
IN THE SUPREME COURT OF THE STATE OF NEVADA

THE LEGISLATURE OF THE STATE OF NEVADA; THE STATE OF
NEVADA DEPARTMENT OF TAXATION; AND THE STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES, Clerk of Supreme Court
Appellants/Cross-Respondents,

v.

THE HONORABLE JAMES A. SETTELMAYER; THE HONORABLE JOE
HARDY; THE HONORABLE HEIDI SEEVERS GANSERT; THE
HONORABLE SCOTT T. HAMMOND; THE HONORABLE PETE
GOICOECHEA; THE HONORABLE BEN KIECKHEFER; THE HONORABLE
IRA D. HANSEN; THE HONORABLE KEITH F. PICKARD, in their official
capacities as members of the Senate of the State of Nevada and individually;
GREAT BASIN ENGINEERING CONTRACTORS, LLC, a Nevada limited
liability company; GOODFELLOW CORPORATION, a Utah corporation
qualified to do business in the State of Nevada; KIMMIE CANDY COMPANY, a
Nevada corporation; KEYSTONE CORP., a Nevada nonprofit corporation;
NATIONAL FEDERATION OF INDEPENDENT BUSINESS, a California
nonprofit corporation qualified to do business in the State of Nevada; NEVADA
FRANCHISED AUTO DEALERS ASSOCIATION, a Nevada nonprofit
corporation; NEVADA TRUCKING ASSOCIATION, INC., a Nevada nonprofit
corporation; and RETAIL ASSOCIATION OF NEVADA, a Nevada nonprofit
corporation,

Respondents/Cross-Appellants

On Appeal from the First Judicial District Court of the State of
Nevada, Carson City
No. 19 OC 00127 1B

**JOINT APPENDIX
Volume IV of VII
(JA000675-000924)**

AARON D. FORD
Attorney General
CRAIG A. NEWBY
Deputy Solicitor General

Nevada Bar No. 8591
 OFFICE OF THE ATTORNEY GENERAL
 555 E. Washington Ave., Ste. 3900
 Las Vegas, NV 89101
 Tel: (702) 486-3420
 Fax: (702) 486-3768
 Email: CNewby@ag.nv.gov
*Attorneys for Appellants/Cross-
 Respondents State of Nevada
 Department of Taxation and
 State of Nevada Department
 of Motor Vehicles and Pending
 Cross-Respondents Steve Sisolak, in
 his official capacity as Governor of the
 State of Nevada, and Kate Marshall, in
 her official capacity as Lieutenant
 Governor of the State of Nevada and
 President of the Senate of the State of
 Nevada*

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RESPECTFULLY SUBMITTED this 11th day of March, 2021.

AARON D. FORD
Attorney General

By: /s/ Craig Newby
CRAIG A. NEWBY
Deputy Solicitor General
Attorney for Executive Defendants

CERTIFICATE OF SERVICE

I certify that I am an employee of the Office of the Attorney General and that on this 11th day of March, 2021, I served a copy of the foregoing JOINT APPENDIX, by electronic service to:

Karen A. Peterson, Esq.
Justin M. Townsend, Esq.
ALLISON MacKENZIE, LTD.
402 North Division Street
Carson City, Nevada 89703
Attorneys for Plaintiffs

Kevin C. Powers, Esq.
Legislative Counsel Bureau, Legal Division
410 South Carson Street
Carson City, Nevada 89701
Attorneys for Legislative Defendants

/s/ Kristalei Wolfe

1 KAREN A. PETERSON, ESQ.
Nevada State Bar No. 366
2 JUSTIN TOWNSEND, ESQ.
Nevada State Bar No. 12293
3 **ALLISON MacKENZIE, LTD.**
402 North Division Street
4 Carson City, NV 89703
Telephone: (775) 687-0202
5 Email: kpeterson@allisonmackenzie.com
6 Email: jtownsend@allisonmackenzie.com

7 Attorneys for Plaintiffs

8
9 IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
10 IN AND FOR CARSON CITY
11

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ASSOCIATION, INC., a Nevada nonprofit
corporation; and RETAIL ASSOCIATION
OF NEVADA, a Nevada nonprofit corporation,

Plaintiffs,

vs.

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REC'D & FILED
SEP 04 2020

Date

AUBREY ROWLATT
CLERK

By K. PETERSON Deputy

Case No: 19 OC 00127 1B

Dept. No: I

**PLAINTIFFS' REPLY IN SUPPORT
OF MOTION FOR SUMMARY
JUDGMENT; AND
OPPOSITION TO LEGISLATIVE
DEFENDANTS' AND
LEGISLATURE'S COUNTER-
MOTION FOR SUMMARY
JUDGMENT**

1 STATE OF NEVADA *ex rel.* THE
2 HONORABLE NICOLE CANNIZZARO,
3 in her official capacity as Senate Majority
4 Leader; THE HONORABLE KATE
5 MARSHALL, in her official capacity as
6 President of the Senate; CLAIRE J. CLIFT,
7 in her official capacity as Secretary of
8 the Senate; THE HONORABLE STEVE
9 SISOLAK, in his official capacity as
10 Governor of the State of Nevada; NEVADA
11 DEPARTMENT OF TAXATION;
12 NEVADA DEPARTMENT OF MOTOR
13 VEHICLES; and DOES I-X, inclusive,
14
15 Defendants.

16 and

17 THE LEGISLATURE OF THE
18 STATE OF NEVADA,
19
20 Defendant-Intervenor.

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28
**PLAINTIFFS' REPLY IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT; AND
OPPOSITION TO LEGISLATIVE DEFENDANTS' AND
LEGISLATURE'S COUNTER-MOTION FOR SUMMARY JUDGMENT**

Plaintiffs, by and through their attorneys, ALLISON MacKENZIE, LTD., submit their Reply in Support of their Motion for Summary Judgment; and their Opposition to Counter-Motion for Summary Judgment filed by Defendants State of Nevada *ex rel.* The Honorable Nicole Cannizzaro, Claire J. Clift, and Defendant-Intervenor The Legislature of the State of Nevada ("Legislative Defendants") as follows:

1. Introduction.

Legislative Defendants contend the Nevada Constitution's two-thirds majority requirement does not apply to a bill which extends, revises or eliminates until a later date, a future decrease or expiration of existing state taxes, when that future decrease or expiration is not legally operative and binding yet because such a bill does not change but maintains the existing computation bases currently in effect for the existing state taxes. The Legislative Defendants contend because the Legislature passed Senate Bill ("SB") 542 and SB 551 in 2019 with Legislative Counsel's opinion interpreting the two-thirds requirements which Legislative Counsel contends was a reasonable construction, the Legislature is

entitled to deference in its “counseled selection” of this interpretation. *See* Legislative Defendants’ Opposition to Plaintiffs’ Motion for Summary Judgment and Counter-Motion for Summary Judgment (“Opposition and Counter Motion”) at 5. The Court should reject Legislative Defendants’ arguments for numerous reasons. First, Legislative Defendants’ interpretation is not based upon the plain and ordinary language of Article 4, Section 18(2) of the Nevada Constitution, giving the words in the constitutional provision their plain and ordinary meaning with reference to SB 542 and SB 551. In addition, Legislative Defendants’ position does not give effect to the intent of the drafters and voters of the ballot initiative with an interpretation of Article 4, Section 18(2) of the Nevada Constitution that best captures their objective. Instead, Legislative Defendants’ construction frustrates the intent and purpose of Article 4, Section 18(2) of the Nevada Constitution by artificially creating a loophole to the applicability of the two-thirds mandate the drafters and voters did not put in the constitutional language and would have never envisioned. Finally, the argument that Legislative Counsel’s opinion was a reasonable construction of the constitutional provision and therefore, the Legislature’s selection of that interpretation is entitled to deference is not grounded in fact or history. Accordingly, the Court should not apply the deference rule based upon the undisputed constitutional irregularities that occurred in the two votes on SB 551 on June 3, 2019 and the long standing position of Legislative Counsel from 1997 until 2019 that a bill extending a sunset provision of a statute requires a two-thirds majority vote under Article 4, Section 18(2) of the Nevada Constitution.

2. **Rules of Constitutional Construction and Limits on Legislative Authority.**

The Nevada Supreme Court in *Nevada Mining Ass’n v. Erdoes*, 117 Nev. 531, 538, 26 P.3d 753, 757 (2001) summarized the rules of constitutional construction. The Court noted when construing constitutional provisions, it uses the same rules of construction used to interpret statutes. *Id.* citing *Rogers v. Heller*, 117 Nev. 169, 176 n. 17, 18 P.3d 1034, 1038 n. 17 (2001). A court’s primary task is to ascertain the intent of those who enacted the constitutional provision and to adopt an interpretation that best captures their objective. *Id.* citing *McKay v. Bd. of Supervisors*, 102 Nev. 644, 648, 730 P.2d 438, 441 (1986); *State v. Glenn*, 18 Nev. 34, 42, 1 P. 186, 189 (1883). A court must give words their plain meaning unless doing so would violate the spirit of the provision. *McKay*, 102 Nev. at 648, 730 P.2d at 442.

1 To determine a constitutional provision's meaning, a court turns to the language and gives that
2 language its plain effect. *Miller v. Burk*, 124 Nev. 579, 590-91, 188 P.3d 1112, 1119-20 (2008). If the
3 language is ambiguous, the court may look to the provision's history, public policy, and reason to
4 determine what voters intended. However, when the language of the constitutional provision is clear on
5 its face, the court will not go beyond the language in determining the voter's intent or to create an
6 ambiguity when none exists. *Id.* Whatever meaning is attributed to a constitutional provision may not
7 violate the spirit of that provision. *Id.*

8 The Nevada Supreme Court has also commented on the authority of the Legislature vis-a vis the
9 Nevada Constitution. In *City of Fernley v. State, Dep't of Tax*, 132 Nev. 32, 41-42, 366 P.3d 699, 706
10 (2016), the Court noted:

11 The Legislature has considerable law-making authority, but it is not unlimited. *Clean*
12 *Water Coal.*, 127 Nev. at 309, 255 P.3d at 253 (interpreting the constitutionality of
13 legislation under Nev. Const. art. 4, §§ 20-21); *We the People Nev. ex rel. Angle v.*
14 *Miller*, 124 Nev. 874, 890 n. 55, 192 P.3d 1166, 1177 n. 55 (2008). "The Nevada
15 Constitution is the 'supreme law of the state,' which 'control[s] over any conflicting
16 statutory provisions.' " *Thomas v. Nev. Yellow Cab Corp.*, — Nev. —, 327 P.3d 518,
17 521 (2014) (quoting *Clean Water Coal.*, 127 Nev. at 309, 255 P.3d at 253). "It is
18 fundamental to our federal, constitutional system of government that a state legislature
19 'has not the power to enact any law conflicting with the federal constitution, the laws of
20 congress, or the constitution of its particular State.' " *Thomas*, — Nev. at —, 327 P.3d
21 at 520-21 (quoting *State v. Rhodes*, 3 Nev. 240, 250 (1867)). . . . "Statutes are
22 construed to accord with constitutions, not vice versa." *Thomas*, — Nev. at —, 327
23 P.3d at 521. "If the Legislature could change the Constitution by ordinary enactment, no
24 longer would the Constitution be superior paramount law, unchangeable by ordinary
25 means. It would be on a level with ordinary legislative acts, and, like other acts, alterable
26 when the legislature shall please to alter it." *Id.* at 522 (internal quotations omitted).
27 Therefore, "the principle of constitutional supremacy prevents the Nevada Legislature
28 from creating exceptions to the rights and privileges protected by Nevada's
Constitution." *Id.*

21 *Id.*, 132 Nev. at 41-42, 366 P.3d at 706.

22 In *Thomas v. Nevada Yellow Cab Corp.*, 130 Nev. 484, 489-90, 327 P.3d 518, 521-22 (2014),
23 the Court further stated with regard to ballot initiatives approved by the voters:

24 Moreover, our recent precedents have established that we consider first and foremost the
25 original public understanding of constitutional provisions, not some abstract purpose
26 underlying them. "The goal of constitutional interpretation is 'to determine the public
27 understanding of a legal text' leading up to and 'in the period after its enactment or
28 ratification.' " *Waymire*, 126 Nev. at —, 235 P.3d at 608-09 (quoting 6 Ronald D.
Rotunda & John E. Nowak, *Treatise on Constitutional Law* § 23.32 (4th ed.2008 &
Supp.2010)). To seek the intent of the provision's drafters or to attempt to aggregate the
intentions of Nevada's voters into some abstract general purpose underlying the
Amendment, contrary to the intent expressed by the provision's clear textual meaning, is

1 not the proper way to perform constitutional interpretation. *See generally District of*
2 *Columbia v. Heller*, 554 U.S. 570, 128 S.Ct. 2783, 171 L.Ed.2d 637 (2008) (interpreting
3 the Second Amendment by seeking the original public understanding of the text, with
majority and dissent disagreeing on content of public understanding). "The issue ought
to be not what the legislature," or, in this case, the voting public, "meant to say, but what
it succeeded in saying." Lon L. Fuller, *Anatomy of the Law* 18 (Greenwood Press 1976).

4 Courts should give effect to the words actually used in a constitutional provision and should
5 neither delete words used nor insert words not used in the relevant language during the statutory
6 construction process. The Courts lack authority to add words that the drafters themselves left out and
7 the rules of construction compel the Court read the provision as written without expanding, inserting, or
8 deleting words. *Midrex Technologies, Inc. v. N.C. Department of Revenue*, 794 S.E. 2d 785, 792 (N.C.
9 2016) (Courts should give effect to the words actually used in a statute and should neither delete words
10 used nor insert words not used in the relevant statutory language during the statutory construction
11 process.).

12 **3. SB 542 and SB 551 Required a Two-Thirds Majority Vote Under the Plain**
13 **Language of Article 4, Section 18(1) of the Nevada Constitution.**

14 Article 4, Section 18(2) of the Nevada Constitution provides:

15 Except as otherwise provided in subsection 3, an affirmative vote of not fewer than two-
16 thirds of the members elected to each House is necessary to pass a bill or joint resolution
17 which creates, generates, or increases any public revenue in any form, including but not
limited to taxes, fees, assessments and rates, or changes in the computation bases for taxes,
fees, assessments and rates.

18 There are two types of bills subject to the two-thirds constitutional provision: a bill which creates,
19 generates, or increases any public revenue in any form such as taxes, fees, assessments and rates or a
20 bill which creates, generates, or increases any public revenue by making changes in the computation
21 bases for taxes, fees, assessments and rates.

22 **A. SB 542.**

23 SB 542 of the 80th (2019) Legislative Session extended the imposition of the DMV technology
24 fee. A true and correct copy of SB 542 (as enrolled) of the 80th (2019) Legislative Session is provided
25 as Exhibit 1.¹ The first page of the bill states:

26 Existing law requires the Department of Motor Vehicles to impose a nonrefundable
27 technology fee of \$1 to the existing fee for any transaction performed by the Department
28 for which a fee is charged. The technology fee must be used to pay the expenses

¹ Plaintiffs' Exhibits are being filed as a separate document.

1 associated with implementing, upgrading and maintaining the platform of information
2 technology used by the Department. (NRS 481.064) Under existing law, the requirement
to impose this fee is set to expire on June 30, 2020. Section 1 of this bill extends the
imposition of this fee until June 30, 2022.

3 Exhibit 1, *Legislative Counsel's Digest*, SB 542, 2019 Nev. Stat., ch. 400, §1 at 2502. SB 542 amended
4 Section 7 of Chapter 394, Statutes of Nevada 2015. SB 542 retained the effective and operative date of
5 the Act - - July 1, 2015. The 2015 Act was clearly operative because the DMV had been imposing and
6 collecting the fee since July 1, 2015.

7 The purpose of SB 542 was to generate public revenue from DMV fees for two more years as
8 stated by the Director of the Department of Motor Vehicles and contained in the materials at the hearings
9 on SB 542. The Director of the Department of Motor Vehicles testified the DMV collects about \$7
10 million a year from the fee. *Minutes of the Senate Committee on Finance*, 80th Session, May 22, 2019
11 at 27. It was noted in the Minutes of the Senate Committee on Finance on May 25, 2019 when the bill
12 was voted on in committee: "The DMV estimated technology fee revenue collections would total \$6.9
13 million in each year of the upcoming biennium." *Minutes of the Senate Committee on Finance*, 80th
14 Session, May 25, 2019 at 27. True and correct copies of the relevant excerpts from the Senate Committee
15 on Finance are provided as Exhibit 2.

16 As SB 542 plainly states, it extends the imposition of the DMV technology fee for two more
17 years. It is a bill which generates public revenue by fees. Legislative Defendants state the common
18 dictionary meaning of the term "generate" is to "bring into existence" or "produce". Opposition and
19 Counter Motion at 20. SB 542 produces public revenue by fees or brings into existence public revenue
20 by fees. If SB 542 was not deemed passed, there would be no revenue from the DMV technology fee
21 after June 30, 2020 – in other words, that revenue would not exist. Thus, the bill, if deemed passed,
22 clearly brings into existence or produces revenue between June 30, 2020 and June 30, 2022.

23 There is nothing in Article 4, Section 18(2) which states the two-thirds majority requirement is
24 not required or applied to bills which extend until a later date or revise or eliminate a future decrease in
25 or future expiration of existing state taxes when the future decrease or expiration is not legally operative
26 and binding yet. None of the words used by Legislative Defendants to support their interpretation are
27 in the constitutional provision. "Extend", "later date", "revise", "eliminate", "future decrease", "future
28 expiration", "existing state taxes", "operative" or "binding" are not found in Article 4, Section 18(2).

1 Legislative Defendants' construction requires that the Court ignore the plain and ordinary words of the
2 constitutional provision and insert words into the constitutional provision, which are not there, under the
3 guise of construction. *Midrex Technologies, Inc. v. N.C. Department of Revenue*, 794 S.E. 2d 785, 792
4 (N.C. 2016). This is against the rules of constitutional and statutory construction and Legislative
5 Defendants' interpretation should be rejected by the Court.

6 Finally, Legislative Defendants do not explain how their interpretation best captures the objective
7 of the drafters and the voters or the spirit of the constitutional provision requiring a two-thirds majority
8 vote for any bill which generates any public revenue in any form. *Nev. Mining*, 117 Nev. at 538, 26
9 P.3d at 757; *Miller v. Burk*, 124 Nev. 579, 590-591, 188 P.3d 1112, 1121 (2008).

10 **B. SB 551.**

11 SB 551 was an emergency measure brought at the specific request of Defendant Senate Majority
12 Leader Cannizzaro. It is a bill that generates revenue for the State and also generates revenue by
13 changing computation bases for certain taxes. Section 39 of SB 551 repealed NRS 360.203 which
14 provided the computation base for the tax rate adjustment for Modified Business Tax ("MBT") payroll
15 taxes. A true and correct copy of SB 551 (as enrolled) of the 80th (2019) Legislative Session is provided
16 as Exhibit 3. Section 37 of SB 551 changed the computation base by repealing the payroll tax rate
17 computation made by the Department of Taxation codified in NRS 360.203.² Legislative Defendants
18 do not deny the rate adjustment procedure was in effect on July 1, 2015. Opposition and Counter Motion
19 at 8. Legislative Defendants do not deny the rate adjustment procedure was repealed. *Id.* Legislative
20 Defendants admitted in their Answers to the First Amended Complaint that Sections 2 and 3 of SB 551
21 eliminated the rate adjustment provision contained in NRS 363A.130 and NRS 363B.110, that Section
22 39 repealed NRS 360.203 and that NRS 360.203 included a rate adjustment procedure used by the
23 Department of Taxation to determine whether the rates of certain payroll taxes should be reduced in
24 future fiscal years under certain circumstances. Answers of Legislative Defendants at ¶¶ 47, 48.

25 SB 551 is also a bill which generates public revenue by taxes. Legislative Defendants state the
26 common dictionary meaning of the term "generate" is to "bring into existence" or "produce".

27
28 ² Indeed, on October 11, 2018, the Department of Taxation announced that rates under NRS 363A.110
and NRS 363B.130 would be reduced effective July 1, 2019. A copy of the Department's October 11,
2018 News Release is provided as Exhibit 12.

1 Opposition and Counter Motion at 20. SB 551 produces public revenue by taxes or brings into existence
2 public revenue by taxes. The payroll tax rate was adjusted by the computation contained in NRS
3 360.203. SB 551 repealed that computation base contained in NRS 360.203, thereby terminating the
4 rate computation base for the MBT payroll taxes. A repeal is a change, and SB 551 repealed NRS
5 360.203 which provided the computation base for payroll tax rates. The effect of repealing the
6 computation base for payroll tax rates was to permanently fix the payroll tax rate which is also a change
7 in the computation base for the payroll tax rates.

8 Section 37 of SB 551 is telling. In order to make it perfectly clear there was a change in the
9 computation base, Sections 37(2)(a)(1) and (2) of SB 551 superseded, abrogated and nullified the
10 determinations, decisions or actions made by the Department of Taxation under the computation base
11 provided in NRS 360.203 and provided any such calculations under NRS 360.203 shall have no legal
12 force or effect. Section 37(2)(b) further provided the Department shall not under any circumstances
13 apply or use those determinations, decisions or actions as a basis, cause or reason *"to reduce the rates*
14 *of the taxes" imposed pursuant to NRS 363A.130 and NRS 363B.110 for any fiscal year beginning on*
15 *or after July 1, 2015."* (emphasis added). If there was no rate or computation base change that was
16 legally operative and binding until July 1 of 2019, prior to the repeal of NRS 360.203, as Legislative
17 Defendants contend, why did Section 37 of SB 551 devote two subsections to making sure the
18 calculations to determine the changes in payroll tax rates by the Department of Taxation were
19 superseded, abrogated and nullified, had no legal force or effect or should not be applied or used under
20 any circumstances? Thus, Legislative Defendants' arguments that SB 551 did not change the existing
21 computation bases or rates in effect for the MBT are without merit and should be rejected by the Court.

22 As set forth above, Legislative Defendants' contention that because there was no rate adjustment
23 that went into effect prior to the repeal of the computation base, there was no change in the payroll tax
24 rate (Opposition and Counter Motion at 9) is contrary to the plain and ordinary language of the
25 constitutional provision. There is nothing in Article 4, Section 18(2) which states the two-thirds majority
26 requirement is not required or applied to bills which extend until a later date or revise or eliminate a
27 future decrease in or future expiration of existing state taxes when the future decrease or expiration is
28 not legally operative and binding yet. The language of the constitutional amendment is plain and

1 ordinary: if a bill generates any public revenue by taxes or changes in the calculation base for taxes, a
2 two-thirds majority vote is required. Nowhere in their points and authorities do the Legislative
3 Defendants show how their interpretation best captures the objective of the drafters and the voters of
4 Article 4, Section 18(2) of the Nevada Constitution. If anything, Legislative Defendants' construction
5 defeats the purpose of the constitutional provision and violates the spirit of the provision. *Miller*, 124
6 Nev. at 590, 188 P.3d at 1120. Such a construction is against the rules of constitutional and statutory
7 construction.

8 The effect of SB 551 was to generate public revenue of approximately \$98.2 million from payroll
9 taxes for two more years as stated by the LCB fiscal analyst at the hearings on SB 551. The testimony
10 at the Senate Committee on Finance on May 29, 2019 was as follows:

11 SENATOR KIECKHEFER: The Economic Forum considered existing law when
12 projecting revenue. What would the provisions of S.B. 551 mean for State revenue?

13 RUSSELL GUINDON (Principal Deputy Fiscal Analyst, Fiscal Analysis Division,
14 Legislative Counsel Bureau): Based on the Economic Forum's May 1, 2019, forecast and
15 the assumption of the lower rates occurring, we calculate that if we maintain the current
16 rates, the State will *generate* approximately \$48.2 million in FY 2020 and approximately
17 \$50 million in FY 2021, a total of approximately \$98.2 million over the biennium.

18 SENATOR KIECKHEFER: If we pass S.B. 551, will we have \$98.2 million more in
19 General Fund revenue than we would have if we did not pass S.B. 551?

20 MR. GUINDON: That is correct. If S.B. 551 is passed, the Fiscal staff will add this as a
21 legislative action adjustment to the Economic Forum's May 1 forecast. (emphasis added).

22 *Minutes of the Senate Committee on Finance*, 80th Session, May 29, 2019 at 64. The bill as introduced
23 also had a non-severability clause in Section 38 which Senator Cannizzaro testified had been vetted by
24 legal counsel. *Id.* at 65. A true and correct copy of the relevant excerpts of the Minutes of the Senate
25 Committee on Finance for May 29, 2019 are provided as Exhibit 4.

26 Therefore, it is unquestionable that SB 551, if deemed passed, generates revenue for the State.
27 If SB 551 did not exist or was not passed, the projected \$98.2 million would not exist. SB 551, therefore,
28 brought into existence or produced public revenue.

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1 **C. Common dictionary meanings support Plaintiffs' interpretation of Article 4,**
2 **Section 18(4).**

3 Legislative Defendants attempt to argue the common dictionary meanings for the words "creates,
4 generates or increases" support their interpretation. Opposition and Counter-Motion at 20. In their
5 argument, Legislative Defendants add words to the constitutional language that are not contained in the
6 constitutional provision. They argue the Legislature could reasonably conclude the two-thirds
7 requirement applies to a bill which "*directly* brings into existence, produces or enlarges public revenue
8 *in the first instance by imposing new or increased* state taxes. Opposition and Counter-Motion at 20:6-
9 8. (emphasis added). Nowhere in Article 4, Section 18(2) is the word "directly" or the phrase "in the
10 first instance by imposing new or increased". Legislative Defendants' construction requires the
11 inclusion of the following underlined words and deletion of the following strikethrough words which is
12 not the language of Article 4, Section 18(2): "a bill or joint resolution which directly creates, generates,
13 or increases ~~any~~ public revenue ~~in any form~~ in the first instance by imposing new or increased taxes.

14 In the very next sentence, Legislative Defendants jump to the second phrase of Article 4, Section
15 18(2) and contend the Legislature could reasonably conclude the two-thirds requirement does not apply
16 because a bill does not create, generate or increase any public revenue in any form when the bill does
17 not impose new or increased state taxes but maintains the existing computation bases or statutory
18 formulas currently in effect for existing state taxes. First, Legislative Counsel makes this argument even
19 though it has interpreted Article 4, Section 18(2) in the past 20 years differently for sunseting or expiring
20 taxes without a corresponding change in the law to justify reversing its position. Second, Legislative
21 Defendants' construction requires the words "new" or "increased" be read into the constitutional
22 provision which the framers and the voters did not put in. If a bill extends a current state tax, it is a bill
23 which "creates, generates or increases any public revenue in any form". The qualifiers "new" or
24 "increased" are not found in the constitutional language and the words "create, generate, or increase"
25 pertain to "any public revenue"; there is no qualifier that any public revenue has to be "new" or
26 "increased".

27 Just as they argue with the "creates, generates or increases" phrase, Legislative Defendants add
28 the words "directly" and "existing" and the phrase "in the first instance" in their computation base

1 argument. They contend the two-thirds requirement only applies to a bill which directly changes the
2 statutory computation bases or formulas for calculating existing state taxes, so that the revised statutory
3 formulas directly bring into existence, produce or enlarge public revenues in the first instance.
4 Opposition and Counter-Motion at 20-21. Again, the words “directly”, “existing” and the phrase “in the
5 first instance” are not in the constitutional provision. Legislative Defendants also argue a bill that does
6 not change existing statutory base numbers or multipliers does not create, generate or increase any public
7 revenue in any form because the existing computation bases are not changed by the bill. Opposition and
8 Counter-Motion at 21. This argument ignores the first part of the constitutional provision which requires
9 a two-thirds majority for a bill which creates, generates, or increases any public revenue in any form and
10 is not contingent on any change in a computation base. Legislative Defendants’ construction
11 impermissibly changes the “or” between the two parts of the constitutional provision into an “and”.
12 Again, this construction ignores the plain and ordinary words of the constitutional provision, adds words
13 not included by the drafters or voters, does not adopt an interpretation that best captures their objective
14 and violates the spirit of the provision.

15 Next, Legislative Defendants make an argument involving the effective and operative dates of a
16 statute. Opposition and Counter-Motion at 21-22. “Operative” and “effective” were not used by the
17 drafters and voters to qualify the application of the constitutional provision. The two-thirds majority
18 requirement applies to “a bill” which creates, generates, or increases any public revenue in any form.
19 The constitutional provision does not limit the two-thirds majority requirement to anything related to
20 whether the bill is operative or effective. If a bill creates, generates, or increases any public revenue in
21 any form, the two-thirds majority requirement is triggered. In this case, the effect of Legislative
22 Defendants’ position is that only new taxes or a bill in the first instance imposing new or increased taxes
23 would be subject to the two-thirds majority requirement. That is not language the drafters and voters
24 used in Article 4, Section 18(2).

25 Finally, Legislative Defendants argue the “existing source of revenue” collected by the
26 Department of Motor Vehicles from the DMV technology fee was not changed by SB 542 and remained
27 exactly the same and therefore it was reasonable for the Legislature to conclude that SB 542’s extension
28 of the existing fee did not create, generate, or increase any public revenue in any form because the

1 existing computation base and legally operative rate were maintained and not changed. Opposition and
2 Counter-Motion at 23-24. Nothing in Article 4, Section 18(2) provides a bill is not subject to the two-
3 thirds majority requirement because an existing source of revenue remains the same. The drafters and
4 voters required that a bill which creates, generates, or increases "any public revenue" in any form
5 requires a two-thirds vote. They did not exempt out bills that maintained an "existing source of revenue".
6 Again, the construction urged by Legislative Defendants requires that words not in Article 4, Section
7 18(2) be added to support their construction.

8 Legislative Defendants do not provide common dictionary definitions for numerous words used
9 in the constitutional provisions:

10 • "Any" means "one, some or all indiscriminately of whatever quantity" or "unmeasured
11 or unlimited in amount, number or extent". *Merriam Webster's New Collegiate Dictionary* 53 (10th ed.
12 1994). The Delaware Supreme Court has determined in the context of a supermajority statute that the
13 term "any" is all inclusive and unambiguous. *In re Opinion of the Justices*, 575 A. 2d 1186, 1189 (Del.
14 1990).

15 • "Change" means "to make different in some particular" or "alter". *Merriam Webster's*
16 *New Collegiate Dictionary* 190 (10th ed. 1994).

17 • "Computation" means "the act or action of computing" or "calculation". "Compute"
18 means "to determine especially by mathematical means." *Id.* at 239.

19 • "Revenue" means "the total income produced by a given source" or "the yield of sources
20 of income (as taxes) that a political unit (as a nation or state) collects and receives into the treasury for
21 public use". *Id.* at 1002.

22 The word "bases" in the constitutional provision is plural indicating there could be many
23 numbers ("a number that is multiplied by a rate or of which a percentage or faction is calculated") used
24 in the act of computing or determining by mathematical means the computation bases. The word
25 "change" is also broad as it means "to make different in some particular" or "alter". Thus, changes in
26 the computation bases include repealing the computation or mathematical means of determining the
27 calculated percentage or fraction of the MTB payroll taxes as occurred with the passage of SB 511.
28 "Any public revenue in any form" is not limited to revenue "in the first instance by imposing new or

1 increased taxes” nor does it exclude an “existing source of revenue” as Legislative Defendants argue
2 with regard to SB 542. Legislative Defendants fail to show how their interpretation best captures the
3 objectives of the drafters and voters or does not violate the spirit of Article 4, Section 18(2). For all the
4 foregoing reasons, the construction of Article 4, Section 18(2) urged by the Legislative Defendants
5 should be rejected by the Court.

6 **D. The effective and operative date argument is not compelling.**

7 The case law cited by Legislative Defendants regarding effective and operative dates of statutes
8 is not relevant. The operative part of the statutes in the cases cited by Legislative Defendants is what
9 the statute actually mandates or requires. None of the cases support the idea that an expiration date in a
10 statute is not operative. An expiration date is the opposite of an operative date. Both apply to the actual
11 requirements contained in the statutes. An operative date is when the requirement goes into effect or
12 begins to apply to the statute’s subjects and the expiration date is when those requirements end and go
13 away.

14 Legislative Defendants confuse the issues when discussing the difference between effective and
15 operative dates of a statute and the application of that purported principle to this case. They correctly
16 note that “[t]he existence of a law, and the time when it shall take effect, are two separate things. The
17 law exists from the date of approval, but its operation [may be] postponed to a future day.” Legislative
18 Defendants’ Opposition and Counter-Motion, p. 21, ll. 15-17 (quoting from *People ex rel. Graham v.*
19 *Inglis*, 43 N.E. 1103, 1104 (Ill. 1896). It is a correct principle that a law may exist but may not be
20 operative until a future date. The next line of the Legislative Defendants’ brief, however, confuses this
21 principle when it states that a statute may have an effective date and a later operative date, which
22 Legislative Defendants equate to the expiration date of the DMV technology fee. Legislative
23 Defendants’ Opposition and Counter-Motion, p. 21, ll. 11-14; 18-19. An operative date and an effective
24 date are the same thing. The principle for which *Graham* stands is that a bill becomes law upon
25 execution by the governor, but may not be effective or operative until a later date.

26 In support of their claims, Legislative Defendants cite from several sources, none of which
27 support the nonsensical idea that an expiration date can be the same as an operative date. In *Graham*,
28 an 1896 case, the Supreme Court of Illinois recognized that a law becomes a law immediately upon

1 approval and execution by the governor after it is passed by the general assembly and presented to the
2 governor, but that the law does not go into effect, under the Illinois Constitution, until the next July 1st.
3 43 N.E. at 1103. The law in question authorized the establishment of a school and for the governor to
4 appoint a board of trustees to govern the school. *Id.* The bill was passed by the general assembly and
5 signed by the governor on May 22, 1895. *Id.* The governor appointed a board of trustees on June 5,
6 1895 and they began acting as a board on July 27, 1895. *Id.* A petition for writ of mandamus was filed,
7 challenging the governor's appointment before the law could have gone into effect. *Id.* The Supreme
8 Court of Illinois merely recognized that the law was in place upon the governor's execution thereof on
9 May 22, 1895 and that, therefore, he could appoint the board, but that the board had no power to act
10 until the law went into effect on July 1, 1895. *Id.* at 1105. That the board did not act until after July 27,
11 1895 was enough to defeat the writ petition. *Id.* There is nothing in this case about whether a statutory
12 expiration date is equal to an operative or effective date.

13 82 C.J.S. Statutes § 549 does not support Legislative Defendants' arguments either and provides
14 as follows:

15 A statute's effective date is considered that date upon which the statute
16 came into being as existing law, while a statute's operative date is the date
upon which the directives of the statute may be actually implemented.

17 The authors of this treatise discuss the difference between a law existing and law being operative and
18 binding. Several cases are cited, though none address the idea that a statute's expiration date is not
19 operative once the law exists. The directive of a statute is not its expiration but the actions the statute
20 compels. In the case of SB 542, for example, the directive of the statutes it amends is to impose and
21 collect the DMV technology fee. The expiration date contained therein is not the directive.

22 In *Preston v. State Bd. of Equal.*, 19 P.3d 1148 (Cal. 2001), the Supreme Court of California
23 analyzed a sales tax law clarifying certain exemptions, with retrospective effect, but in which the law
24 was not to be implemented until "the first day of the first calendar quarter commencing more than 90
25 days after the effective date." *Id.* at 1167. The Court reasoned that there are several reasons for
26 postponing the operation of a statute, even when the statute has retroactive application. Among those
27 reasons are to delay the operation so as to allow persons and agencies affected by the law time to become
28 aware of its terms and to comply therewith, to allow government authorities to establish regulations for

1 the implementation of the new law, or to allow time for emergency amendments and cleanup of related
2 legislation. *Id.* (internal citations omitted). This case does not support the idea that a statutory expiration
3 date is equal to a future operative date.

4 In *Longview Co. v. Lynn*, 108 P.2d 365 (Wash. 1940), the Supreme Court of Washington
5 recognized that a tax law with a stated future effective date cannot be applied to transactions that
6 occurred between the date the law was enacted and the stated effective date, even though the transacting
7 parties may have been put on notice of the tax by reason of the enactment of the law. *Id.* at 373. Again,
8 this case does not support the idea that a tax's future expiration date is not operative when the tax is
9 operative.

10 In *Levinson v. City of Kansas City*, 43 S.W.3d 312 (Mo. Ct. App. 2001), a Missouri court of
11 appeals recognized a tax statute has no force until its effective date and that the purpose of the delay in
12 making this particular tax statute effective was to put the public on notice of the tax changes. *Id.* at 316-
13 17. Again, there is nothing in this case to support the contention that a tax's expiration date is not
14 operative or effective.

15 The problem with Legislative Defendants' argument is that it focuses on the sunset or expiration
16 provision of the old bill being amended instead of focusing on the bill being considered by the
17 Legislature at the time of the vote - - which is required by Article 4, Section 18(2). Legislative
18 Defendants have provided no legal support for their proposition that a sunset or expiration provision in
19 a bill is not operative or effective when the bill becomes law. Accordingly, Defendants' arguments
20 regarding a bill's effective date versus its operative date are without merit and should be rejected by the
21 Court.

22 4. **Deference Should not be Applied to Legislative Counsel's Opinion Interpreting the**
23 **Two-Thirds Majority Requirement.**

24 The Nevada Supreme Court has declined to apply deference to a constitutional officer's
25 interpretation of a statute when the plain language of the statute contradicts the constitutional officer's
26 interpretation. See *Independent American Party v. Lau*, 110 Nev. 1151, 1154-55, 880 P.2d 1391, 1393
27 (1994). In addition, deference should not be applied when a constitutional officer had interpreted the
28 law differently in the past without a corresponding change in the law to justify reversing his position.

1 *Nevada State Democratic Party v. Nevada Republican Party*, 256 P.3d 1, 6 (Nev. 2011) (citing *State v.*
2 *Brodigan*, 35 Nev. 35, 39, 126 P. 680, 682 (1912) (explaining that courts will give weight to the
3 Secretary of State's interpretation of an election statute but suggesting that deference should not be
4 applied when the Secretary of State had interpreted the law differently in the past without a
5 corresponding change in the law to justify reversing its position)).

6 Since Article 4, Section 18(2) was approved by the voters in 1996, and prior to 2019, Legislative
7 Counsel has required a two-thirds majority vote of each house to pass a bill extending a sunset provision
8 or extending a tax or fee. See for example, AB 561 of the 76th (2011) Legislative Session, SB 475 of
9 the 77th (2013) Legislative Session and SB 483 of the 78th (2015) Legislative Session. See Exhibit 5 at
10 1-3, attached hereto with additional references and the Affidavit of Jennifer McMenomy filed herewith.
11 In addition, since 2006 when Senator Settlemeyer became a member of the Legislature, all extensions
12 of taxes that were going to sunset or were to be extended required a two-thirds majority of each house
13 to pass. See Affidavit of Senator James Settlemeyer, filed November 12, 2019 at ¶ 4. There has been
14 no change in Article 4, Section 18(2) of the Nevada Constitution or other applicable law regarding
15 extension of taxes or sunset provisions justifying a reversal of Legislative Counsel's position that the
16 two-thirds majority is required for extensions of taxes or extending sunset provisions of taxes.
17 Accordingly, the Court should not apply deference to the Legislature's action regarding SB 542 and SB
18 551 because the plain language of the constitutional provision contradicts the Legislature's and
19 Legislative Counsel's interpretation and Legislative Counsel interpreted the law differently in the past
20 without a corresponding change in the law to justify reversing its position.

21 There also appears to have been a long standing and continued policy implemented by
22 Legislative Counsel and understood by Legislators and others testifying on bills from the time the
23 constitutional language requiring a two-thirds majority was put into place until 2019 that any revenue
24 raising measure or change in a formula related to revenue required a two-thirds majority vote. See
25 Exhibit 5 at 4-14. For example:

26 • At a Joint Meeting of the Senate Committee on Taxation and Senate Committee on
27 Transportation and Homeland Security on June 1, 2007, Brenda Erodes, LCB Legal Counsel stated:
28 "The bill takes 25 percent of that money and gives it to the State Highway Fund. The constitutional

1 provision says any change in the formula that results in a revenue increase to the State must have a two-
2 thirds majority."

3 • Senate Committee on Judiciary February 11, 2009, Senator Terry Care stated: "I
4 investigated further, and it turns out it said it required a two-thirds majority vote because it meant
5 additional revenue for the State. It is not, when you see two-thirds, that it means taxes; it means more
6 revenue coming in."

7 • Senate Committee on Taxation May 7, 2009, Senator Terry Care stated: "The test on the
8 two-thirds is if it means additional revenue for the State, it is not a tax or fee."

9 • Assembly Committee on Transportation April 30, 2015, Assemblywoman Marilyn
10 Kirkpatrick stated: "In all the years that I have been here, I have never seen anybody take a two-thirds
11 off of a bill."

12 • Assembly Committee on Taxation May 14, 2015, State Controller Ron Knecht: "We have
13 checked with LCB general counsel and if the details are implemented correctly, the BPfG revenue
14 proposal, this session is the only one that will pass with a simple majority vote in each house. The
15 extension of the sunset taxes, the modified business tax (MBT), and the business license fee all require
16 two-thirds."

17 • Assembly Committee on Corrections, Parole, and Probation on February 14, 2017, Julie
18 Butler, then Administrator, General Services Division, Department of Public Safety, testified: "I emailed
19 Brenda Erdoes and asked her that question. It has the potential to increase the Repository's revenue by
20 opening it up to employers out of state, and per the Constitution of the State of Nevada, it will require a
21 two-thirds majority vote."

22 • Senate Committee on Transportation on February 23, 2017, Darcy Johnson, LCB Legal
23 Counsel: "Anything that potentially raises the cost to the public triggers a two-thirds vote."

24 Deference should not be applied to the Legislature or the Legislative Counsel's opinion because
25 there had been a long standing interpretation requiring a two-thirds majority vote for any sunset
26 extension, revenue raising measure or change in a formula related to revenue required a two-thirds
27 majority vote until the sudden change in legal position from Legislative Counsel in 2019.

28

1 Finally, deference should not be applied to the Legislature's action enacting SB 551 or
2 Legislative Counsel's opinion based upon the constitutional irregularities passing the bill. On June 2,
3 2019 at the Senate Committee on Finance, Defendant Majority Leader Cannizzaro proposed Amendment
4 6101 to SB 551 which had been prepared for her by LCB Legal. A true and correct copy of Amendment
5 6101 to SB 551 is provided as Exhibit 6. Defendant Cannizzaro stated in testimony on Amendment
6 6101: "However, after reviewing the changes and in looking at where money would go for schools
7 within this bill, the bill has some changes to the amounts and the designated place for the overall money
8 which would be *generated* from the buydown of the MBT." (emphasis added). *Minutes of the Senate*
9 *Committee on Finance*, 80th Session, June 2, 2019 at 80. Defendant Majority Leader Cannizzaro further
10 stated: "This bill, although it is not reflected in Proposed Amendment No. 6101, will be stamped with a
11 two-thirds majority requirement." *Id.* SB 551 was voted out of committee on a motion to amend and
12 do pass as amended. *Id.* at 82. A true and correct copy of excerpts of the Minutes of the Senate
13 Committee on Finance, 80th Session, June 2, 2019 are provided as Exhibit 7. Sections 2, 3, 37 and 39
14 of Amendment 6101 are identical to the provisions of Sections 2, 3, 37 and 39 of SB 551 passed by the
15 Senate with a simple majority on June 3, 2019. On June 2, 2019, Amendment No. 1111 proposed by
16 the Senate Committee on Finance was circulated. The second box down on the bill jacket/cover sheet
17 states: "Adoption of this amendment will ADD a 2/3 majority vote requirement for final passage of S.B.
18 551 (§§ 2, 3, 37, 39)." A true and correct copy of Amendment 1111 to SB 551 is provided as Exhibit 8.

19 On June 3, 2019 members of the Senate were provided Amendment No. 1120 to SB 551. The
20 Amendment was proposed by Defendant Senate Majority Leader Cannizzaro. *Senate Daily Journal*,
21 80th Sess., at 2 (Nev. June 3, 2019). Defendant Senate Majority Leader Cannizzaro indicated
22 Amendment No. 1120 had the two-thirds majority stamp on it for Sections 2, 3, 37 and 39 of the bill.
23 *Id.* at 36-37. The second box down on the cover sheet of Amendment No. 1120 states: "Adoption of
24 this amendment will ADD a 2/3 majority vote requirement for final passage of S.B. 551 (§§ 2, 3, 37,
25 39)." A true and correct copy of Amendment No. 1120 is provided as Exhibit 9. After discussion, there
26 was a vote on SB 551 as amended by Amendment No. 1120. The vote was 13 in favor and 8 opposed.
27 *Senate Daily Journal*, 80th Sess., at 43 (Nev. June 3, 2019). The Senate Daily Journal states: "*Senate*
28 *Bill No. 551 having failed to receive a two-thirds majority, Madam President declared it lost.*" *Id.*

1 (Emphasis added). *See also* Exhibit 6 attached to Plaintiff's Motion for Summary Judgment filed on
2 September 30, 2019 showing SB 551 did not pass because it did not pass by "2/3 of Elected Members".
3 The bill's failure was confirmed by Defendant Marshall as President of the Senate. *Senate Daily*
4 *Journal*, 80th Sess., at 43 (Nev. June 3, 2019). A brief recess was taken.

5 Fifteen minutes later, the Senate re-convened and members of the Senate were given Amendment
6 No. 1121 to SB 551. *Id.* The Amendment was at the request of Defendant Senate Majority Leader
7 Cannizzaro. *Id.* Defendant Senate Majority Leader Cannizzaro indicated the two-thirds majority
8 requirement was not required for the bill even though Sections 2, 3, 37 and 39 remained in the bill via
9 the amendment. *Id.* at 96. There was no second box down on the cover sheet of Amendment No. 1121.
10 A true and correct copy of Amendment No. 1121 is provided as Exhibit 10. After comments, the vote
11 was 13 in favor and 8 opposed and SB 551 as amended by Amendment No. 1121 passed by the "required
12 constitutional majority" *Id.* at 99. The Senate Daily Journal states: "***Senate Bill No. 551 having received***
13 ***a constitutional majority, Madam President declared it passed, as amended.***" *Id.* (Emphasis added).
14 These irregularities in SB 551's passage were approved and attested to by Defendant Marshall as
15 President of the Senate and Defendant Clift as Secretary of the Senate. *Id.* at 740. A true and correct
16 copy of excerpts of the Senate Daily Journal, 80th Session (Nev. June 3, 2019) pertaining to SB 551 is
17 provided as Exhibit 11.

