



**STAFF REPORT**

**Report To: Debt Management Commission**

**Meeting Date: August 23, 2022**

**Staff Contact: Sheri Russell, Chief Financial Officer**

**Agenda Title:** For Possible Action: Discussion and possible action regarding the percentage of limitation on total ad valorem tax levy, as required by NRS 350.0155.

**Staff Summary:** NRS 350.0155 (1) requires that at an annual meeting in August, the Debt Management Commission specify a percentage of limitation on total ad valorem tax levy, which must not be less than 75 percent, for the purpose of paragraph (d) of subsection 1 of NRS 350.015. Historically, the Debt Management Commission has set the limit at 90 percent, leaving the reserve at 10 percent.

**Agenda Action:** Formal Action/Motion

**Proposed Motion**

I move to set the percentage of limitation on total ad valorem tax levy at 90 percent.

**Board's Strategic Goal**

Efficient Government

**Previous Action**

N/A

**Background/Issues & Analysis**

N/A

**Applicable Statute, Code, Policy, Rule or Regulation**

NRS 350.0155

**Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number:

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact:

**Alternatives**

N/A

**Board Action Taken:**

Motion: _____	1) _____	Aye/Nay	_____
	2) _____		_____
			_____
			_____
			_____
			_____

NRS 350.0155 Commission to specify percentage of limitation on total ad valorem tax levy and establish priorities among essential and nonessential facilities and services for purposes of NRS 350.015. At the annual meeting in August required by NRS 350.012, the commission shall:

1. Specify a percentage, which must not be less than 75 percent, for the purposes of paragraph (d) of subsection 1 of NRS 350.015; and

2. Establish priorities among essential and nonessential facilities and services for the purposes of paragraph (d) of subsection 1 of NRS 350.015. Facilities and services relating to public safety, education and health must be considered essential facilities and services, and all other facilities and services must be considered nonessential facilities and services.

(Added to NRS by 2001, 878; A 2005, 128)

In addition, per Sheri Russell, “The limit has historically been 10% and priorities have historically been Public Safety, Education, and Health in accordance with NRS 350.0155”.

**NRS 350.015 Criteria for approval or disapproval of certain proposals; requests for information; use of money received from sale of general obligation debt or from special elective tax.**

1. In determining whether to approve, conditionally or provisionally approve, or disapprove a proposal to incur debt, to enter an installment-purchase agreement with a term of more than 10 years or to levy a special elective tax, the commission shall not, except as otherwise provided in paragraph (d) and NRS 350.0135, initiate a determination as to whether the proposed debt, installment-purchase agreement or special elective tax is sought to accomplish a public purpose or to satisfy a public need. The commission shall consider, but is not limited to, the following criteria:

(a) If the proposal is to incur debt, the amount of debt outstanding on the part of the municipality proposing to incur the debt.

(b) The effect of the tax levy required for debt service on the proposed debt or to repay an installment-purchase agreement with a term of more than 10 years, or of the proposed levy of a special elective tax, upon the ability of the municipality proposing to incur the general obligation debt, enter the installment-purchase agreement or levy the special elective tax and of other municipalities to raise revenue for operating purposes.

(c) The anticipated need for other incurrences of debt, installment-purchase agreements or levies of special elective taxes by the municipality proposing to incur the debt, enter the installment-purchase agreement or levy the special elective tax and other municipalities whose tax-levying powers overlap, as shown by the county or regional master plan, if any, and by other available information.

(d) If the information set forth in paragraph (b) of subsection 4 of NRS 350.014 indicates that the proposal would result in a combined property tax rate in any of the overlapping entities within the county which exceeds the specified percentage, pursuant to subsection 1 of NRS 350.0155, of the limit provided in NRS 361.453:

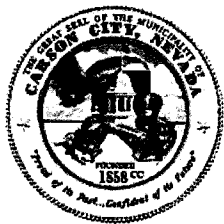
(1) The public need to be served by the proceeds from the proposed debt or tax levy in accordance with the priorities established pursuant to subsection 2 of NRS 350.0155; and

(2) A comparison of that public need and other public needs that appear on the statements of current and contemplated general obligation debt and special elective taxes submitted pursuant to paragraphs (a) and (b) of subsection 1 of NRS 350.013 that may affect the combined property tax rate in any of the overlapping entities within the county.

2. The commission may make reasonable requests from a municipality for information relating to the criteria described in paragraphs (a) to (d), inclusive, of subsection 1. A municipality shall use its best efforts to comply with information requests from the commission in a timely manner.

3. If the commission approves the proposal, the amount received from the sale of the general obligation debt or from the special elective tax may be expended only for the purposes described in the proposal.

(Added to NRS by 1967, 1386; A 1977, 539; 1993, 2658; 1995, 770, 1959; 2001, 884, 2309)



**STAFF REPORT**

**Report To: Debt Management Commission**

**Meeting Date: August 23, 2022**

**Staff Contact: Sheri Russell**

**Agenda Title:** For Possible Action: Discussion and possible action regarding setting priorities among essential facilities and services, as required by NRS 350.0155.

**Staff Summary:** NRS 350.0155(2) requires that at an annual meeting in August, the Debt Management Commission establish priorities among essential and nonessential facilities and services. Public safety, education and health must be considered essential facilities and services, and all other facilities and services must be considered nonessential facilities and services.

**Agenda Action:** Formal Action/Motion

**Proposed Motion**

I move to set priorities among essential facilities and services, as \_\_\_\_\_ being 1<sup>st</sup>, \_\_\_\_\_ 2<sup>nd</sup> and \_\_\_\_\_ 3<sup>rd</sup>.

**Board's Strategic Goal**

Efficient Government

**Previous Action**

Each year the Board sets the priorities as required by NRS 350.0155.

**Background/Issues & Analysis**

N/A

**Applicable Statute, Code, Policy, Rule, or Regulation**

NRS 350.0155

**Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number:

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact:

**Alternatives**

N/A

**Board Action Taken:**

Motion: _____	1) _____	Aye/Nay	_____
	2) _____		_____
			_____
			_____
			_____

(Vote Recorded By)