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ASSEMBLY BILL NO. 244—ASSEMBLYMAN KRAMER

MARCH 11, 2019

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Referred to Committee on Taxation

**SUMMARY**—Allows the imposition of rate increases for certain taxes in a county to fund capital projects of the school district based on the recommendations of an advisory committee and voter approval. (BDR S-1008)

**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; authorizing the board of trustees of a school district under specified circumstances to adopt a resolution establishing the formation of an advisory committee to recommend the imposition of certain tax rate increases to fund the capital projects of the school district; authorizing the board of trustees of a school district to transmit the recommendations of such a committee to the board of county commissioners; authorizing the board of county commissioners to submit a question to the voters at the next general election asking whether the recommended rate increases should be imposed in the county; requiring the board of county commissioners to adopt an ordinance imposing any such rate increases that are approved by the voters; providing for the use of the proceeds of such rate increases for certain school purposes; providing for the prospective expiration of the authority of a board of trustees to establish such a committee; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 During the 2015 Legislative Session, the Legislature enacted Senate Bill No.  
2 411, which authorized the board of trustees of certain school districts to establish  
3 by resolution a Public Schools Overcrowding and Repair Needs Committee to



4 recommend the imposition of certain taxes for consideration by the voters at the  
5 2016 General Election to fund the capital projects of the school district. The  
6 authority to establish such a Committee expired by limitation on April 2, 2016.

7 **Section 1** of this bill authorizes the board of trustees of a school district to  
8 establish by resolution an advisory committee to recommend an increase in the rate  
9 of certain taxes for consideration by the voters at a general election held not later  
10 than the November 8, 2022, General Election, to fund the capital projects of the  
11 school district. Under this bill, an advisory committee may not be established by the  
12 board of trustees of a school district which established a Public Schools  
13 Overcrowding and Repair Needs Committee, which is located in a county  
14 authorized to impose for the benefit of the school district a tax on residential  
15 construction, or which is located in a county in which there is imposed for the  
16 benefit of the school district a tax on the gross receipts from the rental of transient  
17 lodging or a tax on transfers of real property, or both.

18 **Section 2** of this bill provides that if such an advisory committee is established,  
19 the advisory committee may recommend the imposition of one or more rate  
20 increases for any tax which is imposed in the county for the benefit of the school  
21 district. The recommendations of the advisory committee must specify the increase  
22 in rate or rates for each of the taxes for which a rate increase is recommended and  
23 the period during which the recommended rate increases will be imposed. If the  
24 advisory committee submits its recommendations to the board of trustees of the  
25 school district by April 2, 2022, the board of trustees is authorized to transmit the  
26 recommendations to the board of county commissioners. The board of county  
27 commissioners is authorized to submit a question to the voters at the next general  
28 election asking whether any of the rate increases recommended by the advisory  
29 committee should be imposed in the county. If a majority of the voters approve the  
30 question, the board of county commissioners is required to impose the approved  
31 rate increases at the rate and for the period specified in the question submitted to  
32 the voters. If a majority of the voters approve the imposition of an additional  
33 property tax, the additional rate is exempt from the partial abatement of property  
34 taxes on certain property and the requirement that taxes ad valorem not exceed  
35 \$3.64 on each \$100 of assessed valuation.

36 **Section 4** of this bill provides that the proceeds resulting from the imposition of  
37 such rate increases: (1) must be deposited in the fund for capital projects of the  
38 school district; and (2) may be pledged to the payment of the principal and interest  
39 on bonds or other obligations issued for certain school purposes.

40 **Section 5** of this bill provides that the provisions of this bill authorizing the  
41 board of trustees of a school district to establish such an advisory committee expire  
42 by limitation on April 2, 2022.

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

1 **Section 1.** 1. The board of trustees of a school district, other  
2 than a school district which established a Public Schools  
3 Overcrowding and Repair Needs Committee pursuant to section 1 of  
4 chapter 425, Statutes of Nevada 2015, at page 2444, which is  
5 located in a county not authorized to impose a residential  
6 construction tax pursuant to NRS 387.331 for the benefit of the  
7 school district, or which is located in a county in which there is  
8 imposed for the benefit of the school district a tax on the gross



1 receipts from the rental of transient lodging or a tax on transfers of  
2 real property pursuant to chapter 375 of NRS, or both, may, by  
3 resolution, establish an advisory committee to recommend the  
4 increase of the rate of one or more of the taxes described in section  
5 2 of this act for consideration by the voters at a general election to  
6 fund the capital projects of the school district. If such a resolution is  
7 adopted, the board of trustees shall appoint the members of the  
8 advisory committee, consisting of persons who represent a variety  
9 of interests within the community, including, without limitation,  
10 seniors, veterans, low-income persons, businesses and realtors.

11 2. The members appointed pursuant to subsection 1 must be  
12 residents of the county.

13 3. Any vacancy occurring in the membership of an advisory  
14 committee established pursuant to subsection 1 must be filled not  
15 later than 30 days after the vacancy occurs.