18 The official duties of the President of the Senate during the 80th Session of the Nevada
19 Legislature included signing bills that had been passed by the Senate in conformity with the Nevada
20 Constitution pursuant to Article 4, Section 18(1) of the Nevada Constitution, NRS 218D.640 and Senate
21 Standing Rule 1. The official responsibilities of the Secretary of the Senate during the 80th Session of
22 the Nevada Legislature included signing bills that had been passed by the Senate and transmitting bills
23 for enrollment to the Legal Division passed by the Senate in conformity with the Nevada Constitution.
24 Article 4, Section 18(1) of the Nevada Constitution, NRS 218D.630, NRS 218D.640 and Senate
25 Standing Rule 1. The Majority Leader of the Senate determines which bills will be heard by the Senate
26 pursuant to Senate Standing Rule 6. On June 3, 2019, the Majority Leader, President of the Senate and
27 Secretary of the Senate made conflicting constitutional determinations regarding the two-thirds majority
28

1 constitutional requirement for SB 551.³ For the first vote of SB 551, they did not act on Legislative
2 Counsel's opinion and determined by law and their official duties that a two-thirds majority requirement
3 was constitutionally necessary to pass SB 551. When the bill did not pass by the two-thirds constitutional
4 majority they deemed was required, they then determined fifteen minutes later that by law and their
5 official duties a two thirds majority requirement was not necessary to pass SB 551 and a simple majority
6 was required by the Nevada Constitution. Based upon these constitutional irregularities, no deference
7 should be provided to the Legislature's action on SB 551 and Legislative Counsel's opinion regarding
8 SB 551.

9 **5. The Judiciary Is Empowered to Review the Constitutionality of Legislative Actions**

10 Legislative Defendants contend the Legislature is entitled to deference when their actions are
11 based on an opinion issued to it by Legislative Counsel. This contention is based entirely on *Nevada*
12 *Mining Association v. Erdoes*, 117 Nev. 531, 26 P.3d 753 (2001). In *Erdoes*, the issue under review was
13 whether the Legislature's constitutional mandate to conclude its regular session by midnight Pacific
14 standard time on the 120th day was the same as 1 a.m. Pacific daylight savings time. The 2001
15 Legislature passed two bills between midnight and 1 a.m. on the 120th day of the Session and Brenda
16 Erdoes, then Legislative Counsel, declined to enroll the two bills and did not deliver them to the
17 Governor for his action. *Id.* at 534-35.

18
19
20 ³ As part of its drafting process, it is presumed Legislative Counsel analyzed Amendment No. 6101,
21 Amendment No. 1111, Amendment No. 1120, Amendment No. 1121, and its previous opinions
22 through the years on sunset extension bills for constitutional issues. Legislative Counsel most
23 recently testified on July 16, 2020 during the Committee of the Whole Assembly Floor Session of
24 the 31st (2020) Special Legislative Session:

25 "To answer the Assemblyman's question, every piece of legislation is potentially subject
26 to challenge. Therefore, as part of the drafting process, LCB Legal analyzes each piece of
27 legislation to determine whether or not it is more likely than not to be constitutionally
28 defensible. We make that initial analysis for every piece of legislation, this piece of
29 legislation, or any other piece of legislation. Based on our interpretation of existing case
30 law in Nevada, we believe that this legislation is more likely than not constitutional and is
31 therefore constitutionally defensible. But we don't approach this legislation [video
32 interrupted] this is not us preparing for litigation. This is us providing the assembly and the
33 other house, when necessary, with a legal opinion on whether we think this is
34 constitutionally defensible. We do that with every piece of legislation."

35 Minutes are not yet available. The video can be accessed at <http://sg001-harmonv.sliq.net/00324/Harmonv/en/PowerBrowser/PowerBrowserV2/20200716/1/?fk=6427&viewmode=1> at approximately 8:33:50-8:34:40 p.m.

1 The Supreme Court's opinion does not explain why Ms. Erdoes declined to enroll the bills given
2 that Legislative Counsel had issued an opinion to the Legislature that it was reasonable to conclude that
3 midnight Pacific standard time was the same as 1 a.m. Pacific daylight savings time. The deference
4 issue is confusing as Legislative Counsel apparently acted contrary to its own legal opinion which the
5 Supreme Court then determined was reasonable and gave deference. Unfortunately, the Supreme
6 Court's opinion does not address this.

7 The Supreme Court did not, however, simply go along with Legislative Counsel's opinion – it
8 performed, instead, its own analysis. *Id.* at 539-42. The Court's conclusion was also based on (a) a
9 historical analysis of time zones and daylight savings time and (b) a simple accounting of the exact
10 number of hours in 120 days based on 24 hours per day. *Id.* at 540-42.

11 Here, the Court's independent analysis of the Legislature's refusal to comply with Nevada's
12 constitutional supermajority mandate is warranted. First, as set forth above, the plain and ordinary
13 meaning of the constitutional provision mandates that SB 542 and SB 551 are subject to the two-thirds
14 majority constitutional requirement. The constitutional provision is not ambiguous and Legislative
15 Counsel's opinion is not reasonable. Legislative Counsel's opinion today is inconsistent with its position
16 over the last several decades. As set forth in the Affidavit of Senator Settlemeyer filed on November
17 12, 2019 and Exhibit 5, Legislative Counsel between 1997 and 2017 has consistently interpreted Article
18 4 Section 18(2) and opined that extensions of tax or fee sunsets or any bill resulting in revenue coming
19 to the State were subject to the constitutional supermajority requirement.

20 Nev. Const. Art. 6, § 1 vests the judicial power of the State in a court system "comprising a
21 Supreme Court, a court of appeals, district courts and justices of the peace." The judiciary is empowered
22 to construe Nevada's Constitution. *See Erdoes*, 117 Nev. at 538. Nevada's government is based on a
23 system of separation of powers by and among the judiciary, the legislative, and the executive branches
24 of government, with each branch exercising certain checks against the others. *Galloway v. Truesdell*,
25 83 Nev. 13, 19, 422 P.2d 241-42 (1967). The Supreme Court, in *Galloway*, recognized that "[t]he
26 division of powers is probably the most important single principle of government declaring and
27 guaranteeing the liberties of the people." *Galloway*, 83 Nev. at 18.
28

1 The Supreme Court has also recognized that it is the judiciary's responsibility to interpret the
2 Nevada Constitution and cannot abdicate that responsibility to another branch of government. *See MDC*
3 *Restaurants, LLC v. The Eighth Judicial Dist. Court of the State of Nevada in and for Cty of Clark*, 134
4 Nev. 315, 320, 419 P.3d 148, 152-53 (2018) (citing *Marbury v. Madison*, 5 U.S. 137, 177 (1803) ("It is
5 emphatically the province and duty of the judicial department to say what the law is.")). The same
6 principle must necessarily apply to the Legislature and to Legislative Counsel, which is a creation of the
7 Legislature, governed by the provisions of NRS Chapter 218F. Legislative Counsel is not part of
8 Nevada's judiciary.

9 While the Legislature "necessarily must attempt to interpret the Constitution in carrying out its
10 duties, the judiciary is not bound to the legislative judgment concerning the proper interpretation of
11 constitutional terms." *Mesivtah Eitz Chaim of Bobov, Inc. v. Pike Cty Bd. of Assessment Appeals*, 615
12 Pa. 463, 470, 44, A.3d 3, 7 (2012) (internal quotations omitted). In *Mesivtah*, the Supreme Court of
13 Pennsylvania held that its Legislature "cannot displace our interpretation of the Constitution because the
14 ultimate power and authority to interpret the Pennsylvania Constitution rests with the Judiciary." *Id.*

15 Therefore, any measure of deference Legislative Counsel's opinion might deserve is outweighed
16 entirely by the province of this Court to interpret the constitutional provisions in question. As such, this
17 Court is in no way bound by the Legislature's and Legislative Counsel's interpretation of Nev. Const.
18 Art 4, § 18.

19 6. Nevada's Supermajority Requirement Differs From Those Analyzed by
20 Legislative Defendants and This Case Must be Distinguished From Cases
Interpreting Other States' Constitutional Supermajority Provisions.

21 Legislative Defendants rely on statements from Assemblyman Gibbons that AJR 21, 67th Leg.
22 (1993), was modeled on other states' constitutional provisions. Opposition and Counter-Motion at 29.
23 They assert, therefore, that this Court must review and rely on court cases from other jurisdictions that
24 analyze those other states' provisions. First, AJR 21, which proposed a constitutional two-thirds
25 supermajority for certain tax measures, was not approved in 1993. The language at issue before this
26 Court is the language adopted by the voters of this State subsequent to the 1993 introduction of AJR 21.
27 Furthermore, the language of AJR 21 differs significantly from the language ultimately adopted by the
28 voters and codified in Art. 4, Sec. 18(2) of the Nevada Constitution. *Cf.* Nev. Const. Art. 4, Sec. 18(2)

1 to AJR 21, 67th Leg. (1993), a copy of which was included in Plaintiffs' Opposition to Motion to Dismiss
2 or Motion for Summary Judgment as Exhibit 3. Therefore, Assemblyman Gibbons' statements that he
3 modeled AJR 21 on other states' provisions is of no moment when analyzing the actual language
4 ultimately adopted by the voters and codified in Art. 4, Sec. 18(2) of the Nevada Constitution.

5 Moreover, even if the Court accords value to an analysis of other states' judicial review of their
6 own constitutional supermajority provisions, the cases cited by Legislative Defendants are
7 distinguishable from what is before this Court.

8 Legislative Defendants place great importance on cases analyzing Oklahoma's constitutional
9 supermajority provision. Oklahoma's supermajority provision, however, is in no way the same as
10 Nevada's:

11 Any revenue bill originating in the House of Representatives may become
12 law without being submitted to a vote of the people of the state if such bill
13 receives the approval of three-fourths (3/4) of the membership of the
House of Representatives and three-fourths (3/4) of the membership of the
Senate and is submitted to the Governor for appropriate action.

14 Okla. Const. Art. V, Sec. 33(D). The Oklahoma Constitution also describes a "revenue bill" as a bill
15 "for raising revenue." Okla. Const. Art. V, Sec. 33(A). None of that language – "revenue bill" or
16 "raising revenue" – is found in Nevada's much broader constitutional supermajority provision.
17 Therefore, it simply makes no sense to rely upon Oklahoma jurisprudence, construing an entirely
18 different and narrower legislative restriction, than is at issue here.

19 Legislative Defendants rely on, but misstate the holding of, *Fent v. Fallin*, 345 P.3d 1113 (Okla.
20 2014). Legislative Defendants state the bill in question, in *Fent*, merely deleted the "expiration date of
21 specified tax rate levy." *Id.* at 1116 n. 6. What they leave out of their analysis, however, is, critically,
22 that the effect of the bill was to *decrease* taxes and, therefore, reduce revenue to the state. *Id.* at 1118.
23 The Oklahoma Supreme Court concluded, appropriately, that the intent of the voters in adopting the
24 constitutional supermajority provision was to provide tax relief to the voters and that it is "extremely
25 doubtful that the people intended the...super-majority approvals to apply to a Legislative measure
26 providing further relief by a reduction in the income tax rate." *Id.* 1117.

27 Here, if this Court places any value in *Fent*, it must conclude that Nevada voters, like Oklahoma
28 voters, intended the constitutional supermajority amendment to provide tax relief and, therefore, Article

1 4, Section 18(2) should be applied in every situation where the effect of a bill is to do the opposite of
2 provide tax relief. Both SB 551 and SB 542 are just such bills – they both extend taxes and fees where.
3 if those bills did not exist or are deemed not constitutionally passed, the voters would have been relieved
4 from the taxes and fees at issue therein.

5 Legislative Defendants also misstate the holding in *Naifeh v. State ex rel. Okla. Tax Comm'n*,
6 400 P.3d 759 (Okla. 2017) when they emphasize that only “new taxes” are subject to Oklahoma’s
7 supermajority provision. Indeed, the narrow holding of *Naifeh* supports Plaintiff’s view that the
8 extension of the sunset in SB 542 is subject to Nevada’s supermajority requirement. *Naifeh* concerned
9 a bill, whose primary purpose was to reduce the use of cigarettes by Oklahomans, but that purpose was
10 to be accomplished by imposing a “tobacco cessation fee” on cigarette sales, resulting in significant
11 revenue to the state. *Id.* at 761. The narrow holding in *Naifeh* was that the “tobacco cessation fee” raises
12 revenue and “levies taxes in the strict sense of the word” and is, therefore, subject to the supermajority
13 requirement despite the primary regulatory purpose of the bill. *Id.* at 766. Legislative Defendants
14 improperly insert the word “new” before taxes when discussing this case, particularly the holding.
15 Opposition and Counter-Motion, pp. 32-33. That was not at all the question or concern before the
16 Oklahoma Supreme Court, however, in that case. The phrase “new tax” is used three times in the opinion
17 and none of those instances are tied to the narrow holding of the case. If anything, *Naifeh* supports the
18 idea that a regulatory fee that generates revenue to the state, like the DMV technology fee at issue in SB
19 542, is subject to the supermajority requirement.

20 Legislative Defendants also mischaracterize a statement on the holding in *Naifeh* contained in
21 *Okla. Auto Dealers Ass’n v. State ex rel. Okla. Tax Comm’n*, 401 P.3d 1152 (2017). That court
22 recognized that the cigarette bill discussed in *Naifeh* had been invalidated because it qualified as a
23 revenue bill and levied a tax “in the strict sense of the word.” *Id.* at 1153. Legislative Defendants get
24 hung up on the fact that the court used the phrase “new tax” but that was not the issue, as discussed
25 above. Instead, what the court, in *Okla. Auto Dealers*, was emphasizing was that the “tobacco cessation
26 fee” was a tax in the strict sense of the word. That it was a “new” tax was irrelevant to the Court’s
27 discussion in *Naifeh* and in *Okla. Auto Dealers*, which held that the removal of an exemption from an
28 existing tax was not subject to the supermajority requirement because, under Oklahoma’s long history

1 of cases analyzing “revenue bills” bills that provide exemptions or remove exemptions from existing
2 taxes are not considered “revenue bills.” *Id.* at 1155-56. That analysis has no application in Nevada
3 because Nevada’s supermajority requirement is not narrowly applied to bills that raise or increase
4 revenue, but to any bill that creates, increases, or generates revenue.

5 Finally, Legislative Defendants cite an Oregon case, which is very similar to the Oklahoma cases
6 cited, but differs significantly from the issues here. Oregon’s supermajority provision is:

7 Three-fifths of all members elected to each House shall be necessary to
8 pass bills for raising revenue.

9 Or. Const. Art. IV, Sec. 25(2).

10 In *Bobo v. Kulongoski*, 107 P.3d 18 (Or. 2005), the Oregon Supreme Court recognized a similar
11 two-part test to that employed in Oklahoma. A bill, in Oregon, is subject to the supermajority
12 requirement if it brings money into the treasury and if it levies a tax. *Id.* The question in *Bobo* concerned
13 a bill that transferred Medicaid funds out of the state’s general fund, which impacted a tax refund scheme
14 based on how much money was in the general fund. *Id.* at 19. The court appropriately concluded that,
15 under Oregon’s “bills raising revenue” language, the bill in question did not raise revenue through
16 taxation and was, therefore, not subject to Oregon’s constitutional supermajority provision. *Id.* at 23.
17 *Bobo* has no application here.

18 As noted herein, both SB 542 and SB 551 generate revenue to the State consistent with the plain
19 language of Nevada’s constitutional supermajority provision. It is not necessary in Nevada that a bill
20 levy a tax, new or otherwise, in order to fall within the supermajority requirement. Any bill that
21 generates revenue, *in any form*, is subject to the two-thirds requirement of the Nevada Constitution.

22 Many states have supermajority provisions in their Constitutions. Another state’s judicial
23 interpretation of its own constitution may be instructive, but it cannot be controlling on this Court’s
24 construction of the Nevada Constitution because the Nevada constitutional language is easily
25 distinguished in every such circumstance argued by Legislative Defendants. The language in Nevada’s
26 constitutional supermajority provision is clearly and certainly intended to be broader than the mere
27 raising of revenue. Thus, Legislative Defendants’ request that this Court adopt the reasoning from
28 Oklahoma and Oregon is simply not appropriate.

1 7. **The Court Should Only Consider Contemporaneous Extrinsic Evidence if the Clear**
2 **Textual Meaning of a Ballot Measure Cannot be Ascertained.**

3 Legislative Defendants rely heavily on testimony given by former Assemblyman Jim Gibbons
4 in support of Assembly Joint Resolution No. 21 ("AJR 21"), which he sponsored during the 1993
5 legislative session. Opposition and Counter-Motion at 25-29.

6 The Nevada Supreme Court, in an opinion that was issued in 2014, after *Guinn I* and *Guinn II*,
7 which discussed Assemblyman Gibbons' testimony, noted that the judiciary must:

8 Consider first and foremost the original public understanding of constitutional provisions,
9 not some abstract purpose underlying them [...] To seek the intent of the provision's
10 drafter or to attempt to aggregate the intentions of Nevada's voters into some abstract
11 general purpose underlying the Amendment contrary to the intent expressed by the
provision's clear textual meaning, is not the proper way to perform constitutional
interpretation.

12 *Thomas v. Nevada Yellow Cab Corp.*, 130 Nev. 484, 490, 327 P.3d 518, 521 (2014).

13 Furthermore, the Supreme Court has recognized that:

14 To determine a constitutional provision's meaning, we turn first to the provision's
15 language. In doing so, we give that language its plain effect, unless the language is
16 ambiguous. If a constitutional provision's language is ambiguous, meaning that it is
17 susceptible to two or more reasonable interpretations we may look to the provision's
18 history, public policy, and reason to determine what the voters intended. Conversely,
when a constitutional provision's language is clear on its face, we will not go beyond that
language in determining the voters' intent or create an ambiguity when none exists.
Whatever meaning is ultimately attributed to a constitutional provision may not violate
the spirit of that provision.

19 *Miller v. Burk*, 124 Nev. 579, 590-91, 188 P.3d 1112, 1120 (2008).

20 Therefore, this Court must not look to contemporaneous extrinsic evidence unless it first
21 determines the plain language of the supermajority provision is ambiguous. Further, the Court cannot
22 accept the Legislative Defendants' attempt to create ambiguity when none exists, as discussed in more
23 detail in other sections of this brief. The insertion or deletion of words, to create ambiguity and to force
24 the provision to fit the Legislative Defendants' desired outcome, is improper. The provision at issue
25 here is quite clear. If a bill or joint resolution creates, generates, or increases public revenue, in any
26 form, it must be passed by a two-thirds majority. Both Legislative Defendants and Executive Defendants
27 note that the terms "create" and "generate" mean "to bring into existence" or "produce". Both SB 542
28

1 and SB 551 bring into existence or produce public revenue that, but for the passing of those bills, would
2 not otherwise exist.

3 However, even if the Court does determine there is ambiguity in the supermajority provision,
4 there is contemporaneous extrinsic evidence that supports the two-thirds constitutional provision must
5 apply to bills like SB 542 and SB 551. Legislative Defendants quote extensively from Assemblyman
6 Gibbons' testimony on AJR 21, given before the Assembly Committee on Taxation on May 4, 1993, but
7 they omit portions of his testimony that support Plaintiffs' view of the plain meaning of the
8 supermajority provision. For instance, Gibbons testified the proposed supermajority provision "would
9 ensure greater stability and preserve certain statutes from constant tinkering of transient majorities."
10 *Leg. History of AJR 21*, 67th Leg. (Hearing on AJR 21 before Assembly Comm. On Taxation, 67th Leg.,
11 at 13 (Nev. May 4, 1993)). This language cuts against revisions made by the 2019 Legislature of bills
12 first enacted by the 2015 Legislature.

13 Further, testimony from the business community in support of the proposed two-thirds provision
14 suggested the purpose of the provision would be to "minimize fluctuations in the tax structure." *See*
15 testimony from Steve Stucker, Laughlin Associates, Inc. *Id.* at 16. Several individual Nevada taxpayers
16 testified in support of AJR 21 and suggested the supermajority provision was necessary to "creat[e] tax
17 structural fiscal reform." *Id.* at 18. Thus, Defendants' argument that contemporaneous evidence
18 supports their interpretation is not correct.

19 **8. Reply to Executive Defendants' Opposition to Motion for Summary Judgment.**

20 Executive Defendants set forth a framework within which they urge this Court to analyze the
21 question before it, posed as follows by Executive Defendants: "to determine whether Senate Bill 551 or
22 Senate Bill 542 comply with Article IV, Section 18(2) of the Nevada Constitution." Executive
23 Defendants' Reply and Opposition at 1. Executive Defendants break their arguments into four sections
24 to which Plaintiffs respond, in turn.

25 **A. Plaintiffs bear burden of demonstrating Legislature violated fundamental truth that**
26 **it has no power to enact any law conflicting with the Nevada Constitution.**

27 Executive Defendants note that Plaintiffs bear the burden of persuasion in challenging the
28 constitutionality of SB 542 and SB 551. Executive Defendants' Reply and Opposition, p. 2, ll. 21-24.

1 In support thereof, they quote from *Cornella v. Justice Court*, 132 Nev. 587, 377 P.3d 97 (2016). While
2 Plaintiffs may bear the burden of persuasion here, the Court must recognize that it is “fundamental to
3 our federal, constitutional system of government that a state legislature ‘has not the power to enact any
4 law conflicting with the federal constitution, the laws of congress, or the constitution of its particular
5 State.’” *Thomas v. Nevada Yellow Cab Corp.*, 130 Nev. 484, 487-88, 327 P.3d 518, 520-21 (2014)
6 (quoting *State v. Rhodes*, 3 Nev. 240, 250 (1867) and cited favorably by *Cornella*).

7 **B. Executive Defendants provide a strained reading of the plain and ordinary words**
8 **contained in the constitutional supermajority provision.**

9 As outlined in detail herein, Nevada’s constitutional supermajority provision applies to any bill
10 or joint resolution that “creates, generates, or increases any public revenue, in any form.” Like
11 Legislative Defendants, Executive Defendants note that the terms “create” and “generate” mean to
12 “bring into existence” or to “produce.” Executive Defendants’ Reply and Opposition at 3. Executive
13 Defendants then twist the language of the Constitution when they argue that neither SB 542 nor SB 551
14 bring into existence “the challenged taxes or fees.” Executive Defendants’ Reply and Opposition at 3.
15 The question is clearly not whether taxes or fees are created or generated, but whether public revenue,
16 in any form, is created or generated. With respect to SB 542 and SB 551, that question is undeniably
17 answered in the affirmative. If SB 542 did not exist or were deemed not constitutionally passed, public
18 revenue of approximately \$7 million per year between June 30, 2020 and June 30, 2022 would not exist.
19 If SB 551 did not exist or were deemed not constitutionally passed, public revenue of more than \$98
20 million would not exist. One only has to ask what brought those revenue figures into existence or
21 produces those revenues to conclude that the constitutional supermajority provision must apply. There
22 is no doubt that it was SB 542 and SB 551, respectively, which brings that revenue into existence or
23 produces that revenue for without those bills that revenue does not exist.

24 Next, Executive Defendants misconstrue the issues here, when discussing the term “increase.”
25 Plaintiffs do not assert that the supermajority provision should apply to a situation where existing taxes
26 at existing rates generate increased revenue from one year to the next. That was never the issue and it
27 is unclear why Executive Defendants even raise this argument. The supermajority provision should
28

1 apply, per its plain meaning, when a bill generates or brings into existence any public revenue, in any
2 form.

3 Like Legislative Defendants, Executive Defendants insert words to the supermajority provision
4 under the guise of construction. The constitutional provision says nothing of application only to “new
5 taxes” or anything about “existing taxes and fees.” The provision applies on its face to any bill or joint
6 resolution that creates or generates public revenue, in any form. If a bill brings into existence any public
7 revenue, the provision applies.

8 **C. SB 551 generates public revenue through changes to the existing tax structure.**

9 Executive Defendants acknowledge that *Guinn v. Legislature*, 119 Nev. 460, 471 (2003) stands
10 for the proposition that a “two-thirds supermajority is needed to determine what specific changes would
11 be made to the existing tax structure to increase revenue,” but they ignore that the tax structure that
12 existed, with respect to the Modified Business Tax, included rate adjustment measures. SB 551’s repeal
13 of those rate adjustment measures is, without doubt, a change, therefore, to the tax structure that existed
14 prior to enactment thereof.

15 Executive Defendants’ final argument that SB 551 was not subject to the constitutional
16 supermajority provision is based on the idea that SB 551 simply “maintain[s] current rates,” which they
17 assert means that “identical taxpayers” will be “paying the identical amount of MBT tax between fiscal
18 years. Executive Defendants’ Reply and Opposition at 5. The line that SB 551 “does not create,
19 generate, or increase any public revenue in any form *relative to the prior fiscal year*” is yet another
20 attempt to insert words into the plain and simple text of the Constitution in order to fabricate the meaning
21 Executive Defendants need in order to prevail here. Executive Defendants’ Reply and Opposition at 5.
22 The Constitution says nothing of comparing public revenue relative to the prior fiscal year. It says only
23 that two-thirds of each house must approve any bill that creates, generates, or increases public revenue,
24 in any form.

25 **D. SB 542 generates public revenue through the DMV Technology Fee.**

26 Executive Defendants assert SB 542 does not bring the existing DMV technology fee into
27 existence. Executive Defendants’ Reply and Opposition at 5. Again, that is not the proper inquiry here.
28 The proper inquiry is whether SB 542 brings into existence public revenue and, clearly, it does.

Executive Defendants are correct that SB 542 does not “‘make greater’ the existing technology fee from one fiscal year to the next,” but it certainly generates revenue that would not have existed over the next two fiscal years had the bill not been deemed passed.

E. The Legislature’s interpretation is inconsistent with its prior interpretation and, therefore, is not entitled to deference.

In responding to Executive Defendants’ arguments that this Court should defer to the Legislature’s reliance on LCB’s opinion interpreting the two-thirds majority requirement, Plaintiffs incorporate their response to the same arguments made by Legislative Defendants, *supra*.

Executive Defendants ask for an explanation of Plaintiffs’ view that the Legislature’s narrow interpretation of the supermajority provision violates the provision’s “spirit.” Executive Defendants’ Reply and Opposition at 6. Executive Defendants state the spirit of Nevada’s constitutional supermajority provision is to make it more difficult to levy new taxes. Executive Defendants’ Reply and Opposition at 6. They offer no support for this narrow view. Executive Defendants also push this Court to rely on Oklahoma and Oregon cases interpreting their own, distinct constitutional supermajority provisions. Those cases are distinguished above in responding to similar arguments made by the Legislative Defendants, but Executive Defendants can look to one of them for a broader, more accurate view of the purpose behind these constitutional supermajorities. In *Fent v. Fallin*, 345 P.3d 1113 (Okla. 2014), the Oklahoma Supreme Court noted the intent of the voters in adopting their constitutional supermajority provision was to provide tax relief to the voters. 345 P.3d at 1117. A bill which does the opposite of providing tax relief – i.e., a bill that brings into existence public revenue in any form – is subject to the two-thirds majority requirement.

Executive Defendants argue that the supermajority requirement applies to bills that increase rates on existing taxes or levy new taxes, but not on bills that “continue existing taxes at existing rates from one fiscal year to the next.” Executive Reply and Opposition at 7. This position is not reasonable as each of those scenarios brings into existence public revenue. If any of those kinds of bills do not pass, there is no revenue. If they do pass, there is revenue. That view, unlike the strained view advanced by the Defendants, is consistent with the plain language of the Constitution.

1 Finally, Executive Defendants urge this Court to defer to the Legislature's reliance on LCB's
2 opinion given in reference to SB 551. Executive Defendants' Reply and Opposition at 9-11. They assert
3 that the Legislature's interpretation of the two-thirds requirement is "consistent." Executive Defendants'
4 Reply and Opposition at 9. They do not analyze any of the Legislature's prior interpretations of the
5 provision, except for the April 26, 2019 opinion attached to Plaintiff's Opposition to Motion to Dismiss
6 or Motion for Summary Judgment as Exhibit 8. As discussed above, Plaintiffs have submitted a
7 comprehensive list of instances in which the Legislature took the opposite position from the one it took,
8 for the first time, in 2019 with respect to SB 542 and SB 551. Therefore, Executive Defendant's
9 argument that the Legislature's consistency supports deference is of no moment.

10 **9. Senator Cannizzaro and Secretary Clift are Properly Named as Defendants and,**
11 **Under Nevada Law, are not Entitled to "Absolute" Immunity.**

12 Legislative Defendants assert that Senator Cannizzaro and Secretary Clift must be granted
13 summary judgment because they (a) have no connection with enforcement of the challenged legislation
14 and (b) are entitled to absolute legislative immunity. Executive Defendants joined in this portion of
15 Legislative Defendants' Counter-Motion, with respect to the legislative functions exercised by Lt.
16 Governor Marshall and Governor Sisolak. The cases cited by Legislative Defendants do not support
17 these assertions. Indeed, on the second point, Nevada law is clear that legislators and legislative officials
18 are not entitled to absolute immunity.

19 **A. Legislative immunity.**

20 Legislative Defendants cite and discuss cases from various federal Circuit Courts of Appeals,
21 federal practice manuals, and the California Supreme Court in support of the idea that Senator
22 Cannizzaro and Secretary Clift are entitled to absolute immunity from declaratory and injunctive relief.
23 Opposition and Counter-Motion at 10-12. They include, in a string cite with three inapposite federal
24 appellate cases, a citation to NRS 41.071, but wholly fail to address the plain language of this statute,
25 which is the only binding authority on this topic cited by Legislative Defendants.

26 NRS 41.071 provides, in pertinent part:

- 27 1. The Legislature hereby finds and declares that:
28

1 (a) The Framers of the Nevada Constitution created a system of
2 checks and balances so that the constitutional powers separately vested in
3 the Legislative, Executive and Judicial Departments of State Government
4 may be exercised without intrusion from the other Departments.

5 (b) As part of the system of checks and balances, the constitutional
6 doctrines of separation of powers and legislative privilege and immunity
7 facilitate the autonomy of the Legislative Department by *curtailing*
8 intrusions by the Executive or Judicial Department into the sphere of
9 *legitimate legislative activities*.

10 (c) The constitutional doctrines of separation of powers and
11 legislative privilege and immunity protect State Legislators from having
12 to defend themselves, from being held liable and from being questioned
13 or sanctioned in administrative or judicial proceedings for speech, debate,
14 deliberation and other actions performed within the sphere of *legitimate*
15 *legislative activity*.

16 (emphasis added). See also, NRS 41.071(1)(g) and (h) and NRS 41.071(5), limiting immunity to
17 "legitimate legislative activity".

18 This statute is also consistent with crucial language Legislative Defendants have omitted from
19 their analysis of the cases they cite in support of their claim that Senator Cannizzaro and Secretary Clift
20 are cloaked in absolute immunity. For instance, the United States Supreme Court, in *Supreme Ct. of Va.*
21 *v. Consumers Union*, 446 U.S. 719, 731-34 (1980), held that "legislators engaged in *legitimate*
22 *legislative activity*, should be protected not only from the consequences of litigation's results but also
23 from the burden of defending themselves." *Id.* 731-32. (internal quotations omitted; emphasis added).

24 In *Chappell v. Robbins*, 73 F.3d 918 (9th Cir. 1996), the Ninth Circuit recognized that legislative
25 immunity extends only "to those actions falling within the sphere of *legitimate legislative activity*." *Id.*
26 at 920 (internal quotations omitted; emphasis added). Moreover, in that case, the Ninth Circuit reiterated
27 a two-part test to determine whether the actions complained of are legislative or not. The first question
28 is whether the action involves ad hoc decisionmaking, or the formulation of policy. *Id.* The second
question is whether the action applies to a few individuals, or the public at large. *Id.* at 921.

Here, the specific acts complained of are Senator Cannizzaro's allowance of less than two-thirds
majority to pass SB 542 and SB 551, both of which generate revenue for the State, and Secretary Clift's
action to send those bills to the Legislative Counsel for enrollment. Those actions are clearly not
policymaking, but were ad hoc decisions made by Cannizzaro and Clift to ignore a clear constitutional
mandate. This is particularly true when considering Senator Cannizzaro's actions on the Senate floor

1 on June 3, 2019, which resulted in the two-thirds requirement, stamped on the printed version of the
2 amendment to SB 551 when the first vote was taken, only to be removed from the next amendment
3 involving the same sections when less than two-thirds of the Senate voted to pass the bill. She called
4 for a new vote on a newly printed version of an amendment to SB 551 that did not have the two-thirds
5 requirement stamped on it, which bill was declared passed, by simple majority. Plaintiff Senators
6 specifically complain, in their First Claim for Relief, that Senator Cannizzaro's and Secretary Clift's ad
7 hoc decisions to ignore the constitutional two-thirds requirement for both SB 542 and SB 551 nullified
8 their vote, in violation of their equal protection and due process rights. First Amended Complaint, ¶¶
9 63-67. Thus, the second part of the test described in *Chappell* is also satisfied in favor of determining
10 that Senator Cannizzaro's and Secretary Clift's actions, here, were not within the sphere of *legitimate*
11 *legislative activity*.⁴

12 Lastly, the holding in *Scott v. Taylor*, 405.F.3d 1251 (11th Cir. 2005) is consistent with *Chappell*
13 and *Consumers Union*. In that case, however, the complaining party conceded that the actions
14 complained of against the named legislative parties were legislative actions and, so, that court's analysis
15 into whether legislative immunity applied was different than in those other two cases and different than
16 it is here.

17 Thus, it is clear legislative immunity is qualified, rather than absolute, and will only apply when
18 the actions complained of constitute *legitimate legislative activity*. Allegations of illegitimate legislative
19 activity – for instance, actions that violate the Nevada Constitution – do not trigger the protection of
20 legislative immunity under NRS 41.071. See e.g., *Gravel v. United States*, 408 U.S. 606, 620 (1972)
21 (noting, generally, historical precedent weighs against extending legislative immunity “so as to privilege
22 illegal or unconstitutional conduct beyond that essential to foreclose executive control of legislative”
23 activity).

24 B. Proper parties.

25 Legislative Defendants also seek to have judgment entered in favor of Senator Cannizzaro and
26 Secretary Clift because they are not necessary or proper parties to these proceedings. In support, they
27

28 ⁴ The same conclusion applies to Lt. Gov. Marshall and Gov. Sisolak, who violated their own constitutional legislative duties with respect to SB 542 and SB 551.

1 cite a California case along with several federal cases. Legislative Defendants argue that summary
2 judgment is appropriate when a plaintiff has named the wrong party as a defendant. They cite *Nelson v*
3 *Int'l Paint Co.*, 734 F.2d 1084 (5th Cir. 1984) and 10A Wright and Miller, *Fed. Prac. & Proc. Civ.* §
4 2727 (4th ed. Westlaw 2020) in support of this argument.

5 The 5th Circuit Court of Appeals, in *Nelson*, held that summary judgment was appropriate where
6 the plaintiffs had sued a paint company (International Paint Company, Inc.) for injury allegedly caused
7 by inhaling fumes from defective, toxic paint, but where an affiliated, but legally separate paint company
8 (International Paint Company (California), Inc) had actually manufactured and marketed the paint that
9 allegedly caused the harm. 734 F.2d at 1094.

10 Furthermore, the Wright & Miller section cited is a discussion on when summary judgment is
11 appropriate in negligence actions and the statement quoted by Legislative Defendants is based on a case
12 (*Fitzgerald v. Westland Marine Corp.*, 369 F.2d 499 (2d Cir. 1966)) where the plaintiffs sued the alleged
13 owner of a ship that sunk in the Pacific Ocean, killing the crew, but the named defendant was merely
14 the agent for the true owner of the ship. § 2729 Negligence Actions, 10A Fed. Prac. & Proc. Civ. § 2729
15 (4th ed.).

16 Neither of these references support a conclusion that Senator Cannizzaro or Secretary Clift are
17 the wrong defendants. Plaintiffs set out, in plain detail, in the First Amended Complaint, the actions of
18 Senator Cannizzaro and Secretary Clift, which give rise to the claims asserted against them. *See e.g.*,
19 First Amended Complaint, ¶¶ 16, 18, 44, and 56. Unlike the defendants named in *Nelson* and *Fitzgerald*,
20 there is no other person who could face liability for the allegations pled against Cannizzaro and Clift.

21 Next, *Serrano v. Priest*, 557 P.2d 929 (Cal. 1976) is distinguishable from this matter in several
22 important respects, not the least being the California Supreme Court simply held it was not *necessary*
23 for the Plaintiffs, in that action, to name either the California Legislature or the Governor in a suit in
24 which the validity of a statute was at issue.⁵ That court did not, however, reach the conclusion that, had
25 the plaintiffs named the California Legislature or the Governor as defendants, those parties would have
26 to be dismissed or that judgment, as a matter of law, would have to be entered in their favor. Indeed,

27
28 ⁵ The statute in question, a school funding measure, was ultimately deemed unconstitutional under
California's constitutional equal protection language.

1 that court noted, specifically, the discretion afforded to plaintiffs in naming defendants. *Id.* at 942. The
2 only obligation a plaintiff has is to name indispensable parties, but they have discretion to name
3 additional proper parties – “i.e. parties subject to permissive joinder or capable of intervention.” *Id.*

4 The plaintiffs in *Serrano* had named as defendants the State Treasurer and other state and county
5 officials charged with administration of the statute in question and the court stated, as Legislative
6 Defendants acknowledge, “state officers with statewide administrative functions” are proper defendants
7 in actions for declaratory and injunctive relief to challenge the constitutionality of state statutes. The
8 court does not, however, say these are the only proper defendants in such a case.

9 Furthermore, as is plain from the face of Plaintiffs’ First Amended Complaint, “[t]his is an action
10 to challenge the constitutionality of SB 542 and SB 551 *as well as the constitutionality of the manner*
11 *in which each such bill was passed into law.*” First Amended Complaint, ¶ 23. (emphasis added). The
12 actions of Senator Cannizzaro, as the Senate Majority Leader and as the sponsor of SB 551, and
13 Secretary Clift, whose duties include transmission of constitutionally passed bills to the Legislative
14 Counsel for enrollment, are integral to the question of whether SB 542 and SB 551 were passed in a
15 constitutional manner. The same goes for Lieutenant Governor Kate Marshall, and Governor Steve
16 Sisolak, who were also named as Defendants for their roles in relation to the passing of the bills in
17 question. None of the cases cited by Legislative Defendants discuss the propriety of naming such
18 officials as defendants where the question presented to the Court is not just the constitutionality of the
19 bills themselves, but the procedural manner in which they were enacted and violated the Plaintiffs’
20 constitutional rights.

21 *Ex parte Young*, 209 U.S. 123 (1908), stands for the proposition that in an action “to enjoin
22 enforcement of an act alleged to be unconstitutional, it is plain that [a named] officer must have some
23 connection with the enforcement of the act.” *Id.* at 157. Plaintiffs, of course, named as Defendants here
24 the Nevada Department of Taxation, charged with enforcing the mandates contained in SB 551, and the
25 Nevada Department of Motor Vehicles, charged with enforcing the mandates contained in SB 542.
26 Plaintiffs’ fourth claim for relief seeks injunctive relief only against those two state agencies. First
27 Amended Complaint, ¶ 81. Plaintiffs do not seek, in this action, to enjoin Senator Cannizzaro or
28

Secretary Clift. Therefore, *Ex parte Young* offers no support to the Legislative Defendants' argument that Cannizzaro and Clift must have judgment entered in their favor because they are not proper parties.

Contrary to assertions made throughout Legislative Defendants' Counter-Motion for Summary Judgment, Plaintiffs do not seek injunctive relief from Senator Cannizzaro and Secretary Clift. Rather, Plaintiff Senators have asserted a claim that Senator Cannizzaro and Secretary Clift (along with the other named individual defendants) have denied them their right to place effective votes as duly elected members of the Senate, thus violating their equal protection and due process rights. First Amended Complaint, ¶¶ 63-67. Plaintiff businesses and associations have asserted due process constitutional claims under the United States and Nevada Constitutions as a result of Senator Cannizzaro's and Secretary Clift's (and the other individually named defendants') violation of the Nevada Constitution. First Amended Complaint, ¶¶ 69-71.

Finally, the Nevada Supreme Court in *Cannizzaro v. First Jud. Dist. Ct.*, 136 Nev. Adv. Op. 34, 466 P.3d 529, 532 (2020) acknowledged that Senator Cannizzaro and Secretary Clift were sued in their official capacity for acts taken on behalf of the Legislature as a whole and were representing the Legislature in this action, which had an interest to defend the constitutionality of SB 542 and SB 551. The Nevada Supreme Court did not accept the arguments of Legislative Defendants that the individual Legislative Defendants were not necessary and proper parties. Accordingly, they are proper parties to this action.

Legislative Defendants have not shown that judgment, as a matter of law, should be entered in favor of Senator Cannizzaro and Secretary Clift on any of the claims asserted against them by reason of the alleged impropriety of their having been named as Defendants.

10. Summary Judgment in Plaintiff's Favor Should be Granted.

As set forth above and in their Motion for Summary Judgment, Article 4, Section 18(2) of the Nevada Constitution required a two-thirds constitutional vote for passage of SB 542 and SB 551. The Majority Leader of the Senate determines which bills will be heard by the Senate pursuant to Senate Standing Rule 6 and the Majority Leader was the sponsor of SB 551 and amendments related thereto. The official duties of the President of the Senate during the 80th Session of the Nevada Legislature included signing bills that had been passed by the Senate in conformity with the Nevada Constitution

pursuant to Article 4, Section 18(1) of the Nevada Constitution, NRS 218D.640 and Senate Standing Rule 1. The official responsibilities of the Secretary of the Senate during the 80th Session of the Nevada Legislature included signing bills that had been passed by the Senate and transmitting bills for enrollment to the Legal Division passed by the Senate in conformity with the Nevada Constitution. Article 4, Section 18(1) of the Nevada Constitution, NRS 218D.630, NRS 218D.640 and Senate Standing Rule 1. The Legislative Counsel then delivers enrolled bills to the Governor. NRS 218D.660. The official responsibilities of the Governor include approving and signing bills passed by the Legislature in conformity with the Nevada Constitution and to see the laws of the State of Nevada are faithfully executed. Article 4, Section 35, Article 5, Section 7 of the Nevada Constitution, NRS 218D.675. Consequently, if SB 542 and SB 551 were passed without the required two-thirds majority constitutional requirement, the Majority Leader, President and Secretary of the Senate and the Governor had statutory and constitutional duties not to sign them and/or approve them into law. *See Nevada Mining Ass'n v. Erdoes*, 117 Nev. 531, 537, 26 P.3d 753, 757 (2001). Thus, said Defendants violated their statutory and constitutional duties and violated the constitutional rights of the Plaintiffs, causing them harm. Accordingly, summary judgment should be granted against said individual Defendants in Plaintiffs' favor.

Legislative Defendants admit in their Answers that Defendant Nicole Cannizzaro is named in her official capacity, is a duly elected member of the Nevada Legislature, was a member of the Senate during the 80th (2019) Session of the Nevada Legislature, served as the Senate Majority Leader during the 80th (2019) Session of the Nevada Legislature and was the sponsor of SB 551. Answers of Legislative Defendants at ¶16. Legislative Defendants admit that Defendant Kate Marshall is named in her official capacity, is the duly elected Lieutenant Governor of the State of Nevada and served as President of the Senate during the 80th (2019) Session of the Nevada Legislature; and that her official duties include signing bills passed by the Nevada Legislature. *Id.* at ¶17. Legislative Defendants admit that Defendant Claire Clift is named in her official capacity and served as the Secretary of the Senate during the 80th (2019) Session of the Nevada Legislature; and that her official duties include transmitting bills passed by the Nevada Legislature to the Legislative Counsel for enrollment. *Id.* at ¶ 18. Legislative Defendants admit that Defendant Steve Sisolak is named in his official capacity and is the duly elected

Governor of the State of Nevada; and that his official duties include approving and signing bills passed by the Nevada Legislature and seeing that the laws of the State of Nevada are faithfully executed. Answers at ¶19. Legislative Defendants admit that Sections 2, 3, 37 and 39 of SB 551 eliminated a rate adjustment procedure used by the Department of Taxation to determine whether the rates of certain payroll taxes should be reduced in future fiscal years under certain circumstances. Answers at ¶¶ 43, 47 and 48. Plaintiffs find it disingenuous that Legislative Defendants answered they “lack knowledge or information sufficient to form a belief about the truth of the following allegations” in paragraphs 55, 56, 58 and 59 in Plaintiffs’ First Amended Complaint which described the actions that occurred during the 2019 Session including the actions on the Senate floor on June 3, 2019:

55. Notwithstanding an opinion from the Legislative Counsel Bureau (“LCB”) on or about May 8, 2019, at various stages of the Senate’s consideration of SB 551 and amendments thereto after May 8, 2019, LCB’s bill documentation showed that two-thirds of the Senate, or 14 Senators, would have to vote to approve the bill, and at other stages of the Senate’s consideration of SB 551, the two-thirds requirement was removed from LCB’s bill documentation for SB 551.

56. Defendant, NICOLE CANNIZZARO’s actions on the Senate floor on June 3, 2019 show that if SB 551 did not have support from two-thirds of the Senate, the majority party, of which she was leader, would pass the bill by simple majority.

58. In previous legislative sessions, the Nevada Legislature, including the Senate, has required a vote of not fewer than two-thirds of the members elected to the Legislature, including the Senate, to extend the prospective expiration of certain taxes and fees.

59. At all times relevant hereto, the 80th (2019) Session of the Nevada Legislature had enough money to fund the State’s budget without the public revenues created, generated or increased as a result of the changes to the payroll tax adopted by SB 551.

