]~~ *9.*

Sec. 6. NRS 354.59813 is hereby amended to read as follows:

354.59813 1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811, if the estimate of the revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation pursuant to the provisions of subsection ~~[11]~~ *10* of NRS 360.690 is less than the amount of money that would be generated by applying a tax rate of $1.15 per $100 of assessed valuation to the assessed valuation of the county, except any assessed valuation attributable to the net proceeds of minerals, the governing body of each local government may levy an additional tax ad valorem for operating purposes. The total tax levied by the governing body of a local government pursuant to this section must not exceed a rate calculated to produce revenue equal to the difference between the:

(a) Amount of revenue from supplemental city-county relief tax estimated to be received by the county pursuant to subsection ~~[11]~~ *10* of NRS 360.690; and

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

➥ multiplied by the proportion determined for the local government pursuant to subparagraph (2) of paragraph (a) of subsection 4 of

NRS 360.690, subparagraph (2) of paragraph (a) of ***subsection 5 of NRS 360.690 or*** subsection 6 of NRS ~~[360.690 or subparagraph (2) of paragraph (a) of subsection 7 of NRS]~~ 360.690, as appropriate.

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

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

Sec. 7. NRS 354.598747 is hereby amended to read as follows:

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

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

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

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

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

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

2. If a city disincorporates, the board of county commissioners of the county in which the city is located must determine the amount the unincorporated town created by the disincorporation will receive pursuant to the provisions of NRS 360.600 to 360.740, inclusive.

3. As used in this section:

(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. 8. 1. This act becomes effective upon passage and approval for the purposes of performing any preparatory administrative tasks that are necessary to carry out the provisions of this act.

2. This section and sections 1, 2 and 4 to 7, inclusive, of this act become effective on July 1, 2013.

3. Section 3 of this act becomes effective on July 1, 2014.

㉚