16 4. If an advisory committee is established pursuant to  
17 subsection 1, the advisory committee shall hold its first meeting  
18 upon the call of the superintendent of schools of the school district  
19 as soon as practicable after the appointments are made pursuant to  
20 subsection 1. At the first meeting of the advisory committee, the  
21 members of the advisory committee shall elect a chair.

22 5. A majority of an advisory committee established pursuant to  
23 subsection 1 constitutes a quorum for the transaction of business,  
24 and a majority of those members present at any meeting is sufficient  
25 for any official action taken by the advisory committee.

26 6. If an advisory committee is established pursuant to  
27 subsection 1, the superintendent of schools of the school district  
28 shall provide administrative support to the advisory committee.

29 **Sec. 2.** 1. If an advisory committee is established pursuant to  
30 subsection 1 of section 1 of this act, such an advisory committee  
31 shall, on or before April 2, 2022:

32 (a) Prepare recommendations for the increase of one or more of  
33 the taxes imposed in the county for the benefit of the school district  
34 and the use of the proceeds of the increased tax or taxes to provide  
35 funding for the school district for the purposes set forth in  
36 subsection 1 of NRS 387.335. The recommendations must specify  
37 the proposed rate or rates for each of the taxes for which a rate  
38 increase is recommended and the period during which one or more  
39 of the recommended tax rate increases will be imposed.

40 (b) Submit the recommendations to the board of trustees of the  
41 school district which established the advisory committee. The board  
42 of trustees may submit the recommendations of the advisory  
43 committee to the board of county commissioners of the county in  
44 which the school district is located.



1 2. Upon the receipt of recommendations pursuant to subsection  
2 1, the board of county commissioners may, at the next general  
3 election following the receipt of the recommendations, submit a  
4 question to the voters of the county asking whether any of the  
5 recommended tax rate increases should be imposed in the county.  
6 The question submitted to the voters of the county must specify the  
7 proposed rate or rates for each of the taxes for which a rate increase  
8 was recommended and the period during which each of the  
9 recommended tax rate increases will be imposed. If the question  
10 submitted to the voters pursuant to this subsection asks the voters of  
11 the county whether to increase the rate of the tax levied in  
12 accordance with NRS 387.195, the question must state that any such  
13 tax imposed is exempt from each partial abatement from taxation  
14 provided pursuant to NRS 361.4722, 361.4723 and 361.4724 and  
15 that the rate of the tax must not be included in the total ad valorem  
16 tax levy for the purposes of the application of the limitation in  
17 NRS 361.453.

18 3. If a majority of the voters voting on the question submitted  
19 to the voters pursuant to subsection 2 vote affirmatively on the  
20 question:

21 (a) The board of county commissioners shall impose each  
22 recommended tax rate increase at the rate or rates and for the period  
23 specified in the question submitted to the voters pursuant to  
24 subsection 2.

25 (b) If the question recommended an increase in the rate of the  
26 tax levied in accordance with NRS 387.195:

27 (1) Any such tax imposed is exempt from each partial  
28 abatement from taxation provided pursuant to NRS 361.4722,  
29 361.4723 and 361.4724.

30 (2) The provisions of NRS 361.453 do not apply to any such  
31 tax imposed.

32 (c) Each tax rate increase shall be imposed notwithstanding the  
33 provisions of any specific statute to the contrary and, except as  
34 otherwise specifically provided in this section and sections 1 and 4  
35 of this act, each such tax rate increase is not subject to any  
36 limitations set forth in any statute which authorizes the board of  
37 county commissioners to impose such tax or taxes, including,  
38 without limitation, any limitations on the maximum rate or rates  
39 which may be imposed or the duration of the period during which  
40 such taxes may be imposed.

41 **Sec. 3.** (Deleted by amendment.)

42 **Sec. 4.** The proceeds of each tax rate increase imposed  
43 pursuant to section 2 of this act:

44 1. Must be deposited in the school district's fund for capital  
45 projects established pursuant to NRS 387.328, to be held and, except



1 as otherwise provided in subsection 2, expended in the same manner  
2 as other money deposited in that fund.

3 2. May be pledged to the payment of principal and interest on  
4 bonds or other obligations issued for one or more of the purposes set  
5 forth in NRS 387.335. The proceeds of each such tax rate increase  
6 so pledged may be treated as pledged revenues for the purposes of  
7 subsection 3 of NRS 350.020, and the board of trustees of the school  
8 district may issue bonds for those purposes in accordance with the  
9 provisions of chapter 350 of NRS.

10 3. May not be used:

11 (a) To settle or arbitrate disputes between a recognized  
12 organization representing employees of a school district and the  
13 school district, or to settle any negotiations; or

14 (b) To adjust the district-wide schedule of salaries and benefits  
15 of the employees of a school district.

16 **Sec. 5.** 1. This act becomes effective upon passage and  
17 approval.

18 2. Section 1 of this act expires by limitation on April 2, 2022.