See Answers of Legislative Defendants at ¶¶ 55, 56, 58 and 59. Because they answered they lacked knowledge or information sufficient to form a belief about the truth of the above allegations, Legislative Defendants denied the above allegations. Said Defendants incredibly denied their own conflicting bill documentation and actions involving the constitutional number of votes required for approving SB 551, the documented events in the Senate Journal of June 3, 2019 for SB 551, and Legislative Counsel’s historical documented requirement that a vote of not fewer than two-thirds of the members of the Senate were required to extend the prospective expiration of certain taxes and fees. Based upon the exhibits provided and as set forth above, Plaintiffs are entitled to judgment as a matter of law on their claims for relief against all Defendants, including the individually named Defendants.

The right to vote is fundamental in a free democratic society. A voter has the constitutional right to have his vote given as much weight as any other vote and not to have his vote denied, debased, or

1 diluted in any manner. *Clark Cty. v. City of Las Vegas*, 92 Nev. 323, 342, 550 P.2d 779, 792 (1976)
2 citing *Hadley v. Junior College District*, 397 U.S. 50, 52, 90 S.Ct. 791 (1970). Legislators, like private
3 citizens, have a constitutional right to have their votes count a certain amount. *Biggs v. Cooper*, 323
4 P.3d 1166, 1172 (Ariz. Ct. App.), *aff'd in part, vacated in part sub nom. Biggs v. Cooper ex rel. Cty. of*
5 *Maricopa*, 341 P.3d 457 (Ariz. 2014).

6 Plaintiff Senators have a constitutional right to vote as duly elected members of the Legislature
7 pursuant to Article 4, Section 1, Section 4, and Section 18(1) of the Nevada Constitution. Here, Plaintiff
8 Senators' right to vote was nullified by the Legislative Defendants' failure to require a two-thirds
9 constitutional majority for passage of SB 542 and SB 551. Plaintiff Senators' constitutional rights have
10 been violated and they are entitled to an award of attorney's fees for being required to bring this action.
11 Actions for declaratory or injunctive relief may involve claims for attorney fees as damages when the
12 actions were necessitated by the opposing party's bad faith conduct. *Sandy Valley Associates v. Sky*
13 *Ranch Estates Owners Association*, 117 Nev. 949, 958, 35 P.3d 694, 970 (2001), *receded from on other*
14 *grounds Horgan v. Felton*, 123 Nev. 577, 170 P.3d 982 (2007). Supplemental relief is appropriate when
15 declaratory relief has been granted. NRS 30.100. Costs are allowed by NRS 30.120. The State has
16 waived immunity for certain liability. NRS 41.031 *et seq.* An award of attorney's fees and costs is the
17 only relief available to Plaintiff Senators as they cannot undo the vote on SB 542 and SB 551 at this
18 point. Prospective relief alone is not sufficient as a meaningful remedy for the unconstitutional
19 deprivation of their rights. *See State, Nevada Department of Taxation v. Scotsman Mfg. Co., Inc.*, 109
20 Nev 252, 256, 849 P.2d 317, 320 (1993). The Nevada Supreme Court in *Cannizzaro v. First Jud. Dist.*
21 *Ct.*, 136 Nev. Adv. Op. 34, 466 P.3d 529, 534 (2020) determined that Legislative Counsel could not
22 represent Plaintiff Senators in pursuit of their claims in this action. Accordingly, Plaintiff Senators were
23 required to obtain counsel to prosecute this action and are entitled to an award of attorney's fees. *See*
24 *Biggs v. Cooper ex rel. Cty. of Maricopa*, 341 P.3d 457, 462 (2014) (Plaintiff legislators request for an
25 award of attorneys' fees was denied without prejudice because there had been no determination on the
26 merits and plaintiff legislators could seek an award from the superior court should they ultimately prevail
27 in the lawsuit). As set forth in the Affidavit of Senator Settelmeyer filed herewith, the Plaintiffs have
28

1 incurred attorney's fees and costs and continue to accrue attorney's fees and costs in the prosecution of
2 this action.

3 All Plaintiffs are entitled to injunctive relief from prospective enforcement and payment of the
4 unconstitutional fees and taxes. *See* NRS 30.100, *S. Nevada Homebuilders Ass'n, Inc. v. City of N. Las*
5 *Vegas*, 112 Nev. 297, 303, 913 P.2d 1276, 1280 (1996), *disapproved of on other grounds by Sandy*
6 *Valley Assocs. v. Sky Ranch Estates Owners Ass'n*, 117 Nev. 948, 35 P.3d 964 (2001).

7 The taxpayer Plaintiffs are entitled to a refund with interest for their overpayment of taxes. NRS
8 360.2935 provides: "a taxpayer is entitled to receive on any overpayment of taxes... a refund together
9 with interest." The Nevada Supreme Court has agreed. *Worldcorp v. State, Dep't of Taxation*, 113 Nev.
10 1032, 1038, 944 P.2d 824, 828 (1997) (When a tax statute is determined to be unconstitutional, the
11 taxpayer is entitled to a refund.). In *McKesson Corp. v. Division of Alcoholic Beverages and*
12 *Tobacco*, 496 U.S. 18, 110 S.Ct. 2238, 110 L.Ed.2d 17 (1990), the United States Supreme Court held:

13 If a State places a taxpayer under duress promptly to pay a tax when due and relegates him
14 to a postpayment refund action in which he can challenge the tax's legality, the Due Process
15 Clause of the Fourteenth Amendment obligates the State to provide meaningful backward-
looking relief to rectify any unconstitutional deprivation.

16 496 U.S. at 31, 110 S.Ct. at 2247 (footnotes omitted) cited with approval in *State, Nevada Dep't of*
17 *Taxation v. Scotsman Mfg. Co.*, 109 Nev. 252, 255, 849 P.2d 317, 319 (1993).

18 **10. Conclusion.**

19 For all the foregoing reasons, Executive Defendants' Motion to Dismiss and Legislative
20 Defendants Counter-Motion for Summary Judgment should be denied and summary judgment
21 granted to Plaintiffs on their claims for relief.

22 **AFFIRMATION**

23 The undersigned does hereby affirm that the preceding document DOES NOT contain the
24 social security number of any person.

25 ///

26 ///

27 ///

28 ///

1 DATED this 4th day of September, 2020.

2 **ALLISON MacKENZIE, LTD.**

3 402 North Division Street

4 Carson City, NV 89703

5 Telephone: (775) 687-0202

6 By: 

7 KAREN A. PETERSON, ESQ.

8 Nevada State Bar No. 366

9 JUSTIN M. TOWNSEND, ESQ.

10 Nevada State Bar No. 12293

11 Email: kpeterson@allisonmackenzie.com

12 Email: jtownsend@allisonmackenzie.com

13 Attorneys for Plaintiffs

14 ALLISON MacKENZIE, LTD.
15 402 North Division Street, P.O. Box 646, Carson City, NV 89702
16 Telephone: (775) 687-0202 Fax: (775) 882-7918
17 E-Mail Address: law@allisonmackenzie.com
18
19
20
21
22
23
24
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26
27
28

CERTIFICATE OF SERVICE

Pursuant to NRCP Rule 5(b), I hereby certify that I am an employee of ALLISON, MacKENZIE, LTD., Attorneys at Law, and that on this date, I caused the foregoing document to be served on all parties to this action by:

- _____ Placing a true copy thereof in a sealed postage prepaid envelope in the United States Mail in Carson City, Nevada
- _____ Hand-delivery - via Reno/Carson Messenger Service
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- _____ Federal Express, UPS, or other overnight delivery
- _____ E-filing pursuant to Section IV of District of Nevada Electronic Filing Procedures

fully addressed as follows:

Kevin C. Powers, Esq.
Legislative Counsel Bureau, Legal Division
kpowers@lcb.state.nv.us

Aaron D. Ford, Esq.
Craig A. Newby, Esq.
Office of the Attorney General
CNewby@ag.nv.gov

DATED this 4 day of September, 2020.


HEATHER HARPER

ALLISON MacKENZIE, LTD.
402 North Division Street, P.O. Box 646, Carson City, NV 89702
Telephone: (775) 687-0202 Fax: (775) 882-7918
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Nevada State Bar No. 12293
3 **ALLISON MacKENZIE, LTD.**
402 North Division Street
4 Carson City, NV 89703
Telephone: (775) 687-0202
5 Email: kpeterson@allisonmackenzie.com
Email: jtownsend@allisonmackenzie.com

6 Attorneys for Plaintiffs
7
8

9 IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
10 IN AND FOR CARSON CITY
11

12 THE HONORABLE JAMES SETTELMAYER,
THE HONORABLE JOE HARDY,
13 THE HONORABLE HEIDI GANSERT,
THE HONORABLE SCOTT HAMMOND,
14 THE HONORABLE PETE GOICOECHEA,
THE HONORABLE BEN KIECKHEFER,
15 THE HONORABLE IRA HANSEN, and
THE HONORABLE KEITH PICKARD,
16 in their official capacities as members of the
Senate of the State of Nevada and individually;
17 GREAT BASIN ENGINEERING
CONTRACTORS, LLC, a Nevada limited
18 liability company; GOODFELLOW
CORPORATION, a Utah corporation qualified
19 to do business in the State of Nevada;
KIMMIE CANDY COMPANY, a Nevada
20 corporation; KEYSTONE CORP., a Nevada
nonprofit corporation; NATIONAL FEDERATION
21 OF INDEPENDENT BUSINESS, a California
nonprofit corporation qualified to do business
22 in the State of Nevada; NEVADA FRANCHISED
AUTO DEALERS ASSOCIATION, a Nevada
23 nonprofit corporation; NEVADA TRUCKING
ASSOCIATION, INC., a Nevada nonprofit
24 corporation; and RETAIL ASSOCIATION
OF NEVADA, a Nevada nonprofit corporation,
25

26 Plaintiffs,

27 vs.
28

Case No: 19 OC 00127 1B

Dept. No: I

**AFFIDAVIT OF
JENNIFER MCMENOMY**

1 STATE OF NEVADA *ex rel.* THE
2 HONORABLE NICOLE CANNIZZARO,
3 in her official capacity as Senate Majority
4 Leader; THE HONORABLE KATE
5 MARSHALL, in her official capacity as
6 President of the Senate; CLAIRE J. CLIFT,
7 in her official capacity as Secretary of
8 the Senate; THE HONORABLE STEVE
9 SISOLAK, in his official capacity as
10 Governor of the State of Nevada; NEVADA
11 DEPARTMENT OF TAXATION;
12 NEVADA DEPARTMENT OF MOTOR
13 VEHICLES; and DOES I-X, inclusive,

8 Defendants.

9 and

10 THE LEGISLATURE OF THE
11 STATE OF NEVADA,

12 Defendant-Intervenor.
13 _____/

14 **AFFIDAVIT OF JENNIFER MCMENOMY**

15 STATE OF NEVADA)
 : ss.
16 CARSON CITY)

17 JENNIFER MCMENOMY, under penalty of perjury, does solemnly swear and affirm
18 that the following assertions are true:

19 1. I am an attorney duly authorized and qualified to practice law in the State of
20 Nevada. I am employed at Allison MacKenzie, Ltd., attorneys of record for the Plaintiffs in the above-
21 entitled action.

22 2. I have personal knowledge of the matters hereinafter set forth and I am
23 competent to testify to matters concerning the same.

24 3. I make this Affidavit in support of Plaintiffs' Reply in Support of Motion for
25 Summary Judgment; and Opposition to Legislative Defendants' and Legislature's Counter-Motion for
26 Summary Judgment.

27 4. Filed in conjunction with Plaintiffs' Reply in Support of Motion for Summary
28 Judgment; and Opposition to Legislative Defendants' and Legislature's Counter-Motion for Summary

Judgment and this Affidavit are Exhibits 1 to 11. Exhibits 1, 2, 3, 4, 6, 7, 8, 9, 10 and 11 are true and correct copies of SB 542 and SB 551 as enrolled, excerpts of Minutes of the Senate Committee on Finance, 80th Session, from May 22, 2019, May 25, 2019, May 29, 2019 and June 2, 2019, Amendment No. 6101, Amendment No. 1111, Amendment No. 1120 and Amendment No. 1121 to SB 551, and excerpts from the Senate Daily Journal, 80th Session, June 3, 2019.

5. The information contained in Exhibit 5 was researched and compiled by me. It is a list of bills from 2011 to 2017 which had sunset provisions or expiration provisions requiring the two thirds majority requirement contained in Article 4 Section 18(2) of the Nevada Constitution. Exhibit 5 also contains my notes from my review of committee meetings in the Nevada Legislature from 1997 to 2017 noting comments that were made in committee by various Legislators, Legislative Counsel staff and witnesses appearing before the committee in numerous Legislative Sessions concerning the two thirds majority vote requirement.

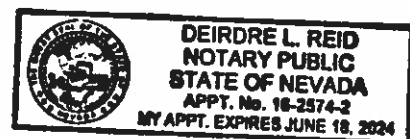
DATED this 4th day of September , 2020.


JENNIFER MCMENOMY

STATE OF NEVADA)
: ss.
CARSON CITY)

On September 4, 2020, personally appeared before me, a Notary Public, JENNIFER MCMENOMY, personally known (or proved) to me to be the person whose name is subscribed to the foregoing document, and who acknowledged to me that she executed the foregoing document.


NOTARY PUBLIC



CERTIFICATE OF SERVICE

Pursuant to NRCP Rule 5(b), I hereby certify that I am an employee of ALLISON, MacKENZIE, LTD., Attorneys at Law, and that on this date, I caused the foregoing document to be served on all parties to this action by:

- _____ Placing a true copy thereof in a sealed postage prepaid envelope in the United States Mail in Carson City, Nevada [NRCP 5(b)(2)(B)]
- _____ Hand-delivery - via Reno/Carson Messenger Service [NRCP 5(b)(2)(A)]
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fully addressed as follows:

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Legislative Counsel Bureau, Legal Division
kpowers@lcb.state.nv.us

Aaron D. Ford, Esq.
Craig A. Newby, Esq.
Office of the Attorney General
CNewby@ag.nv.gov

DATED this 4th day of September, 2020.


HEATHER HARPER

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Nevada State Bar No. 12293
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402 North Division Street
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6 Attorneys for Plaintiffs
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12 THE HONORABLE JAMES SETTELMAYER,
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15 THE HONORABLE IRA HANSEN, and
THE HONORABLE KEITH PICKARD,
16 in their official capacities as members of the
Senate of the State of Nevada and individually;
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ASSOCIATION, INC., a Nevada nonprofit
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OF NEVADA, a Nevada nonprofit corporation,
25

26 Plaintiffs,

27 vs.
28

Case No: 19 OC 00127 1B

Dept. No: I

**AFFIDAVIT OF
SENATOR JAMES
SETTELMAYER**

1 STATE OF NEVADA *ex rel.* THE
2 HONORABLE NICOLE CANNIZZARO,
3 in her official capacity as Senate Majority
4 Leader; THE HONORABLE KATE
5 MARSHALL, in her official capacity as
6 President of the Senate; CLAIRE J. CLIFT,
7 in her official capacity as Secretary of
8 the Senate; THE HONORABLE STEVE
9 SISOLAK, in his official capacity as
10 Governor of the State of Nevada; NEVADA
11 DEPARTMENT OF TAXATION;
12 NEVADA DEPARTMENT OF MOTOR
13 VEHICLES; and DOES I-X, inclusive,

8 Defendants.

9 and

10 THE LEGISLATURE OF THE
11 STATE OF NEVADA,

12 Defendant-Intervenor.
13 _____/

14 **AFFIDAVIT OF SENATOR JAMES SETTELMAYER**

15 STATE OF NEVADA)
16 CARSON CITY): ss.
)

17 JAMES SETTELMAYER, under penalty of perjury, does solemnly swear and affirm
18 that the following assertions are true:

19 1. I am a member of the Nevada Senate representing Senate District 17. I am the
20 current Minority Leader of the Senate. I have been a member of the Legislature since 2006 first as an
21 Assemblyman and now a Senator. I am one of the named Plaintiffs in the above entitled action.

22 2. I make this affidavit in support of Plaintiff's Reply in Support of Motion for
23 Summary Judgment; and Opposition to Legislative Defendants' and Legislature's Counter-Motion for
24 Summary Judgment. I have personal knowledge of all matters set forth herein and am competent to
25 testify to the same.

26 3. During the 2019 Legislative Session, there are references in the Senate Finance
27 Committee Minutes and the Senate Journal to the Modified Business Tax or MBT "buy down". The
28

1 MBT buy down refers to the reduction in the MBT based upon collections in excess of the anticipated
2 revenue from the Commerce Tax.

3 4. Prior to and since the filing of the above-captioned action, I and the other
4 Plaintiffs in this action have incurred and continue to incur attorney's fees and costs in the pursuit of
5 our claims set forth in our Amended Complaint.

6
7 DATED this 4th day of September, 2020.

8
9
10 
JAMES SETTELMEYER

11 STATE OF NEVADA)
12 CARSON CITY) : ss.

13 On September 4, 2020, personally appeared before me, a Notary Public, JAMES
14 SETTELMEYER, personally known (or proved) to me to be the person whose name is subscribed to
15 the foregoing document, and who acknowledged to me that he executed the foregoing document.



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NOTARY PUBLIC

CERTIFICATE OF SERVICE

Pursuant to NRCP Rule 5(b), I hereby certify that I am an employee of ALLISON, MacKENZIE, LTD., Attorneys at Law, and that on this date, I caused the foregoing document to be served on all parties to this action by:

- _____ Placing a true copy thereof in a sealed postage prepaid envelope in the United States Mail in Carson City, Nevada [NRCP 5(b)(2)(B)]
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fully addressed as follows:

Kevin C. Powers, Esq.
Legislative Counsel Bureau, Legal Division
kpowers@lcb.state.nv.us

Aaron D. Ford, Esq.
Craig A. Newby, Esq.
Office of the Attorney General
CNewby@ag.nv.gov

DATED this 4th day of September, 2020.


HEATHER HARPER

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ALLISON MacKENZIE, LTD.
402 North Division Street
Carson City, NV 89703
Telephone: (775) 687-0202
Email: kpeterston@allisonmackenzie.com
Email: jtownsend@allisonmackenzie.com

Attorneys for Plaintiffs

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR CARSON CITY

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in their official capacities as members of the
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liability company; GOODFELLOW
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AUTO DEALERS ASSOCIATION, a Nevada
nonprofit corporation; NEVADA TRUCKING
ASSOCIATION, INC., a Nevada nonprofit
corporation; and RETAIL ASSOCIATION
OF NEVADA, a Nevada nonprofit corporation,

Plaintiffs,

vs.

///

///

REC'D & FILED

SEP 04 2020

Date

AUBREY ROWLATT
CLERK

By K. PETERSON Deputy

Case No: 19 OC 00127 1B

Dept. No: 1

**EXHIBITS 1-12 TO THE
PLAINTIFFS' REPLY IN
SUPPORT
OF MOTION FOR SUMMARY
JUDGMENT; AND
OPPOSITION TO LEGISLATIVE
DEFENDANTS' AND
LEGISLATURE'S COUNTER-
MOTION FOR SUMMARY
JUDGMENT**

ALLISON MacKENZIE, LTD.
402 North Division Street, P.O. Box 646, Carson City, NV 89702
Telephone: (775) 687-0202 Fax: (775) 882-7918
E-Mail Address: law@allisonmackenzie.com

1 STATE OF NEVADA *ex rel.* THE
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14 Defendants.

15 and

16 THE LEGISLATURE OF THE
17 STATE OF NEVADA,

18 Defendant-Intervenor.

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**EXHIBIT 1- 12 TO THE PLAINTIFFS' REPLY IN SUPPORT OF MOTION FOR
SUMMARY JUDGMENT; AND
OPPOSITION TO LEGISLATIVE DEFENDANTS' AND
LEGISLATURE'S COUNTER-MOTION FOR SUMMARY JUDGMENT**

AFFIRMATION

The undersigned does hereby affirm that the preceding document DOES NOT contain the
social security number of any person.

DATED this 4th day of September, 2020.

ALLISON MacKENZIE, LTD.

402 North Division Street
Carson City, NV 89703
Telephone: (775) 687-0202

By: 

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JUSTIN M. TOWNSEND, ESQ.

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Email: kpeterson@allisonmackenzie.com

Email: jtownsend@allisonmackenzie.com

Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

Pursuant to NRCP Rule 5(b), I hereby certify that I am an employee of ALLISON, MacKENZIE, LTD., Attorneys at Law, and that on this date, I caused the foregoing document to be served on all parties to this action by:

- ☐ Placing a true copy thereof in a sealed postage prepaid envelope in the United States Mail in Carson City, Nevada
- ☐ Hand-delivery - via Reno/Carson Messenger Service
- ☒ Electronic Transmission
- ☐ Federal Express, UPS, or other overnight delivery
- ☐ E-filing pursuant to Section IV of District of Nevada Electronic Filing Procedures

fully addressed as follows:

Kevin C. Powers, Esq.
Legislative Counsel Bureau, Legal Division
kpowers@lcb.state.nv.us

Aaron D. Ford, Esq.
Craig A. Newby, Esq.
Office of the Attorney General
CNewby@ag.nv.gov

DATED this 4 day of September, 2020.


HEATHER HARTER

ALLISON MacKENZIE, LTD.
402 North Division Street, P.O. Box 646, Carson City, NV 89702
Telephone: (775) 687-0202 Fax: (775) 882-7918
E-Mail Address: law@allisonmackenzie.com

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INDEX OF EXHIBITS

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EXHIBIT 1

EXHIBIT 1

Senate Bill No. 542--Committee on Finance

CHAPTER.....

AN ACT relating to technology fees; extending the imposition of a technology fee on certain transactions by the Department of Motor Vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Department of Motor Vehicles to impose a nonrefundable technology fee of \$1 to the existing fee for any transaction performed by the Department for which a fee is charged. The technology fee must be used to pay the expenses associated with implementing, upgrading and maintaining the platform of information technology used by the Department. (NRS 481.064) Under existing law, the requirement to impose this fee is set to expire on June 30, 2020. Section 1 of this bill extends the imposition of this fee until June 30, 2022.

EXPLANATION - Matter in *bolded italics* is new matter between brackets ~~(existing material)~~ is material to be omitted

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

Section 1. Section 7 of chapter 394, Statutes of Nevada 2015, at page 2213, is hereby amended to read as follows:

Sec. 7. This act becomes effective on July 1, 2015, and expires by limitation on June 30, ~~2020~~ **2022**.

Sec. 2. This act becomes effective upon passage and approval.

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80th Session (2019)

EXHIBIT 2

EXHIBIT 2

**Eightieth Session
May 22, 2019**

Senate Committee on Finance
May 22, 2019
Page 6

Public Charter School Loan Program — Budget Page CHARTER SCHOOL-13
(Volume I)
Budget Account 101-2708

SENATOR DONDERO LOOP:

Our children, school districts, parents and schools deserve the support they need. This is a better way for us to support and assist our neighborhood schools by turning these schools over to the Authority.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 321 and open the hearing on S.B. 542.

SENATE BILL 542: Extends the imposition of a technology fee on certain transactions by the Department of Motor Vehicles. (BDR 43-1210)

JULIE BUTLER (Director, Department of Motor Vehicles):

Senate Bill 542 would implement the Department of Motor Vehicles' (DMV) System Technology Application Redesign B/A 201-4716 by extending the \$1 technology fee on DMV transactions through June 30, 2022.

PUBLIC SAFETY

MOTOR VEHICLES

DMV - System Technology Application Redesign — Budget Page DMV-15
(Volume III)
Budget Account 201-4716

The technology fee is needed to ensure a stable source of funding for the DMV's information technology modernization. It will also minimize the use of Highway Funds for this effort over the 2019-2021 biennium.

SENATOR SETTELMAYER:

How many people are charged the technology fee? Sometimes, I use the kiosk when I go to the DMV because it is quicker.

MS. BUTLER:

I do not know how many people are charged the technology fee. We collect about \$7 million a year from the fee.

Senate Committee on Finance
May 22, 2019
Page 7

SENATOR KIECKHEFER:

Will this fee last as long, as we need it to implement the project?

MS. BUTLER:

I do not know. I have been trying to inform the legislative bodies that technology projects are never finished. They always have to be refreshed as soon as things are modernized. We will need a stable source of funding for these efforts moving forward. I can not give you a date, nor would I want to in all fairness.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 542 and open the hearing on S.B. 546.

SENATE BILL 546: Revises provisions governing the collection of certain fuel taxes by the Department of Motor Vehicles. (BDR 32-1212)

DAWN LIETZ (Administrator, Motor Carrier Division, Department of Motor Vehicles):

I will be speaking from testimony (Exhibit C) and have provided (Exhibit D) the history behind *Nevada Revised Statutes* (NRS) 373.080. The language in NRS 373.080 states "or in the limitation of DMV to collect only those costs associated with the collection of the additional county taxes" in the header. I am also submitting a memo and emails from the Washoe County and Clark County Regional Transportation Commissions (RTC) (Exhibit E).

CHAIR WOODHOUSE:

Next, we will open the hearing to support testimony on S.B. 546.

PAUL ENOS (Nevada Trucking Association):

We have been involved in many discussions regarding how these local government taxes will be collected and administered with the DMV. We were also involved in 2009 and in 2013. We have always been under the impression that a 1 percent commission was collected by the DMV for the counties. The subheading is different from what NRS states. There are different interpretations on this; it has caused some confusion. To us, this means an additional \$4 million is going back into the Highway Fund. We appreciate the efforts of the DMV to become a fully fee-funded entity by not taking funds from the Highway Fund and collections from the Index Fund.

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
May 25, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 9:26 a.m. on Saturday, May 25, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Yvanna D. Cancela
Senator Chris Brooks
Senator James A. Settelmeyer
Senator Ben Kieckhefer
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Senator Nicole J. Cannizzaro, Senatorial District No. 6
Senator Joseph P. Hardy, Senatorial District No. 12
Senator Dallas Harris, Senatorial District No. 11
Senator James Ohrenschall, Senatorial District No. 21

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Leandra Copeland, Program Analyst
Adam Drost, Senior Program Analyst
Kimbra Ellsworth, Program Analyst
Brenda J. Erdoes, Legislative Counsel
Russell Guindon, Principal Deputy Fiscal Analyst
John Kucera, Program Analyst

Senate Committee on Finance
May 25, 2019
Page 27

DPS Office of Traffic Safety. Regarding fiscal impact, S.B. 408 would allow for an additional motorcycle safety fee of \$6 for trimobiles and mopeds which the DPS projects would generate approximately \$26,871 over the 2019-2021 biennium. The Nevada Department of Motor Vehicles (DMV) further indicated the information technology (IT) programming hours associated with the bill could be absorbed utilizing existing resources. There were no amendments to the bill and testimony was provided in support by Susan Fisher from McDonald Carano; no further testimony was provided. This bill becomes effective on October 1, 2019.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 408.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

MR. DROST:

Senate Bill 542 was heard by the Committee on May 22, 2019, and would extend the imposition of the \$1 technology fee charged for any transaction performed by the DMV for which a fee is charged through June 30, 2022.

SENATE BILL 542: Extends the imposition of a technology fee on certain transactions by the Department of Motor Vehicles. (BDR 43-1210)

Under existing law, the requirement to impose this fee is set to expire on June 30, 2020. The bill was presented by DMV Director Julie Butler, with S.B. 542 being a budget implementation bill that would allow the DMV to continue collecting technology fee revenue in FY 2021 to support its system technology application redesign IT update. The DMV estimated technology fee revenue collections would total \$6.9 million in each year of the upcoming biennium. There were no testimony or amendments provided for the bill and S.B. 542 becomes effective upon passage and approval.

SENATOR DENIS MOVED TO DO PASS S.B. 542.

SENATOR CANCELA SECONDED THE MOTION.

Senate Committee on Finance
May 25, 2019
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THE MOTION CARRIED. (SENATORS GOICOECHEA, KIECKHEFER AND
SETTELMAYER VOTED NO.)

* * * * *

COLBY NICHOLS (Program Analyst, Fiscal Analysis Division, Legislative Counsel
Bureau):

Senate Bill 539 revises provisions governing financial support of the Nevada
Department of Business and Industry's (B&I) Taxicab Authority (TA).

SENATE BILL 539: Revises provisions governing financial support of the Taxicab
Authority. (BDR 58-1208)

This is a budget implementation bill revising the medallion fee which is the
annual per cab fee assessed by the TA against a medallion holder from \$100 to
\$300. This bill was presented by B&I Director Michael Brown and
TA Administrator Scott Whittemore to this Committee on May 22, 2019.
Testimony in support of S.B. 539 was provided by the Livery Operators
Association of Las Vegas with no testimony against or neutral provided; there
are no amendments for the bill.

Regarding the fiscal impact in closing B/A 245-4130, the Money Committees
approved the recommendation to increase the medallion fee from \$100 per cab
annually to \$300 contingent upon the passage of S.B. 539 or other enabling
legislation.

COMMERCE AND INDUSTRY

BUSINESS AND INDUSTRY

B&I - Taxicab Authority — Budget Page B & I-162 (Volume II)
Budget Account 245-4130

This would increase revenue by approximately \$706,000 in each year of the
2019-2021 biennium which would be balanced to reserves to partially address
the solvency of the TA. This bill becomes effective on July 1, 2019.

SENATOR BROOKS MOVED TO DO PASS S.B. 539.

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8

EXHIBIT 3

EXHIBIT 3

EMERGENCY REQUEST of Senate Majority Leader

Senate Bill No. 551-Senator Cannizzaro

CHAPTER.....

AN ACT relating to state financial administration; eliminating certain duties of the Department of Taxation relating to the commerce tax and the payroll taxes imposed on certain businesses; continuing the existing legally operative rates of the payroll taxes imposed on certain businesses; revising provisions governing the credits against the payroll taxes imposed on certain businesses for taxpayers who donate money to a scholarship organization; eliminating the education savings accounts program; making appropriations for certain purposes relating to school safety and to provide supplemental support of the operation of the school districts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes an annual commerce tax on each business entity whose Nevada gross revenue in a fiscal year exceeds \$4,000,000, with the rate of the commerce tax based on the industry in which the business entity is primarily engaged. (NRS 363C.200, 363C.300-363C.560) Existing law also imposes: (1) a payroll tax on financial institutions and on mining companies subject to the tax on the net proceeds of minerals, with the rate of the payroll tax set at 2 percent of the amount of the wages, as defined under existing law, paid by the financial institution or mining company during each calendar quarter in connection with its business activities; and (2) a payroll tax on other business entities, with the rate of the payroll tax set at 1.475 percent of the amount of the wages, as defined under existing law but excluding the first \$50,000 thereof, paid by the business entity during each calendar quarter in connection with its business activities (NRS 363A.130, 363B.110, 612.190) However, a business entity that pays both the payroll tax and the commerce tax is entitled to a credit against the payroll tax of a certain amount of the commerce tax paid by the business entity. (NRS 363A.130, 363B.110)

Existing law further establishes a rate adjustment procedure that is used by the Department of Taxation to determine whether the rates of the payroll taxes should be reduced in future fiscal years under certain circumstances. Under the rate adjustment procedure, on or before September 30 of each even-numbered year, the Department must determine the combined revenue from the commerce tax and the payroll taxes for the preceding fiscal year. If that combined revenue exceeds a certain threshold amount, the Department must make additional calculations to determine future reduced rates for the payroll taxes. However, any future reduced rates for the payroll taxes do not go into effect and become legally operative until July 1 of the following odd-numbered year. (NRS 360.203) This rate adjustment procedure was enacted by the Legislature during the 2015 Legislative Session and became effective on July 1, 2015. (Sections 62 and 114 of chapter 487, Statutes of Nevada 2015, pp. 2896, 2955) Since July 1, 2015, no future reduced rates for the payroll taxes have gone into effect and become legally operative based on the rate adjustment procedure. As a result, the existing legally operative rates of the payroll



80th Session (2019)

taxes are still 2 percent and 1.475 percent, respectively. (NRS 363A.130, 363B.110)

Section 39 of this bill eliminates the rate adjustment procedure used by the Department of Taxation to determine whether the rates of the payroll taxes should be reduced in any fiscal year. Section 37 of this bill maintains and continues the existing legally operative rates of the payroll taxes at 2 percent and 1.475 percent, respectively, without any changes or reductions in the rates of those taxes pursuant to the rate adjustment procedure for any fiscal year. Section 37 also provides that the Department must not apply or use the rate adjustment procedure to determine any future reduced rates for the payroll taxes for any fiscal year. Sections 2 and 3 of this bill make conforming changes.

Existing law establishes a credit against the payroll tax paid by certain businesses equal to an amount which is approved by the Department and which must not exceed the amount of any donation of money which is made by a taxpayer to a scholarship organization that provides grants on behalf of pupils who are members of a household with a household income which is not more than 300 percent of the federally designated level signifying poverty to attend schools in this State, including private schools, chosen by the parents or legal guardians of those pupils (NRS 363A.130, 363B.110). Under existing law, the Department: (1) is required to approve or deny applications for the tax credit in the order in which the applications are received by the Department; and (2) is authorized to approve applications for each fiscal year until the amount of tax credits approved for the fiscal year is the amount authorized by statute for that fiscal year. Assembly Bill No. 458 of this legislative session establishes that for Fiscal Years 2019-2020 and 2020-2021, the amount authorized is \$6,655,000 for each fiscal year. Sections 2.5 and 3.5 of this bill authorize the Department to approve, in addition to the amount of credits authorized for Fiscal Years 2019-2020 and 2020-2021, an amount of tax credits equal to \$4,745,000 for each of those fiscal years. Section 30.75 of this bill: (1) prohibits a scholarship organization from using a donation for which the donor received a tax credit to provide a grant on behalf of a pupil unless the scholarship organization used a donation for which the donor received a tax credit to provide a grant on behalf of the pupil for the immediately preceding scholarship year or reasonably expects to provide a grant of the same amount on behalf of the pupil for each school year until the pupil graduates from high school; and (2) requires a scholarship organization to repay the amount of any tax credit approved by the Department if the scholarship organization violates this provision.

Senate Bill No. 302 (S.B. 302) of the 78th Session of the Nevada Legislature established the education savings accounts program, pursuant to which grants of money are made to certain parents on behalf of their children to defray the cost of instruction outside the public school system. (Chapter 332, Statutes of Nevada 2015, p. 1824; NRS 353B.700-353B.930) Following a legal challenge of S.B. 302, the Nevada Supreme Court held in *Schwartz v. Lopez*, 132 Nev. 732 (2016), that the legislation was valid under Section 2 of Article 11 of the Nevada Constitution, which requires a uniform system of common schools, and under Section 10 of Article 11 of the Nevada Constitution, which prohibits the use of public money for a sectarian purpose. However, the Nevada Supreme Court found that the Legislature did not make an appropriation for the support of the education savings accounts program and held that the use of any money appropriated for K-12 public education for the education savings accounts program would violate Sections 2 and 6 of Article 11 of the Nevada Constitution. The Court enjoined enforcement of section 16 of S.B. 302, which amended NRS 387.124 to require that all money deposited in education savings accounts be subtracted from each school district's quarterly apportionments from the State Distributive School Account. Because the



Court has enjoined this provision of law and the Legislature has not made an appropriation for the support of the education savings accounts program, the education savings accounts program is not operating. Section 39.5 of this bill eliminates the education savings accounts program. Sections 30.1-30.7 and 30.8-30.95 of this bill make conforming changes related to the elimination of the education savings accounts program.

Section 31 of this bill makes an appropriation for the costs of school safety facility improvements. Section 36.5 of this bill makes an appropriation to provide supplemental support to the operations of the school districts of this State, distributed in amounts based on the 2018 enrollment of the school districts of this State.

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

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

Section 1. (Deleted by amendment.)

Sec. 2. NRS 363A.130 is hereby amended to read as follows:

363A.130 1. ~~Except as otherwise provided in NRS 360.203,~~
~~there}~~ **There** is hereby imposed an excise tax on each employer at
the rate of 2 percent of the wages, as defined in NRS 612.190, paid
by the employer during a calendar quarter with respect to
employment in connection with the business activities of the
employer.

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages
this State is prohibited from taxing under the Constitution, laws or
treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of
persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month
immediately following each calendar quarter for which the
employer is required to pay a contribution pursuant to
NRS 612.535:

(a) File with the Department a return on a form prescribed by
the Department; and

(b) Remit to the Department any tax due pursuant to this section
for that calendar quarter.

4. In determining the amount of the tax due pursuant to this
section, an employer is entitled to subtract from the amount
calculated pursuant to subsection 1 a credit in an amount equal to 50
percent of the amount of the commerce tax paid by the employer
pursuant to chapter 363C of NRS for the preceding taxable year.
The credit may only be used for any of the 4 calendar quarters



immediately following the end of the taxable year for which the commerce tax was paid. The amount of credit used for a calendar quarter may not exceed the amount calculated pursuant to subsection 1 for that calendar quarter. Any unused credit may not be carried forward beyond the fourth calendar quarter immediately following the end of the taxable year for which the commerce tax was paid, and a taxpayer is not entitled to a refund of any unused credit.

5. An employer who makes a donation of money to a scholarship organization during the calendar quarter for which a return is filed pursuant to this section is entitled, in accordance with NRS 363A.139, to a credit equal to the amount authorized pursuant to NRS 363A.139 against any tax otherwise due pursuant to this section. As used in this subsection, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 2.5. NRS 363A.139 is hereby amended to read as follows:

363A.139 1. Any taxpayer who is required to pay a tax pursuant to NRS 363A.130 may receive a credit against the tax otherwise due for any donation of money made by the taxpayer to a scholarship organization in the manner provided by this section.

2. To receive the credit authorized by subsection 1, a taxpayer who intends to make a donation of money to a scholarship organization must, before making such a donation, notify the scholarship organization of the taxpayer's intent to make the donation and to seek the credit authorized by subsection 1. A scholarship organization shall, before accepting any such donation, apply to the Department of Taxation for approval of the credit authorized by subsection 1 for the donation. The Department of Taxation shall, within 20 days after receiving the application, approve or deny the application and provide to the scholarship organization notice of the decision and, if the application is approved, the amount of the credit authorized. Upon receipt of notice that the application has been approved, the scholarship organization shall provide notice of the approval to the taxpayer who must, not later than 30 days after receiving the notice, make the donation of money to the scholarship organization. If the taxpayer does not make the donation of money to the scholarship organization within 30 days after receiving the notice, the scholarship organization shall provide notice of the failure to the Department of Taxation and the taxpayer forfeits any claim to the credit authorized by subsection 1.



3. The Department of Taxation shall approve or deny applications for the credit authorized by subsection 1 in the order in which the applications are received.

4. Except as otherwise provided in subsection 5, the Department of Taxation may, for each fiscal year, approve applications for the credit authorized by subsection 1 until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection is:

(a) For Fiscal Year 2015-2016, \$5,000,000;

(b) For Fiscal Year 2016-2017, \$5,500,000; and

(c) For each succeeding fiscal year, an amount equal to 110 percent of the amount authorized for the immediately preceding fiscal year.

☞ The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized for any fiscal year.

5. ~~Except as otherwise provided in this subsection, in addition to the amount of credits authorized by subsection 4 for Fiscal Year 2017-2018, Years 2019-2020 and 2020-2021, the Department of Taxation may approve applications for the credit authorized by subsection 1 for each of those fiscal years until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection and subsection 5 of NRS 363B.119 is \$20,000,000.~~ *Except as otherwise provided in this subsection, in addition to the amount of credits authorized by subsection 4 for Fiscal Year 2017-2018, Years 2019-2020 and 2020-2021, the Department of Taxation may approve applications for the credit authorized by subsection 1 for each of those fiscal years until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection and subsection 5 of NRS 363B.119 is \$4,745,000.* The provisions of paragraph (c) of subsection 4 do not apply to the amount of credits authorized by this subsection and the amount of credits authorized by this subsection must not be considered when determining the amount of credits authorized for a fiscal year pursuant to that paragraph. If, in Fiscal Year ~~2017-2018, 2019-2020 or 2020-2021~~, the amount of credits authorized by subsection 1 and approved pursuant to this subsection is less than ~~\$20,000,000~~, *\$4,745,000*, the remaining amount of credits pursuant to this subsection must be carried forward and made available for approval during subsequent fiscal years until the total amount of credits authorized by subsection 1 and approved pursuant to this subsection is equal to ~~\$20,000,000~~, *\$9,490,000*. The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized pursuant to this subsection.

6. If a taxpayer applies to and is approved by the Department of Taxation for the credit authorized by subsection 1, the amount of the credit provided by this section is equal to the amount approved by the Department of Taxation pursuant to subsection 2, which must



not exceed the amount of the donation made by the taxpayer to a scholarship organization. The total amount of the credit applied against the taxes described in subsection 1 and otherwise due from a taxpayer must not exceed the amount of the donation.

7. If the amount of the tax described in subsection 1 and otherwise due from a taxpayer is less than the credit to which the taxpayer is entitled pursuant to this section, the taxpayer may, after applying the credit to the extent of the tax otherwise due, carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made or until the balance of the credit is applied, whichever is earlier.

8. As used in this section, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3. NRS 363B.110 is hereby amended to read as follows:

363B.110 1. ~~[Except as otherwise provided in NRS 360.203, there]~~ There is hereby imposed an excise tax on each employer at the rate of 1.475 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds \$50,000.

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

4. In determining the amount of the tax due pursuant to this section, an employer is entitled to subtract from the amount calculated pursuant to subsection 1 a credit in an amount equal to 50 percent of the amount of the commerce tax paid by the employer pursuant to chapter 363C of NRS for the preceding taxable year. The credit may only be used for any of the 4 calendar quarters immediately following the end of the taxable year for which the commerce tax was paid. The amount of credit used for a calendar quarter may not exceed the amount calculated pursuant to



subsection 1 for that calendar quarter. Any unused credit may not be carried forward beyond the fourth calendar quarter immediately following the end of the taxable year for which the commerce tax was paid, and a taxpayer is not entitled to a refund of any unused credit.

5. An employer who makes a donation of money to a scholarship organization during the calendar quarter for which a return is filed pursuant to this section is entitled, in accordance with NRS 363B.119, to a credit equal to the amount authorized pursuant to NRS 363B.119 against any tax otherwise due pursuant to this section. As used in this subsection, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3.5. NRS 363B.119 is hereby amended to read as follows:

363B.119 1. Any taxpayer who is required to pay a tax pursuant to NRS 363B.110 may receive a credit against the tax otherwise due for any donation of money made by the taxpayer to a scholarship organization in the manner provided by this section.

2. To receive the credit authorized by subsection 1, a taxpayer who intends to make a donation of money to a scholarship organization must, before making such a donation, notify the scholarship organization of the taxpayer's intent to make the donation and to seek the credit authorized by subsection 1. A scholarship organization shall, before accepting any such donation, apply to the Department of Taxation for approval of the credit authorized by subsection 1 for the donation. The Department of Taxation shall, within 20 days after receiving the application, approve or deny the application and provide to the scholarship organization notice of the decision and, if the application is approved, the amount of the credit authorized. Upon receipt of notice that the application has been approved, the scholarship organization shall provide notice of the approval to the taxpayer who must, not later than 30 days after receiving the notice, make the donation of money to the scholarship organization. If the taxpayer does not make the donation of money to the scholarship organization within 30 days after receiving the notice, the scholarship organization shall provide notice of the failure to the Department of Taxation and the taxpayer forfeits any claim to the credit authorized by subsection 1.

3. The Department of Taxation shall approve or deny applications for the credit authorized by subsection 1 in the order in which the applications are received.

4. Except as otherwise provided in subsection 5, the Department of Taxation may, for each fiscal year, approve



applications for the credit authorized by subsection 1 until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection is:

- (a) For Fiscal Year 2015-2016, \$5,000,000;
- (b) For Fiscal Year 2016-2017, \$5,500,000; and
- (c) For each succeeding fiscal year, an amount equal to 110 percent of the amount authorized for the immediately preceding fiscal year.

↪ The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized for any fiscal year.

5. In addition to the amount of credits authorized by subsection 4 for Fiscal ~~{Year 2017-2018,}~~ *Years 2019-2020 and 2020-2021*, the Department of Taxation may approve applications for the credit authorized by subsection 1 for ~~{that}~~ *each of those* fiscal ~~{year}~~ *years* until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection and subsection 5 of NRS 363A.139 is ~~{ \$20,000,000,}~~ *\$4,745,000*. The provisions of paragraph (c) of subsection 4 do not apply to the amount of credits authorized by this subsection and the amount of credits authorized by this subsection must not be considered when determining the amount of credits authorized for a fiscal year pursuant to that paragraph. If, in Fiscal Year ~~{2017-2018,}~~ *2019-2020 or 2020-2021*, the amount of credits authorized by subsection 1 and approved pursuant to this subsection is less than ~~{ \$20,000,000,}~~ *\$4,745,000*, the remaining amount of credits pursuant to this subsection must be carried forward and made available for approval during subsequent fiscal years until the total amount of credits authorized by subsection 1 and approved pursuant to this subsection is equal to ~~{ \$20,000,000,}~~ *\$9,490,000*. The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized pursuant to this subsection.

6. If a taxpayer applies to and is approved by the Department of Taxation for the credit authorized by subsection 1, the amount of the credit provided by this section is equal to the amount approved by the Department of Taxation pursuant to subsection 2, which must not exceed the amount of the donation made by the taxpayer to a scholarship organization. The total amount of the credit applied against the taxes described in subsection 1 and otherwise due from a taxpayer must not exceed the amount of the donation.

7. If the amount of the tax described in subsection 1 and otherwise due from a taxpayer is less than the credit to which the



taxpayer is entitled pursuant to this section, the taxpayer may, after applying the credit to the extent of the tax otherwise due, carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made or until the balance of the credit is applied, whichever is earlier.

8. As used in this section, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Secs. 4-30. (Deleted by amendment.)

Sec. 30.1. NRS 219A.140 is hereby amended to read as follows:

219A.140 1. To be eligible to serve on the Youth Legislature, a person:

(a) Must be:

(1) A resident of the senatorial district of the Senator who appoints him or her;

(2) Enrolled in a public school or private school located in the senatorial district of the Senator who appoints him or her; or

(3) A homeschooled child ~~{or opt-in child}~~ who is otherwise eligible to be enrolled in a public school in the senatorial district of the Senator who appoints him or her;

(b) Except as otherwise provided in subsection 3 of NRS 219A.150, must be:

(1) Enrolled in a public school or private school in this State in grade 9, 10 or 11 for the first school year of the term for which he or she is appointed; or

(2) A homeschooled child ~~{or opt-in child}~~ who is otherwise eligible to enroll in a public school in this State in grade 9, 10 or 11 for the first school year of the term for which he or she is appointed; and

(c) Must not be related by blood, adoption or marriage within the third degree of consanguinity or affinity to the Senator who appoints him or her or to any member of the Assembly who collaborated to appoint him or her.

2. If, at any time, a person appointed to the Youth Legislature changes his or her residency or changes his or her school of enrollment in such a manner as to render the person ineligible under his or her original appointment, the person shall inform the Board, in writing, within 30 days after becoming aware of such changed facts.

3. A person who wishes to be appointed or reappointed to the Youth Legislature must submit an application on the form prescribed pursuant to subsection 4 to the Senator of the senatorial district in which the person resides, is enrolled in a public school or



private school or, if the person is a homeschooled child, ~~{or-opt-in child}~~ the senatorial district in which he or she is otherwise eligible to be enrolled in a public school. A person may not submit an application to more than one Senator in a calendar year.

4. The Board shall prescribe a form for applications submitted pursuant to this section, which must require the signature of the principal of the school in which the applicant is enrolled or, if the applicant is a homeschooled child, ~~{or-opt-in child}~~ the signature of a member of the community in which the applicant resides other than a relative of the applicant.

Sec. 30.15. NRS 219A.150 is hereby amended to read as follows:

219A.150 1. A position on the Youth Legislature becomes vacant upon:

- (a) The death or resignation of a member.
- (b) The absence of a member for any reason from:
 - (1) Two meetings of the Youth Legislature, including, without limitation, meetings conducted in person, meetings conducted by teleconference, meetings conducted by videoconference and meetings conducted by other electronic means;
 - (2) Two activities of the Youth Legislature;
 - (3) Two event days of the Youth Legislature; or
 - (4) Any combination of absences from meetings, activities or event days of the Youth Legislature, if the combination of absences therefrom equals two or more.
- ~ unless the absences are, as applicable, excused by the Chair or Vice Chair of the Board.
- (c) A change of residency or a change of the school of enrollment of a member which renders that member ineligible under his or her original appointment.

2. In addition to the provisions of subsection 1, a position on the Youth Legislature becomes vacant if:

- (a) A member of the Youth Legislature graduates from high school or otherwise ceases to attend public school or private school for any reason other than to become a homeschooled child; ~~{or-opt-in child}~~; or
- (b) A member of the Youth Legislature who is a homeschooled child ~~{or-opt-in child}~~ completes an educational plan of instruction for grade 12 or otherwise ceases to be a homeschooled child ~~{or-opt-in child}~~ for any reason other than to enroll in a public school or private school.

3. A vacancy on the Youth Legislature must be filled:



(a) For the remainder of the unexpired term in the same manner as the original appointment, except that, if the remainder of the unexpired term is less than 1 year, the member of the Senate who made the original appointment may appoint a person who:

(1) Is enrolled in a public school or private school in this State in grade 12 or who is a homeschooled child ~~for opt-in child~~ who is otherwise eligible to enroll in a public school in this State in grade 12; and

(2) Satisfies the qualifications set forth in paragraphs (a) and (c) of subsection 1 of NRS 219A.140.

(b) Insofar as is practicable, within 30 days after the date on which the vacancy occurs.

4. As used in this section, "event day" means any single calendar day on which an official, scheduled event of the Youth Legislature is held, including, without limitation, a course of instruction, a course of orientation, a meeting, a seminar or any other official, scheduled activity.

Sec. 30.2. NRS 385.007 is hereby amended to read as follows:

385.007 As used in this title, unless the context otherwise requires:

1. "Achievement charter school" means a public school operated by a charter management organization, as defined in NRS 388B.020, an educational management organization, as defined in NRS 388B.030, or other person pursuant to a contract with the Achievement School District pursuant to NRS 388B.210 and subject to the provisions of chapter 388B of NRS.

2. "Department" means the Department of Education.

3. "English learner" has the meaning ascribed to it in 20 U.S.C. § 7801(20).

4. "Homeschooled child" means a child who receives instruction at home and who is exempt from compulsory attendance pursuant to NRS 392.070. ~~{-but does not include an opt-in child-}~~

5. "Local school precinct" has the meaning ascribed to it in NRS 388G.535.

6. ~~{-Opt-in child-}~~ means ~~a child for whom an education savings account has been established pursuant to NRS 353B.850, who is not enrolled full-time in a public or private school and who receives all or a portion of his or her instruction from a participating entity, as defined in NRS 353B.750.~~

~~7.]~~ "Public schools" means all kindergartens and elementary schools, junior high schools and middle schools, high schools, charter schools and any other schools, classes and educational programs which receive their support through public taxation and,



except for charter schools, whose textbooks and courses of study are under the control of the State Board.

~~{8.}~~ 7. "School bus" has the meaning ascribed to it in NRS 484A.230.

~~{9.}~~ 8. "State Board" means the State Board of Education.

~~{10.}~~ 9. "University school for profoundly gifted pupils" has the meaning ascribed to it in NRS 388C.040.

Sec. 30.25. NRS 385B.060 is hereby amended to read as follows:

385B.060 1. The Nevada Interscholastic Activities Association shall adopt rules and regulations in the manner provided for state agencies by chapter 233B of NRS as may be necessary to carry out the provisions of this chapter. The regulations must include provisions governing the eligibility and participation of homeschooled children ~~[and opt-in children]~~ in interscholastic activities and events. In addition to the regulations governing eligibility ~~[-~~

~~-(a)-A], a homeschooled child who wishes to participate must have on file with the school district in which the child resides a current notice of intent of a homeschooled child to participate in programs and activities pursuant to NRS 388D.070.~~

~~[(b) An opt-in child who wishes to participate must have on file with the school district in which the child resides a current notice of intent of an opt-in child to participate in programs and activities pursuant to NRS 388D.140.]~~

2. The Nevada Interscholastic Activities Association shall adopt regulations setting forth:

(a) The standards of safety for each event, competition or other activity engaged in by a spirit squad of a school that is a member of the Nevada Interscholastic Activities Association, which must substantially comply with the spirit rules of the National Federation of State High School Associations, or its successor organization; and

(b) The qualifications required for a person to become a coach of a spirit squad.

3. If the Nevada Interscholastic Activities Association intends to adopt, repeal or amend a policy, rule or regulation concerning or affecting homeschooled children, the Association shall consult with the Northern Nevada Homeschool Advisory Council and the Southern Nevada Homeschool Advisory Council, or their successor organizations, to provide those Councils with a reasonable opportunity to submit data, opinions or arguments, orally or in writing, concerning the proposal or change. The Association shall



consider all written and oral submissions respecting the proposal or change before taking final action.

4. As used in this section, "spirit squad" means any team or other group of persons that is formed for the purpose of:

(a) Leading cheers or rallies to encourage support for a team that participates in a sport that is sanctioned by the Nevada Interscholastic Activities Association; or

(b) Participating in a competition against another team or other group of persons to determine the ability of each team or group of persons to engage in an activity specified in paragraph (a).

Sec. 30.3. NRS 385B.150 is hereby amended to read as follows:

385B.150 1. A homeschooled child must be allowed to participate in interscholastic activities and events in accordance with the regulations adopted by the Nevada Interscholastic Activities Association pursuant to NRS 385B.060 if a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district in which the child resides for the current school year pursuant to NRS 388D.070.

2. ~~[An opt-in child must be allowed to participate in interscholastic activities and events in accordance with the regulations adopted by the Nevada Interscholastic Activities Association pursuant to NRS 385B.060 if a notice of intent of an opt-in child to participate in programs and activities is filed for the child with the school district in which the child resides for the current school year pursuant to NRS 388D.140.]~~

~~3.]~~ The provisions of this chapter and the regulations adopted pursuant thereto that apply to pupils enrolled in public schools who participate in interscholastic activities and events apply in the same manner to homeschooled children ~~{and opt-in children}~~ who participate in interscholastic activities and events, including, without limitation, provisions governing:

- (a) Eligibility and qualifications for participation;
- (b) Fees for participation;
- (c) Insurance;
- (d) Transportation;
- (e) Requirements of physical examination;
- (f) Responsibilities of participants;
- (g) Schedules of events;
- (h) Safety and welfare of participants;
- (i) Eligibility for awards, trophies and medals;
- (j) Conduct of behavior and performance of participants; and
- (k) Disciplinary procedures.



Sec. 30.35. NRS 385B.160 is hereby amended to read as follows:

385B.160 No challenge may be brought by the Nevada Interscholastic Activities Association, a school district, a public school or a private school, a parent or guardian of a pupil enrolled in a public school or a private school, a pupil enrolled in a public school or private school, or any other entity or person claiming that an interscholastic activity or event is invalid because homeschooled children ~~{or opt-in children}~~ are allowed to participate in the interscholastic activity or event.

Sec. 30.4. NRS 385B.170 is hereby amended to read as follows:

385B.170 A school district, public school or private school shall not prescribe any regulations, rules, policies, procedures or requirements governing the:

1. Eligibility of homeschooled children ~~{or opt-in children}~~ to participate in interscholastic activities and events pursuant to this chapter; or

2. Participation of homeschooled children ~~{or opt-in children}~~ in interscholastic activities and events pursuant to this chapter, that are more restrictive than the provisions governing eligibility and participation prescribed by the Nevada Interscholastic Activities Association pursuant to NRS 385B.060.

Sec. 30.45. NRS 387.045 is hereby amended to read as follows:

387.045 ~~{Except as otherwise provided in NRS 353B.700 to 353B.920, inclusive:}~~

1. No portion of the public school funds or of the money specially appropriated for the purpose of public schools shall be devoted to any other object or purpose.

2. No portion of the public school funds shall in any way be segregated, divided or set apart for the use or benefit of any sectarian or secular society or association.

Sec. 30.5. NRS 387.1223 is hereby amended to read as follows:

387.1223 1. On or before October 1, January 1, April 1 and July 1, each school district shall report to the Department, in the form prescribed by the Department, the average daily enrollment of pupils pursuant to this section for the immediately preceding quarter of the school year.

2. Except as otherwise provided in subsection 3, basic support of each school district must be computed by:



(a) Multiplying the basic support guarantee per pupil established for that school district for that school year by the sum of:

(1) The count of pupils enrolled in kindergarten and grades 1 to 12, inclusive, based on the average daily enrollment of those pupils during the quarter, including, without limitation, the count of pupils who reside in the county and are enrolled in any charter school and the count of pupils who are enrolled in a university school for profoundly gifted pupils located in the county.

(2) The count of pupils not included under subparagraph (1) who are enrolled full-time in a program of distance education provided by that school district, a charter school located within that school district or a university school for profoundly gifted pupils, based on the average daily enrollment of those pupils during the quarter.

(3) The count of pupils who reside in the county and are enrolled:

(I) In a public school of the school district and are concurrently enrolled part-time in a program of distance education provided by another school district or a charter school, ~~{or receiving a portion of his or her instruction from a participating entity, as defined in NRS 353B.750,}~~ based on the average daily enrollment of those pupils during the quarter.

(II) In a charter school and are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school, ~~{or receiving a portion of his or her instruction from a participating entity, as defined in NRS 353B.750,}~~ based on the average daily enrollment of those pupils during the quarter.

(4) The count of pupils not included under subparagraph (1), (2) or (3), who are receiving special education pursuant to the provisions of NRS 388.417 to 388.469, inclusive, and 388.5251 to 388.5267, inclusive, based on the average daily enrollment of those pupils during the quarter and excluding the count of pupils who have not attained the age of 5 years and who are receiving special education pursuant to NRS 388.435.

(5) Six-tenths the count of pupils who have not attained the age of 5 years and who are receiving special education pursuant to NRS 388.435, based on the average daily enrollment of those pupils during the quarter.

(6) The count of children detained in facilities for the detention of children, alternative programs and juvenile forestry camps receiving instruction pursuant to the provisions of



NRS 388.550, 388.560 and 388.570, based on the average daily enrollment of those pupils during the quarter.

(7) The count of pupils who are enrolled in classes for at least one semester pursuant to subsection 1 of NRS 388A.471, subsection 1 of NRS 388A.474, subsection 1 of NRS 392.074, or subsection 1 of NRS 388B.280 or any regulations adopted pursuant to NRS 388B.060 that authorize a child who is enrolled at a public school of a school district or a private school or a homeschooled child to participate in a class at an achievement charter school, based on the average daily enrollment of pupils during the quarter and expressed as a percentage of the total time services are provided to those pupils per school day in proportion to the total time services are provided during a school day to pupils who are counted pursuant to subparagraph (1).

(b) Adding the amounts computed in paragraph (a).

3. Except as otherwise provided in subsection 4, if the enrollment of pupils in a school district or a charter school that is located within the school district based on the average daily enrollment of pupils during the quarter of the school year is less than or equal to 95 percent of the enrollment of pupils in the same school district or charter school based on the average daily enrollment of pupils during the same quarter of the immediately preceding school year, the enrollment of pupils during the same quarter of the immediately preceding school year must be used for purposes of making the quarterly apportionments from the State Distributive School Account to that school district or charter school pursuant to NRS 387.124.

4. If the Department determines that a school district or charter school deliberately causes a decline in the enrollment of pupils in the school district or charter school to receive a higher apportionment pursuant to subsection 3, including, without limitation, by eliminating grades or moving into smaller facilities, the enrollment number from the current school year must be used for purposes of apportioning money from the State Distributive School Account to that school district or charter school pursuant to NRS 387.124.

5. The Department shall prescribe a process for reconciling the quarterly reports submitted pursuant to subsection 1 to account for pupils who leave the school district or a public school during the school year.

6. Pupils who are excused from attendance at examinations or have completed their work in accordance with the rules of the board of trustees must be credited with attendance during that period.



7. Pupils who are incarcerated in a facility or institution operated by the Department of Corrections must not be counted for the purpose of computing basic support pursuant to this section. The average daily attendance for such pupils must be reported to the Department of Education.

8. Pupils who are enrolled in courses which are approved by the Department as meeting the requirements for an adult to earn a high school diploma must not be counted for the purpose of computing basic support pursuant to this section.

Sec. 30.55. NRS 387.124 is hereby amended to read as follows:

387.124 Except as otherwise provided in this section and NRS 387.1241, 387.1242 and 387.528:

1. On or before August 1, November 1, February 1 and May 1 of each year, the Superintendent of Public Instruction shall apportion the State Distributive School Account in the State General Fund among the several county school districts, charter schools and university schools for profoundly gifted pupils in amounts approximating one-fourth of their respective yearly apportionments less any amount set aside as a reserve. Except as otherwise provided in NRS 387.1244, the apportionment to a school district, computed on a yearly basis, equals the difference between the basic support and the local funds available pursuant to NRS 387.163, minus all the funds attributable to pupils who reside in the county but attend a charter school, all the funds attributable to pupils who reside in the county and are enrolled full-time or part-time in a program of distance education provided by another school district or a charter school ~~{ }~~ and all the funds attributable to pupils who are enrolled in a university school for profoundly gifted pupils located in the county. ~~[and all the funds deposited in education savings accounts established on behalf of children who reside in the county pursuant to NRS 353B.700 to 353B.910, inclusive.]~~ No apportionment may be made to a school district if the amount of the local funds exceeds the amount of basic support.

2. Except as otherwise provided in NRS 387.1244, in addition to the apportionments made pursuant to this section, if a pupil is enrolled part-time in a program of distance education and part-time in a:

(a) Public school other than a charter school, an apportionment must be made to the school district in which the pupil resides. The school district in which the pupil resides shall allocate a percentage of the apportionment to the school district or charter school that



provides the program of distance education in the amount set forth in the agreement entered into pursuant to NRS 388.854.

(b) Charter school, an apportionment must be made to the charter school in which the pupil is enrolled. The charter school in which the pupil is enrolled shall allocate a percentage of the apportionment to the school district or charter school that provides the program of distance education in the amount set forth in the agreement entered into pursuant to NRS 388.858.

3. The Superintendent of Public Instruction shall apportion, on or before August 1 of each year, the money designated as the "Nutrition State Match" pursuant to NRS 387.105 to those school districts that participate in the National School Lunch Program, 42 U.S.C. §§ 1751 et seq. The apportionment to a school district must be directly related to the district's reimbursements for the Program as compared with the total amount of reimbursements for all school districts in this State that participate in the Program.

4. If the State Controller finds that such an action is needed to maintain the balance in the State General Fund at a level sufficient to pay the other appropriations from it, the State Controller may pay out the apportionments monthly, each approximately one-twelfth of the yearly apportionment less any amount set aside as a reserve. If such action is needed, the State Controller shall submit a report to the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau documenting reasons for the action.

Sec. 30.6. NRS 388.850 is hereby amended to read as follows:

388.850 1. A pupil may enroll in a program of distance education unless:

(a) Pursuant to this section or other specific statute, the pupil is not eligible for enrollment or the pupil's enrollment is otherwise prohibited;

(b) The pupil fails to satisfy the qualifications and conditions for enrollment adopted by the State Board pursuant to NRS 388.874; or

(c) The pupil fails to satisfy the requirements of the program of distance education.

2. A child who is exempt from compulsory attendance and is enrolled in a private school pursuant to chapter 394 of NRS or is being homeschooled is not eligible to enroll in or otherwise attend a program of distance education, regardless of whether the child is otherwise eligible for enrollment pursuant to subsection 1.

3. ~~[An opt-in child who is exempt from compulsory attendance is not eligible to enroll in or otherwise attend a program of distance education, regardless of whether the child is otherwise eligible for enrollment pursuant to subsection 1, unless the opt-in child receives~~



~~only a portion of his or her instruction from a participating entity as authorized pursuant to NRS 353B.850.~~

~~4.]~~ If a pupil who is prohibited from attending public school pursuant to NRS 392.264 enrolls in a program of distance education, the enrollment and attendance of that pupil must comply with all requirements of NRS 62F.100 to 62F.150, inclusive, and 392.251 to 392.271, inclusive.

Sec. 30.65. NRS 388A.471 is hereby amended to read as follows:

388A.471 1. Except as otherwise provided in subsection 2, upon the request of a parent or legal guardian of a child who is enrolled in a public school of a school district or a private school, or a parent or legal guardian of a homeschooled child, ~~for opt-in child,~~ the governing body of the charter school shall authorize the child to participate in a class that is not otherwise available to the child at his or her school or homeschool ~~for from his or her participating entity, as defined in NRS 353B.750,~~ or participate in an extracurricular activity at the charter school if:

(a) Space for the child in the class or extracurricular activity is available;

(b) The parent or legal guardian demonstrates to the satisfaction of the governing body that the child is qualified to participate in the class or extracurricular activity; and

(c) The child is {

~~(1) A] a homeschooled child and a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district in which the child resides for the current school year pursuant to NRS 388D.070. {; or~~

~~(2) An opt-in child and a notice of intent of an opt-in child to participate in programs and activities is filed for the child with the school district in which the child resides for the current school year pursuant to NRS 388D.140.]~~

2. If the governing body of a charter school authorizes a child to participate in a class or extracurricular activity pursuant to subsection 1, the governing body is not required to provide transportation for the child to attend the class or activity. A charter school shall not authorize such a child to participate in a class or activity through a program of distance education provided by the charter school pursuant to NRS 388.820 to 388.874, inclusive.

3. The governing body of a charter school may revoke its approval for a child to participate in a class or extracurricular activity at a charter school pursuant to subsection 1 if the governing body determines that the child has failed to comply with applicable



statutes, or applicable rules and regulations. If the governing body so revokes its approval, neither the governing body nor the charter school is liable for any damages relating to the denial of services to the child.

4. The governing body of a charter school may, before authorizing a homeschooled child ~~(or opt-in child)~~ to participate in a class or extracurricular activity pursuant to subsection 1, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.

Sec. 30.7. NRS 388B.290 is hereby amended to read as follows:

388B.290 1. During the sixth year that a school operates as an achievement charter school, the Department shall evaluate the pupil achievement and school performance of the school. The Executive Director shall provide the Department with such information and assistance as the Department determines necessary to perform such an evaluation. If, as a result of such an evaluation, the Department determines:

(a) That the achievement charter school has made adequate improvement in pupil achievement and school performance, the governing body of the achievement charter school must decide whether to:

(1) Convert to a public school under the governance of the board of trustees of the school district in which the school is located;

(2) Seek to continue as a charter school subject to the provisions of chapter 388A of NRS by applying to the board of trustees of the school district in which the school is located, the State Public Charter School Authority or a college or university within the Nevada System of Higher Education to sponsor the charter school pursuant to NRS 388A.220; or

(3) Remain an achievement charter school for at least 6 more years.

(b) That the achievement charter school has not made adequate improvement in pupil achievement and school performance, the Department shall direct the Executive Director to notify the parent or legal guardian of each pupil enrolled in the achievement charter school that the achievement charter school has not made adequate improvement in pupil achievement and school performance. Such notice must include, without limitation, information regarding:

(1) Public schools which the pupil may be eligible to attend, including, without limitation, charter schools, programs of distance education offered pursuant to NRS 388.820 to 388.874, inclusive,



and alternative programs for the education of pupils at risk of dropping out of school pursuant to NRS 388.537;

~~(2) [The opportunity for the parent to establish an education savings account pursuant to NRS 353B.850 and enroll the pupil in a private school; have the pupil become an opt-in child or provide for the education of the pupil in any other manner authorized by NRS 353B.900;~~

~~(3)]~~ Any other alternatives for the education of the pupil that are available in this State; and

~~{(4)}~~ (3) The actions that may be considered by the Department with respect to the achievement charter school and the manner in which the parent may provide input.

2. Upon deciding that the achievement charter school has not made adequate improvement in pupil achievement and school performance pursuant to paragraph (b) of subsection 1, the Department must decide whether to:

(a) Convert the achievement charter school to a public school under the governance of the board of trustees of the school district in which the school is located; or

(b) Continue to operate the school as an achievement charter school for at least 6 more years.

3. If the Department decides to continue to operate a school as an achievement charter school pursuant to subsection 2, the Executive Director must:

(a) Terminate the contract with the charter management organization, educational management organization or other person that operated the achievement charter school;

(b) Enter into a contract with a different charter management organization, educational management organization or other person to operate the achievement charter school after complying with the provisions of NRS 388B.210;

(c) Require the charter management organization, educational management organization or other person with whom the Executive Director enters into a contract to operate the achievement charter school to appoint a new governing body of the achievement charter school in the manner provided pursuant to NRS 388B.220, and must not reappoint more than 40 percent of the members of the previous governing body; and

(d) Evaluate the pupil achievement and school performance of such a school at least each 3 years of operation thereafter.

4. If an achievement charter school is converted to a public school under the governance of the board of trustees of a school district pursuant to paragraph (a) of subsection 1, the board of



trustees must employ any teacher, administrator or paraprofessional who wishes to continue employment at the school and meets the requirements of chapter 391 of NRS to teach at the school. Any administrator or teacher employed at such a school who was employed by the board of trustees as a postprobationary employee before the school was converted to an achievement charter school and who wishes to continue employment at the school after it is converted back into a public school must be employed as a postprobationary employee.

5. If an achievement charter school becomes a charter school sponsored by the school district in which the charter school is located, the State Public Charter School Authority or a college or university within the Nevada System of Higher Education pursuant to paragraph (a) of subsection 1, the school is subject to the provisions of chapter 388A of NRS and the continued operation of the charter school in the building in which the school has been operating is subject to the provisions of NRS 388A.378.

6. As used in this section, "postprobationary employee" has the meaning ascribed to it in NRS 391.650.

Sec. 30.75. NRS 388D.270 is hereby amended to read as follows:

388D.270 1. A scholarship organization must:

(a) Be exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

(b) Not own or operate any school in this State, including, without limitation, a private school, which receives any grant money pursuant to the Nevada Educational Choice Scholarship Program.

(c) Accept donations from taxpayers and other persons and may also solicit and accept gifts and grants.

(d) Not expend more than 5 percent of the total amount of money accepted pursuant to paragraph (c) to pay its administrative expenses.

(e) Provide grants on behalf of pupils who are members of a household that has a household income which is not more than 300 percent of the federally designated level signifying poverty to allow those pupils to attend schools in this State chosen by the parents or legal guardians of those pupils, including, without limitation, private schools. The total amount of a grant provided by the scholarship organization on behalf of a pupil pursuant to this paragraph must not exceed \$7,755 for Fiscal Year 2015-2016.

(f) Not limit to a single school the schools for which it provides grants.



(g) Except as otherwise provided in paragraph (e), not limit to specific pupils the grants provided pursuant to that paragraph.

2. The maximum amount of a grant provided by the scholarship organization pursuant to paragraph (e) of subsection 1 must be adjusted on July 1 of each year for the fiscal year beginning that day and ending June 30 in a rounded dollar amount corresponding to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year. On May 1 of each year, the Department of Education shall determine the amount of increase required by this subsection, establish the adjusted amounts to take effect on July 1 of that year and notify each scholarship organization of the adjusted amounts. The Department of Education shall also post the adjusted amounts on its Internet website.

3. A grant provided on behalf of a pupil pursuant to subsection 1 must be paid directly to the school chosen by the parent or legal guardian of the pupil.

4. A scholarship organization shall provide each taxpayer and other person who makes a donation, gift or grant of money to the scholarship organization pursuant to paragraph (c) of subsection 1 with an affidavit, signed under penalty of perjury, which includes, without limitation:

(a) A statement that the scholarship organization satisfies the requirements set forth in subsection 1; and

(b) The total amount of the donation, gift or grant made to the scholarship organization.

5. Each school in which a pupil is enrolled for whom a grant is provided by a scholarship organization shall maintain a record of the academic progress of the pupil. The record must be maintained in such a manner that the information may be aggregated and reported for all such pupils if reporting is required by the regulations of the Department of Education.

6. *A scholarship organization shall not use a donation for which a taxpayer received a tax credit pursuant to NRS 363A.139 or 363B.119 to provide a grant pursuant to this section on behalf of a pupil unless the scholarship organization used a donation for which the taxpayer received a tax credit pursuant to NRS 363A.139 or 363B.119 to provide a grant pursuant to this section on behalf of the pupil for the immediately preceding school year or reasonably expects to be able to provide a grant pursuant to this section on behalf of the pupil in at least the same amount for each school year until the pupil graduates from high school. A scholarship organization that violates this subsection shall repay*



to the Department of Taxation the amount of the tax credit received by the taxpayer pursuant to NRS 363A.139 or 363B.119, as applicable.

7. The Department of Education:

(a) Shall adopt regulations prescribing the contents of and procedures for applications for grants provided pursuant to subsection 1.

(b) May adopt such other regulations as the Department determines necessary to carry out the provisions of this section.

~~[7.]~~ 8. As used in this section, "private school" has the meaning ascribed to it in NRS 394.103.

Sec. 30.8. NRS 392.033 is hereby amended to read as follows:

392.033 1. The State Board shall adopt regulations which prescribe the courses of study required for promotion to high school, including, without limitation, English language arts, mathematics, science and social studies. The regulations may include the credits to be earned in each course.

2. Except as otherwise provided in subsection 4, the board of trustees of a school district shall not promote a pupil to high school if the pupil does not complete the course of study or credits required for promotion. The board of trustees of the school district in which the pupil is enrolled may provide programs of remedial study to complete the courses of study required for promotion to high school.

3. The board of trustees of each school district shall adopt a procedure for evaluating the course of study or credits completed by a pupil who transfers to a junior high or middle school from a junior high or middle school in this State or from a school outside of this State.

4. The board of trustees of each school district shall adopt a policy that allows a pupil who has not completed the courses of study or credits required for promotion to high school to be placed on academic probation and to enroll in high school. A pupil who is on academic probation pursuant to this subsection shall complete appropriate remediation in the subject areas that the pupil failed to pass. The policy must include the criteria for eligibility of a pupil to be placed on academic probation. A parent or guardian may elect not to place his or her child on academic probation but to remain in grade 8.

5. A homeschooled child ~~for opt-in child~~ who enrolls in a public high school shall, upon initial enrollment:

(a) Provide documentation sufficient to prove that the child has successfully completed the courses of study required for promotion to high school through an accredited program of homeschool study



recognized by the board of trustees of the school district . ~~[or from a participating entity, as applicable;]~~

(b) Demonstrate proficiency in the courses of study required for promotion to high school through an examination prescribed by the board of trustees of the school district; or

(c) Provide other proof satisfactory to the board of trustees of the school district demonstrating competency in the courses of study required for promotion to high school.

~~[C. As used in this section, "participating entity" has the meaning ascribed to it in NRS 253B-750.]~~

Sec. 30.85. NRS 392.070 is hereby amended to read as follows:

392.070 Attendance of a child required by the provisions of NRS 392.040 must be excused when:

1. The child is enrolled in a private school pursuant to chapter 394 of NRS; *or*

2. A parent of the child chooses to provide education to the child and files a notice of intent to homeschool the child with the superintendent of schools of the school district in which the child resides in accordance with NRS 388D.020 . ~~[-or-~~

~~3. The child is an opt-in child and notice of such has been provided to the school district in which the child resides or the charter school in which the child was previously enrolled, as applicable, in accordance with NRS 388D.110.]~~

Sec. 30.9. NRS 392.072 is hereby amended to read as follows:

392.072 1. The board of trustees of each school district shall provide programs of special education and related services for homeschooled children. The programs of special education and related services required by this section must be made available:

(a) Only if a child would otherwise be eligible for participation in programs of special education and related services pursuant to NRS 388.417 to 388.469, inclusive, or NRS 388.5251 to 388.5267, inclusive;

(b) In the same manner that the board of trustees provides, as required by 20 U.S.C. § 1412, for the participation of pupils with disabilities who are enrolled in private schools within the school district voluntarily by their parents or legal guardians; and

(c) In accordance with the same requirements set forth in 20 U.S.C. § 1412 which relate to the participation of pupils with disabilities who are enrolled in private schools within the school district voluntarily by their parents or legal guardians.



2. The programs of special education and related services required by subsection 1 may be offered at a public school or another location that is appropriate.

3. The board of trustees of a school district may, before providing programs of special education and related services to a homeschooled child ~~{or opt-in child}~~ pursuant to subsection 1, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.

4. The Department shall adopt such regulations as are necessary for the boards of trustees of school districts to provide the programs of special education and related services required by subsection 1.

5. As used in this section, "related services" has the meaning ascribed to it in 20 U.S.C. § 1401.

Sec. 30.93. NRS 392.074 is hereby amended to read as follows:

392.074 1. Except as otherwise provided in subsection 1 of NRS 392.072 for programs of special education and related services, upon the request of a parent or legal guardian of a child who is enrolled in a private school or a parent or legal guardian of a homeschooled child, ~~{or opt-in child}~~, the board of trustees of the school district in which the child resides shall authorize the child to participate in any classes and extracurricular activities, excluding sports, at a public school within the school district if:

(a) Space for the child in the class or extracurricular activity is available;

(b) The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the child is qualified to participate in the class or extracurricular activity; and

(c) If the child is {:

~~(1) A} a homeschooled child, a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district for the current school year pursuant to NRS 388D.070. {or~~

~~(2) An opt-in child, a notice of intent of an opt-in child to participate in programs and activities is filed for the child with the school district for the current school year pursuant to NRS 388D.140.}~~

~ If the board of trustees of a school district authorizes a child to participate in a class or extracurricular activity, excluding sports, pursuant to this subsection, the board of trustees is not required to provide transportation for the child to attend the class or activity. A



homeschooled child ~~{or opt-in child}~~ must be allowed to participate in interscholastic activities and events governed by the Nevada Interscholastic Activities Association pursuant to chapter 385B of NRS and interscholastic activities and events, including sports, pursuant to subsection 3.

2. The board of trustees of a school district may revoke its approval for a pupil to participate in a class or extracurricular activity at a public school pursuant to subsection 1 if the board of trustees or the public school determines that the pupil has failed to comply with applicable statutes, or applicable rules and regulations of the board of trustees. If the board of trustees revokes its approval, neither the board of trustees nor the public school is liable for any damages relating to the denial of services to the pupil.

3. In addition to those interscholastic activities and events governed by the Nevada Interscholastic Activities Association pursuant to chapter 385B of NRS, a homeschooled child ~~{or opt-in child}~~ must be allowed to participate in interscholastic activities and events, including sports, if a notice of intent of a homeschooled child ~~{or opt-in child}~~ to participate in programs and activities is filed for the child with the school district for the current school year pursuant to NRS 388D.070 . ~~{or 388D.140, as applicable.}~~ A homeschooled child ~~{or opt-in child}~~ who participates in interscholastic activities and events at a public school pursuant to this subsection must participate within the school district of the child's residence through the public school which the child is otherwise zoned to attend. Any rules or regulations that apply to pupils enrolled in public schools who participate in interscholastic activities and events, including sports, apply in the same manner to homeschooled children ~~{and opt-in children}~~ who participate in interscholastic activities and events, including, without limitation, provisions governing:

- (a) Eligibility and qualifications for participation;
- (b) Fees for participation;
- (c) Insurance;
- (d) Transportation;
- (e) Requirements of physical examination;
- (f) Responsibilities of participants;
- (g) Schedules of events;
- (h) Safety and welfare of participants;
- (i) Eligibility for awards, trophies and medals;
- (j) Conduct of behavior and performance of participants; and
- (k) Disciplinary procedures.



4. If a homeschooled child ~~{or opt-in child}~~ participates in interscholastic activities and events pursuant to subsection 3:

(a) No challenge may be brought by the Association, a school district, a public school or a private school, a parent or guardian of a pupil enrolled in a public school or a private school, a pupil enrolled in a public school or a private school, or any other entity or person claiming that an interscholastic activity or event is invalid because the homeschooled child ~~{or opt-in child}~~ is allowed to participate.

(b) Neither the school district nor a public school may prescribe any regulations, rules, policies, procedures or requirements governing the eligibility or participation of the homeschooled child ~~{or opt-in child}~~ that are more restrictive than the provisions governing the eligibility and participation of pupils enrolled in public schools.

5. The board of trustees of a school district:

(a) May, before authorizing a homeschooled child ~~{or opt-in child}~~ to participate in a class or extracurricular activity, excluding sports, pursuant to subsection 1, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.

(b) Shall, before allowing a homeschooled child ~~{or opt-in child}~~ to participate in interscholastic activities and events governed by the Nevada Interscholastic Activities Association pursuant to chapter 385B of NRS and interscholastic activities and events pursuant to subsection 3, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.

Sec. 30.95. NRS 392.466 is hereby amended to read as follows:

392.466 1. Except as otherwise provided in this section, any pupil who commits a battery which results in the bodily injury of an employee of the school or who sells or distributes any controlled substance while on the premises of any public school, at an activity sponsored by a public school or on any school bus must, for the first occurrence, be suspended or expelled from that school, although the pupil may be placed in another kind of school, for at least a period equal to one semester for that school. For a second occurrence, the pupil must be permanently expelled from that school and:

(a) Enroll in a private school pursuant to chapter 394 of NRS ~~{become an opt-in child}~~ or be homeschooled; or

(b) Enroll in a program of independent study provided pursuant to NRS 389.155 for pupils who have been suspended or expelled



from public school or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, if the pupil qualifies for enrollment and is accepted for enrollment in accordance with the requirements of the applicable program.

2. Except as otherwise provided in this section, any pupil who is found in possession of a firearm or a dangerous weapon while on the premises of any public school, at an activity sponsored by a public school or on any school bus must, for the first occurrence, be expelled from the school for a period of not less than 1 year, although the pupil may be placed in another kind of school for a period not to exceed the period of the expulsion. For a second occurrence, the pupil must be permanently expelled from the school and:

(a) Enroll in a private school pursuant to chapter 394 of NRS ~~{; become an opt-in child}~~ or be homeschooled; or

(b) Enroll in a program of independent study provided pursuant to NRS 389.155 for pupils who have been suspended or expelled from public school or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, if the pupil qualifies for enrollment and is accepted for enrollment in accordance with the requirements of the applicable program.

3. Except as otherwise provided in this section, if a pupil is deemed a habitual disciplinary problem pursuant to NRS 392.4655, the pupil may be:

(a) Suspended from the school for a period not to exceed one school semester as determined by the seriousness of the acts which were the basis for the discipline; or

(b) Expelled from the school under extraordinary circumstances as determined by the principal of the school.

4. If the pupil is expelled, or the period of the pupil's suspension is for one school semester, the pupil must:

(a) Enroll in a private school pursuant to chapter 394 of NRS ~~{; become an opt-in child}~~ or be homeschooled; or

(b) Enroll in a program of independent study provided pursuant to NRS 389.155 for pupils who have been suspended or expelled from public school or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, if the pupil qualifies for enrollment and is accepted for enrollment in accordance with the requirements of the applicable program.

5. The superintendent of schools of a school district may, for good cause shown in a particular case in that school district, allow a modification to the suspension or expulsion requirement, as



applicable, of subsection 1, 2 or 3 if such modification is set forth in writing.

6. This section does not prohibit a pupil from having in his or her possession a knife or firearm with the approval of the principal of the school. A principal may grant such approval only in accordance with the policies or regulations adopted by the board of trustees of the school district.

7. Any pupil in grades 1 to 6, inclusive, except a pupil who has been found to have possessed a firearm in violation of subsection 2, may be suspended from school or permanently expelled from school pursuant to this section only after the board of trustees of the school district has reviewed the circumstances and approved this action in accordance with the procedural policy adopted by the board for such issues.

8. A pupil who is participating in a program of special education pursuant to NRS 388.419, other than a pupil who receives early intervening services, may, in accordance with the procedural policy adopted by the board of trustees of the school district for such matters, be:

(a) Suspended from school pursuant to this section for not more than 10 days. Such a suspension may be imposed pursuant to this paragraph for each occurrence of conduct proscribed by subsection 1.

(b) Suspended from school for more than 10 days or permanently expelled from school pursuant to this section only after the board of trustees of the school district has reviewed the circumstances and determined that the action is in compliance with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq.

9. As used in this section:

(a) "Battery" has the meaning ascribed to it in paragraph (a) of subsection 1 of NRS 200.481.

(b) "Dangerous weapon" includes, without limitation, a blackjack, slungshot, billy, sand-club, sandbag, metal knuckles, dirk or dagger, a nunchaku or trefoil, as defined in NRS 202.350, a butterfly knife or any other knife described in NRS 202.350, a switchblade knife as defined in NRS 202.265, or any other object which is used, or threatened to be used, in such a manner and under such circumstances as to pose a threat of, or cause, bodily injury to a person.

(c) "Firearm" includes, without limitation, any pistol, revolver, shotgun, explosive substance or device, and any other item included



within the definition of a "firearm" in 18 U.S.C. § 921, as that section existed on July 1, 1995.

10. The provisions of this section do not prohibit a pupil who is suspended or expelled from enrolling in a charter school that is designed exclusively for the enrollment of pupils with disciplinary problems if the pupil is accepted for enrollment by the charter school pursuant to NRS 388A.453 or 388A.456. Upon request, the governing body of a charter school must be provided with access to the records of the pupil relating to the pupil's suspension or expulsion in accordance with applicable federal and state law before the governing body makes a decision concerning the enrollment of the pupil.

Sec. 31. 1. There is hereby appropriated from the State General Fund to the School Safety Account the following sums:

For the Fiscal Year 2019-2020 \$8,340,845

For the Fiscal Year 2020-2021 \$8,404,930

2. The Department of Education shall transfer from the appropriation made by subsection 1 to provide grants utilizing a competitive grant process based on demonstrated need, within the limits of legislative appropriation, to school districts and to charter schools for school safety facility improvements.

3. Any remaining balance of the appropriation made by subsection 1 for Fiscal Year 2019-2020 must be added to the money appropriated for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the appropriation made by subsection 1 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021.

Secs. 32-36. (Deleted by amendment.)

Sec. 36.5. 1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:

For the Fiscal Year 2019-2020 \$35,081,155

For the Fiscal Year 2020-2021 \$36,848,070

2. The Department of Education shall transfer the sums of money identified in this subsection from the Account for Programs for Innovation and the Prevention of Remediation to school districts for block grants for the purpose of providing supplemental support to the operation of the school districts. The amount to be transferred for the fiscal year shown is:



	2019-2020	2020-2021
Carson City School District	\$631,574	\$663,384
Churchill County School District	255,461	268,328
Clark County School District	25,892,878	27,197,012
Douglas County School District	458,566	481,662
Elko County School District	772,986	811,919
Esmeralda County School District	5,551	5,831
Eureka County School District	21,379	22,456
Humboldt County School District	273,189	286,949
Lander County School District	78,860	82,832
Lincoln County School District	76,533	80,388
Lyon County School District	681,887	716,231
Mineral County School District	42,868	45,027
Nye County School District	410,922	431,619
Pershing County School District	53,244	55,925
Storey County School District	34,229	35,953
Washoe County School District	5,294,592	5,561,262
White Pine County School District	96,435	101,292

3. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must be used for the purpose identified in subsection 2 and does not revert to the State General Fund.

Sec. 37. 1. The Legislature hereby finds and declares that the purpose and intent of this act is to maintain and continue the existing legally operative rates of the taxes imposed pursuant to NRS 363A.130 and 363B.110, at 2 percent and 1.475 percent, respectively, without any changes or reductions in the rates of those taxes pursuant to NRS 360.203, as that section existed before the effective date of this act, for any fiscal year beginning on or after July 1, 2015.

2. Notwithstanding any other provisions of law, in order to accomplish and carry out the purpose and intent of this act:

(a) Any determinations or decisions made or actions taken before the effective date of this section by the Department of Taxation pursuant to NRS 360.203, as that section existed before the effective date of this section:

(1) Are superseded, abrogated and nullified by the provisions of this act; and



(2) Have no legal force and effect; and
(b) The Department shall not, under any circumstances, apply or use those determinations, decisions or actions as a basis, cause or reason to reduce the rates of the taxes imposed pursuant to NRS 363A.130 and 363B.110 for any fiscal year beginning on or after July 1, 2015.

Sec. 38. (Deleted by amendment.)

Sec. 39. NRS 360.203 is hereby repealed.

Sec. 39.5. NRS 219A.050, 353B.700, 353B.710, 353B.720, 353B.730, 353B.740, 353B.750, 353B.760, 353B.770, 353B.820, 353B.850, 353B.860, 353B.870, 353B.880, 353B.900, 353B.910, 353B.920, 353B.930, 388D.100, 388D.110, 388D.120, 388D.130 and 388D.140 are hereby repealed.

Sec. 40. 1. This section and sections 2, 3, 37 and 39 of this act become effective upon passage and approval.

2. Sections 2.5, 3.5, 30.1 to 31, inclusive, 36.5 and 39.5 of this act become effective on July 1, 2019.



8 8

EXHIBIT 4

EXHIBIT 4

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
May 29, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:30 a.m. on Wednesday, May 29, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Yvanna D. Cancela
Senator Chris Brooks
Senator James A. Settelmeyer
Senator Ben Kieckhefer
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Senator Nicole J. Cannizzaro, Senatorial District No. 6
Senator Marilyn Dondero Loop, Senatorial District No. 8
Senator Melanie Scheible, Senatorial District No. 9
Assemblywoman Michelle Gorelow, Assembly District No. 35

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Russell Guindon, Principal Deputy Fiscal Analyst
Cathy Crocket, Program Analyst
Stephanie Day, Program Analyst
John Kucera, Program Analyst
Brody Leiser, Senior Program Analyst
Colby Nichols, Program Analyst

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State employees. The Chamber's concerns for this fiscal decision are from the taxpayers' perspective and the importance of fully understanding the cost that implementation of State collective bargaining would have on the State's fiscal budget. The Chamber commissioned a report from RGC Economics to analyze the issue and have a better understanding of the potential long-term fiscal impacts which S.B. 135 could have on the State budget (Exhibit Q). The Chamber opposes S.B. 135.

BRYAN WACHTER (Senior Vice President, Retail Association of Nevada):

We are concerned about how the State will be able to afford S.B. 135 in the future. We would have fewer concerns if a dedicated funding mechanism was identified. However, in the absence of an identified funding mechanism, this bill sets Nevada up for a considerable amount of resources which will have to be dedicated to this project in the next two to four years. It is already recognized that a considerable amount of resources will be needed for education in the next Legislative Session. We are worried about the escalating effect of collective bargaining on future budget years.

MICHAEL PELHAM (Director, Government and Community Affairs, Nevada Taxpayers Association):

I echo the comments of Mr. Moradkhan and Mr. Wachter. We oppose S.B. 135.

NICK VANDER POEL (Reno Sparks Chamber of Commerce):

I echo the previous comments in opposition to S.B. 135.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 135. I will open the hearing on S.B. 551.

SENATE BILL 551: Revises provisions relating to state financial administration.
(BDR 32-1286)

SENATOR NICOLE J. CANNIZZARO (Senatorial District No. 6):

I am here to present S.B. 551, The Safe and Supportive Schools Act along with a mock-up of Proposed Amendment No. 6051 (Exhibit R) and some conceptual amendments (Exhibit S). I will read a prepared statement (Exhibit T) to present the bill.

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SENATOR KIECKHEFER:

I have voted for a lot of what is in this bill. Is the "More Cops" provision in this bill identical to what we passed in A.B. 443 earlier this Session?

ASSEMBLY BILL 443 (2nd Reprint): Revises provisions relating to taxes on retail sales. (BDR S-1128)

SENATOR CANNIZZARO:

Yes.

SENATOR KIECKHEFER:

How many additional slots would the pre-kindergarten (Pre-K) investment fund?

SENATOR CANNIZZARO:

A \$2 million appropriation would fund 500 seats for Pre-K.

SENATOR WOODHOUSE:

We typically allocate \$8,000 per seat.

SENATOR KIECKHEFER:

We funded some seats with district contributions in the upcoming biennium. This allocation is to allow the State to pick up the cost of the additional seats.

We are moving away from school-based programs and allowing money to follow the student. Would you envision new Zoom and Victory schools being raised and maintained at the same time we are shifting to allow the money to follow the student?

SENATOR CANNIZZARO:

The Legislature is addressing the question of Zoom and Victory schools as we consider a new education funding formula. The new funding formula will not take effect in this biennium. Zoom and Victory schools programs work for the students who need the most from us in order to be successful. It is not inconsistent with the funding formula to say that we should dedicate more money to those schools.

As this money changes with the distribution model in the new funding formula bill, we can evaluate the changes and make adjustments. The money would still follow the students who need it most.

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SENATOR DENIS:

We have been using the Zoom and Victory schools for several years. Results come immediately upon opening these schools. When the programs were first implemented, 800 kids went from below grade level to at or above grade level in less than 2 years. The funding in S.B. 551 will provide an opportunity to help more kids while we are waiting for the new funding formula to go into effect. There is time to have some great results in that period.

SENATOR KIECKHEFER:

That is how I saw this happening, but I question whether we should be creating new Zoom and Victory schools while we are also trying to get money to follow the kids. The ideas conflict to some extent.

I applaud putting money back for the school safety provisions. I objected to the removal of that funding by the Senate Committee on Finance and the Assembly Committee on Ways and Means.

The Economic Forum considered existing law when projecting revenue. What would the provisions of S.B. 551 mean for State revenue?

RUSSELL GUINDON (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Based on the Economic Forum's May 1, 2019, forecast and the assumption of the lower rates occurring, we calculate that if we maintain the current rates, the State will generate approximately \$48.2 million in FY 2020 and approximately \$50 million in FY 2021, a total of approximately \$98.2 million over the biennium.

SENATOR KIECKHEFER:

If we pass S.B. 551, will we have \$98.2 million more in General Fund revenue than we would have if we did not pass S.B. 551?

MR. GUINDON:

That is correct. If S.B. 551 is passed, the Fiscal staff will add this as a legislative action adjustment to the Economic Forum's May 1 forecast.

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SENATOR SETTELMAYER:

I appreciate the provisions which look to add educational funds. The modified business tax (MBT) portions of A.B. 443 are basically replicated in this bill. Is there any difference between S.B. 551, A.B. 443 and A.B. 538?

ASSEMBLY BILL 538: Revises provisions governing certain taxes. (BDR 32-1199)

SENATOR CANNIZZARO:

The provisions should be the same.

SENATOR SETTELMAYER:

Prior to S.B. 551, has a non-severability clause ever been included in legislation?

SENATOR CANNIZZARO:

I cannot speak to whether there has ever been a non-severability clause within any piece of legislation that has ever been passed. However, we have vetted this provision with our legal counsel.

AUTUMN TAMPA:

I have worked in the CCSD for 21 years. I support everything Senator Cannizzaro said. We need more money in order to teach the students effectively. We need more money for safety. We need more money for buildings which are structurally sound. We need enough space so the students are not overcrowded. We need adequate materials such as desks, tables, chairs and paper. We need properly working air conditioning and heating units. We need updated books and technology. We need adequate staffing to serve all of our children, including Pre-K, special needs, English language learners and gifted and talented students.

I am a Zoom school tutor. Children blossom in the Zoom schools program. They learn to love reading and writing. They overcome shyness and insecurities. Students find their voices and their self-worth. Students start to love learning. Any additional funding for Zoom schools would be welcome.

ERIC JENG (Director of Civic Engagement, Asian Community Development Council):

The top issues for the Asian-American and Pacific Islander Community are health care and public education. The Community is comprised of people from

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20 countries who speak 40 different languages. The Community wants better schools. The Community wants to make sure the funding for our schools is secure for a long time. This funding and the programs it will support are critical for all of our communities.

TERRI SHUMAN:

I agree with everything Senator Cannizzaro said. Section 10 of S.B. 551 helps with school safety. People send their children to school and wonder if it could be the day when their child does not come home. It would be good to hire more police officers and have them available at our schools.

Section 29 of the bill is about social workers. It would be good to have more social workers available to go into more schools. I have been employed in a Zoom school for over five years. I cannot begin to describe the progress and effect that the program has on students. I am impressed with how quickly the learning gets into our children. Zoom schools are great; it would only be beneficial to create more Zoom schools.

MR. DALY:

The Nevada State Education Association (NSEA) supports the Safe and Supportive Schools Act. The NSEA supports maintaining business tax rates to fund critical needs in public education, including school safety, early childhood programs, Read by Grade 3 literacy support and services for English learners and at-risk students.

The needs of our schools and students has been well established. Senate Bill 551 addresses chronic underfunding of public education without raising taxes; it would allocate an additional \$95.5 million to public education. I will read additional remarks from the NSEA statement in support of S.B. 551 (Exhibit U).

NATHA ANDERSON (Nevada State Education Association):

I appreciate the increased funds for early childhood education. I am a high school English teacher, but the unfortunately titled "soft skills" such as cooperation and sharing are not taught in high school—those skills are taught in early childhood classrooms. We are currently unable to expand the same opportunities to every area of our State. The additional money provided in S.B. 551 will allow us to get children into school earlier and find the ways that we can help them the most. Evidence shows that students who are invested in

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school early do a much better job at being able to graduate on time and excel after high school.

ALEXANDER MARKS (Nevada State Education Association):
I will read additional remarks from the NSEA statement in support of S.B. 551, Exhibit U.

MR. CALLAWAY:
The Las Vegas Metropolitan Police Department supports the bill and the amendment, Exhibit R. Lifting the tax sunset is critical for our agency and for public safety.

SENATOR KIECKHEFER:
Would A.B. 443 also extend the sunset and accomplish your goal?

MR. CALLAWAY:
That is correct.

SENATOR KIECKHEFER:
If this legislation does not pass this Session, could you come back and get the sunset lifted next Session?

MR. CALLAWAY:
Yes, we could. However, with the sunset starting to close in during the next budget cycle, we are going to have to start moving positions from the More Cops fund into the General Fund. It is critical that we get ahead of this and not wait until the last minute while struggling to pay for those officers. We need to do this as soon as possible.

SENATOR KIECKHEFER:
That is why I supported A.B. 443.

MR. AUGSPURGER:
On behalf of all principals and school-based administrators, we support S.B. 551. This bill will direct additional funding to education.

MIKE CATHCART (City of Henderson):
We support S.B. 551 and the proposed amendment, Exhibit R. We particularly support sections 23, 24, 25 and 28 which lift the sunset on the More Cops

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money. A large piece of our public safety effort in Henderson—\$18.6 million annually or 98 officers—is funded with the More Cops money.

SHANI COLEMAN (City of Las Vegas):

We support S.B. 551 with the proposed amendment, Exhibit R. The City of Las Vegas is a partner in funding the Las Vegas Metropolitan Police Department. Public safety is important to the Las Vegas City Council. We want to fix in place any funding necessary to make the Police Department whole and allow it to grow as the City grows.

MR. EDWARDS:

We support S.B. 551.

MICHAEL RAMIREZ (Las Vegas Police Protective Association):

We support S.B. 551.

MR. McCANN:

The Nevada Association of Public Safety Officers and the Nevada Law Enforcement Coalition support S.B. 551 and echo the comments that have been made.

AMANDA MORGAN (Legal Director, Educate Nevada Now):

We support S.B. 551 and the amendment, Exhibit R. Our public schools desperately need stable sources of revenue with which to support our students. Maintaining this business tax is one way to keep our promise to students, showing them that we take their safety and success seriously.

Senate Bill 551 shows we are putting the hard work of the School Safety Task Force in motion because the safety and wellbeing of our students matters. The bill shows that we understand that certain students such as English language learners, at-risk students and those struggling with achievement need additional resources to succeed, and that their success is worth it. Senate Bill 551 shows that we not only understand but are taking action on something that we know supports students—quality Pre-K. We need to begin prioritizing stable and reliable sources to fund our education system. Senate Bill 551 is one way to do that.

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MR. SULLIVAN:

With 60,000 members and their families, the Culinary Union is the largest organization with children in Nevada's public schools. The Safe and Supportive Schools Act will fully fund the Governor's recommendations for school safety enhancements, increase funding for Zoom and Victory students and create a new line of funding to expand Pre-K programs.

MR. BUSKER:

The Children's Advocacy Alliance supports S.B. 551, especially the sections related to the expansion of the State Pre-K program, Zoom schools and Victory schools. We have seen success in those programs and want to continue and expand them.

ANNETTE MAGNUS-MARQUART (Battle Born Progress):

We support S.B. 551. This bill continues a critical revenue stream which has been in place since 2003. This is nothing new. This is a revenue stream that has enjoyed bipartisan support to extend this sunset in 2011, 2013 and 2015. In 2015, under Republican control, the Legislature passed landmark funding through the Commerce Tax, the biggest tax increase in State history. Sunsets on the MBT were extended until 2019 in a bipartisan way. The Legislature has a long history of moving in a bipartisan fashion to help fund critical services like schools, mental health services and public safety, and to protect jobs and wages for Nevada families. Senate Bill 551 is a more permanent solution to the funding crisis in our State.

MR. HONCHARIW:

The NPRI opposes S.B. 551 on both policy and procedural grounds. I will read our statement in opposition to S.B. 551 (Exhibit V).

MR. WACHTER:

The Retail Association of Nevada opposes S.B. 551. The majority of people who pay the MBT are not corporations. Of the 8,600 retailers in Nevada, 7,200 have fewer than 20 employees. Everyone in Nevada pays this tax.

Comments have been made regarding the LCB opinion on the two-thirds majority vote required for new taxes. This is the crux of our opposition to this bill. As indicated previously, this concept has passed in a bipartisan fashion multiple times. We were in favor of those pieces of legislation; those pieces of legislation followed the Constitutional procedures and required a two-thirds

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consensus. This body has a decision to make. The decision should be to follow the correct procedure and apply a two-thirds vote.

I might even go as far as saying we should be raising the MBT in order to fund the priorities outlined in this bill. As a parent, I know the struggles we are having in Clark County and am disappointed that the MBT is not increased. There is not a reason the Legislature could not engage in that discussion, but it must do so according to the two-thirds rule.

MR. PELHAM:

In Article IV of the *Nevada Constitution*, section 18, subsections 2 and 3 require a two-thirds majority to pass a bill that "generates, creates or increases public revenue." Senate Bill 551 increases public revenue.

We oppose S.B. 551 because it should have a two-thirds majority vote requirement. The decision to forego the two-thirds rule will resonate through the remainder of this Session and into future Sessions. Bills that would have been marked with a two-thirds majority requirement—bills which would result in an increase in revenue or the expiration of a tax to be extended—will now be decided by a simple majority.

PAUL J. ENOS (CEO, Nevada Trucking Association):

We oppose S.B. 551, not the extension of the MBT at its current rate. Many members of the Association did not have any expectation that the rate was going to decrease. While that may sound cynical, it is a lot better than having this body violate a procedure that the citizens put into the *Nevada Constitution*.

I have worked with the Legislature since 1997. I have been on both sides of the two-thirds rule, trying to kill something with two-thirds and trying to pass something with two-thirds with varying degrees of success. We can fund this State at the level determined by the Legislature without violating the two-thirds provision.

I understand that the LCB opinion states that the Legislature can remove a sunset without a two-thirds vote. That decision will likely be litigated. I do not want to see that happen. My dad used to tell me, "Just because you can do something does not mean that you should do something." We are in just such a situation.

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I know we want to get funding. I know there is an additional \$98.2 million on the table. Nevertheless, we should follow the procedure established in the *Constitution* and keep faith with the people who put it there.

ANDY MACKAY (Executive Director, Nevada Franchised Auto Dealers Association):

Every new car and heavy-duty truck dealer in the State supports and believes in education. We also believe that the two-thirds provision needs to be attached to S.B. 551. As Ms. Magnus indicated, the two-thirds vote in a bipartisan fashion has been par for the course. Going away from what is delineated in the *Constitution* causes significant concern.

MR. VANDER POEL:

Ann Silver, CEO of the Reno Sparks Chamber, issued the following statement.

On behalf of the Reno Sparks Chamber and its 1,700 business members, I am confirming our opposition to S.B. 551 and the unintended consequences of this legislation. We all agree that our schools need a better funding mechanism, but they also need to be better managed. Our members know that they cannot throw money at a problem and hope it will disappear. Our State government should understand the same premise. Imposing one of the few tax incentives our employers have in Nevada is a disservice to each and every business in our State. We have consistently raised taxes on our businesses to give to schools, yet the result is continued practice of taxing businesses or deleting a current incentive to provide for our schools. Perhaps it is time to stop taking the hard-earned incomes of our business owners to fund the mistakes of our governments and create bold solutions like transparency, accountability and effective management. Our members cannot continue to absorb unprecedented, mandated costs, particularly when promises were made to the business community that those costs would be decreased. If S.B. 551 passes, we foresee litigation regarding section 38, as it essentially overrides the checks and balances system essential to transparent and accountable government. The unintended consequences of this section could result in costly litigation for years to come.

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PEGGY LEAR BOWEN:

I want to thank you for your courage and for stepping up. I want to thank you for holding this meeting tonight so all voices could be heard. I want to thank you for asking the hard questions and listening. I want to thank you for everything you have gone through and everything you do to represent those who do not have a voice—the children.

SENATOR CANNIZZARO:

There are ways that we can continue to fund this State by piecing together continuous cuts and one-time maneuvers in order to ensure that we are putting money into education, but when there is a permanent funding stream that we should be responsible for, it is irresponsible not to take that. With bipartisan calls for more funding for education, it makes sense to direct that money to education. One thing that was said earlier was that it was the wrong decision in terms of school safety. We all have to face decisions.

When we are talking about decisions that have to be made in this body, in this Committee, for the good of the people that we represent, sometimes those decisions include not being able to fund things where we wanted to fund them. That is a disservice to our constituents. But there is another decision that we can make with S.B. 551. That decision is that we can look for tax breaks, and we can continue to fund this State with cutting certain programs and trying to piece money together, or we can take a permanent funding source and put it to education. That is what this State deserves.

Decisions have to be made. It was not the wrong decision to not put as much money as we know is necessary in school safety, but we have to be prudent about it and we have to be fiscally responsible. This is a way that allows us to make that decision. There is a way that we can make a different decision.

With respect to the other conversations that have been had, Constitutional questions do not exist if they are moot.

SENATOR CANCELA:

We have had a lot of time on this dais. This is probably one of the only bills that has come before this Committee where the opposition is not in disagreement with the core of the bill. We even heard testimony that a number of businesses expected this tax to continue. I see folks nodding their heads, and I appreciate that. So the solution, if the real issue with the bill is the two-thirds question, the

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solution is to have a two-thirds vote. If we are in agreement that we need to fund education and school safety, we agree that business do not feel that this is an onerous tax, I am not sure why there is any disagreement on why this is not a unanimous bill moving forward and why we cannot, as a body, embrace this as a practical and common sense solution. This seems like an easy solution to a non-problem.

SENATOR KIECKHEFER:

I do not disagree in a lot of ways. I appreciate the Senate Democrats' Twitter feed pointing out my long history of support for education funding throughout my legislative career. I am prepared to continue that. The issue over the two-thirds requirement on this bill is, according to advice I have received from LCB, that if this passes with a two-thirds majority without a two-thirds stamp on it—and heeding the advice of counsel that it does not require two-thirds—then we have set the precedent, going forward, that the Legislature acknowledges that a two-thirds was not necessary. That carries weight in the courts; it carries weight going forward, and we have opined on what the *Constitution* says. That matters long term. I have suggested from the beginning of the Session that if it is about \$100 million, we can find \$100 million. There are various ways to do that. I stand open and ready to continue having those conversations, but all I have heard back is that it has to be the MBT. If we can change that conversation, we can wrap this up pretty quick.

SENATOR CANNIZZARO:

I want to acknowledge the point made by Senator Kieckhefer. To both your and Senator Cancela's point, we are not in disagreement about what this is about. We are in disagreement about an illusory Constitutional question. A Constitutional question only exists to the extent that it is an actual question. It does not exist to the extent that it is merely speculative. If we are going to start drawing hard lines in the sand about where those lines exist and do not exist, every member of this Committee, including myself, voted for the repeal of a tax for more cops, and there was no question about that; there was no Constitutional question there. I do not think there is. I do not think you answer it if it is a two-thirds vote.

CHAIR WOODHOUSE:

You have done much to find some additional funding for our students and schools across the State.

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I will close the hearing on S.B. 551 and open the meeting to public comment.

MS. BOWEN:

I want to thank you for remembering it is cheaper to educate than incarcerate. All children, no matter their zip code, deserve an equal, equitable and comparable education. Thank you for saying Nevada supports the concept that human beings matter, that children matter. Thank you for empowering children to chase any dream or passion they might have. You accomplish that with all you have done tonight.

Remainder of page intentionally left blank; signature page to follow.

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EXHIBIT 5

EXHIBIT 5

EXHIBIT 5

Bill	Session	Notes
Assembly Bill 561	76 th (2011) Legislative Session	Existing law required advance payment of the tax on the net proceeds of minerals based upon the estimated net proceeds and royalties of a mining operation for the current calendar year until June 30, 2011. Section 7 of the bill, which required a two-thirds majority to pass extended the advanced payment from June 30, 2011 to June 30, 2013.
Senate Bill 491	76 th (2011) Legislative Session	Required a two-thirds majority vote to remove the sunset provisions that would require an increase in the rate of the Local School Support Tax (LSST) which effectively repealed the prospective expiration of the increase. Section 12 of the bill also required a two-thirds majority and repealed the prospective expiration date of the transfer of lobbyist fees to the State General Fund and authorized a continuance of the transfer. These sections required a two-thirds majority to pass.
Assembly Bill 123	76 th (2011) Legislative Session	Required a two-thirds majority vote for Section 4 which allowed the Health Division to impose a fee for a facility operating as a group home for the issuance of a license
Senate Bill 475	77 th (2013) Legislative Session	Existing law imposed an excise tax on certain businesses other than financial institutions at a rate of 1.17% of the total wages paid by the business each calendar quarter that exceeds \$62,500. On July 1, 2013, the rate was scheduled to change to .63 percent of the total wages

		paid by the business in each calendar quarter. Sections 1,8, and 10 delay the rate change to June 30, 2015. These sections required a two-thirds majority vote.
Assembly Bill 101	77 th (2013) Legislative Session	Required a two-thirds majority to require the Department of Motor Vehicles to issue a license plate to an owner of a moped upon registration of a moped.
Senate Bill 483	78 th (2015) Legislative Session	Existing law required the court to impose a fee of \$100 when a person was found guilty of drunk driving in addition to other administrative fines, penalties, or assessments. The fee was collected and deposited into a special account for the State General Fund. The fee was set to expire by limitation of June 30, 2015. Section 109 of the bill extended the expiration of the fee until June 30, 2017 and required a two-thirds majority to pass.
Assembly Bill 132	78 th (2015) Legislative Session	Related to provisions regarding displaced domestic homemakers and the Board of Education and Counseling of Displaced Homemakers. Existing law provides that the county clerk of a county collect a \$20 fee for commencing an action for divorce. Section 1 required the clerk to collect a \$20 fee for actions terminating a domestic partnership in addition to actions for divorce. Section 1 required a two-thirds majority vote.
Assembly Bill 150	79 th (2017) Legislative Session	Required a two-thirds majority vote for Section 3 which provided for the Division of Financial Institutions to adopt regulations establishing the amount of a fee required to obtain background checks.
Assembly Bill 165	79 th (2017) Legislative Session	Permitted the Board of Examiners for Long-Term Care

		Administrators to license and regulate two classes of licensees. Section 9 permitted the Board to promulgate regulations for a licensing fee. Section 9 required a two-thirds majority.
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Session	Meeting/Date	Notes
69 th Legislative Session (1997)	Senate Committee on Legislative Affairs and Operations on June 10, 1997	<p>SB 425: Would require notice on legislative measures that have a two-thirds majority vote and establish policy regarding designation of two-thirds vote.</p> <p>Scott Wasserman (LCB Legal Counsel) speaking with regard to a legal opinion on the issue relating to the two-thirds: "Mr. Wasserman said the opinion states the language in the constitution says, "when it creates." Thus, only when a bill actually imposes a tax or fee does it have the two-thirds majority vote requirement. Mr. Wasserman explained if a bill is only enabling a county or another city legislative body to impose a fee or to increase a fee, it is merely enabling legislation."</p>
69 th Legislative Session (1997)	Senate Committee on Legislative Affairs and Operations on June 17, 1997	<p>Discussing SB 425: "Mr. Wasserman (LCB Legal Counsel) said if the legislative counsel's opinion is the opinion as to what the language of the constitution states, it is proper to enact legislation that carries out provisions of the constitution. This is essentially an expression by the Legislature that this is what they are doing. They are applying the language of the constitution saying it applies in this arena. The Legislature cannot change what the constitution says. If the constitution does not clearly apply to something, the Legislature could not enact the statute saying it does. This bill was intended to be an expression of what the Legislature finds that particular language means. It would be given some authority by a court, but it certainly would still be up to the court to determine the effect and the interpretation of the constitutional provision.</p>

69 th Legislative Session (1997)	Senate Committee on Legislative Affairs and Operations on June 24, 1997	<p>Discussing SB 425:</p> <p>“Mr. Wasserman (LCB Legal Counsel) clarified the opinion of the Legal Division, Legislative Counsel Bureau, has been to put the two-thirds requirement on any bill which actually imposes a fee or increases a fee, whether it is state or local government, or even if it creates a fee that will go to local government. He added the two-thirds designation has not been put on bills that only authorize creating a fee. He admitted that there is clearly room for an argument that ‘generate’ would include legislation authorizing local governments to impose a fee. Mr. Wasserman concluded Senator O’Connell correctly states that the Legal Division staff has taken the viewpoint of putting a two-thirds vote requirement only on legislation that requires it, absent of legislative direction.</p>
69 th Legislative Session (1997)	Senate Committee on Legislative Affairs and Operations June 24, 1997	<p>Discussing SB 291:</p> <p>Mr. Wasserman (LCB Legal Counsel): “Under the current interpretation of the LCB Legal Division, he explained, the two-thirds requirement was not placed on SB 291 because this bill only authorizes the imposition of a fee. Under the standard instituted by the Legislature if it adopts a statement saying a two-thirds requirement should apply to legislation authorizing the imposition of a fee, SB 291 would require a two-thirds vote.”</p>
73 rd Legislative Session (2005)	Assembly Committee on Transportation April 14, 2005	<p>Discussing AB 406 which requires a legislative audit:</p> <p>Assemblyman Sherer: “If it doesn’t have any fiscal impact, why does it require a two-thirds majority? [...]</p>

		<p>Randy Stephenson: (LCB Legal Counsel: "As to why the bill requires a two-thirds majority vote, if you look at Section 2 of the bill, as you know, the constitutional provision says that any measure which creates, generates, or increases public revenue in any form has to be adopted by two-thirds majority vote. It appears in Section 2 that there's a possibility the sum of \$50,000 could be paid to the Legislative Counsel Bureau for conducting the audit, so in a sense, that would be public revenue that would be raised by this bill. I think that's probably the reasoning."</p>
74 th Legislative Session (2007)	Senate Committee on Judiciary, February 26, 2007	<p>Discussing SB 103 which would adopt the Uniform Unclaimed Property act:</p> <p>Senator Terry Care: "This bill requires a two-thirds majority vote due to three sections in the bill and may require a fiscal note. It may be because additional monies coming to the state are not from fees or taxes but from unclaimed property."</p> <p>Frank Daykin (Former Head of LCB Legal but acting as a lobbyist for the purposes of this discussion): "Senator Care is correct in his understanding of the bill, but the difference in this could result in a dollar or two less to the state. Therefore, as a matter of caution, the fiscal note is in."</p>
74 th Legislative Session (2007)	Joint Meeting of the Senate Committee on Taxation and Senate Committee on Transportation and Homeland Security June 1, 2007	<p>Discussion on AB 595 which altered provisions relating to taxes on fuels and the funding of highway projects.</p> <p>Senator Coffin: "Ms. Erdoes, this bill originally did not require a two-thirds majority vote. It now requires a two-thirds majority to pass. How did that happen? What</p>

		<p>is it in this bill that requires a two-thirds majority vote?</p> <p>Brenda Erdoes: (LCB Legal Counsel) "According to my information, sections 34 and 36 require it because those sections have new fees. By regulation, it did require it in the original bill. Section 49 has a 4-percent surcharge that is voluntary by the rental car companies. They currently receive all of that revenue. This bill takes 25 percent of that money and gives it to the State Highway Fund. The constitutional provision says any change in the formula that results in a revenue increase to the State must have a two-thirds majority."</p>
75 th Legislative Session (2009)	Senate Committee on Judiciary February 11, 2009	<p>Discussing SB 101</p> <p>Senator Terry Care: "I can have Staff look into that. I want to share my experience last Session. The revised Uniform Unclaimed Property Act came back with a two-thirds vote requirement. I called the Governor's Office and was told that the bill would be vetoed because of the two-thirds vote requirement. I investigated further, and it turns out it said it required a two-thirds vote because it meant additional revenue for the State. It is not, when you see two-thirds, that it means taxes; it means more revenue coming in. I had to explain that to the staff; it was fine after that."</p> <p>Bradley Wilkinson: (LCB Legal Counsel): "When we are drafting these bills we do not include a two-thirds requirement for new civil penalties or increase in civil penalties. Similarly, we do not include those for criminal fines. The reason, as Ms. Lamboley testified, is wholly speculative as to whether anyone would be</p>

		convicted under a criminal statute or would be subject to a civil fine or penalty. Therefore, we do not believe it is necessary to have a two-thirds vote under the Constitution."
75 th Legislative Session (2009)	Senate Committee on Taxation May 7, 2009	<p>Discussing AB 235 which made various changes to provisions governing the taxation of certain fuels and special fuels.</p> <p>Senator Mike McGuiness: "Ms. Lietz testified that this is not a new tax. Assemblyman Hardy, do you believe it needs a two-thirds? Is it a new tax on the bad guys?"</p> <p>Assemblyman Joe Hardy: "This tax should be there all the time; the certified retail suppliers are already paying the tax. This captures those who are not paying taxes, so technically this is not a new tax. As to the two-thirds, I will let your Legal Counsel make that determination, but I would like more of a unanimous vote."</p> <p>Senator McGuiness: "Did you try to remove the two-thirds?"</p> <p>Assemblyman Hardy: "No we did not."</p> <p>Senator Terry Care: "The test on the two-thirds is if it means additional revenue for the State, it is not a tax or fee."</p>
75 th Legislative Session (2009)	Senate Committee on Natural Resources May 12, 2009	<p>Discussing AB 414 which made various changes to the requirements for emissions inspections of certain vehicles.</p> <p>Senator David Parks: "The two-thirds majority references sections 4 through 6. Can I assume that the vehicles that had a weight rating of 10,002 to 14,001 pounds are being brought into compliance?"</p>

		Randy Stephenson: (LCB Legal Counsel): "Yes, you are right. The two-thirds majority requirement is for sections 4, 5 and 6. The bill is theoretically expanding the group of vehicles that would be subject to these amendments. It is true there are no new fees, but there will be an increase in the number of people who are paying these fees. For purposes of the Nevada Constitution, we interpret this as the two-thirds majority requirement."
77 th Legislative Session (2013)	Senate Committee on Government Affairs April 5, 2013	<p>Discussing SB 437 which made various changes to provisions relating to false claims:</p> <p>Senator Mark Manendo: "This needs a two-thirds requirement, does that mean there is a fee here?"</p> <p>Heidi Chlarson: (LCB Legal Counsel) "The two-thirds requirement is attached to section 8 because civil penalties in statute are for an amount of not less than \$5,000 or more than \$10,000. On page 5, lines 16 and 17, the penalty is increased to not less than \$5,500 or more than \$11,000. This is one of the changes requested by the federal government. The civil penalties are a revenue increase which requires the two-thirds."</p>
77 th Legislative Session (2013)	Senate Committee on Finances May 14, 2013	<p>Discussing SB 430 which set up a technology process for taxicabs.</p> <p>Senator Debbie Smith: "The bill requires a two-thirds majority vote for passage because the original bill had a specific fee included in the language. If amended, the bill would still require a fee, but the regulatory body would determine the specific amount. Therefore, it would still require the two-thirds majority for passage. Have you</p>

		considered capping the required fee?"
78 th Legislative Session (2015)	Assembly Committee on Taxation March 5, 2015	<p>Discussing AB 70 which provided for the administration and enforcement of excise taxes on medical marijuana.</p> <p>Assemblywoman Jill Dickman: "I am just wondering why it requires a two-thirds majority if the tax was already passed."</p> <p>[...]</p> <p>Michael Nakamoto: (LCB Fiscal Analyst) "To Assemblywoman Dickman's question, the bill does require a two-thirds to be adopted by the Legislature, due to the provisions of section 12 of the bill, which would allow the Department of Taxation, in the event that an audit conducted by the Department requires them to go outside of the state of Nevada to inspect documents or records. They are allowed to go back to the taxpayer and request reimbursement for the cost of conducting the audit. That is language, to my knowledge, consistent with other provisions in Title 32 relating to collection procedures and to taxes by the Department of Taxation. That is the only provision, to my knowledge, that requires the two-thirds, but it does not require a two-thirds to come out of this Committee."</p>
78 th Legislative Session (2015)	Assembly Committee on Transportation April 30, 2015	<p>Discussing SB 121 which revised provisions relating to certain special license plates.</p> <p>Assemblywoman Jill Dickman: "Why does this require a two-thirds vote? The fees are the same as any other personalized plate, correct?"</p>

		<p>Senator Greg Brower: "They are and that is a great question. I do not know the answer to that question. This bill had overwhelming support in the Senate—it was unanimous—so we did not focus on the two-thirds issue. I do not see an increased fee. Maybe Legal can weigh in on that."</p> <p>Melissa Mundy: (LCB Legal Counsel) "I believe it is because a person is now paying two fees. If they only wanted the classic rod plate, they would be paying just the \$35 and \$10 as stated in section 2, subsection 5. But to get the personalized prestige plate, they need to pay that fee in addition to the \$35 and \$20 for issuance or renewal."</p> <p>Senator Brower: "That, of course, would be correct. It strikes me as an odd way to meet the criterion for the two-thirds vote."</p> <p>Chair Jim Wheeler: "I looked at the fiscal note. It is zero due to the extension of the date you had in section 4. We will have Legal check on that and let us know before this bill goes to the floor. That two-thirds requirement may be able to be removed. Does anyone have any further questions?"</p> <p>Assemblywoman Marilyn Kirkpatrick: "I believe it is considered a user fee because it is a fee by choice. In all the years that I have been here, I have never seen anybody take a two-thirds off of a bill. We will have to explain to members that it is a choice—if people choose to have one classic plate all by itself or they choose to go the extra mile, then you do have to pay an additional fee</p>
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		<p>which could be couched as a new fee, but it is still a user fee. It is your choice to have the personalized plate and the classic vehicle. I would be surprised if the two-thirds comes off the bill because typically it prints right away when the bill is drafted, unless you made some major amendments. I think it is a good bill and a choice people should have. I would work hard to make sure we had the 28 votes for it."</p> <p>Senator Brower: "Frankly, we did not focus on the two-thirds aspect of this at all. You are absolutely right. When there is a new fee or an increased fee, we see Assembly Committee on Transportation April 30, 2015 Page 6 a two-thirds requirement. This is really neither one of these. It is not a new fee or an increased fee. It is kind of in a grey area. I would agree with you. The bill is good enough on its own that we need not worry about that."</p>
78 th Legislative Session (2015)	Assembly Committee on Taxation May 14, 2015	<p>Discussing SB 411: Allowed the imposition of certain taxes in a county to fund capital projects of schools in the county.</p> <p>Ron Knecht: "We have checked with LCB general counsel and if the details are implemented correctly, the BPIG revenue proposal, this session, is the only one that will pass with a simple majority vote in each house. The extension of the sunset taxes, the modified business tax (MBT), and the business license fee all require two-thirds. This one can get done with 50 percent plus one in each house. That is part of the motivation here, to provide a vehicle that can actually get passed in time for the session to end."</p>

79 th Legislative Session (2017)	Assembly Committee on Corrections, Parole, and Probation February 14, 2017	<p>Discussing AB 26 which revised provisions governing the dissemination of certain records of criminal history to certain persons by the Central Repository for Nevada Records of Criminal History.</p> <p>Assemblyman Jim Wheeler: "The first thing I noticed on this bill was the required two-thirds majority vote, but I do not see a fiscal note on it. Is there a new charge? This seems like a cleanup for A.B. 47 of the 78th Session, and I understand why you are doing that. I want to know what the charge is and why the two-thirds vote requirement. Are you seeing a difference in the monetary income?"</p> <p>Julie Butler: "It is funny that you asked that because when the bill dropped, I emailed Brenda Erdoes and asked her that question. It has the potential to increase the Repository's revenue by opening it up to employers out of state, and per the Constitution of the State of Nevada, it will require a two-thirds majority vote."</p>
79 th Legislative Session (2017)	Senate Committee on Transportation February 23, 2017	<p>Discussing SB 31 which revised provisions governing the registration and regulation of commercial motor vehicles.</p> <p>Darcy Johnson: (LCB Legal Counsel "One additional point, because that top fee has gone up, there is a chance this will trigger a two-thirds majority vote on this bill. I will need to run it by Legislative Counsel to verify, but I believe because we are enlarging the universe of people who will have to pay this registration, and the amount is going up that they could potentially pay, it might trigger that two-thirds vote.</p>

		<p>[...]</p> <p>Ms. Johnson: "I understand that, but anything that potentially raises the cost to the public triggers a two-thirds vote. I will run it by Legislative Counsel, and she can make the final call."</p>
79 th Legislative Session (2017)	Assembly Committee on Government Affairs May 29, 2017	<p>Discussing AB 515: Revised provisions governing payday lending.</p> <p>Assemblyman John Ellison: "Assembly Bill 515 is not a two-thirds bill. I need to know why because Senate Bill 17 and Assembly Bill 222 created a database, and they were both bills that required a two-thirds vote to pass. What information is currently being reported to the FID now? Are they collecting information as we speak?"</p> <p>Assemblywoman Heidi Swank: "Can we get Legal to answer the question about why it does not require a two-thirds vote? For the second question, Commissioner Burns is in Las Vegas and can probably answer that question better than I can."</p> <p>Jim Penrose: (LCB Legal Counsel) "It was the Legal Division of the Legislative Counsel Bureau's determination that because the fee is charged by the vendor or service provider developing the database, it would not fall within the two-thirds requirement of the Nevada Constitution because it is not created or collected by a governmental entity."</p>

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EXHIBIT 6

EXHIBIT 6

MOCK-UP

PROPOSED AMENDMENT 6101 TO
SENATE BILL NO. 551

PREPARED FOR SENATOR CANNIZZARO
JUNE 2, 2019

PREPARED BY THE LEGAL DIVISION

NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN
CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE
OFFICIAL AMENDMENT MAY DIFFER.

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of *green bold underlining* is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) ~~orange double underlining~~ is deleted language in the original bill proposed to be retained in this amendment.

Legislative Counsel's Digest:

~~(Existing law authorizes the Board of County Commissioners of Clark County to impose a sales and use tax in Clark County to employ and equip additional police officers for the Boulder City Police Department, Henderson Police Department, Las Vegas Metropolitan Police Department, Mesquite Police Department and North Las Vegas Police Department. (Clark County Sales and Use Tax Act of 2005) A police department is prohibited from spending the proceeds of the tax unless the expenditure has been approved by a designated body and only if the use will not replace or supplant existing funding for the police department. (Section 12 of chapter 240, Statutes of Nevada 2005, as amended by chapter 407, Statutes of Nevada 2011, p. 3158) Section 10 of this bill authorizes 50 percent of the proceeds of the tax in excess of the amount collected during Fiscal Year 2018-2019 to be transferred each month to the Clark County School District for the purposes of employing and equipping additional school police officers. Sections 1, 4, 9, 11, 22, 26 and 27 of this bill make conforming changes to impose generally similar requirements on the Clark County School District as are imposed on police departments that receive proceeds of the tax.)~~

~~The Clark County Sales and Use Tax Act of 2005 is set to expire on October 1, 2025. (Section 23 of chapter 240, Statutes of Nevada 2005, p. 917) Sections 23, 25 and 28 of this bill remove the prospective expiration of the Act and amendments thereto, thereby authorizing the imposition of such a tax in Clark County after October 1, 2025.)~~

- 1 Existing law imposes an annual commerce tax on each business entity whose Nevada
- 2 gross revenue in a fiscal year exceeds \$4,000,000, with the rate of the commerce tax based
- 3 on the industry in which the business entity is primarily engaged. (NRS 363C.200,
- 4 363C.300-363C.560) Existing law also imposes: (1) a payroll tax on financial institutions
- 5 and on mining companies subject to the tax on the net proceeds of minerals, with the rate of
- 6 the payroll tax set at 2 percent of the amount of the wages, as defined under existing law,

1 paid by the financial institution or mining company during each calendar quarter in
2 connection with its business activities; and (2) a payroll tax on other business entities, with
3 the rate of the payroll tax set at 1.475 percent of the amount of the wages, as defined under
4 existing law but excluding the first \$50,000 thereof, paid by the business entity during each
5 calendar quarter in connection with its business activities. (NRS 363A.130, 363B.110,
6 612.190) However, a business entity that pays both the payroll tax and the commerce tax is
7 entitled to a credit against the payroll tax of a certain amount of the commerce tax paid by
8 the business entity. (NRS 363A.130, 363B.110)

9 Existing law further establishes a rate adjustment procedure that is used by the
10 Department of Taxation to determine whether the rates of the payroll taxes should be
11 reduced in future fiscal years under certain circumstances. Under the rate adjustment
12 procedure, on or before September 30 of each even-numbered year, the Department must
13 determine the combined revenue from the commerce tax and the payroll taxes for the
14 preceding fiscal year. If that combined revenue exceeds a certain threshold amount, the
15 Department must make additional calculations to determine future reduced rates for the
16 payroll taxes. However, any future reduced rates for the payroll taxes do not go into effect
17 and become legally operative until July 1 of the following odd-numbered year. (NRS
18 360.203) This rate adjustment procedure was enacted by the Legislature during the 2015
19 Legislative Session and became effective on July 1, 2015. (Sections 62 and 114 of chapter
20 487, Statutes of Nevada 2015, pp. 2896, 2955) Since July 1, 2015, no future reduced rates
21 for the payroll taxes have gone into effect and become legally operative based on the rate
22 adjustment procedure. As a result, the existing legally operative rates of the payroll taxes
23 are still 2 percent and 1.475 percent, respectively. (NRS 363A.130, 363B.110)

24 Section 39 of this bill eliminates the rate adjustment procedure used by the Department
25 of Taxation to determine whether the rates of the payroll taxes should be reduced in any
26 fiscal year. Section 37 of this bill maintains and continues the existing legally operative
27 rates of the payroll taxes at 2 percent and 1.475 percent, respectively, without any changes
28 or reductions in the rates of those taxes pursuant to the rate adjustment procedure for any
29 fiscal year. Section 37 also provides that the Department must not apply or use the rate
30 adjustment procedure to determine any future reduced rates for the payroll taxes for any
31 fiscal year. Sections 2 and 3 of this bill make conforming changes.

32 ~~(Sections 20-22 of this bill make appropriations for certain purposes relating to school~~
33 ~~safety. Specifically, section 20 of this bill makes an appropriation for the costs of public~~
34 ~~schools to retain social workers or other licensed mental health workers. Section 20 of this~~
35 ~~bill makes an appropriation for the costs of employing and equipping additional school~~
36 ~~resource officers or school police officers.)~~ Existing law establishes a credit against the
37 payroll tax paid by certain businesses equal to an amount which is approved by the
38 Department and which must not exceed the amount of any donation of money which is
39 made by a taxpayer to a scholarship organization that provides grants on behalf of
40 pupils who are members of a household with a household income which is not more
41 than 300 percent of the federally designated level signifying poverty to attend schools
42 in this State, including private schools, chosen by the parents or legal guardians of
43 those pupils (NRS 363A.130, 363B.110) Under existing law, the Department: (1) is
44 required to approve or deny applications for the tax credit in the order in which the
45 applications are received by the Department; and (2) is authorized to approve
46 applications for each fiscal year until the amount of tax credits approved for the fiscal
47 year is the amount authorized by statute for that fiscal year. Assembly Bill No. 458 of
48 this legislative session establishes that for Fiscal Years 2019-2020 and 2020-2021, the
49 amount authorized is \$6,655,000 for each fiscal year. Sections 2.5 and 3.3 of this bill
50 authorize the Department to approve, in addition to the amount of credits authorized
51 for Fiscal Years 2019-2020 and 2020-2021, an amount of tax credits equal to
52 \$4,745,000 for each of those fiscal years. Section 3.7 of this bill: (1) prohibits a
53 scholarship organization from using a donation for which the donor received a tax
54 credit to provide a grant on behalf of a pupil unless the scholarship organization used
55 a donation for which the donor received a tax credit to provide a grant on behalf of

1 the pupil for the immediately preceding scholarship year or reasonably expects to
2 provide a grant of at least the same amount on behalf of the pupil for each school year
3 until the pupil graduates from high school; and (2) requires a scholarship
4 organization to repay the amount of any tax credit approved by the Department if the
5 scholarship organization violates this provision.

6 Section 31 of this bill makes an appropriation for the costs of school safety facility
7 improvements. Section 32 of this bill makes an appropriation for the costs of providing
8 threat assessments and trainings and providing mobile crisis response team services in
9 certain counties. Section 33 of this bill makes an appropriation to support the
10 implementation of a program of social, emotional and academic development throughout
11 the public schools of this State. Additionally, section 34 of this bill makes an appropriation
12 for early childhood education programs in public schools. Finally, sections 35 and 36 of
13 this bill make appropriations to provide supplemental funding for the Zoom and Victory
14 schools programs to increase the number of schools served by such programs and
15 supplement the services provided at such schools.

16 Section 38 of this bill declares that the provisions of this bill are not severable and that
17 a judicial declaration of invalidity of any portion of this bill shall be deemed to invalidate
18 all provisions of this bill. Section 40 of this bill expressly expires by limitation all
19 provisions of this bill upon such a judicial declaration of invalidity. Section 36.5 of this
20 bill makes an appropriation to provide supplemental support to the operations of the
21 school districts of this State, distributed in amounts based on the 2018 enrollment of
22 the school districts of this State.

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

23 ~~Section 1. (NRS 360.200 is hereby amended to read as follows:~~
24 ~~360.200 The Department may exercise (the):~~
25 ~~1. The specific powers enumerated in this chapter (and, except) or~~
26 ~~any other law; and~~
27 ~~2. Except as otherwise provided (by) in this chapter or any other~~
28 ~~law, (may exercise) general supervision and control over the entire revenue~~
29 ~~system of the State, including, without limitation, the administration of~~
30 ~~the provisions of chapter 397, Statutes of Nevada 1955, as amended~~
31 ~~((NRS) and codified in chapter 372 ()); of NRS, or any special legislative~~
32 ~~act authorizing or providing for such administration by the Department;~~
33 ~~(Deleted by amendment.)~~

34 Sec. 2. NRS 363A.130 is hereby amended to read as follows:
35 363A.130 1. ~~{Except as otherwise provided in NRS 360.203, there}~~
36 **There** is hereby imposed an excise tax on each employer at the rate of 2
37 percent of the wages, as defined in NRS 612.190, paid by the employer
38 during a calendar quarter with respect to employment in connection with
39 the business activities of the employer.

40 2. The tax imposed by this section:
41 (a) Does not apply to any person or other entity or any wages this State
42 is prohibited from taxing under the Constitution, laws or treaties of the
43 United States or the Nevada Constitution.

1 (b) Must not be deducted, in whole or in part, from any wages of
2 persons in the employment of the employer.

3 3. Each employer shall, on or before the last day of the month
4 immediately following each calendar quarter for which the employer is
5 required to pay a contribution pursuant to
6 NRS 612.535:

7 (a) File with the Department a return on a form prescribed by the
8 Department; and

9 (b) Remit to the Department any tax due pursuant to this section for
10 that calendar quarter.

11 4. In determining the amount of the tax due pursuant to this section,
12 an employer is entitled to subtract from the amount calculated pursuant to
13 subsection 1 a credit in an amount equal to 50 percent of the amount of the
14 commerce tax paid by the employer pursuant to chapter 363C of NRS for
15 the preceding taxable year. The credit may only be used for any of the 4
16 calendar quarters immediately following the end of the taxable year for
17 which the commerce tax was paid. The amount of credit used for a
18 calendar quarter may not exceed the amount calculated pursuant to
19 subsection 1 for that calendar quarter. Any unused credit may not be
20 carried forward beyond the fourth calendar quarter immediately following
21 the end of the taxable year for which the commerce tax was paid, and a
22 taxpayer is not entitled to a refund of any unused credit.

23 5. An employer who makes a donation of money to a scholarship
24 organization during the calendar quarter for which a return is filed
25 pursuant to this section is entitled, in accordance with NRS 363A.139, to a
26 credit equal to the amount authorized pursuant to NRS 363A.139 against
27 any tax otherwise due pursuant to this section. As used in this subsection,
28 "scholarship organization" has the meaning ascribed to it in NRS
29 388D.260.

30 **Sec. 2.5. NRS 363A.139 is hereby amended to read as follows:**

31 363A.139 1. Any taxpayer who is required to pay a tax pursuant to
32 NRS 363A.130 may receive a credit against the tax otherwise due for any
33 donation of money made by the taxpayer to a scholarship organization in
34 the manner provided by this section.

35 2. To receive the credit authorized by subsection 1, a taxpayer who
36 intends to make a donation of money to a scholarship organization must,
37 before making such a donation, notify the scholarship organization of the
38 taxpayer's intent to make the donation and to seek the credit authorized by
39 subsection 1. A scholarship organization shall, before accepting any such
40 donation, apply to the Department of Taxation for approval of the credit
41 authorized by subsection 1 for the donation. The Department of Taxation
42 shall, within 20 days after receiving the application, approve or deny the
43 application and provide to the scholarship organization notice of the
44 decision and, if the application is approved, the amount of the credit
45 authorized. Upon receipt of notice that the application has been approved,

1 the scholarship organization shall provide notice of the approval to the
2 taxpayer who must, not later than 30 days after receiving the notice, make
3 the donation of money to the scholarship organization. If the taxpayer does
4 not make the donation of money to the scholarship organization within 30
5 days after receiving the notice, the scholarship organization shall provide
6 notice of the failure to the Department of Taxation and the taxpayer
7 forfeits any claim to the credit authorized by subsection 1.

8 3. The Department of Taxation shall approve or deny applications for
9 the credit authorized by subsection 1 in the order in which the applications
10 are received.

11 4. Except as otherwise provided in subsection 5, the Department of
12 Taxation may, for each fiscal year, approve applications for the credit
13 authorized by subsection 1 until the total amount of the credits authorized
14 by subsection 1 and approved by the Department of Taxation pursuant to
15 this subsection is:

16 (a) For Fiscal Year 2015-2016, \$5,000,000;

17 (b) For Fiscal Year 2016-2017, \$5,500,000; and

18 (c) For each succeeding fiscal year, an amount equal to 110 percent of
19 the amount authorized for the immediately preceding fiscal year.

20 ➤ The amount of any credit which is forfeited pursuant to subsection 2
21 must not be considered in calculating the amount of credits authorized for
22 any fiscal year.

23 5. ~~4. In~~ Except as otherwise provided in this subsection, in addition to
24 the amount of credits authorized by subsection 4 for Fiscal ~~Year 2017-~~
25 ~~2018,~~ Years 2019-2020 and 2020-2021, the Department of Taxation may
26 approve applications for the credit authorized by subsection 1 for ~~that~~
27 each of those fiscal ~~year~~ years until the total amount of the credits
28 authorized by subsection 1 and approved by the Department of Taxation
29 pursuant to this subsection and subsection 5 of NRS 363B.119 is
30 ~~\$20,000,000,~~ \$4,745,000. The provisions of paragraph (c) of subsection 4
31 do not apply to the amount of credits authorized by this subsection and the
32 amount of credits authorized by this subsection must not be considered
33 when determining the amount of credits authorized for a fiscal year
34 pursuant to that paragraph. If, in Fiscal Year ~~2017-2018,~~ 2019-2020 or
35 2020-2021, the amount of credits authorized by subsection 1 and approved
36 pursuant to this subsection is less than ~~\$20,000,000,~~ \$4,745,000, the
37 remaining amount of credits pursuant to this subsection must be carried
38 forward and made available for approval during subsequent fiscal years
39 until the total amount of credits authorized by subsection 1 and approved
40 pursuant to this subsection is equal to ~~\$20,000,000,~~ \$9,490,000. The
41 amount of any credit which is forfeited pursuant to subsection 2 must not
42 be considered in calculating the amount of credits authorized pursuant to
43 this subsection.

44 6. If a taxpayer applies to and is approved by the Department of
45 Taxation for the credit authorized by subsection 1, the amount of the credit

provided by this section is equal to the amount approved by the Department of Taxation pursuant to subsection 2, which must not exceed the amount of the donation made by the taxpayer to a scholarship organization. The total amount of the credit applied against the taxes described in subsection 1 and otherwise due from a taxpayer must not exceed the amount of the donation.

7. If the amount of the tax described in subsection 1 and otherwise due from a taxpayer is less than the credit to which the taxpayer is entitled pursuant to this section, the taxpayer may, after applying the credit to the extent of the tax otherwise due, carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made or until the balance of the credit is applied, whichever is earlier.

8. As used in this section, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3. NRS 363B.110 is hereby amended to read as follows:

~~363B.110 1. {Except as otherwise provided in NRS 360.203, there}~~
There is hereby imposed an excise tax on each employer at the rate of 1.475 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds \$50,000.

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

4. In determining the amount of the tax due pursuant to this section, an employer is entitled to subtract from the amount calculated pursuant to subsection 1 a credit in an amount equal to 50 percent of the amount of the commerce tax paid by the employer pursuant to chapter 363C of NRS for the preceding taxable year. The credit may only be used for any of the 4 calendar quarters immediately following the end of the taxable year for which the commerce tax was paid. The amount of credit used for a calendar quarter may not exceed the amount calculated pursuant to subsection 1 for that calendar quarter. Any unused credit may not be

1 carried forward beyond the fourth calendar quarter immediately following
2 the end of the taxable year for which the commerce tax was paid, and a
3 taxpayer is not entitled to a refund of any unused credit.

4 5. An employer who makes a donation of money to a scholarship
5 organization during the calendar quarter for which a return is filed
6 pursuant to this section is entitled, in accordance with NRS 363B.119, to a
7 credit equal to the amount authorized pursuant to NRS 363B.119 against
8 any tax otherwise due pursuant to this section. As used in this subsection,
9 "scholarship organization" has the meaning ascribed to it in NRS
10 388D.260.

11 **Sec. 3.3. NRS 363B.119 is hereby amended to read as follows:**

12 363B.119 1. Any taxpayer who is required to pay a tax pursuant to
13 NRS 363B.110 may receive a credit against the tax otherwise due for any
14 donation of money made by the taxpayer to a scholarship organization in
15 the manner provided by this section.

16 2. To receive the credit authorized by subsection 1, a taxpayer who
17 intends to make a donation of money to a scholarship organization must,
18 before making such a donation, notify the scholarship organization of the
19 taxpayer's intent to make the donation and to seek the credit authorized by
20 subsection 1. A scholarship organization shall, before accepting any such
21 donation, apply to the Department of Taxation for approval of the credit
22 authorized by subsection 1 for the donation. The Department of Taxation
23 shall, within 20 days after receiving the application, approve or deny the
24 application and provide to the scholarship organization notice of the
25 decision and, if the application is approved, the amount of the credit
26 authorized. Upon receipt of notice that the application has been approved,
27 the scholarship organization shall provide notice of the approval to the
28 taxpayer who must, not later than 30 days after receiving the notice, make
29 the donation of money to the scholarship organization. If the taxpayer does
30 not make the donation of money to the scholarship organization within 30
31 days after receiving the notice, the scholarship organization shall provide
32 notice of the failure to the Department of Taxation and the taxpayer
33 forfeits any claim to the credit authorized by subsection 1.

34 3. The Department of Taxation shall approve or deny applications for
35 the credit authorized by subsection 1 in the order in which the applications
36 are received.

37 4. Except as otherwise provided in subsection 5, the Department of
38 Taxation may, for each fiscal year, approve applications for the credit
39 authorized by subsection 1 until the total amount of the credits authorized
40 by subsection 1 and approved by the Department of Taxation pursuant to
41 this subsection is:

- 42 (a) For Fiscal Year 2015-2016, \$5,000,000;
- 43 (b) For Fiscal Year 2016-2017, \$5,500,000; and
- 44 (c) For each succeeding fiscal year, an amount equal to 110 percent of
45 the amount authorized for the immediately preceding fiscal year.

1 ↪ The amount of any credit which is forfeited pursuant to subsection 2
2 must not be considered in calculating the amount of credits authorized for
3 any fiscal year.

4 5. In addition to the amount of credits authorized by subsection 4 for
5 Fiscal ~~Year 2017-2018,~~ Years 2019-2020 and 2020-2021, the
6 Department of Taxation may approve applications for the credit authorized
7 by subsection 1 for ~~that~~ each of those fiscal year years until the total
8 amount of the credits authorized by subsection 1 and approved by the
9 Department of Taxation pursuant to this subsection and subsection 5 of
10 NRS 363A.139 is ~~(\$20,000,000)~~ \$4,745,000. The provisions of paragraph
11 (c) of subsection 4 do not apply to the amount of credits authorized by this
12 subsection and the amount of credits authorized by this subsection must
13 not be considered when determining the amount of credits authorized for a
14 fiscal year pursuant to that paragraph. If, in Fiscal Year ~~2017-2018,~~
15 2019-2020 or 2020-2021, the amount of credits authorized by subsection 1
16 and approved pursuant to this subsection is less than ~~(\$20,000,000)~~
17 \$4,745,000, the remaining amount of credits pursuant to this subsection
18 must be carried forward and made available for approval during
19 subsequent fiscal years until the total amount of credits authorized by
20 subsection 1 and approved pursuant to this subsection is equal to
21 ~~(\$20,000,000)~~ \$9,490,000. The amount of any credit which is forfeited
22 pursuant to subsection 2 must not be considered in calculating the amount
23 of credits authorized pursuant to this subsection.

24 6. If a taxpayer applies to and is approved by the Department of
25 Taxation for the credit authorized by subsection 1, the amount of the credit
26 provided by this section is equal to the amount approved by the
27 Department of Taxation pursuant to subsection 2, which must not exceed
28 the amount of the donation made by the taxpayer to a scholarship
29 organization. The total amount of the credit applied against the taxes
30 described in subsection 1 and otherwise due from a taxpayer must not
31 exceed the amount of the donation.

32 7. If the amount of the tax described in subsection 1 and otherwise
33 due from a taxpayer is less than the credit to which the taxpayer is entitled
34 pursuant to this section, the taxpayer may, after applying the credit to the
35 extent of the tax otherwise due, carry the balance of the credit forward for
36 not more than 5 years after the end of the calendar year in which the
37 donation is made or until the balance of the credit is applied, whichever is
38 earlier.

39 8. As used in this section, "scholarship organization" has the meaning
40 ascribed to it in NRS 388D.260.

41 **Sec. 3.7. NRS 388D.270 is hereby amended to read as follows:**

42 388D.270 1. A scholarship organization must:

43 (a) Be exempt from taxation pursuant to section 501(c)(3) of the
44 Internal Revenue Code, 26 U.S.C. § 501(c)(3).

1 (b) Not own or operate any school in this State, including, without
2 limitation, a private school, which receives any grant money pursuant to
3 the Nevada Educational Choice Scholarship Program.

4 (c) Accept donations from taxpayers and other persons and may also
5 solicit and accept gifts and grants.

6 (d) Not expend more than 5 percent of the total amount of money
7 accepted pursuant to paragraph (c) to pay its administrative expenses.

8 (e) Provide grants on behalf of pupils who are members of a household
9 that has a household income which is not more than 300 percent of the
10 federally designated level signifying poverty to allow those pupils to attend
11 schools in this State chosen by the parents or legal guardians of those
12 pupils, including, without limitation, private schools. The total amount of a
13 grant provided by the scholarship organization on behalf of a pupil
14 pursuant to this paragraph must not exceed \$7,755 for Fiscal Year 2015-
15 2016.

16 (f) Not limit to a single school the schools for which it provides grants.

17 (g) Except as otherwise provided in paragraph (e) ~~and~~ and subsection 6,
18 not limit to specific pupils the grants provided pursuant to that paragraph.

19 2. The maximum amount of a grant provided by the scholarship
20 organization pursuant to paragraph (e) of subsection 1 must be adjusted on
21 July 1 of each year for the fiscal year beginning that day and ending June
22 30 in a rounded dollar amount corresponding to the percentage of increase
23 in the Consumer Price Index (All Items) published by the United States
24 Department of Labor for the preceding calendar year. On May 1 of each
25 year, the Department of Education shall determine the amount of increase
26 required by this subsection, establish the adjusted amounts to take effect on
27 July 1 of that year and notify each scholarship organization of the adjusted
28 amounts. The Department of Education shall also post the adjusted
29 amounts on its Internet website.

30 3. A grant provided on behalf of a pupil pursuant to subsection 1 must
31 be paid directly to the school chosen by the parent or legal guardian of the
32 pupil.

33 4. A scholarship organization shall provide each taxpayer and other
34 person who makes a donation, gift or grant of money to the scholarship
35 organization pursuant to paragraph (c) of subsection 1 with an affidavit,
36 signed under penalty of perjury, which includes, without limitation:

37 (a) A statement that the scholarship organization satisfies the
38 requirements set forth in subsection 1; and

39 (b) The total amount of the donation, gift or grant made to the
40 scholarship organization.

41 5. Each school in which a pupil is enrolled for whom a grant is
42 provided by a scholarship organization shall maintain a record of the
43 academic progress of the pupil. The record must be maintained in such a
44 manner that the information may be aggregated and reported for all such

pupils if reporting is required by the regulations of the Department of Education.

6. A scholarship organization shall not use a donation for which the taxpayer received a tax credit pursuant to NRS 363A.139 or 363B.119 to provide a grant pursuant to this section on behalf of a pupil unless the scholarship organization used a donation for which the taxpayer received a tax credit pursuant to NRS 363A.139 or 363B.119 to provide a grant pursuant to this section on behalf of the pupil for the immediately preceding school year or reasonably expects to be able to provide a grant pursuant to this section on behalf of the pupil in at least the same amount for each school year until the pupil graduates from high school. A scholarship organization that violates this subsection shall repay to the Department of Taxation the amount of the tax credit received by the taxpayer pursuant to NRS 363A.139 or 363B.119, as applicable.

7. The Department of Education:

(a) Shall adopt regulations prescribing the contents of and procedures for applications for grants provided pursuant to subsection 1.

(b) May adopt such other regulations as the Department determines necessary to carry out the provisions of this section.

~~7. 8.~~ As used in this section, "private school" has the meaning ascribed to it in NRS 394.103.

Sec. 4. ~~NRS 354.603 is hereby amended to read as follows:~~

~~354.603 1. The board of trustees of any county school district, the board of hospital trustees of any county hospital or the board of trustees of any consolidated library district or district library may establish and administer separate accounts in:~~

~~(a) A bank whose deposits are insured by the Federal Deposit Insurance Corporation;~~

~~(b) A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755; or~~

~~(c) A savings and loan association or savings bank whose deposits if made by the State, a local government or an agency of either, are insured by the Federal Deposit Insurance Corporation, or the legal successor of the Federal Deposit Insurance Corporation;~~

~~for money deposited by the county treasurer which is by law to be administered and expended by those boards.~~

~~2. The county treasurer shall transfer the money to a separate account pursuant to subsection 1 when the following conditions are met:~~

~~(a) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library adopts a resolution declaring an intention to establish and administer a separate account in accordance with the provisions of this section.~~

~~(b) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library sends a certificate to the county treasurer, the county auditor, the board of county commissioners and, in the case of the board of trustees of the county school district, to the Department of Education, attested by the secretary of the board, declaring the intention of the board to establish and administer a separate account in accordance with the provisions of this section.~~

~~(c) The board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library submits monthly reports, listing all transactions involving the separate account, to the county treasurer, the county auditor and the board of county commissioners. The reports must be certified by the secretary of the board. In addition, the board shall give a full account and record of all money in such an account upon request of the board of county commissioners.~~

~~3. The separate account of the board of trustees of the county school district established under the provisions of this section must be composed of:~~

~~(a) The county school district fund; {; and}~~

~~(b) The county school district building and sites fund;~~

~~(c) Any other fund authorized or required by law.~~

~~4. The separate account established by the board of county hospital trustees is designated the county hospital fund.~~

~~5. The separate account of the board of trustees of the consolidated library district or district library established under the provisions of this section must be composed of:~~

~~(a) The fund for the consolidated library or district library, as appropriate; and~~

~~(b) The capital projects fund of the consolidated library or district library, as appropriate.~~

~~6. No expenditures from an account may be made in excess of the balance of the account.~~

~~7. Such an account must support all expenditures properly related to the purpose of the fund, excluding direct payments of principal and interest on general obligation bonds, and including, but not limited to, debt service, capital projects, capital outlay and operating expenses.~~

~~8. The board of county commissioners, if it determines that there is clear evidence of misuse or mismanagement of money in any separate account, may order the closing of the account and the return of the money to the county treasury to be administered in accordance with existing provisions of law. The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library is entitled to a hearing before the board of county commissioners. (Deleted by amendment.)~~

1 Sec. 5. ~~[NRS 387.175 is hereby amended to read as follows:~~
2 ~~387.175. [The] 1. Except as otherwise provided in this section, the~~
3 ~~county school district fund is composed of~~
4 ~~[1.] (a) All local taxes for the maintenance and operation of public~~
5 ~~schools;~~
6 ~~[2.] (b) All money received from the Federal Government for the~~
7 ~~maintenance and operation of public schools;~~
8 ~~[3.] (c) Apportionments by this State as provided in~~
9 ~~NRS 387.124;~~
10 ~~[4.] (d) Any other receipts, including gifts, for the operation and~~
11 ~~maintenance of the public schools in the county school district.~~
12 ~~2. If the board of trustees of a county school district is allotted any~~
13 ~~money to employ and equip additional school police officers pursuant to~~
14 ~~any special legislative act, the money must be~~
15 ~~(a) Deposited in the appropriate fund in the manner required by the~~
16 ~~special legislative act; and~~
17 ~~(b) Used only for the purposes authorized by the special legislative~~
18 ~~act.] (Deleted by amendment.)~~

19 Sec. 6. ~~[NRS 387.180 is hereby amended to read as follows:~~
20 ~~387.180. [The] 1. Except as otherwise provided in this section, the~~
21 ~~board of trustees of each county school district shall pay all moneys~~
22 ~~received by it for school purposes into the county treasury at the end of~~
23 ~~each month to be placed to the credit of the county school district fund or~~
24 ~~the county school district buildings and sites fund as provided for in this~~
25 ~~chapter, except when the board of trustees of a county school district has~~
26 ~~elected to establish and administer a separate account under the provisions~~
27 ~~of NRS 384.603;~~
28 ~~2. If the board of trustees of a county school district is allotted any~~
29 ~~money to employ and equip additional school police officers pursuant to~~
30 ~~any special legislative act, the money must be~~
31 ~~(a) Deposited in the appropriate fund in the manner required by the~~
32 ~~special legislative act; and~~
33 ~~(b) Used only for the purposes authorized by the special legislative~~
34 ~~act.] (Deleted by amendment.)~~

35 Sec. 7. ~~[Section 13 of the Clark County Crime Prevention Act of~~
36 ~~2016, being chapter 1, Statutes of Nevada 2016, 30th Special Session, at~~
37 ~~page 9, is hereby amended to read as follows:~~

38 ~~Sec. 13. 1. A body designated pursuant to subsection 1 of~~
39 ~~section 12 of this act that approves an expenditure pursuant to~~
40 ~~section 12 of this act shall, for the relevant period, submit to the~~
41 ~~Department the reports required by this section, which must include,~~
42 ~~without limitation, the information required by this section and such~~
43 ~~other information relating to the administration of the provisions of~~
44 ~~this act as may be requested by the Department.~~

~~2. A body designated pursuant to subsection 1 of section 12 of this act shall submit the reports required by this section on or before:~~
~~(a) February 15, for the 3 month period ending on the immediately preceding December 31;~~
~~(b) May 15, for the 3 month period ending on the immediately preceding March 31;~~
~~(c) August 15, for the 3 month period ending on the immediately preceding June 30;~~
~~(d) November 15, for the 3 month period ending on the immediately preceding September 30; and~~
~~(e) August 15, for the 12 month period ending on the immediately preceding June 30.~~
~~3. Each report submitted pursuant to this section must be submitted on a form provided by the Department, which must be the same form as the form provided for the relevant report required by section 13.5 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as added by chapter 645, Statutes of Nevada 2007, at page 3422, and amended [by chapter 497, Statutes of Nevada 2011, at page 3160,] from time to time thereafter, and must include, with respect to the period covered by the report:~~
~~(a) The total amount of the allocation received by the respective police department from the proceeds of the tax authorized by subsection 1 of section 9 of this act. [;]~~
~~(b) A detailed description of the use of the money allocated to the police department, including, without limitation:~~
~~(1) The total expenditures made by the police department from the allocation. [;]~~
~~(2) The total number of police officers hired by the respective police department, the number of those officers that are filling authorized, funded positions for new officers and demographic information regarding those officers reported in a manner consistent with the current policies of the respective police department concerning the reporting of such information. [; and]~~
~~(3) A detailed analysis of the manner in which each expenditure:~~
~~(I) Conforms to all provisions of this act; and~~
~~(II) Does not replace or supplant funding or staffing levels, which existed before October 1, 2016, for the respective police department. [;]~~
~~(c) An analysis of the manner in which each expenditure is being used to prevent crimes and the effectiveness of each expenditure in preventing crimes. [; and]~~

~~(d) Any other information required to complete the form of the report.~~

~~4. The Metropolitan Police Committee on Fiscal Affairs shall:~~

~~(a) Prepare and submit separate reports as required by this section for the expenditures approved from the allocations received by the Las Vegas Metropolitan Police Department pursuant to paragraphs (a) and (b), respectively, of subsection 3 of section 9 of this act; and~~

~~(b) In addition to all other information required by this section, include in each report submitted pursuant to this section evidence that the expenditures from allocations received by the Las Vegas Metropolitan Police Department pursuant to paragraph (a) of subsection 3 of section 9 of this act are not offsetting, supplanting, replacing or otherwise reducing the amount of money allocated to the Las Vegas Metropolitan Police Department pursuant to paragraph (b) of subsection 3 of section 9 of this act for expenditure on law enforcement and crime prevention in the resort corridor.~~

~~5. The Department may review and investigate the reports submitted pursuant to this section and any expenditure of any proceeds from the tax authorized by subsection 1 of section 9 of this act. (Deleted by amendment.)~~

~~Sec. 8. [The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 5.5, immediately following section 5, to read as follows:~~

~~Sec. 5.5. "Board of Trustees" means the Board of Trustees of the Clark County School District.] (Deleted by amendment.)~~

~~Sec. 9. [The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 8.5, immediately following section 8, to read as follows:~~

~~Sec. 8.5. "School police officer" means a person who is employed or appointed to serve as a school police officer in the Clark County School District pursuant to NRS 391.281.] (Deleted by amendment.)~~

~~Sec. 10. [The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 12.5, immediately following section 12, to read as follows:~~

~~Sec. 12.5. 1. During Fiscal Year 2019-2020 and during each fiscal year thereafter, the Department shall determine whether the total amount of the proceeds received from any sales and use tax imposed pursuant to this act during the preceding month exceeds the proceeds received from such a tax during the~~

~~corresponding month of Fiscal Year 2018-2019. If the proceeds received in the current fiscal year~~

~~(a) Do not exceed the proceeds received from the corresponding month of Fiscal Year 2018-2019, the amount determined by the State Controller pursuant to paragraph (b) of subsection 3 of section 14 of this act must be transferred as provided in paragraph (c) of subsection 3 of section 14 of this act.~~

~~(b) Do exceed the proceeds received from the corresponding month of Fiscal Year 2018-2019:~~

~~(1) The sum of the amount determined by the State Controller pursuant to paragraph (b) of subsection 3 of section 14 of this act received from such a tax during the corresponding month of Fiscal Year 2018-2019 and 50 percent of the excess must be transferred as provided in paragraph (c) of subsection 3 of section 14 of this act.~~

~~(2) Fifty percent of the excess must be transferred to the Clark County School District for the purpose of employing and equipping additional school police officers pursuant to this section.~~

~~2. Except as otherwise provided in subsection 3, the Board of Trustees shall not approve the expenditure of the proceeds received by the School District pursuant to this section unless the expenditures:~~

~~(a) Is used to employ and equip additional school police officers;~~

~~(b) Conforms to all provisions of this act; and~~

~~(c) Will not replace or supplant existing funding to employ and equip school police officers.~~

~~3. If the Board of Trustees contracts with the Las Vegas Metropolitan Police Department for the provision and supervision of police services pursuant to NRS 291.281:~~

~~(a) The Board of Trustees shall, in the terms of the contract, provide for the transfer to the Las Vegas Metropolitan Police Department of the proceeds received by the School District pursuant to this section; and~~

~~(b) The body designated pursuant to section 13 of this act to approve expenditures by the Las Vegas Metropolitan Police Department shall not approve the expenditure of the proceeds received by the School District pursuant to this section unless the expenditures:~~

~~(1) Is used to employ and equip additional school police officers;~~

~~(2) Conforms to all provisions of this act; and~~

~~(3) Will not replace or supplant existing funding to employ and equip school police officers. (Deleted by amendment.)~~

1 Sec. 11. ~~{Section 2 of the Clark County Sales and Use Tax Act of~~
2 ~~2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby~~
3 ~~amended to read as follows:~~

4 ~~Sec. 2. 1. The Legislature hereby finds and declares that:~~

5 ~~{1.} (a) Nevada continues to be the fastest growing state in the~~
6 ~~nation, with the overwhelming majority of this population growth~~
7 ~~occurring in Clark County, which adds 6,000 to 7,000 new residents~~
8 ~~each month;~~

9 ~~{2.} (b) The increase in the number of police officers to protect~~
10 ~~the residents of Clark County has not kept pace with the explosive~~
11 ~~growth in the numbers of these residents, so, while the nation as a~~
12 ~~whole averages 2.5 police officers for each 1,000 residents, the~~
13 ~~current ratio in Clark County is now only 1.7 police officers for each~~
14 ~~1,000 residents;~~

15 ~~{3.} (c) The crime rate in Clark County is increasing, and so is~~
16 ~~the time it takes for police officers to respond when a resident~~
17 ~~reports a crime, while the very real threat of terrorism means that~~
18 ~~police now must assume added responsibilities for homeland~~
19 ~~security;~~

20 ~~{4.} (d) A majority of the voters in Clark County approved at~~
21 ~~the November 2, 2004, General Election Advisory Question No. 9,~~
22 ~~indicating their support for an increase in the sales tax of up to one~~
23 ~~half of 1 percent for the purpose of employing and equipping more~~
24 ~~police officers to protect the residents of Clark County;~~

25 ~~{5.} (e) It is intended that 80 percent of any additional police~~
26 ~~officers employed and equipped pursuant to this act be assigned to~~
27 ~~uniform operations for marked patrol units in the community and for~~
28 ~~the control of traffic; and~~

29 ~~{6.} (f) It is further intended that each police department that~~
30 ~~receives proceeds from any sales and use tax imposed pursuant to~~
31 ~~this act and allocated among the police departments within Clark~~
32 ~~County pursuant to section 4 of this act establish a program that~~
33 ~~promotes community participation in protecting the residents of the~~
34 ~~community that includes, without limitation:~~

35 ~~{(a)} (1) A written policy of the department that sets forth its~~
36 ~~position on providing law enforcement services oriented toward the~~
37 ~~involvement of residents of the community;~~

38 ~~{(b)} (2) The provision of training for all police officers~~
39 ~~employed by the department that includes, without limitation,~~
40 ~~training related to:~~

41 ~~{(1)} (I) Methods that may be used to analyze, respond to~~
42 ~~and solve problems commonly confronted by police officers in the~~
43 ~~community;~~

44 ~~{(2)} (II) The cultural and racial diversity of the residents of~~
45 ~~the community;~~

~~[(3)] (III) The proper utilization of community resources, such as local housing authorities, public utilities and local public officials, that are available to assist in providing law enforcement services; and~~

~~[(4)] (IV) Issues concerning not only the prevention of crime, but also concerning improving the quality of life for the residents of the community; and~~

~~[(e)] (3) The formation of partnerships with the residents of the community and public and private agencies and organizations to address mutual concerns related to the provision of law enforcement services; +~~

~~7. A)~~

~~2. The Legislature hereby further finds and declares that~~

~~(a) The Clark County School District is one of the largest school districts in the nation when measured either by enrollment or geographic area, and its enrollment of over 220,000 pupils generally ranks as the fifth largest school district by enrollment in the nation and its geographic area of almost 8,000 square miles generally ranks as the seventh largest school district by geographic area in the continental United States;~~

~~(b) A safe and secure environment in the public schools and other facilities in the Clark County School District is necessary and essential for the School District to fulfill its educational mission and successfully teach, instruct and educate the pupils enrolled in the School District;~~

~~(c) There are substantial dangers and threats to the safety of the public schools and other facilities in the Clark County School District, such as school violence, illegal weapons, illicit drugs and inappropriate and unlawful sexual conduct, that have become more frequent and severe, more difficult to police and more challenging in terms of providing effective and timely responses by the limited and overextended resources of the school police officers in the School District; and~~

~~(d) It is therefore necessary and essential for the protection of the safety of the public schools and other facilities in the Clark County School District to employ and equip additional school police officers in the School District as provided by this act.~~

~~3. The Legislature hereby further finds and declares that a general law cannot be made applicable to the purposes, objects, powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act because of [the] +~~

~~(a) The demographic, economic and geographic diversity of the local governments [of] and school districts in this State [the] + and~~

~~(b) The special and unique growth patterns, [occurring in Clark County and the special] financial conditions [experienced] and~~

~~1 dangers and threats to the safety of the public in Clark County and~~
~~2 the safety of the public schools and other facilities in the Clark~~
~~3 County [related to] School District, and the corresponding~~
~~4 challenges in providing effective and timely police protection~~
~~5 under those special and unique circumstances, which~~

~~6 (1) Are not reasonably comparable to anywhere else in this~~
~~7 State; and~~

~~8 (2) Create the ongoing need to employ and equip more~~
~~9 [police officers; and~~

~~10 8. The]~~

~~11 (I) Police officers for the protection of the safety of the~~
~~12 public in Clark County, as the most populous county in this State;~~
~~13 and~~

~~14 (II) School police officers for the protection of the safety~~
~~15 of the public schools and other facilities in the Clark County~~
~~16 School District, as the largest school district in this State in terms~~
~~17 of enrollment and one of the largest school districts in the nation~~
~~18 in terms of enrollment and geographic area;~~

~~19 4. The Legislature hereby further finds and declares that the~~
~~20 powers, rights, privileges, immunities, liabilities, duties and~~
~~21 disabilities provided in this act must comply in all respects with any~~
~~22 requirement or limitation pertaining thereto and imposed by any~~
~~23 constitutional provisions.] (Deleted by amendment.)~~

~~24 Sec. 12. [Section 3 of the Clark County Sales and Use Tax Act of~~
~~25 2005, being chapter 249, Statutes of Nevada 2005, at page 914, is hereby~~
~~26 amended to read as follows:~~

~~27 Sec. 3. Except as otherwise provided in this act or unless the~~
~~28 context otherwise requires, terms used or referred to in this act have~~
~~29 the meanings ascribed to them in chapter 374 of NRS, as from time~~
~~30 to time amended, but the definitions in sections 4 to [8.] 8.5,~~
~~31 inclusive, of this act, unless the context otherwise requires, govern~~
~~32 the construction of this act.] (Deleted by amendment.)~~

~~33 Sec. 13. [Section 9 of the Clark County Sales and Use Tax Act of~~
~~34 2005, being chapter 249, Statutes of Nevada 2005, at page 914, is hereby~~
~~35 amended to read as follows:~~

~~36 Sec. 9. 1. The Board may enact an ordinance imposing a~~
~~37 local sales and use tax pursuant to this act. If the Board enacts or~~
~~38 has enacted such an ordinance, the proceeds received from the tax~~
~~39 authorized pursuant to this section must be used to employ and~~
~~40 equip additional [police].~~

~~41 (a) Police officers for the Boulder City Police Department,~~
~~42 Henderson Police Department, Las Vegas Metropolitan Police~~
~~43 Department, Mesquite Police Department and North Las Vegas~~
~~44 Police Department;~~

~~(b) School police officers for the Clark County School District pursuant to section 12.5 of this act~~

~~2. Before enacting such an ordinance, the Board shall hold a public hearing to present its plan for implementing the local sales and use tax.~~

~~3. The proceeds received from the tax authorized pursuant to this section, including interest and other income earned thereon, must be:~~

~~(a) Allocated as follows:~~

~~(1) Subject to the limitations set forth in section 12.5 of this act, among the police departments within the County in the same ratio that the population served by each department bears to the total population of the County. As used in this [paragraph] subparagraph, "population" means the estimated annual population determined pursuant to NRS 360.283.~~

~~(2) To the Clark County School District pursuant to section 12.5 of this act.~~

~~(b) Used only as approved pursuant to section 12.5 or 13 of this act and only for the purposes set forth in this section or section 12.5 of this act unless the Legislature changes the use. [The]~~

~~4. If the Board wants to change the uses for the proceeds received from the tax and allocated among the police departments within the County, the Board shall, before submitting to the Legislature any request to change the uses for [the] such proceeds received from the tax, submit an advisory question to the voters of the County pursuant to NRS 295.230, asking whether the uses for [the] such proceeds received from the tax should be so changed. The Board shall not submit such a request to the Legislature if a majority of the voters in the County disapprove the proposed change.~~

~~(Deleted by amendment.)~~

Sec. 14. ~~{Section 13 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as amended by chapter 497, Statutes of Nevada 2011, at page 3158, is hereby amended to read as follows:~~

~~Sec. 13. 1. A police department shall not expend proceeds received from any sales and use tax imposed pursuant to this act and allocated among the police departments within the County pursuant to section 9 of this act unless the expenditure has been approved by the body designated pursuant to this section for the approval of expenditures of that police department. The body designated pursuant to this section must approve the expenditure of the proceeds by the police department if it determines that:~~

~~(a) The proposed use of the money conforms to all provisions of this act; and~~

~~(b) The proposed use will not replace or supplant existing funding for the police department.~~

~~2. The body designated to approve an expenditure for~~

~~(a) The Boulder City Police Department is the City Council of the City of Boulder City;~~

~~(b) The Henderson Police Department is the City Council of the City of Henderson;~~

~~(c) The Las Vegas Metropolitan Police Department is the Metropolitan Police Committee on Fiscal Affairs;~~

~~(d) The Mesquite Police Department is the City Council of the City of Mesquite; and~~

~~(e) The North Las Vegas Police Department is the City Council of the City of North Las Vegas.~~

~~3. In determining that a proposed use meets the requirement set forth in paragraph (b) of subsection 1, a body designated pursuant to subsection 2 must find that either~~

~~(a) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is equal to or greater than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department; or~~

~~(b) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is less than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department and the body projects a decrease in its receipt of revenue in that fiscal year from consolidated taxes and property taxes of more than 2 percent from its base fiscal year.~~

~~4. If a body designated pursuant to subsection 2 makes a finding pursuant to subsection 3, the body shall adopt a resolution setting forth the finding and the reasons therefor. If the finding is made pursuant to paragraph (b) of subsection 3, the finding must include, without limitation, all facts supporting the projection of a decrease in revenue.~~

~~5. If a body designated pursuant to subsection 2 does not make a finding pursuant to subsection 3 for a fiscal year on or before July 1 of that fiscal year, the body shall retain the proceeds received for that fiscal year from any sales and use tax imposed pursuant to this act and allocated among the police departments within the County pursuant to section 9 of this act in the special revenue fund created by the body pursuant to section 17 of this act for use pursuant to this section. Any other body designated pursuant to subsection 2 which makes a finding pursuant to subsection 3 for that fiscal year may~~

1 apply to the County Treasurer requesting approval for the use by the
2 police department for which the other body approves expenditures
3 of any portion of those proceeds in accordance with the provisions
4 of this section.

5 ~~6. The County Treasurer, upon receiving a request pursuant to~~
6 ~~subsection 5 and proper documentation of compliance with the~~
7 ~~provisions of this section, shall provide written notice to the~~
8 ~~designated body which failed to make a finding pursuant to~~
9 ~~subsection 3 that it is required to transfer from the special revenue~~
10 ~~fund created by the body pursuant to section 17 of this act to the~~
11 ~~County Treasurer such amount of the proceeds received for that~~
12 ~~fiscal year from any sales and use tax imposed pursuant to this act~~
13 ~~and allocated among the police departments within the County~~
14 ~~pursuant to section 9 of this act, as approved by the County~~
15 ~~Treasurer for use by the designated body that submitted the request.~~

16 ~~7. Notwithstanding the provisions of subsection 3 of section 17~~
17 ~~of this act, a designated body that receives written notice from the~~
18 ~~County Treasurer pursuant to subsection 6 shall transfer all available~~
19 ~~required money to the County Treasurer as soon as practicable~~
20 ~~following its receipt of any portion of the proceeds. Upon receipt of~~
21 ~~the money, the County Treasurer shall transfer the money to the~~
22 ~~designated body that submitted the request, which shall deposit the~~
23 ~~money in the special revenue fund created by that designated body~~
24 ~~pursuant to section 17 of this act.~~

25 ~~8. As used in this section, "base fiscal year" means, with~~
26 ~~respect to a body designated pursuant to subsection 2, Fiscal Year~~
27 ~~2009 2010, except that:~~

28 ~~(a) If, in any subsequent fiscal year, the amount approved for~~
29 ~~expenditure by the body for that subsequent fiscal year for the~~
30 ~~support of the police department, not including any money received~~
31 ~~or expended pursuant to this act, exceeds by more than 2 percent the~~
32 ~~amount approved for expenditure in Fiscal Year 2009 2010, the base~~
33 ~~fiscal year for that body becomes the most recent of such subsequent~~
34 ~~fiscal years.~~

35 ~~(b) If the base fiscal year is revised pursuant to paragraph (a)~~
36 ~~and, in any subsequent fiscal year, the amount approved for~~
37 ~~expenditure by the body for that subsequent fiscal year for the~~
38 ~~support of the police department, not including any money received~~
39 ~~or expended pursuant to this act, is equal to or less than the amount~~
40 ~~approved for expenditure in Fiscal Year 2009 2010, the base fiscal~~
41 ~~year for that body becomes Fiscal Year 2009 2010 but is subject to~~
42 ~~subsequent revision pursuant to paragraph (a).] (Deleted by~~
43 ~~amendment.)~~

44 **Sec. 15.** ~~{Section 12.3 of the Clark County Sales and Use Tax Act of~~
45 ~~2005, being chapter 249, Statutes of Nevada 2005, as added by chapter 1,~~

1 ~~Statutes of Nevada 2013, 27th Special Session, at page 2, is hereby~~
2 ~~amended to read as follows:~~

3 ~~Sec. 13.3. 1. The provisions of paragraph (b) of subsection 1~~
4 ~~and subsections 3 to 8, inclusive, of section 13 of this act do not~~
5 ~~apply to any expenditure of proceeds received from any sales and~~
6 ~~use tax imposed pursuant to this act on or after July 1, 2013, but~~
7 ~~before July 1, 2016 11, and allocated among the police~~
8 ~~departments within the County pursuant to section 9 of this act.~~

9 ~~2. In addition to the requirements of section 13.5 of this act:~~

10 ~~(a) The periodic reports required by that section must include,~~
11 ~~with respect to the period covered by the report, a separate detailed~~
12 ~~description of the expenditure of any proceeds received from the~~
13 ~~sales and use tax imposed pursuant to this act and allocated among~~
14 ~~the police departments within the County pursuant to section 9 of~~
15 ~~this act as a result of the provisions of subsection 1; and~~

16 ~~(b) A governing body that is required to submit a report pursuant~~
17 ~~to section 13.5 of this act shall submit a copy of the separate detailed~~
18 ~~description required by paragraph (a) for the period covered by the~~
19 ~~report to the Director of the Legislative Counsel Bureau for~~
20 ~~transmittal to the Interim Finance Committee on or before the date~~
21 ~~by which the governing body is required to submit the report for that~~
22 ~~period to the Department pursuant to section 13.5 of this act.~~

23 ~~(Deleted by amendment.)~~

24 ~~Sec. 16. {Section 13.5 of the Clark County Sales and Use Tax Act of~~
25 ~~2005, being chapter 249, Statutes of Nevada 2005, as amended by chapter~~
26 ~~497, Statutes of Nevada 2011, at page 3160, is hereby amended to read as~~
27 ~~follows:~~

28 ~~Sec. 13.5. 1. Any governing body that has approved~~
29 ~~expenditures pursuant to section 13.5 or 13 of this act shall submit~~
30 ~~to the Department the periodic reports required pursuant to this~~
31 ~~section and such other information relating to the provisions of this~~
32 ~~act as may be requested by the Department.~~

33 ~~2. The reports required pursuant to this section must be~~
34 ~~submitted:~~

35 ~~(a) On or before:~~

36 ~~(1) February 15 for the 3 month period ending on the~~
37 ~~immediately preceding December 31;~~

38 ~~(2) May 15 for the 3 month period ending on the~~
39 ~~immediately preceding March 31;~~

40 ~~(3) August 15 for the 3 month period ending on the~~
41 ~~immediately preceding June 30; and~~

42 ~~(4) November 15 for the 3 month period ending on the~~
43 ~~immediately preceding September 30; and~~

44 ~~(b) On or before August 15 for the 12 month period ending on~~
45 ~~the immediately preceding June 30.~~

~~3. Each report must be submitted on a form provided by the Department and include, with respect to the period covered by the report:~~

~~(a) The total proceeds received by the respective police department or the Clark County School District, as applicable, from the sales and use tax imposed pursuant to this act. [i]~~

~~(b) A detailed description of the use of the proceeds, including, without limitation:~~

~~(1) The total expenditures made by the respective police department or the Clark County School District, as applicable, from the sales and use tax imposed pursuant to this act. [i]~~

~~(2) The total number of police officers hired by the police department [and] or the total number of school police officers hired by the Clark County School District, as applicable, the number of those officers that are filling authorized, funded positions for new officers [i] within the respective police department or the Clark County School District, as applicable, and demographic information regarding those officers reported in a manner consistent with the current policies of the respective police department or the Clark County School District, as applicable, concerning the reporting of such information.~~

~~(3) A detailed analysis of the manner in which each expenditure:~~

~~(I) Conforms to all provisions of this act; and~~

~~(II) Does not replace or supplant funding which existed before October 1, 2005, for the police department [i and] or which existed before July 1, 2019, for school police officers for the Clark County School District, as applicable.~~

~~(c) Any other information required to complete the form for the report.~~

~~4. The Department may review and investigate the reports submitted pursuant to this section and the expenditure of any proceeds pursuant to section 12.5 or 13 of this act. (Deleted by amendment.)~~

Sec. 17. {Section 14 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as amended by chapter 287, Statutes of Nevada 2009, at page 2097, is hereby amended to read as follows:

~~Sec. 14. 1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid to the County pursuant to this act must be paid to the Department in the form of remittances payable to the Department.~~

~~2. The Department shall deposit the payments with the State Treasurer for credit to the Sales and Use Tax Account in the State General Fund.~~

~~3. [The] Except as otherwise provided in section 12.5 of this act, the State Controller, acting upon the collection data furnished by the Department, shall monthly:~~

~~(a) Transfer from the Sales and Use Tax Account to the appropriate account in the State General Fund 1.75 percent of all fees, taxes, interest and penalties collected pursuant to this act during the preceding month as compensation to the State for the cost of collecting the tax;~~

~~(b) Determine the amount equal to all fees, taxes, interest and penalties collected in or for the County pursuant to this act during the preceding month, less the amount transferred to the State General Fund pursuant to paragraph (a);~~

~~(c) Transfer the amount determined pursuant to paragraph (b) to the Intergovernmental Fund and remit the money to the County Treasurer. (Deleted by amendment.)~~

Sec. 18. ~~{Section 15 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 916, is hereby amended to read as follows:~~

~~Sec. 15. The Department may redistribute any proceeds received from the tax, interest or penalty collected pursuant to this act which is determined to be improperly distributed [.] to the respective police departments within the County or the Clark County School District, but no such redistribution may be made as to amounts originally distributed more than 6 months before the date on which the Department obtains knowledge of the improper distribution. (Deleted by amendment.)~~

Sec. 19. ~~{Section 16 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read as follows:~~

~~Sec. 16. 1. The County Treasurer shall deposit money received from the State Controller pursuant to [paragraph (c) of subsection 2 of] section 12.5 or 14 of this act into the County Treasury for credit to a fund created for the use of the proceeds received from the tax authorized by this act.~~

~~2. The fund of the County created for the use of the proceeds received from the tax authorized by this act must be accounted for as a separate fund and not as a part of any other fund.~~

~~3. The County Treasurer upon receipt of the money remitted to him or her pursuant to this section shall distribute it to the appropriate accounts in accordance with the allotments established pursuant to section 9 or 12.5 of this act. (Deleted by amendment.)~~

Sec. 20. ~~{Section 17 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read as follows:~~

~~Sec. 17. 1. To carry on the provisions of this act:~~

~~(a) The City Treasurers of Boulder City, Henderson, Mesquite and North Las Vegas and the Las Vegas Metropolitan Police Department shall deposit the money received from the County Treasurer pursuant to [subsection 3 of] section 16 of this act into a special revenue fund created for the use of the proceeds received from the tax authorized by this act [.] and allocated among the police departments within the County pursuant to section 9 of this act.~~

~~(b) If, pursuant to NRS 387.170, the Board of Trustees:~~

~~(1) Has elected to establish and administer a separate account as the County School District Fund pursuant to NRS 354.603, the Board of Trustees shall~~

~~(I) Create a special revenue fund for the use of the proceeds received from the tax authorized by this act and allocated to the Clark County School District pursuant to section 12.5 of this act; and~~

~~(II) Deposit the money received from the County Treasurer pursuant to section 16 of this act into the special revenue fund.~~

~~(2) Has not elected to establish and administer a separate account as the County School District Fund pursuant to NRS 354.603, the County Treasurer shall~~

~~(I) Create a special revenue fund for the use of the proceeds received from the tax authorized by this act and allocated to the School District pursuant to section 12.5 of this act; and~~

~~(II) Deposit the money received by the County Treasurer pursuant to section 16 of this act into the special revenue fund.~~

~~2. Each special revenue fund created for the use of the proceeds received from the tax authorized by this act pursuant to subsection 1 must be accounted for as a separate fund and not as a part of any other fund.~~

~~3. Interest earned on a special revenue fund created pursuant to subsection 1 must be credited to the fund. The money in each such fund must remain in the fund and must not revert to the County Treasury or the County School District Fund, as applicable, at the end of any fiscal year. (Deleted by amendment.)~~

Sec. 21. ~~{Section 20 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read as follows:~~

~~Sec. 20. In a proceeding arising from an ordinance imposing a tax pursuant to this act, the Department may act for and on behalf of the County [.] or the Clark County School District, as appropriate for the proceeding. (Deleted by amendment.)~~

1 Sec. 22. ~~{Section 21 of the Clark County Sales and Use Tax Act of~~
2 ~~2005, being chapter 249, Statutes of Nevada 2005, at page 917, is hereby~~
3 ~~amended to read as follows:~~

4 ~~Sec. 21. 1. The powers conferred by this act are in addition~~
5 ~~and supplemental to, and not in substitution for, the powers~~
6 ~~conferred by any other law and the limitations imposed by this act~~
7 ~~do not affect the powers conferred by any other law.~~

8 ~~2. This act must not be construed to prevent the exercise of any~~
9 ~~power granted by any other law to the County or the Clark County~~
10 ~~School District, as applicable, or any officer, agent or employee of~~
11 ~~the County, or the Clark County School District, as applicable.~~

12 ~~3. This act must not be construed to repeal or otherwise affect~~
13 ~~any other law or part thereof, except that if there is any conflict~~
14 ~~between the specific provisions of this act and the general~~
15 ~~provisions of any other law or part thereof, the specific provisions~~
16 ~~of this act control.~~

17 ~~4. This act is intended to provide a separate method of~~
18 ~~accomplishing the objectives of the act, but not an exclusive~~
19 ~~method.~~

20 ~~5. If any provision of this act, or application thereof to any~~
21 ~~person, thing or circumstance, is held invalid, the invalidity shall not~~
22 ~~affect the provisions or application of this act which can be given~~
23 ~~effect without the invalid provision or application, and to this end~~
24 ~~the provisions of this act are declared to be severable. (Deleted by~~
25 ~~amendment.)~~

26 Sec. 23. ~~{Section 23 of chapter 249, Statutes of Nevada 2005, at page~~
27 ~~917, is hereby amended to read as follows:~~

28 ~~Sec. 23. 1. This act becomes effective:~~

29 ~~{(a)} 1. Upon passage and approval for the purposes of~~
30 ~~enacting ordinances and performing any other preparatory~~
31 ~~administrative tasks that are necessary to carry out the provisions of~~
32 ~~this act; and~~

33 ~~{(b)} 2. On October 1, 2005, for all other purposes.~~

34 ~~{2. This act expires by limitation on October 1, 2025.}~~
35 ~~(Deleted by amendment.)~~

36 Sec. 24. ~~{Section 23 of chapter 545, Statutes of Nevada 2007, at page~~
37 ~~2428, is hereby amended to read as follows:~~

38 ~~Sec. 23. 1. This section and sections 3 to 22, inclusive, of~~
39 ~~this act become effective:~~

40 ~~(a) Upon passage and approval for the purposes of enacting~~
41 ~~ordinances and performing any other preparatory administrative~~
42 ~~tasks that are necessary to carry out the provisions of this act; and~~

43 ~~(b) On October 1, 2007, for all other purposes.~~

44 ~~2. Sections 1 and 2 of this act become effective on October 1,~~
45 ~~2007, and expire by limitation on October 1, 2025.~~

1 ~~3. Sections 3 to 22, inclusive, of this act expire by limitation on~~
2 ~~October 1, 2027.] (Deleted by amendment.)~~

3 Sec. 25. ~~[Section 28 of chapter 387, Statutes of Nevada 2009, at page~~
4 ~~2104, is hereby amended to read as follows:~~

5 ~~Sec. 28. 1. This section and sections 4, 18 and 27 of this act~~
6 ~~become effective upon passage and approval.~~

7 ~~2. Sections 2, 3, 5, 6, 7, 9, 11 to 16, inclusive, and 19 to 26,~~
8 ~~inclusive, of this act become effective on July 1, 2009.~~

9 ~~3. Section 17 of this act becomes effective on July 1, 2011.~~

10 ~~4. [Section 20 of this act expires by limitation on September~~
11 ~~30, 2025.~~

12 ~~5.] Section 25 of this act expires by limitation on September~~
13 ~~30, 2027.~~

14 ~~[6.] 5. Sections 7 and 9 of this act expire by limitation on~~
15 ~~September 30, 2029.~~

16 ~~[7.] 6. Sections 8 and 10 of this act become effective on~~
17 ~~October 1, 2029.] (Deleted by amendment.)~~

18 Sec. 26. ~~[Section 3.5 of chapter 1, Statutes of Nevada 2013, 27th~~
19 ~~Special Session, at page 3, is hereby amended to read as follows:~~

20 ~~Sec. 3.5. 1. If the increase in the rate of the tax authorized by~~
21 ~~section 3 of this act is enacted pursuant to that section, the County~~
22 ~~Treasurer of Clark County shall not make any allotment to a police~~
23 ~~department pursuant to section 9 of the Clark County Sales and Use~~
24 ~~Tax Act of 2005 of any portion of the proceeds of the increase~~
25 ~~allocated among the police departments within Clark County~~
26 ~~pursuant to section 9 of the Clark County Sales and Use Tax Act~~
27 ~~of 2005, unless the County Treasurer is satisfied that the police~~
28 ~~department will meet the requirements of subsection 1 of section 3.7~~
29 ~~of this act.~~

30 ~~2. If the County Treasurer determines pursuant to subsection 1~~
31 ~~that an allotment will not be made to a police department, any other~~
32 ~~police department may apply to the County Treasurer requesting~~
33 ~~approval for the use by the requesting police department of the~~
34 ~~unused allotment. If~~
35 ~~the County Treasurer is satisfied that the requesting police~~
36 ~~department will meet the requirements of subsection 1 of section 3.7~~
37 ~~of this act, the County Treasurer shall make the requested allotment~~
38 ~~to the requesting police department.] (Deleted by amendment.)~~

39 Sec. 27. ~~[Section 3.7 of chapter 1, Statutes of Nevada 2013, 27th~~
40 ~~Special Session, at page 3, is hereby amended to read as follows:~~

41 ~~Sec. 3.7. 1. A police department shall not expend any portion~~
42 ~~of an allotment made to it by the County Treasurer pursuant to~~
43 ~~section 3.5 of this act to employ and equip additional police officers~~
44 ~~unless:~~

~~(a) The police department employs and equips an equal number of police officers in unfilled budgeted positions for police officers using money other than the proceeds of the increase in the rate of the tax authorized by section 3 of this act [;] and allocated among the police departments within Clark County pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005; or~~

~~(b) If, based on the number of budgeted positions for police officers in the police department for the 2013-2014 fiscal year, the police department does not have a sufficient number of unfilled budgeted positions for police officers to match all of the positions that are available for funding with the proceeds of the increase in the rate of the tax authorized by section 3 of this act [;] and allocated among the police departments within Clark County pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005, the police department applies for and is granted a waiver from the requirements of paragraph (a) by the Committee on Local Government Finance.~~

~~2. The Committee on Local Government Finance shall, on or before September 1 of each year, submit a report to the Legislative Commission that sets forth the number of waivers granted by the Committee pursuant to this section during the immediately preceding fiscal year and the reasons for each such waiver. (Deleted by amendment.)~~

~~Sec. 28. {Section 4 of chapter 1, Statutes of Nevada 2013, 27th Special Session, at page 3, is hereby amended to read as follows:~~

~~Sec. 4. This act becomes effective upon passage and approval, and expires by limitation on October 1, 2025.} (Deleted by amendment.)~~

~~Sec. 29. {1. There is hereby appropriated from the State General Fund to the School Safety Account the sum of \$2,500,000 for the Fiscal Year 2019-2020.~~

~~2. The Department of Education shall transfer money from the appropriation made by subsection 1 to school districts and charter schools for block grants for contract or employee social workers or other licensed mental health workers in schools with identified needs. The money must not be used for administrative expenditures of the Department of Education.~~

~~3. For purposes of the allocations of sums for the block grant program described in subsection 2, eligible licensed social workers or other mental health workers include the following:~~

- ~~(a) Licensed Clinical Social Worker;~~
- ~~(b) Social Worker;~~
- ~~(c) Social Worker Intern with Supervision;~~
- ~~(d) Clinical Psychologist;~~
- ~~(e) Psychologist Intern with Supervision;~~

- ~~1 (f) Marriage and Family Therapist;~~
- ~~2 (g) Mental Health Counselor;~~
- ~~3 (h) Community Health Worker;~~
- ~~4 (i) School Based Health Centers; and~~
- ~~5 (j) Licensed Nurse;~~

~~6 4. The money appropriated by subsection 1 must be expended in~~
~~7 accordance with NRS 353.150 to 353.246, inclusive, concerning the~~
~~8 allotment, transfer, work program and budget. Transfers to and allotments~~
~~9 from must be allowed and made in accordance with NRS 353.216 to~~
~~10 353.226, inclusive, after separate consideration of the merits of each~~
~~11 request.~~

~~12 5. Any remaining balance of the transfer made by subsection 2 for~~
~~13 Fiscal Year 2019-2020 may be carried forward for Fiscal Year 2020-2021,~~
~~14 must not be committed for expenditure after June 30, 2021, and does not~~
~~15 revert to the State General Fund. (Deleted by amendment.)~~

~~16 Sec. 30. 1. There is hereby appropriated from the State General~~
~~17 Fund to the School Safety Account the following sums:~~

~~18 For the Fiscal Year 2019-2020 \$1,500,000~~
~~19 For the Fiscal Year 2020-2021 \$4,000,000~~

~~20 2. The Department of Education shall transfer from the appropriation~~
~~21 made by subsection 1 to provide grants to public schools to employ and~~
~~22 equip school resource officers or school police officers in schools with~~
~~23 identified needs on the basis of data relating to school discipline, violence,~~
~~24 climate and vulnerability and the ability of the public school to hire school~~
~~25 resource officers or school police officers. The money must not be used for~~
~~26 administrative expenditures of the Department of Education.~~

~~27 3. The money transferred pursuant to subsection 2:~~

~~28 (a) Must be accounted for separately from any other money received~~
~~29 by the school districts and charter schools of this State and used only for~~
~~30 the purposes specified in subsection 2.~~

~~31 (b) May not be used to settle or arbitrate disputes between a recognized~~
~~32 organization representing employees of a school district and the school~~
~~33 district, or to settle any negotiations.~~

~~34 (c) May not be used to adjust the district-wide schedules of salaries and~~
~~35 benefits of the employees of a school district.~~

~~36 4. Any remaining balance of the sums transferred by subsection 1 for~~
~~37 Fiscal Year 2019-2020 and Fiscal Year 2020-2021 must not be committed~~
~~38 for expenditure after June 30 of each fiscal year and must be reverted to~~
~~39 the State General Fund on or before September 18, 2020, and September~~
~~40 17, 2021, for each fiscal year respectively. (Deleted by amendment.)~~

~~41 Sec. 31. 1. There is hereby appropriated from the State General~~
~~42 Fund to the School Safety Account the sum of \$17,500,000 for the Fiscal~~
~~43 Year 2020-2021, following sums:~~

~~44 For the Fiscal Year 2019-2020 \$8,340,845~~

1 **For the Fiscal Year 2020-2021\$8,404,930**

2 2. The Department of Education shall transfer from the appropriation
3 made by subsection 1 to provide grants utilizing a competitive grant
4 process based on demonstrated need, within the limits of legislative
5 appropriation, to school districts ~~in counties whose population is less than~~
6 ~~100,000~~ and to charter schools for school safety facility improvements.

7 3. Any remaining balance of the appropriation made by subsection 1
8 ~~for Fiscal Year 2019-2020 must be added to the money~~
9 ~~appropriated for Fiscal Year 2020-2021 and may be expended as that~~
10 ~~money is expended. Any remaining balance of the appropriation made~~
11 ~~by subsection 1 for Fiscal Year 2020-2021, including any such money~~
12 added from the previous fiscal year, must not be committed for
13 expenditure after June 30, 2021, and must be reverted to the State General
14 Fund on or before September 17, 2021.

15 Sec. 32. ~~1. There is hereby appropriated from the State General~~
16 ~~Fund to the School Safety Account the following sums:~~

17 ~~For the Fiscal Year 2019-2020\$145,000~~

18 ~~For the Fiscal Year 2020-2021\$145,000~~

19 ~~2. The money appropriated by subsection 1 must be used by the~~
20 ~~Department of Education to provide threat assessments and trainings and~~
21 ~~to provide mobile crisis response team services in counties whose~~
22 ~~population is less than 100,000.~~

23 ~~3. Any remaining balance of the money appropriated by subsection 1~~
24 ~~for Fiscal Year 2019-2020 and Fiscal Year 2020-2021 must not be~~
25 ~~committed for expenditure after June 30 of each fiscal year and must be~~
26 ~~reverted to the State General Fund on or before September 18, 2020, and~~
27 ~~September 17, 2021, for each fiscal year respectively. (Deleted by~~
28 ~~amendment.)~~

29 Sec. 33. ~~1. There is hereby appropriated from the State General~~
30 ~~Fund to the School Safety Account the following sums:~~

31 ~~For the Fiscal Year 2019-2020\$2,000,000~~

32 ~~For the Fiscal Year 2020-2021\$2,700,000~~

33 ~~2. The money appropriated by subsection 1 must be used by the~~
34 ~~Department of Education to support the implementation of a program of~~
35 ~~social, emotional and academic development throughout the public schools~~
36 ~~in this State, including, without limitation, the development and~~
37 ~~implementation of a strategic plan to carry out full implementation of such~~
38 ~~programs within 5 years.~~

39 ~~3. Any remaining balance of the transfer made by subsection 1 for~~
40 ~~Fiscal Year 2019-2020 must be added to the money transferred for Fiscal~~
41 ~~Year 2020-2021 and may be expended as that money is expended. Any~~
42 ~~remaining balance of the transfer made by subsection 1 for Fiscal Year~~
43 ~~2020-2021, including any such money added from the previous fiscal year,~~
44 ~~must not be committed for expenditure after June 30, 2021, and must be~~

~~reverted to the State General Fund on or before September 17, 2021.]~~
~~(Deleted by amendment.)~~

~~Sec. 34. {1. There is hereby appropriated from the State General Fund to the Other State Education Programs Account in the State General Fund the following sums:~~

~~For the Fiscal Year 2019-2020 \$2,000,000~~

~~For the Fiscal Year 2020-2021 \$2,000,000~~

~~2. The Department of Education shall use the money appropriated by subsection 1 for competitive state grants to school districts and charter schools for early childhood education programs.~~

~~3. Any remaining balance of the sums transferred by subsection 1 for Fiscal Year 2019-2020 and Fiscal Year 2020-2021 must not be committed for expenditure after June 30 of each fiscal year and must be reverted to the State General Fund on or before September 18, 2020, and September 17, 2021, for each fiscal year respectively.] (Deleted by amendment.)~~

~~Sec. 35. {1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:~~

~~For the Fiscal Year 2019-2020 \$15,875,000~~

~~For the Fiscal Year 2020-2021 \$15,875,000~~

~~2. The Department of Education shall use the amount determined in subsection 1 to carry out the provisions of section 1 of Senate Bill No. 467 of this session by providing supplemental grants of money to the State Public Charter School Authority and the school districts to include additional schools within the program created by section 1 of Senate Bill No. 467 of this session and supplement the services provided at such schools. The board of trustees of a school district and the State Public Charter School Authority may submit an application to the Department on a form prescribed by the Department.~~

~~3. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfers made pursuant to subsection 2 for Fiscal Year 2020-2021, including any money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021.] (Deleted by amendment.)~~

~~Sec. 36. {1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:~~

~~For the Fiscal Year 2019-2020 \$15,875,000~~

~~For the Fiscal Year 2020-2021 \$15,875,000~~

~~2. The Department of Education shall use the amount determined in subsection 1 to carry out the provisions of section 2 of Senate Bill No. 467 of this session by providing supplemental grants of money to the State~~

~~Public Charter School Authority and the school districts to include additional schools within the program created by section 2 of Senate Bill No. 467 of this session and supplement the services provided at such schools. The board of trustees of a school district and the State Public Charter School Authority may submit an application to the Department on a form prescribed by the Department.~~

~~3. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfers made pursuant to subsection 2 for Fiscal Year 2020-2021, including any money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021.~~
(Deleted by amendment.)

Sec. 36.5. 1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:

For the Fiscal Year 2019-2020..... \$35,081,155

For the Fiscal Year 2020-2021..... \$36,848,070

2. The Department of Education shall transfer the sums of money identified in this subsection from the Account for Programs for Innovation and the Prevention of Remediation to the school districts for block grants for the purpose of providing supplemental support to the operation of the school districts. The amount to be transferred for the fiscal year shown is:

	2019-2020	2020-2021
Carson City School District	\$631,574	\$663,384
Churchill County School District	255,461	268,328
Clark County School District	25,892,878	27,197,012
Douglas County School District	458,566	481,662
Elko County School District	772,986	811,919
Esmeralda County School District	5,551	5,831
Eureka County School District	21,379	22,456
Humboldt County School District	273,189	286,949
Lander County School District	78,860	82,832
Lincoln County School District	76,533	80,388
Lyon County School District	681,887	716,231
Mineral County School District	42,868	45,027
Nye County School District	410,922	431,619
Pershing County School District	53,244	55,925
Storey County School District	34,229	35,953
Washoe County School District	5,294,592	5,561,262
White Pine County School District	96,435	101,292

1
2 **3. Any remaining balance of the transfers made by subsection 2**
3 **for Fiscal Year 2019-2020 must be added to the money transferred for**
4 **Fiscal Year 2020-2021 and may be expended as that money is**
5 **expended. Any remaining balance of the transfers made by subsection**
6 **2 for Fiscal Year 2020-2021, including any such money added from the**
7 **previous fiscal year, must be used for the purpose identified in**
8 **subsection 2 and does not revert to the State General Fund.**

9 Sec. 37. 1. The Legislature hereby finds and declares that the
10 purpose and intent of this act is to maintain and continue the existing
11 legally operative rates of the taxes imposed pursuant to NRS 363A.130 and
12 363B.110, at 2 percent and 1.475 percent, respectively, without any
13 changes or reductions in the rates of those taxes pursuant to NRS 360.203,
14 as that section existed before the effective date of this act, for any fiscal
15 year beginning on or after July 1, 2015.

16 2. Notwithstanding any other provisions of law, in order to
17 accomplish and carry out the purpose and intent of this act:

18 (a) Any determinations or decisions made or actions taken before the
19 effective date of this section by the Department of Taxation pursuant to
20 NRS 360.203, as that section existed before the effective date of this
21 section:

22 (1) Are superseded, abrogated and nullified by the provisions of this
23 act; and

24 (2) Have no legal force and effect; and

25 (b) The Department shall not, under any circumstances, apply or use
26 those determinations, decisions or actions as a basis, cause or reason to
27 reduce the rates of the taxes imposed pursuant to NRS 363A.130 and
28 363B.110 for any fiscal year beginning on or after July 1, 2015.

29 ~~Sec. 38. Notwithstanding any other provisions of law, the~~
30 ~~Legislature hereby finds and declares that:~~

31 ~~1. The provisions of this act are not severable; and~~

32 ~~2. If any provisions of this act, or any applications thereof to any~~
33 ~~persons, things or circumstances:~~

34 ~~(a) Are declared invalid by a court of competent jurisdiction in any~~
35 ~~judicial proceedings; and~~

36 ~~(b) Any available appeals, petitions or other methods of review~~
37 ~~concerning the judicial proceedings have been exhausted under the rules~~
38 ~~governing the judicial proceedings;~~

39 ~~such a judicial declaration of invalidity shall be deemed to invalidate the~~
40 ~~other provisions of this act, whether or not the other provisions of this act~~
41 ~~can be saved and given effect without the provisions or applications~~
42 ~~declared invalid by the court, and the invalidation of the other provisions~~
43 ~~of this act pursuant to this section becomes effective on the date on which~~
44 ~~the judicial declaration of invalidity becomes final and is no longer subject~~

1 ~~to any available appeals, petitions or other methods of review under the~~
2 ~~rules governing the judicial proceedings. (Deleted by amendment.)~~
3 Sec. 39. NRS 360.203 is hereby repealed.
4 Sec. 40. 1. This section ~~11~~ and sections ~~11 to 28, inclusive,~~ 2, 3, 37
5 ~~1, 28,~~ and 39 of this act become effective upon passage and approval.
6 2. Sections ~~129 to 36, inclusive,~~ 2.5, 3.3, 3.7, 31 and 36.5 of this act
7 become effective on July 1, 2019.
8 ~~3. If the provisions of this act are invalidated as provided in section~~
9 ~~38 of this act, this act expires by limitation on the date on which the~~
10 ~~invalidation of the provisions of this act becomes effective as provided in~~
11 ~~section 38 of this act.~~

TEXT OF REPEALED SECTION

360.203 Reduction of rate of certain taxes on business under certain circumstances; duties of Department.

1. Except as otherwise provided in subsection 4, on or before September 30 of each even-numbered year, the Department shall determine the combined revenue from the taxes imposed by chapters 363A and 363B of NRS and the commerce tax imposed by chapter 363C of NRS for the preceding fiscal year.

2. Except as otherwise provided in subsection 4, if the combined revenue determined pursuant to subsection 1 exceeds by more than 4 percent the amount of the combined anticipated revenue from those taxes for that fiscal year, as projected by the Economic Forum for that fiscal year pursuant to paragraph (e) of subsection 1 of NRS 353.228 and as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department shall determine the rate at which the taxes imposed pursuant to NRS 363A.130 and 363B.110, in combination with the revenue from the commerce tax imposed by chapter 363C of NRS, would have generated a combined revenue of 4 percent more than the amount anticipated. In making the determination required by this subsection, the Department shall reduce the rate of the taxes imposed pursuant to NRS 363A.130 and 363B.110 in the proportion that the actual amount collected from each tax for the preceding fiscal year bears to the total combined amount collected from both taxes for the preceding fiscal year.

3. Except as otherwise provided in subsection 4, effective on July 1 of the odd-numbered year immediately following the year in which the Department made the determination described in subsection 1, the rates of the taxes imposed pursuant to NRS 363A.130 and 363B.110 that are determined pursuant to subsection 2, rounded to the nearest one-

thousandth of a percent, must thereafter be the rate of those taxes, unless further adjusted in a subsequent fiscal year.

4. If, pursuant to subsection 3, the rate of the tax imposed pursuant to NRS 363B.110 is 1.17 percent:

(a) The Department is no longer required to make the determinations required by subsections 1 and 2; and

(b) The rate of the taxes imposed pursuant to NRS 363A.130 and 363B.110 must not be further adjusted pursuant to subsection 3.

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H

EXHIBIT 7

EXHIBIT 7

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
June 2, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 10:14 a.m. on Sunday, June 2, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Yvanna D. Cancela
Senator Chris Brooks
Senator James A. Settelmeyer
Senator Ben Kieckhefer
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Senator Nicole J. Cannizzaro, Senatorial District No. 6
Assemblywoman Maggie Carlton, Assembly District No. 14
Assemblyman Jason Frierson, Assembly District No. 8
Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1
Assemblywoman Heidi Swank, Assembly District No. 16
Assemblyman Steve Yeager, Assembly District No. 9

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Eileen O'Grady, Committee Counsel
Desirae Munns, Committee Secretary

Senate Committee on Finance
June 2, 2019
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SENATOR KIECKHEFER:

Is the recommendation to keep sections 2, 3 and 4 and delete everything that follows?

SENATOR SETTELMEYER:

I do not have the bill in front of me. I would need to verify that. Mr. Krmpotic might know the correct sections.

MR. KRMPOTIC:

The conceptual amendment for Senate Bill 446 deletes sections 4 and 5, which removes all provisions containing the Medicaid eligibility for incarcerated persons. The amendment would remove the fiscal note from the Department of Health and Human Services, Division of Welfare and Supportive Services.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 446 and will place it on work session.

SENATOR BROOKS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 446.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR WOODHOUSE:

We are considering S.B. 551. Proposed Amendment No. 6101 (Exhibit E) was provided to the Committee members.

SENATE BILL 551 (1st Reprint): Revises provisions relating to state financial administration. (BDR 32-1286)

SENATOR NICOLE J. CANNIZZARO (Senatorial District No. 6):

I will walk the Committee through the salient points of Proposed Amendment No. 6101, Exhibit E, for S.B. 551. The first part of the amendment deletes the portions related to the "more cops tax" or the sunset of the sales and use tax for Clark County which has funded law enforcement officers. That part has been removed from the bill.

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The remainder of S.B. 551 still includes the provisions that this Body discussed regarding the buydown of the Modified Business Tax (MBT) and removing the sunset for that tax.

However, after reviewing the changes and in looking at where money would go for schools within this bill, the bill has some changes to the amounts and the designated place for the overall money which would be generated from the buydown of the MBT.

The first portion of the money would still go to school safety. However, the amount for the School Safety Account would go to facility improvements in the amount of approximately \$16.7 million. This is on top of the other money which has already gone to school safety. The \$16.7 million would be designated for facility enhancements which this Committee is familiar with.

The remainder of what would exist for the MBT buydown would fund the students who are currently in school through the Nevada Opportunity Scholarship Program. The total amount over the biennium is \$9.5 million. This provision will not include any additional enrollees for the Opportunity Scholarship Program. The provision will not include growth over any long period of time. Proposed Amendment No. 6101, Exhibit E, just includes those students who are currently on the Nevada Educational Choice Scholarship Program—also known as the Opportunity Scholarship program—to be grandfathered in; as the students matriculate out, the Program would decrease over time.

The additional money left in the MBT balance of approximately \$72 million will go to each of the school districts as designated on pages 32 and 33 of the Proposed Amendment No. 6101, Exhibit E. These funds would be on a per pupil basis through the Account for Programs for Innovation and the Prevention of Remediation for each of the school districts. The amounts in that section are for those districts affected as a result of the provisions of S.B. 551.

This bill, although it is not reflected in Proposed Amendment No. 6101, will be stamped with a two-thirds majority requirement.

SENATOR KIECKHEFER:

I appreciate the spending priorities. For the Opportunity Scholarship program, Proposed Amendment No. 6101 subs out the language included in the one-time \$20 million appropriation from last Session, puts in \$4.75 million in

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one year, \$9,490,000 for the biennium. Would this be considered one-time money for this biennium, and the Legislature would have to reauthorize this next biennium as well rather than building it into base in section 2.5, subsection 4 of Proposed Amendment No. 6101?

SENATOR CANNIZZARO:
That is correct.

SENATOR SETTELMAYER:
With the amendment, the Opportunity Scholarship program would not allow any new students to enter into the program in any way, shape or form. The provision is only meant to keep current participants in the program. I am concerned as I have seen many individuals who have two children and one child is in an Opportunity Scholarship program at a particular school and the other child is not of school age. In the next couple of years, the other child will be of school age. Rather than having the parent take their children to two different places, S.B. 551 will not allow other children of the same family to enter the program. Is that correct?

SENATOR CANNIZZARO:
That is correct. This amendment would not allow for any additional enrollees. It will only cover the students currently operating and receiving those funds.

SENATOR SETTELMAYER:
How many total students are in Nevada, period? As discussed, \$72 million will go to each of the school districts per pupil. How many total pupils exist Statewide?

SENATOR CANNIZZARO:
I do not have that number off the top of my head but will provide it later.

SENATOR SETTELMAYER:
I was even looking for a ballpark figure. I know Clark County has 320,000 pupils. I was just trying to figure it out.

CHAIR WOODHOUSE:
Senate Bill 551 with Proposed Amendment No. 6101 is before us under work session.

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SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED
S.B. 551.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS GOICOECHEA, KIECKHEFER AND
SETTELMAYER VOTED NO).

* * * * *

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8

EXHIBIT 8

EXHIBIT 8

Amendment No. 1111

Senate Amendment to Senate Bill No. 551 (BDR 32-1286)

Proposed by: Senate Committee on Finance

Amendment Box: Replaces Amendment No. 1097.

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will ADD a 2/3s majority vote requirement for final passage of S.B. 551 (§§ 2, 3, 37, 39)

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

AAK/BIF



Date: 6/2/2019

S.B. No. 551—Revises provisions relating to state financial administration.
(BDR 32-1286)



8

8

EMERGENCY REQUEST OF SENATE MAJORITY LEADER

SENATE BILL NO. 551—SENATOR CANNIZZARO

MAY 27, 2019

Referred to Committee on Finance

SUMMARY—Revises provisions relating to state financial administration.
(BDR 32-1286)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

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

AN ACT relating to state financial administration; ~~revising provisions governing the administration of certain taxes authorized by the Clark County Crime Prevention Act of 2016 and the Clark County Sales and Use Tax Act of 2005, providing for certain proceeds from the taxes authorized by the Clark County Sales and Use Tax Act of 2005 to be used to employ and equip additional school police officers in the Clark County School District; removing the prospective expiration of the Clark County Sales and Use Tax Act of 2005 and amendments and other provisions relating thereto;~~ eliminating certain duties of the Department of Taxation relating to the commerce tax and the payroll taxes imposed on certain businesses; continuing the existing legally operative rates of the payroll taxes imposed on certain businesses; **revising provisions governing the credits against the payroll taxes imposed on certain businesses for taxpayers who donate money to a scholarship organization;** making appropriations for certain purposes relating to school safety ~~in early childhood education and Zoom and Victory schools;~~ **and to provide supplemental support of the operation of the school districts;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~Existing law authorizes the Board of County Commissioners of Clark County to impose a sales and use tax in Clark County to employ and equip additional police officers for the Boulder City Police Department, Henderson Police Department, Las Vegas Metropolitan Police Department, Mesquite Police Department and North Las Vegas Police Department. (Clark County Sales and Use Tax Act of 2005) A police department is prohibited from spending the proceeds of the tax unless the expenditure has been approved by a designated body and only if the use will not replace or supplant existing funding for the police department. (Section 13 of chapter 249, Statutes of Nevada 2005, as amended by chapter 497, Statutes of Nevada 2011, p. 3158) Section 10 of this bill authorizes 50 percent of the proceeds~~

of the tax in excess of the amount collected during Fiscal Year 2018-2019 to be transferred each month to the Clark County School District for the purposes of employing and equipping additional school police officers. Sections 1, 4, 9, 11, 22, 26 and 27 of this bill make conforming changes to impose generally similar requirements on the Clark County School District as are imposed on police departments that receive proceeds of the tax.

~~The Clark County Sales and Use Tax Act of 2005 is set to expire on October 1, 2025. (Section 23 of chapter 249, Statutes of Nevada 2005, p. 917) Sections 23, 25 and 28 of this bill remove the prospective expiration of the Act and amendments thereto, thereby authorizing the imposition of such a tax in Clark County after October 1, 2025.~~

Existing law imposes an annual commerce tax on each business entity whose Nevada gross revenue in a fiscal year exceeds \$4,000,000, with the rate of the commerce tax based on the industry in which the business entity is primarily engaged. (NRS 363C.200, 363C.300-363C.560) Existing law also imposes: (1) a payroll tax on financial institutions and on mining companies subject to the tax on the net proceeds of minerals, with the rate of the payroll tax set at 2 percent of the amount of the wages, as defined under existing law, paid by the financial institution or mining company during each calendar quarter in connection with its business activities; and (2) a payroll tax on other business entities, with the rate of the payroll tax set at 1.475 percent of the amount of the wages, as defined under existing law but excluding the first \$50,000 thereof, paid by the business entity during each calendar quarter in connection with its business activities. (NRS 363A.130, 363B.110, 612.190) However, a business entity that pays both the payroll tax and the commerce tax is entitled to a credit against the payroll tax of a certain amount of the commerce tax paid by the business entity. (NRS 363A.130, 363B.110)

Existing law further establishes a rate adjustment procedure that is used by the Department of Taxation to determine whether the rates of the payroll taxes should be reduced in future fiscal years under certain circumstances. Under the rate adjustment procedure, on or before September 30 of each even-numbered year, the Department must determine the combined revenue from the commerce tax and the payroll taxes for the preceding fiscal year. If that combined revenue exceeds a certain threshold amount, the Department must make additional calculations to determine future reduced rates for the payroll taxes. However, any future reduced rates for the payroll taxes do not go into effect and become legally operative until July 1 of the following odd-numbered year. (NRS 360.203) This rate adjustment procedure was enacted by the Legislature during the 2015 Legislative Session and became effective on July 1, 2015. (Sections 62 and 114 of chapter 487, Statutes of Nevada 2015, pp. 2896, 2955) Since July 1, 2015, no future reduced rates for the payroll taxes have gone into effect and become legally operative based on the rate adjustment procedure. As a result, the existing legally operative rates of the payroll taxes are still 2 percent and 1.475 percent, respectively. (NRS 363A.130, 363B.110)

Section 39 of this bill eliminates the rate adjustment procedure used by the Department of Taxation to determine whether the rates of the payroll taxes should be reduced in any fiscal year. Section 37 of this bill maintains and continues the existing legally operative rates of the payroll taxes at 2 percent and 1.475 percent, respectively, without any changes or reductions in the rates of those taxes pursuant to the rate adjustment procedure for any fiscal year. Section 37 also provides that the Department must not apply or use the rate adjustment procedure to determine any future reduced rates for the payroll taxes for any fiscal year. Sections 2 and 3 of this bill make conforming changes.

~~Sections 29-33 of this bill make appropriations for certain purposes relating to school safety. Specifically, section 29 of this bill makes an appropriation for the costs of public schools to retain social workers or other licensed mental health workers. Section 30 of this bill makes an appropriation for the costs of employing and equipping additional school resource officers or school police officers.~~ Existing law establishes a credit against the payroll tax paid by certain businesses equal to an amount which is approved by the Department and which must not exceed the amount of any donation of money which is made by a taxpayer to a scholarship organization that provides grants on behalf of pupils who are members of a household with a household income which is not more than 300 percent of the federally designated level signifying poverty to attend schools in this State, including private schools, chosen by the parents or legal guardians of those pupils (NRS 363A.130, 363B.110) Under existing law, the Department: (1) is required to approve or deny applications for the tax credit in the order in which the applications are received by the

Department; and (2) is authorized to approve applications for each fiscal year until the amount of tax credits approved for the fiscal year is the amount authorized by statute for that fiscal year. Assembly Bill No. 458 of this legislative session establishes that for Fiscal Years 2019-2020 and 2020-2021, the amount authorized is \$6,655,000 for each fiscal year. Sections 2.5 and 3.3 of this bill authorize the Department to approve, in addition to the amount of credits authorized for Fiscal Years 2019-2020 and 2020-2021, an amount of tax credits equal to \$4,745,000 for each of those fiscal years. Section 3.7 of this bill: (1) prohibits a scholarship organization from using a donation for which the donor received a tax credit to provide a grant on behalf of a pupil unless the scholarship organization used a donation for which the donor received a tax credit to provide a grant on behalf of the pupil for the immediately preceding scholarship year or reasonably expects to provide a grant of at least the same amount on behalf of the pupil for each school year until the pupil graduates from high school; and (2) requires a scholarship organization to repay the amount of any tax credit approved by the Department if the scholarship organization violates this provision.

Section 31 of this bill makes an appropriation for the costs of school safety facility improvements. ~~Section 32 of this bill makes an appropriation for the costs of providing threat assessments and trainings and providing mobile crisis response team services in certain counties. Section 33 of this bill makes an appropriation to support the implementation of a program of social, emotional and academic development throughout the public schools of this State. Additionally, section 34 of this bill makes an appropriation for early childhood education programs in public schools. Finally, sections 35 and 36 of this bill make appropriations to provide supplemental funding for the Zoom and Victory schools programs to increase the number of schools served by such programs and supplement the services provided at such schools.~~

Section 38 of this bill declares that the provisions of this bill are not severable and that a judicial declaration of invalidity of any portion of this bill shall be deemed to invalidate all provisions of this bill. Section 40 of this bill expressly expires by limitation all provisions of this bill upon such a judicial declaration of invalidity. Section 36.5 of this bill makes an appropriation to provide supplemental support to the operations of the school districts of this State, distributed in amounts based on the 2018 enrollment of the school districts of this State.

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

Section 1. ~~NRS 360.200 is hereby amended to read as follows:
360.200 The Department may exercise [the]
1. The specific powers enumerated in this chapter [and, except] or any other law; and
2. Except as otherwise provided [by] in this chapter or any other law, [may exercise] general supervision and control over the entire revenue system of the State, including, without limitation, the administration of the provisions of chapter 207, Statutes of Nevada 1955, as amended [(NRS)] and codified in chapter 372 [.] of NRS, or any special legislative act authorizing or providing for such administration by the Department.] (Deleted by amendment.)~~

Sec. 2. NRS 363A.130 is hereby amended to read as follows:
363A.130 1. ~~Except as otherwise provided in NRS 360.203, there~~ There is hereby imposed an excise tax on each employer at the rate of 2 percent of the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer.

2. The tax imposed by this section:

1 (a) Does not apply to any person or other entity or any wages this State is
2 prohibited from taxing under the Constitution, laws or treaties of the United States
3 or the Nevada Constitution.

4 (b) Must not be deducted, in whole or in part, from any wages of persons in the
5 employment of the employer.

6 3. Each employer shall, on or before the last day of the month immediately
7 following each calendar quarter for which the employer is required to pay a
8 contribution pursuant to NRS 612.535:

9 (a) File with the Department a return on a form prescribed by the Department;
10 and

11 (b) Remit to the Department any tax due pursuant to this section for that
12 calendar quarter.

13 4. In determining the amount of the tax due pursuant to this section, an
14 employer is entitled to subtract from the amount calculated pursuant to subsection 1
15 a credit in an amount equal to 50 percent of the amount of the commerce tax paid
16 by the employer pursuant to chapter 363C of NRS for the preceding taxable year.
17 The credit may only be used for any of the 4 calendar quarters immediately
18 following the end of the taxable year for which the commerce tax was paid. The
19 amount of credit used for a calendar quarter may not exceed the amount calculated
20 pursuant to subsection 1 for that calendar quarter. Any unused credit may not be
21 carried forward beyond the fourth calendar quarter immediately following the end
22 of the taxable year for which the commerce tax was paid, and a taxpayer is not
23 entitled to a refund of any unused credit.

24 5. An employer who makes a donation of money to a scholarship organization
25 during the calendar quarter for which a return is filed pursuant to this section is
26 entitled, in accordance with NRS 363A.139, to a credit equal to the amount
27 authorized pursuant to NRS 363A.139 against any tax otherwise due pursuant to
28 this section. As used in this subsection, "scholarship organization" has the meaning
29 ascribed to it in NRS 388D.260.

30 **Sec. 2.5. NRS 363A.139 is hereby amended to read as follows:**

31 363A.139 1. Any taxpayer who is required to pay a tax pursuant to NRS
32 363A.130 may receive a credit against the tax otherwise due for any donation of
33 money made by the taxpayer to a scholarship organization in the manner provided
34 by this section.

35 2. To receive the credit authorized by subsection 1, a taxpayer who intends to
36 make a donation of money to a scholarship organization must, before making such
37 a donation, notify the scholarship organization of the taxpayer's intent to make the
38 donation and to seek the credit authorized by subsection 1. A scholarship
39 organization shall, before accepting any such donation, apply to the Department of
40 Taxation for approval of the credit authorized by subsection 1 for the donation. The
41 Department of Taxation shall, within 20 days after receiving the application,
42 approve or deny the application and provide to the scholarship organization notice
43 of the decision and, if the application is approved, the amount of the credit
44 authorized. Upon receipt of notice that the application has been approved, the
45 scholarship organization shall provide notice of the approval to the taxpayer who
46 must, not later than 30 days after receiving the notice, make the donation of money
47 to the scholarship organization. If the taxpayer does not make the donation of
48 money to the scholarship organization within 30 days after receiving the notice, the
49 scholarship organization shall provide notice of the failure to the Department of
50 Taxation and the taxpayer forfeits any claim to the credit authorized by subsection
51 1.

3. The Department of Taxation shall approve or deny applications for the credit authorized by subsection 1 in the order in which the applications are received.

4. Except as otherwise provided in subsection 5, the Department of Taxation may, for each fiscal year, approve applications for the credit authorized by subsection 1 until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection is:

(a) For Fiscal Year 2015-2016, \$5,000,000;

(b) For Fiscal Year 2016-2017, \$5,500,000; and

(c) For each succeeding fiscal year, an amount equal to 110 percent of the amount authorized for the immediately preceding fiscal year.

— The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized for any fiscal year.

5. ~~It is~~ Except as otherwise provided in this subsection, in addition to the amount of credits authorized by subsection 4 for Fiscal Year 2017-2018, Years 2019-2020 and 2020-2021, the Department of Taxation may approve applications for the credit authorized by subsection 1 for ~~that~~ each of those fiscal years until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection and subsection 5 of NRS 363B.119 is ~~(\$20,000,000) \$4,745,000~~. The provisions of paragraph (c) of subsection 4 do not apply to the amount of credits authorized by this subsection and the amount of credits authorized by this subsection must not be considered when determining the amount of credits authorized for a fiscal year pursuant to that paragraph. If, in Fiscal Year ~~2017-2018,~~ 2019-2020 or 2020-2021, the amount of credits authorized by subsection 1 and approved pursuant to this subsection is less than ~~(\$20,000,000) \$4,745,000~~, the remaining amount of credits pursuant to this subsection must be carried forward and made available for approval during subsequent fiscal years until the total amount of credits authorized by subsection 1 and approved pursuant to this subsection is equal to ~~(\$20,000,000) \$9,490,000~~. The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized pursuant to this subsection.

6. If a taxpayer applies to and is approved by the Department of Taxation for the credit authorized by subsection 1, the amount of the credit provided by this section is equal to the amount approved by the Department of Taxation pursuant to subsection 2, which must not exceed the amount of the donation made by the taxpayer to a scholarship organization. The total amount of the credit applied against the taxes described in subsection 1 and otherwise due from a taxpayer must not exceed the amount of the donation.

7. If the amount of the tax described in subsection 1 and otherwise due from a taxpayer is less than the credit to which the taxpayer is entitled pursuant to this section, the taxpayer may, after applying the credit to the extent of the tax otherwise due, carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made or until the balance of the credit is applied, whichever is earlier.

8. As used in this section, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3. NRS 363B.110 is hereby amended to read as follows:

363B.110 1. ~~Except as otherwise provided in NRS 360.203, there~~ There is hereby imposed an excise tax on each employer at the rate of 1.475 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds \$50,000.

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

4. In determining the amount of the tax due pursuant to this section, an employer is entitled to subtract from the amount calculated pursuant to subsection 1 a credit in an amount equal to 50 percent of the amount of the commerce tax paid by the employer pursuant to chapter 363C of NRS for the preceding taxable year. The credit may only be used for any of the 4 calendar quarters immediately following the end of the taxable year for which the commerce tax was paid. The amount of credit used for a calendar quarter may not exceed the amount calculated pursuant to subsection 1 for that calendar quarter. Any unused credit may not be carried forward beyond the fourth calendar quarter immediately following the end of the taxable year for which the commerce tax was paid, and a taxpayer is not entitled to a refund of any unused credit.

5. An employer who makes a donation of money to a scholarship organization during the calendar quarter for which a return is filed pursuant to this section is entitled, in accordance with NRS 363B.119, to a credit equal to the amount authorized pursuant to NRS 363B.119 against any tax otherwise due pursuant to this section. As used in this subsection, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3.3. NRS 363B.119 is hereby amended to read as follows:

363B.119 1. Any taxpayer who is required to pay a tax pursuant to NRS 363B.110 may receive a credit against the tax otherwise due for any donation of money made by the taxpayer to a scholarship organization in the manner provided by this section.

2. To receive the credit authorized by subsection 1, a taxpayer who intends to make a donation of money to a scholarship organization must, before making such a donation, notify the scholarship organization of the taxpayer's intent to make the donation and to seek the credit authorized by subsection 1. A scholarship organization shall, before accepting any such donation, apply to the Department of Taxation for approval of the credit authorized by subsection 1 for the donation. The Department of Taxation shall, within 20 days after receiving the application, approve or deny the application and provide to the scholarship organization notice of the decision and, if the application is approved, the amount of the credit authorized. Upon receipt of notice that the application has been approved, the scholarship organization shall provide notice of the approval to the taxpayer who must, not later than 30 days after receiving the notice, make the donation of money to the scholarship organization. If the taxpayer does not make the donation of money to the scholarship organization within 30 days after receiving the notice, the scholarship organization shall provide notice of the failure to the Department of Taxation and the taxpayer forfeits any claim to the credit authorized by subsection 1.

3. The Department of Taxation shall approve or deny applications for the credit authorized by subsection 1 in the order in which the applications are received.

4. Except as otherwise provided in subsection 5, the Department of Taxation may, for each fiscal year, approve applications for the credit authorized by subsection 1 until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection is:

(a) For Fiscal Year 2015-2016, \$5,000,000;

(b) For Fiscal Year 2016-2017, \$5,500,000; and

(c) For each succeeding fiscal year, an amount equal to 110 percent of the amount authorized for the immediately preceding fiscal year.

↪ The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized for any fiscal year.

5. In addition to the amount of credits authorized by subsection 4 for Fiscal ~~Year 2017-2018,~~ Years 2019-2020 and 2020-2021, the Department of Taxation may approve applications for the credit authorized by subsection 1 for ~~that~~ each of those fiscal years until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection and subsection 5 of NRS 363A.139 is ~~\$20,000,000,~~ \$4,745,000. The provisions of paragraph (c) of subsection 4 do not apply to the amount of credits authorized by this subsection and the amount of credits authorized by this subsection must not be considered when determining the amount of credits authorized for a fiscal year pursuant to that paragraph. If, in Fiscal Year ~~2017-2018,~~ 2019-2020 or 2020-2021, the amount of credits authorized by subsection 1 and approved pursuant to this subsection is less than ~~(\$20,000,000,~~ \$4,745,000, the remaining amount of credits pursuant to this subsection must be carried forward and made available for approval during subsequent fiscal years until the total amount of credits authorized by subsection 1 and approved pursuant to this subsection is equal to ~~\$20,000,000,~~ \$9,490,000. The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized pursuant to this subsection.

6. If a taxpayer applies to and is approved by the Department of Taxation for the credit authorized by subsection 1, the amount of the credit provided by this section is equal to the amount approved by the Department of Taxation pursuant to subsection 2, which must not exceed the amount of the donation made by the taxpayer to a scholarship organization. The total amount of the credit applied against the taxes described in subsection 1 and otherwise due from a taxpayer must not exceed the amount of the donation.

7. If the amount of the tax described in subsection 1 and otherwise due from a taxpayer is less than the credit to which the taxpayer is entitled pursuant to this section, the taxpayer may, after applying the credit to the extent of the tax otherwise due, carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made or until the balance of the credit is applied, whichever is earlier.

8. As used in this section, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3.7. NRS 388D.270 is hereby amended to read as follows:

388D.270 1. A scholarship organization must:

(a) Be exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

(b) Not own or operate any school in this State, including, without limitation, a private school, which receives any grant money pursuant to the Nevada Educational Choice Scholarship Program.

(c) Accept donations from taxpayers and other persons and may also solicit and accept gifts and grants.

(d) Not expend more than 5 percent of the total amount of money accepted pursuant to paragraph (c) to pay its administrative expenses.

(e) Provide grants on behalf of pupils who are members of a household that has a household income which is not more than 300 percent of the federally designated level signifying poverty to allow those pupils to attend schools in this State chosen by the parents or legal guardians of those pupils, including, without limitation, private schools. The total amount of a grant provided by the scholarship organization on behalf of a pupil pursuant to this paragraph must not exceed \$7,755 for Fiscal Year 2015-2016.

(f) Not limit to a single school the schools for which it provides grants.

(g) Except as otherwise provided in paragraph (e) ~~and~~ and subsection 6, not limit to specific pupils the grants provided pursuant to that paragraph.

2. The maximum amount of a grant provided by the scholarship organization pursuant to paragraph (e) of subsection 1 must be adjusted on July 1 of each year for the fiscal year beginning that day and ending June 30 in a rounded dollar amount corresponding to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year. On May 1 of each year, the Department of Education shall determine the amount of increase required by this subsection, establish the adjusted amounts to take effect on July 1 of that year and notify each scholarship organization of the adjusted amounts. The Department of Education shall also post the adjusted amounts on its Internet website.

3. A grant provided on behalf of a pupil pursuant to subsection 1 must be paid directly to the school chosen by the parent or legal guardian of the pupil.

4. A scholarship organization shall provide each taxpayer and other person who makes a donation, gift or grant of money to the scholarship organization pursuant to paragraph (c) of subsection 1 with an affidavit, signed under penalty of perjury, which includes, without limitation:

(a) A statement that the scholarship organization satisfies the requirements set forth in subsection 1; and

(b) The total amount of the donation, gift or grant made to the scholarship organization.

5. Each school in which a pupil is enrolled for whom a grant is provided by a scholarship organization shall maintain a record of the academic progress of the pupil. The record must be maintained in such a manner that the information may be aggregated and reported for all such pupils if reporting is required by the regulations of the Department of Education.

6. A scholarship organization shall not use a donation for which the taxpayer received a tax credit pursuant to NRS 363A.139 or 363B.119 to provide a grant pursuant to this section on behalf of a pupil unless the scholarship organization used a donation for which the taxpayer received a tax credit pursuant to NRS 363A.139 or 363B.119 to provide a grant pursuant to this section on behalf of the pupil for the immediately preceding school year or reasonably expects to be able to provide a grant pursuant to this section on behalf of the pupil in at least the same amount for each school year until the pupil graduates from high school. A scholarship organization that violates this subsection shall repay to the Department of Taxation the amount of the tax credit received by the taxpayer pursuant to NRS 363A.139 or 363B.119, as applicable.

7. The Department of Education:

(a) Shall adopt regulations prescribing the contents of and procedures for applications for grants provided pursuant to subsection 1.

(b) May adopt such other regulations as the Department determines necessary to carry out the provisions of this section.

~~(7.)~~ 8. As used in this section, "private school" has the meaning ascribed to it in NRS 394.103.

Sec. 4. ~~NRS 354.601 is hereby amended to read as follows:~~

~~354.601 1. The board of trustees of any county school district, the board of hospital trustees of any county hospital or the board of trustees of any consolidated library district or district library may establish and administer separate accounts in:~~

~~(a) A bank whose deposits are insured by the Federal Deposit Insurance Corporation;~~

~~(b) A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755; or~~

~~(c) A savings and loan association or savings bank whose deposits if made by the State, a local government or an agency of either, are insured by the Federal Deposit Insurance Corporation, or the legal successor of the Federal Deposit Insurance Corporation;~~

~~for money deposited by the county treasurer which is by law to be administered and expended by those boards.~~

~~2. The county treasurer shall transfer the money to a separate account pursuant to subsection 1 when the following conditions are met:~~

~~(a) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library adopts a resolution declaring an intention to establish and administer a separate account in accordance with the provisions of this section;~~

~~(b) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library sends a certificate to the county treasurer, the county auditor, the board of county commissioners and, in the case of the board of trustees of the county school district, to the Department of Education, attested by the secretary of the board, declaring the intention of the board to establish and administer a separate account in accordance with the provisions of this section;~~

~~(c) The board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library submits monthly reports, listing all transactions involving the separate account, to the county treasurer, the county auditor and the board of county commissioners. The reports must be certified by the secretary of the board. In addition, the board shall give a full account and record of all money in such an account upon request of the board of county commissioners.~~

~~3. The separate account of the board of trustees of the county school district established under the provisions of this section must be composed of:~~

~~(a) The county school district fund; { and }~~

~~(b) The county school district building and sites fund;~~

~~(c) Any other fund authorized or required by law.~~

~~4. The separate account established by the board of county hospital trustees is designated the county hospital fund.~~

~~5. The separate account of the board of trustees of the consolidated library district or district library established under the provisions of this section must be composed of:~~

~~(a) The fund for the consolidated library or district library, as appropriate; and~~

~~(b) The capital projects fund of the consolidated library or district library, as appropriate.~~

~~6. No expenditures from an account may be made in excess of the balance of the account.~~

~~7. Such an account must support all expenditures properly related to the purpose of the fund, excluding direct payments of principal and interest on general obligation bonds, and including, but not limited to, debt service, capital projects, capital outlay and operating expenses.~~

~~8. The board of county commissioners, if it determines that there is clear evidence of misuse or mismanagement of money in any separate account, may order the closing of the account and the return of the money to the county treasury to be administered in accordance with existing provisions of law. The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library is entitled to a hearing before the board of county commissioners.~~ **(Deleted by amendment.)**

Sec. 5. [NRS 387.175 is hereby amended to read as follows:]

~~387.175. [The] 1. Except as otherwise provided in this section, the county school district fund is composed of:~~

~~[1.] (a) All local taxes for the maintenance and operation of public schools;~~

~~[2.] (b) All money received from the Federal Government for the maintenance and operation of public schools;~~

~~[3.] (c) Apportionments by this State as provided in NRS 387.124;~~

~~[4.] (d) Any other receipts, including gifts, for the operation and maintenance of the public schools in the county school district.~~

~~2. If the board of trustees of a county school district is allotted any money to employ and equip additional school police officers pursuant to any special legislative act, the money must be:~~

~~(a) Deposited in the appropriate fund in the manner required by the special legislative act; and~~

~~(b) Used only for the purposes authorized by the special legislative act.~~ **(Deleted by amendment.)**

Sec. 6. [NRS 387.180 is hereby amended to read as follows:]

~~387.180. [The] 1. Except as otherwise provided in this section, the board of trustees of each county school district shall pay all moneys received by it for school purposes into the county treasury at the end of each month to be placed to the credit of the county school district fund or the county school district buildings and sites fund as provided for in this chapter, except when the board of trustees of a county school district has elected to establish and administer a separate account under the provisions of NRS 354.603.~~

~~2. If the board of trustees of a county school district is allotted any money to employ and equip additional school police officers pursuant to any special legislative act, the money must be:~~

~~(a) Deposited in the appropriate fund in the manner required by the special legislative act; and~~

~~(b) Used only for the purposes authorized by the special legislative act.~~ **(Deleted by amendment.)**

Sec. 7. [Section 13 of the Clark County Crime Prevention Act of 2016, being chapter 1, Statutes of Nevada 2016, 30th Special Session, at page 9, is hereby amended to read as follows:]

~~Sec. 13. 1. A body designated pursuant to subsection 1 of section 12 of this act that approves an expenditure pursuant to section 12 of this act shall, for the relevant period, submit to the Department the reports required by this section, which must include, without limitation, the information required by this section and such other information relating to the administration of the provisions of this act as may be requested by the Department.~~

~~2. A body designated pursuant to subsection 1 of section 12 of this act shall submit the reports required by this section on or before:~~

~~(a) February 15, for the 2 month period ending on the immediately preceding December 31;~~

~~(b) May 15, for the 3 month period ending on the immediately preceding March 31;~~

~~(c) August 15, for the 3 month period ending on the immediately preceding June 30;~~

~~(d) November 15, for the 3 month period ending on the immediately preceding September 30; and~~

~~(e) August 15, for the 12 month period ending on the immediately preceding June 30.~~

~~3. Each report submitted pursuant to this section must be submitted on a form provided by the Department, which must be the same form as the form provided for the relevant report required by section 13.5 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as added by chapter 545, Statutes of Nevada 2007, at page 2422, and amended [by chapter 407, Statutes of Nevada 2011, at page 2160,] from time to time thereafter and must include, with respect to the period covered by the report:~~

~~(a) The total amount of the allocation received by the respective police department from the proceeds of the tax authorized by subsection 1 of section 9 of this act; [i]~~

~~(b) A detailed description of the use of the money allocated to the police department, including, without limitation:~~

~~(1) The total expenditures made by the police department from the allocation; [i]~~

~~(2) The total number of police officers hired by the respective police department, the number of those officers that are filling authorized, funded positions for new officers and demographic information regarding those officers reported in a manner consistent with the current policies of the respective police department concerning the reporting of such information; [i and]~~

~~(3) A detailed analysis of the manner in which each expenditure:~~

~~(i) Conforms to all provisions of this act; and~~

~~(ii) Does not replace or supplant funding or staffing levels, which existed before October 1, 2016, for the respective police department; [i]~~

~~(c) An analysis of the manner in which each expenditure is being used to prevent crimes and the effectiveness of each expenditure in preventing crimes; [i and]~~

~~(d) Any other information required to complete the form of the report;~~

~~4. The Metropolitan Police Committee on Fiscal Affairs shall:~~

~~(a) Prepare and submit separate reports as required by this section for the expenditures approved from the allocations received by the Las Vegas Metropolitan Police Department pursuant to paragraphs (a) and (b), respectively, of subsection 2 of section 9 of this act; and~~

~~(b) In addition to all other information required by this section, include in each report submitted pursuant to this section evidence that the expenditures from allocations received by the Las Vegas Metropolitan Police Department pursuant to paragraph (a) of subsection 2 of section 9 of this act are not offsetting, supplanting, replacing or otherwise reducing the amount of money allocated to the Las Vegas Metropolitan Police~~

~~Department pursuant to paragraph (b) of subsection 2 of section 9 of this act for expenditure on law enforcement and crime prevention in the resort corridor.~~

~~5. The Department may review and investigate the reports submitted pursuant to this section and any expenditure of any proceeds from the tax authorized by subsection 1 of section 9 of this act. (Deleted by amendment.)~~

Sec. 8. ~~{The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 5.5, immediately following section 5, to read as follows:~~

~~Sec. 5.5. "Board of Trustees" means the Board of Trustees of the Clark County School District. (Deleted by amendment.)~~

Sec. 9. ~~{The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 8.5, immediately following section 8, to read as follows:~~

~~Sec. 8.5. "School police officer" means a person who is employed or appointed to serve as a school police officer in the Clark County School District pursuant to NRS 391.281. (Deleted by amendment.)~~

Sec. 10. ~~{The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 12.5, immediately following section 12, to read as follows:~~

~~Sec. 12.5. 1. During Fiscal Year 2019-2020 and during each fiscal year thereafter, the Department shall determine whether the total amount of the proceeds received from any sales and use tax imposed pursuant to this act during the preceding month exceeds the proceeds received from such a tax during the corresponding month of Fiscal Year 2018-2019. If the proceeds received in the current fiscal year:~~

~~(a) Do not exceed the proceeds received from the corresponding month of Fiscal Year 2018-2019, the amount determined by the State Controller pursuant to paragraph (b) of subsection 2 of section 14 of this act must be transferred as provided in paragraph (c) of subsection 2 of section 14 of this act;~~

~~(b) Do exceed the proceeds received from the corresponding month of Fiscal Year 2018-2019:~~

~~(1) The sum of the amount determined by the State Controller pursuant to paragraph (b) of subsection 2 of section 14 of this act received from such a tax during the corresponding month of Fiscal Year 2018-2019 and 50 percent of the excess must be transferred as provided in paragraph (c) of subsection 2 of section 14 of this act.~~

~~(2) Fifty percent of the excess must be transferred to the Clark County School District for the purpose of employing and equipping additional school police officers pursuant to this section.~~

~~2. Except as otherwise provided in subsection 3, the Board of Trustees shall not approve the expenditure of the proceeds received by the School District pursuant to this section unless the expenditures:~~

~~(a) Is used to employ and equip additional school police officers;~~

~~(b) Conforms to all provisions of this act; and~~

~~(c) Will not replace or supplant existing funding to employ and equip school police officers.~~

~~3. If the Board of Trustees contracts with the Las Vegas Metropolitan Police Department for the provision and supervision of police services pursuant to NRS 391.281;~~

~~(a) The Board of Trustees shall, in the terms of the contract, provide for the transfer to the Las Vegas Metropolitan Police Department of the proceeds received by the School District pursuant to this section; and~~

~~(b) The body designated pursuant to section 12 of this act to approve expenditures by the Las Vegas Metropolitan Police Department shall not approve the expenditure of the proceeds received by the School District pursuant to this section unless the expenditure~~

~~(1) Is used to employ and equip additional school police officers;~~

~~(2) Conforms to all provisions of this act; and~~

~~(3) Will not replace or supplant existing funding to employ and equip school police officers; (Deleted by amendment.)~~

Sec. 11. ~~[Section 2 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended to read as follows:~~

~~Sec. 2. 1. The Legislature hereby finds and declares that:~~

~~[1.] (a) Nevada continues to be the fastest growing state in the nation, with the overwhelming majority of this population growth occurring in Clark County, which adds 6,000 to 7,000 new residents each month;~~

~~[2.] (b) The increase in the number of police officers to protect the residents of Clark County has not kept pace with the explosive growth in the numbers of these residents; so, while the nation as a whole averages 2.5 police officers for each 1,000 residents, the current ratio in Clark County is now only 1.7 police officers for each 1,000 residents;~~

~~[3.] (c) The crime rate in Clark County is increasing, and so is the time it takes for police officers to respond when a resident reports a crime, while the very real threat of terrorism means that police now must assume added responsibilities for homeland security;~~

~~[4.] (d) A majority of the voters in Clark County approved at the November 2, 2004, General Election Advisory Question No. 9, indicating their support for an increase in the sales tax of up to one half of 1 percent for the purpose of employing and equipping more police officers to protect the residents of Clark County;~~

~~[5.] (e) It is intended that 80 percent of any additional police officers employed and equipped pursuant to this act be assigned to uniform operations for marked patrol units in the community and for the control of traffic; and~~

~~[6.] (f) It is further intended that each police department that receives proceeds from any sales and use tax imposed pursuant to this act and allocated among the police departments within Clark County pursuant to section 9 of this act establish a program that promotes community participation in protecting the residents of the community that includes, without limitation:~~

~~[(a)] (1) A written policy of the department that sets forth its position on providing law enforcement services oriented toward the involvement of residents of the community;~~

~~[(b)] (2) The provision of training for all police officers employed by the department that includes, without limitation, training related to:~~

~~[(1)] (i) Methods that may be used to analyze, respond to and solve problems commonly confronted by police officers in the community;~~

~~[(2)] (II) The cultural and racial diversity of the residents of the community;~~

~~[(3)] (III) The proper utilization of community resources, such as local housing authorities, public utilities and local public officials, that are available to assist in providing law enforcement services; and~~

~~[(4)] (IV) Issues concerning not only the prevention of crime, but also concerning improving the quality of life for the residents of the community; and~~

~~[(c)] (3) The formation of partnerships with the residents of the community and public and private agencies and organizations to address mutual concerns related to the provision of law enforcement services. }~~

~~7. A}~~

~~3. The Legislature hereby further finds and declares that:~~

~~(a) The Clark County School District is one of the largest school districts in the nation when measured either by enrollment or geographic area, and its enrollment of over 320,000 pupils generally ranks as the fifth largest school district by enrollment in the nation and its geographic area of almost 3,000 square miles generally ranks as the seventh largest school district by geographic area in the continental United States;~~

~~(b) A safe and secure environment in the public schools and other facilities in the Clark County School District is necessary and essential for the School District to fulfill its educational mission and successfully teach, instruct and educate the pupils enrolled in the School District;~~

~~(c) There are substantial dangers and threats to the safety of the public schools and other facilities in the Clark County School District, such as school violence, illegal weapons, illicit drugs and inappropriate and unlawful sexual conduct, that have become more frequent and severe, more difficult to police and more challenging in terms of providing effective and timely responses by the limited and overextended resources of the school police officers in the School District; and~~

~~(d) It is therefore necessary and essential for the protection of the safety of the public schools and other facilities in the Clark County School District to employ and equip additional school police officers in the School District as provided by this act.~~

~~3. The Legislature hereby further finds and declares that a general law cannot be made applicable to the purposes, objects, powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act because of [the]:~~

~~(a) The demographic, economic and geographic diversity of the local governments [of] and school districts in this State [; the]; and~~

~~(b) The special and unique growth patterns [; occurring in Clark County and the special] financial conditions [experienced] and dangers and threats to the safety of the public in Clark County and the safety of the public schools and other facilities in the Clark County [related to] School District, and the corresponding challenges in providing effective and timely police protection under those special and unique circumstances, which:~~

~~(1) Are not reasonably comparable to anywhere else in this State; and~~

~~(2) Create the ongoing need to employ and equip more [police officers]; and~~

~~8. The~~

~~(1) Police officers for the protection of the safety of the public in Clark County, as the most populous county in this State; and~~

~~(11) School police officers for the protection of the safety of the public schools and other facilities in the Clark County School District, as the largest school district in this State in terms of enrollment and one of the largest school districts in the nation in terms of enrollment and geographic area.~~

~~4. The Legislature hereby further finds and declares that the powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act must comply in all respects with any requirement or limitation pertaining thereto and imposed by any constitutional provisions. (Deleted by amendment.)~~

Sec. 12. ~~Section 3 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 914, is hereby amended to read as follows:~~

~~Sec. 3. Except as otherwise provided in this act or unless the context otherwise requires, terms used or referred to in this act have the meanings ascribed to them in chapter 274 of NRS, as from time to time amended, but the definitions in sections 4 to [8,] 8.5, inclusive, of this act, unless the context otherwise requires, govern the construction of this act. (Deleted by amendment.)~~

Sec. 13. ~~Section 9 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 914, is hereby amended to read as follows:~~

~~Sec. 9. 1. The Board may enact an ordinance imposing a local sales and use tax pursuant to this act. If the Board enacts or has enacted such an ordinance, the proceeds received from the tax authorized pursuant to this section must be used to employ and equip additional [police].~~

~~(a) Police officers for the Boulder City Police Department, Henderson Police Department, Las Vegas Metropolitan Police Department, Mesquite Police Department and North Las Vegas Police Department.~~

~~(b) School police officers for the Clark County School District pursuant to section 12.5 of this act.~~

~~2. Before enacting such an ordinance, the Board shall hold a public hearing to present its plan for implementing the local sales and use tax.~~

~~3. The proceeds received from the tax authorized pursuant to this section, including interest and other income earned thereon, must be:~~

~~(a) Allocated as follows:~~

~~(1) Subject to the limitations set forth in section 12.5 of this act, among the police departments within the County in the same ratio that the population served by each department bears to the total population of the County. As used in this [paragraph] subparagraph, "population" means the estimated annual population determined pursuant to NRS 360.283.~~

~~(2) To the Clark County School District pursuant to section 12.5 of this act.~~

~~(b) Used only as approved pursuant to section 12.5 or 13 of this act and only for the purposes set forth in this section or section 12.5 of this act unless the Legislature changes the use. [The]~~

~~4. If the Board wants to change the uses for the proceeds received from the tax and allocated among the police departments within the County, the Board shall, before submitting to the Legislature any request to change the uses for [the] such proceeds received from the tax, submit an advisory question to the voters of the County pursuant to NRS 295.230,~~

asking whether the uses for ~~the~~ such proceeds received from the tax should be so changed. The Board shall not submit such a request to the Legislature if a majority of the voters in the County disapprove the proposed change. (Deleted by amendment.)

Sec. 14. ~~Section 13 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as amended by chapter 497, Statutes of Nevada 2011, at page 2158, is hereby amended to read as follows:~~

~~Sec. 13. 1. A police department shall not expend proceeds received from any sales and use tax imposed pursuant to this act and allocated among the police departments within the County pursuant to section 9 of this act unless the expenditure has been approved by the body designated pursuant to this section for the approval of expenditures of that police department. The body designated pursuant to this section must approve the expenditure of the proceeds by the police department if it determines that~~

~~(a) The proposed use of the money conforms to all provisions of this act; and~~

~~(b) The proposed use will not replace or supplant existing funding for the police department.~~

~~2. The body designated to approve an expenditure for:~~

~~(a) The Boulder City Police Department is the City Council of the City of Boulder City;~~

~~(b) The Henderson Police Department is the City Council of the City of Henderson;~~

~~(c) The Las Vegas Metropolitan Police Department is the Metropolitan Police Committee on Fiscal Affairs;~~

~~(d) The Mesquite Police Department is the City Council of the City of Mesquite; and~~

~~(e) The North Las Vegas Police Department is the City Council of the City of North Las Vegas.~~

~~3. In determining that a proposed use meets the requirement set forth in paragraph (b) of subsection 1, a body designated pursuant to subsection 2 must find that either:~~

~~(a) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is equal to or greater than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department; or~~

~~(b) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is less than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department and the body projects a decrease in its receipt of revenue in that fiscal year from consolidated taxes and property taxes of more than 2 percent from its base fiscal year.~~

~~4. If a body designated pursuant to subsection 2 makes a finding pursuant to subsection 3, the body shall adopt a resolution setting forth the finding and the reasons therefor. If the finding is made pursuant to paragraph (b) of subsection 3, the finding must include, without limitation, all facts supporting the projection of a decrease in revenue.~~

~~5. If a body designated pursuant to subsection 2 does not make a finding pursuant to subsection 3 for a fiscal year on or before July 1 of that fiscal year, the body shall retain the proceeds received for that fiscal year from any sales and use tax imposed pursuant to this act and allocated~~

~~among the police departments within the County pursuant to section 9 of this act in the special revenue fund created by the body pursuant to section 17 of this act for use pursuant to this section. Any other body designated pursuant to subsection 2 which makes a finding pursuant to subsection 3 for that fiscal year may apply to the County Treasurer requesting approval for the use by the police department for which the other body approves expenditures of any portion of those proceeds in accordance with the provisions of this section.~~

~~6. The County Treasurer, upon receiving a request pursuant to subsection 5 and proper documentation of compliance with the provisions of this section, shall provide written notice to the designated body which failed to make a finding pursuant to subsection 3 that it is required to transfer from the special revenue fund created by the body pursuant to section 17 of this act to the County Treasurer such amount of the proceeds received for that fiscal year from any sales and use tax imposed pursuant to this act and allocated among the police departments within the County pursuant to section 9 of this act, as approved by the County Treasurer for use by the designated body that submitted the request.~~

~~7. Notwithstanding the provisions of subsection 3 of section 17 of this act, a designated body that receives written notice from the County Treasurer pursuant to subsection 6 shall transfer all available required money to the County Treasurer as soon as practicable following its receipt of any portion of the proceeds. Upon receipt of the money, the County Treasurer shall transfer the money to the designated body that submitted the request, which shall deposit the money in the special revenue fund created by that designated body pursuant to section 17 of this act.~~

~~8. As used in this section, "base fiscal year" means, with respect to a body designated pursuant to subsection 2, Fiscal Year 2009-2010, except that:~~

~~(a) If, in any subsequent fiscal year, the amount approved for expenditure by the body for that subsequent fiscal year for the support of the police department, not including any money received or expended pursuant to this act, exceeds by more than 2 percent the amount approved for expenditure in Fiscal Year 2009-2010, the base fiscal year for that body becomes the most recent of such subsequent fiscal years.~~

~~(b) If the base fiscal year is revised pursuant to paragraph (a) and, in any subsequent fiscal year, the amount approved for expenditure by the body for that subsequent fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is equal to or less than the amount approved for expenditure in Fiscal Year 2009-2010, the base fiscal year for that body becomes Fiscal Year 2009-2010 but is subject to subsequent revision pursuant to paragraph (a).
(Deleted by amendment.)~~

Sec. 15. ~~Section 13.2 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as added by chapter 1, Statutes of Nevada 2012, 27th Special Session, at page 2, is hereby amended to read as follows:~~

~~Sec. 13.2. 1. The provisions of paragraph (b) of subsection 1 and subsections 2 to 8, inclusive, of section 13 of this act do not apply to any expenditure of proceeds received from any sales and use tax imposed pursuant to this act on or after July 1, 2013, but before July 1, 2016.1, and allocated among the police departments within the County pursuant to section 9 of this act.~~

~~2. In addition to the requirements of section 13.5 of this act~~
~~(a) The periodic reports required by that section must include, with respect to the period covered by the report, a separate detailed description of the expenditure of any proceeds received from the sales and use tax imposed pursuant to this act and allocated among the police departments within the County pursuant to section 9 of this act as a result of the provisions of subsection 1; and~~

~~(b) A governing body that is required to submit a report pursuant to section 13.5 of this act shall submit a copy of the separate detailed description required by paragraph (a) for the period covered by the report to the Director of the Legislative Council Bureau for transmittal to the Interim Finance Committee on or before the date by which the governing body is required to submit the report for that period to the Department pursuant to section 13.5 of this act.) (Deleted by amendment.)~~

Sec. 16. ~~[Section 13.5 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as amended by chapter 497, Statutes of Nevada 2011, at page 3160, is hereby amended to read as follows:~~

~~Sec. 13.5. 1. Any governing body that has approved expenditures pursuant to section 13.5 or 13 of this act shall submit to the Department the periodic reports required pursuant to this section and such other information relating to the provisions of this act as may be requested by the Department.~~

~~2. The reports required pursuant to this section must be submitted:~~

~~(a) On or before:~~

~~(1) February 15 for the 3-month period ending on the immediately preceding December 31;~~

~~(2) May 15 for the 3-month period ending on the immediately preceding March 31;~~

~~(3) August 15 for the 3-month period ending on the immediately preceding June 30; and~~

~~(4) November 15 for the 3-month period ending on the immediately preceding September 30; and~~

~~(b) On or before August 15 for the 12-month period ending on the immediately preceding June 30.~~

~~3. Each report must be submitted on a form provided by the Department and include, with respect to the period covered by the report:~~

~~(a) The total proceeds received by the respective police department or the Clark County School District, as applicable, from the sales and use tax imposed pursuant to this act; [i]~~

~~(b) A detailed description of the use of the proceeds, including, without limitation:~~

~~(1) The total expenditures made by the respective police department or the Clark County School District, as applicable, from the sales and use tax imposed pursuant to this act; [i]~~

~~(2) The total number of police officers hired by the police department [and] or the total number of school police officers hired by the Clark County School District, as applicable, the number of those officers that are filling authorized, funded positions for new officers [i] within the respective police department or the Clark County School District, as applicable, and demographic information regarding those officers reported in a manner consistent with the current policies of the respective police department or the Clark County School District, as applicable, concerning the reporting of such information.~~

~~(3) A detailed analysis of the manner in which each expenditure:~~

~~(i) Conforms to all provisions of this act; and~~
~~(ii) Does not replace or supplant funding which existed before~~
~~October 1, 2005, for the police department [and] or which existed before~~
~~July 1, 2010, for school police officers for the Clark County School~~
~~District, as applicable.~~

~~(c) Any other information required to complete the form for the report.~~
~~4. The Department may review and investigate the reports submitted~~
~~pursuant to this section and the expenditure of any proceeds pursuant to~~
~~section 12.5 or 13 of this act. (Deleted by amendment.)~~

Sec. 17. ~~[Section 14 of the Clark County Sales and Use Tax Act of 2005,~~
~~being chapter 249, Statutes of Nevada 2005, as amended by chapter 387, Statutes of~~
~~Nevada 2009, at page 2027, is hereby amended to read as follows:~~

~~Sec. 14. 1. All fees, taxes, interest and penalties imposed and all~~
~~amounts of tax required to be paid to the County pursuant to this act must~~
~~be paid to the Department in the form of remittances payable to the~~
~~Department.~~

~~2. The Department shall deposit the payments with the State~~
~~Treasurer for credit to the Sales and Use Tax Account in the State General~~
~~Fund.~~

~~3. [That] Except as otherwise provided in section 12.5 of this act, the~~
~~State Controller, acting upon the collection data furnished by the~~
~~Department, shall monthly:~~

~~(a) Transfer from the Sales and Use Tax Account to the appropriate~~
~~account in the State General Fund 1.75 percent of all fees, taxes, interest~~
~~and penalties collected pursuant to this act during the preceding month as~~
~~compensation to the State for the cost of collecting the tax.~~

~~(b) Determine the amount equal to all fees, taxes, interest and penalties~~
~~collected in or for the County pursuant to this act during the preceding~~
~~month, less the amount transferred to the State General Fund pursuant to~~
~~paragraph (a).~~

~~(c) Transfer the amount determined pursuant to paragraph (b) to the~~
~~Intergovernmental Fund and remit the money to the County Treasurer.]~~
~~(Deleted by amendment.)~~

Sec. 18. ~~[Section 15 of the Clark County Sales and Use Tax Act of 2005,~~
~~being chapter 249, Statutes of Nevada 2005, at page 916, is hereby amended to read~~
~~as follows:~~

~~Sec. 15. The Department may redistribute any proceeds received~~
~~from the tax, interest or penalty collected pursuant to this act which is~~
~~determined to be improperly distributed [] to the respective police~~
~~departments within the County or the Clark County School District, but~~
~~no such redistribution may be made as to amounts originally distributed~~
~~more than 6 months before the date on which the Department obtains~~
~~knowledge of the improper distribution.] (Deleted by amendment.)~~

Sec. 19. ~~[Section 16 of the Clark County Sales and Use Tax Act of 2005,~~
~~being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read~~
~~as follows:~~

~~Sec. 16. 1. The County Treasurer shall deposit money received~~
~~from the State Controller pursuant to [paragraph (c) of subsection 3 of]~~
~~section 12.5 or 14 of this act into the County Treasury for credit to a fund~~
~~created for the use of the proceeds received from the tax authorized by this~~
~~act.~~

~~2. The fund of the County created for the use of the proceeds received from the tax authorized by this act must be accounted for as a separate fund and not as a part of any other fund.~~

~~3. The County Treasurer upon receipt of the money remitted to him or her pursuant to this section shall distribute it to the appropriate accounts in accordance with the allotments established pursuant to section 9 or 12.5 of this act. (Deleted by amendment.)~~

Sec. 20. ~~(Section 17 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read as follows:~~

~~Sec. 17. 1. To carry out the provisions of this act~~

~~(a) The City Treasurers of Boulder City, Henderson, Mesquite and North Las Vegas and the Las Vegas Metropolitan Police Department shall deposit the money received from the County Treasurer pursuant to subsection 2 of section 16 of this act into a special revenue fund created for the use of the proceeds received from the tax authorized by this act, and allocated among the police departments within the County pursuant to section 9 of this act.~~

~~(b) If, pursuant to NRS 387.170, the Board of Trustees~~

~~(1) Has elected to establish and administer a separate account as the County School District Fund pursuant to NRS 354.603, the Board of Trustees shall~~

~~(I) Create a special revenue fund for the use of the proceeds received from the tax authorized by this act and allocated to the Clark County School District pursuant to section 12.5 of this act and~~

~~(II) Deposit the money received from the County Treasurer pursuant to section 16 of this act into the special revenue fund,~~

~~(3) Has not elected to establish and administer a separate account as the County School District Fund pursuant to NRS 354.603, the County Treasurer shall~~

~~(I) Create a special revenue fund for the use of the proceeds received from the tax authorized by this act and allocated to the School District pursuant to section 12.5 of this act and~~

~~(II) Deposit the money received by the County Treasurer pursuant to section 16 of this act into the special revenue fund.~~

~~2. Each special revenue fund created for the use of the proceeds received from the tax authorized by this act pursuant to subsection 1 must be accounted for as a separate fund and not as a part of any other fund.~~

~~3. Interest earned on a special revenue fund created pursuant to subsection 1 must be credited to the fund. The money in each such fund must remain in the fund and must not revert to the County Treasury or the County School District Fund, as applicable, at the end of any fiscal year. (Deleted by amendment.)~~

Sec. 21. ~~(Section 20 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read as follows:~~

~~Sec. 20. In a proceeding arising from an ordinance imposing a tax pursuant to this act, the Department may act for and on behalf of the County, or the Clark County School District, as appropriate for the proceeding. (Deleted by amendment.)~~

1 Sec. 22. ~~{Section 21 of the Clark County Sales and Use Tax Act of 2005,~~
2 ~~being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read~~
3 ~~as follows:~~

4 ~~Sec. 21. 1. The powers conferred by this act are in addition and~~
5 ~~supplemental to, and not in substitution for, the powers conferred by any~~
6 ~~other law and the limitations imposed by this act do not affect the powers~~
7 ~~conferred by any other law.~~

8 ~~2. This act must not be construed to prevent the exercise of any power~~
9 ~~granted by any other law to the County or the Clark County School~~
10 ~~District, as applicable, or any officer, agent or employee of the County, or~~
11 ~~the Clark County School District, as applicable.~~

12 ~~3. This act must not be construed to repeal or otherwise affect any~~
13 ~~other law or part thereof [], except that if there is any conflict between the~~
14 ~~specific provisions of this act and the general provisions of any other law~~
15 ~~or part thereof, the specific provisions of this act control.~~

16 ~~4. This act is intended to provide a separate method of accomplishing~~
17 ~~the objectives of the act, but not an exclusive method.~~

18 ~~5. If any provision of this act, or application thereof to any person,~~
19 ~~thing or circumstance, is held invalid, the invalidity shall not affect the~~
20 ~~provisions or application of this act which can be given effect without the~~
21 ~~invalid provision or application, and to this end the provisions of this act~~
22 ~~are declared to be severable.} (Deleted by amendment.)~~

23 Sec. 23. ~~{Section 23 of chapter 249, Statutes of Nevada 2005, at page 917, is~~
24 ~~hereby amended to read as follows:~~

25 ~~Sec. 23. [] This act becomes effective:~~

26 ~~(a) 1. Upon passage and approval for the purposes of enacting~~
27 ~~ordinances and performing any other preparatory administrative tasks that~~
28 ~~are necessary to carry out the provisions of this act; and~~

29 ~~(b) 2. On October 1, 2005, for all other purposes.~~

30 ~~3. This act expires by limitation on October 1, 2025.} (Deleted by~~
31 ~~amendment.)~~

32 Sec. 24. ~~{Section 23 of chapter 545, Statutes of Nevada 2007, at page 2438,~~
33 ~~is hereby amended to read as follows:~~

34 ~~Sec. 23. 1. This section and sections 2 to 22, inclusive, of this act~~
35 ~~become effective:~~

36 ~~(a) Upon passage and approval for the purposes of enacting ordinances~~
37 ~~and performing any other preparatory administrative tasks that are~~
38 ~~necessary to carry out the provisions of this act; and~~

39 ~~(b) On October 1, 2007, for all other purposes.~~

40 ~~2. Sections 1 and 2 of this act become effective on October 1, 2007,~~
41 ~~[and expire by limitation on October 1, 2025.]~~

42 ~~3. Sections 3 to 22, inclusive, of this act expire by limitation on~~
43 ~~October 1, 2027.} (Deleted by amendment.)~~

44 Sec. 25. ~~{Section 28 of chapter 387, Statutes of Nevada 2009, at page 2104,~~
45 ~~is hereby amended to read as follows:~~

46 ~~Sec. 28. 1. This section and sections 4, 18 and 27 of this act~~
47 ~~become effective upon passage and approval.~~

48 ~~2. Sections 2, 3, 5, 6, 7, 9, 11 to 16, inclusive, and 19 to 26, inclusive,~~
49 ~~of this act become effective on July 1, 2009.~~

50 ~~3. Section 17 of this act becomes effective on July 1, 2011.~~

51 ~~4. [Section 20 of this act expires by limitation on September 30, 2025.~~

52 ~~5.] Section 25 of this act expires by limitation on September 30, 2027.~~

~~[6.] 5. Sections 7 and 9 of this act expire by limitation on September 20, 2020.~~

~~[7.] 6. Sections 8 and 10 of this act become effective on October 1, 2020. (Deleted by amendment.)~~

Sec. 26. ~~{Section 3.5 of chapter 1, Statutes of Nevada 2013, 27th Special Session, at page 3, is hereby amended to read as follows:~~

~~Sec. 3.5. 1. If the increase in the rate of the tax authorized by section 3 of this act is enacted pursuant to that section, the County Treasurer of Clark County shall not make any allotment to a police department pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005 of any portion of the proceeds of the increase allocated among the police departments within Clark County pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005, unless the County Treasurer is satisfied that the police department will meet the requirements of subsection 1 of section 3.7 of this act.~~

~~2. If the County Treasurer determines pursuant to subsection 1 that an allotment will not be made to a police department, any other police department may apply to the County Treasurer requesting approval for the use by the requesting police department of the unused allotment. If the County Treasurer is satisfied that the requesting police department will meet the requirements of subsection 1 of section 3.7 of this act, the County Treasurer shall make the requested allotment to the requesting police department. (Deleted by amendment.)~~

Sec. 27. ~~{Section 3.7 of chapter 1, Statutes of Nevada 2013, 27th Special Session, at page 3, is hereby amended to read as follows:~~

~~Sec. 3.7. 1. A police department shall not expend any portion of an allotment made to it by the County Treasurer pursuant to section 3.5 of this act to employ and equip additional police officers unless:~~

~~(a) The police department employs and equips an equal number of police officers in unfilled budgeted positions for police officers using money other than the proceeds of the increase in the rate of the tax authorized by section 3 of this act [1] and allocated among the police departments within Clark County pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005; or~~

~~(b) If, based on the number of budgeted positions for police officers in the police department for the 2013-2014 fiscal year, the police department does not have a sufficient number of unfilled budgeted positions for police officers to match all of the positions that are available for funding with the proceeds of the increase in the rate of the tax authorized by section 3 of this act [1] and allocated among the police departments within Clark County pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005, the police department applies for and is granted a waiver from the requirements of paragraph (a) by the Committee on Local Government Finance;~~

~~2. The Committee on Local Government Finance shall, on or before September 1 of each year, submit a report to the Legislative Commission that sets forth the number of waivers granted by the Committee pursuant to this section during the immediately preceding fiscal year and the reasons for each such waiver. (Deleted by amendment.)~~

Sec. 28. ~~{Section 4 of chapter 1, Statutes of Nevada 2013, 27th Special Session, at page 3, is hereby amended to read as follows:~~

~~Sec. 4. This act becomes effective upon passage and approval, and expires by limitation on October 1, 2025. (Deleted by amendment.)~~

1 ~~Sec. 29. 1. There is hereby appropriated from the State General Fund to~~
 2 ~~the School Safety Account the sum of \$2,500,000 for the Fiscal Year 2019-2020.~~

3 ~~2. The Department of Education shall transfer money from the appropriation~~
 4 ~~made by subsection 1 to school districts and charter schools for block grants for~~
 5 ~~contract or employee social workers or other licensed mental health workers in~~
 6 ~~schools with identified needs. The money must not be used for administrative~~
 7 ~~expenditures of the Department of Education.~~

8 ~~3. For purposes of the allocations of sums for the block grant program~~
 9 ~~described in subsection 2, eligible licensed social workers or other mental health~~
 10 ~~workers include the following:~~

- 11 ~~(a) Licensed Clinical Social Worker;~~
- 12 ~~(b) Social Worker;~~
- 13 ~~(c) Social Worker Intern with Supervision;~~
- 14 ~~(d) Clinical Psychologist;~~
- 15 ~~(e) Psychologist Intern with Supervision;~~
- 16 ~~(f) Marriage and Family Therapist;~~
- 17 ~~(g) Mental Health Counselor;~~
- 18 ~~(h) Community Health Worker;~~
- 19 ~~(i) School Based Health Centers; and~~
- 20 ~~(j) Licensed Nurse;~~

21 ~~4. The money appropriated by subsection 1 must be expended in accordance~~
 22 ~~with NRS 353.150 to 353.246, inclusive, concerning the allotment, transfer, work~~
 23 ~~program and budget. Transfers to and allotments from must be allowed and made in~~
 24 ~~accordance with NRS 353.215 to 353.225, inclusive, after separate consideration of~~
 25 ~~the merits of each request.~~

26 ~~5. Any remaining balance of the transfer made by subsection 2 for Fiscal Year~~
 27 ~~2019-2020 may be carried forward for Fiscal Year 2020-2021, must not be~~
 28 ~~committed for expenditure after June 30, 2021, and does not revert to the State~~
 29 ~~General Fund.) (Deleted by amendment.)~~

30 ~~Sec. 30. 1. There is hereby appropriated from the State General Fund to~~
 31 ~~the School Safety Account the following sums:~~

32 ~~For the Fiscal Year 2019-2020.....\$1,500,000~~
 33 ~~For the Fiscal Year 2020-2021.....\$4,000,000~~

34 ~~2. The Department of Education shall transfer from the appropriation made by~~
 35 ~~subsection 1 to provide grants to public schools to employ and equip school~~
 36 ~~resource officers or school police officers in schools with identified needs on the~~
 37 ~~basis of data relating to school discipline, violence, climate and vulnerability and~~
 38 ~~the ability of the public school to hire school resource officers or school police~~
 39 ~~officers. The money must not be used for administrative expenditures of the~~
 40 ~~Department of Education.~~

41 ~~3. The money transferred pursuant to subsection 2:~~

- 42 ~~(a) Must be accounted for separately from any other money received by the~~
 43 ~~school districts and charter schools of this State and used only for the purposes~~
 44 ~~specified in subsection 2;~~
- 45 ~~(b) May not be used to settle or arbitrate disputes between a recognized~~
 46 ~~organization representing employees of a school district and the school district, or~~
 47 ~~to settle any negotiations;~~
- 48 ~~(c) May not be used to adjust the district wide schedules of salaries and~~
 49 ~~benefits of the employees of a school district.~~

50 ~~4. Any remaining balance of the sums transferred by subsection 1 for Fiscal~~
 51 ~~Year 2019-2020 and Fiscal Year 2020-2021 must not be committed for expenditure~~
 52 ~~after June 30 of each fiscal year and must be reverted to the State General Fund on~~

~~or before September 18, 2020, and September 17, 2021, for each fiscal year respectively.) (Deleted by amendment.)~~

Sec. 31. 1. There is hereby appropriated from the State General Fund to the School Safety Account the ~~sum of \$17,500,000 for the Fiscal Year 2020-2021~~ following sums:

~~For the Fiscal Year 2019-2020 \$8,340,845~~

~~For the Fiscal Year 2020-2021 \$8,404,930~~

2. The Department of Education shall transfer from the appropriation made by subsection 1 to provide grants utilizing a competitive grant process based on demonstrated need, within the limits of legislative appropriation, to school districts ~~(in counties whose population is less than 100,000)~~ and to charter schools for school safety facility improvements.

3. Any remaining balance of the appropriation made by subsection 1 ~~for Fiscal Year 2019-2020 must be added to the money appropriated for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the appropriation made by subsection 1 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021.~~

Sec. 32. ~~1. There is hereby appropriated from the State General Fund to the School Safety Account the following sums:~~

~~For the Fiscal Year 2019-2020 \$145,000~~

~~For the Fiscal Year 2020-2021 \$145,000~~

~~2. The money appropriated by subsection 1 must be used by the Department of Education to provide threat assessments and trainings and to provide mobile crisis response team services in counties whose population is less than 100,000.~~

~~3. Any remaining balance of the money appropriated by subsection 1 for Fiscal Year 2019-2020 and Fiscal Year 2020-2021 must not be committed for expenditure after June 30 of each fiscal year and must be reverted to the State General Fund on or before September 18, 2020, and September 17, 2021, for each fiscal year respectively.) (Deleted by amendment.)~~

Sec. 33. ~~1. There is hereby appropriated from the State General Fund to the School Safety Account the following sums:~~

~~For the Fiscal Year 2019-2020 \$2,000,000~~

~~For the Fiscal Year 2020-2021 \$2,700,000~~

~~2. The money appropriated by subsection 1 must be used by the Department of Education to support the implementation of a program of social, emotional and academic development throughout the public schools in this State, including, without limitation, the development and implementation of a strategic plan to carry out full implementation of such programs within 5 years.~~

~~3. Any remaining balance of the transfer made by subsection 1 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfer made by subsection 1 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021.) (Deleted by amendment.)~~

Sec. 34. ~~1. There is hereby appropriated from the State General Fund to the Other State Education Programs Account in the State General Fund the following sums:~~

~~For the Fiscal Year 2019-2020 \$2,000,000~~

~~For the Fiscal Year 2020-2021 \$2,000,000~~

~~2. The Department of Education shall use the money appropriated by subsection 1 for competitive state grants to school districts and charter schools for early childhood education programs.~~

~~2. Any remaining balance of the sums transferred by subsection 1 for Fiscal Year 2019-2020 and Fiscal Year 2020-2021 must not be committed for expenditure after June 30 of each fiscal year and must be reverted to the State General Fund on or before September 18, 2020, and September 17, 2021, for each fiscal year respectively. (Deleted by amendment.)~~

~~Sec. 35. (1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:~~

~~For the Fiscal Year 2019-2020 \$15,875,000~~

~~For the Fiscal Year 2020-2021 \$15,875,000~~

~~2. The Department of Education shall use the amount determined in subsection 1 to carry out the provisions of section 1 of Senate Bill No. 467 of this session by providing supplemental grants of money to the State Public Charter School Authority and the school districts to include additional schools within the program created by section 1 of Senate Bill No. 467 of this session and supplement the services provided at such schools. The board of trustees of a school district and the State Public Charter School Authority may submit an application to the Department on a form prescribed by the Department.~~

~~3. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfers made pursuant to subsection 2 for Fiscal Year 2020-2021, including any money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021. (Deleted by amendment.)~~

~~Sec. 36. (1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:~~

~~For the Fiscal Year 2019-2020 \$15,875,000~~

~~For the Fiscal Year 2020-2021 \$15,875,000~~

~~2. The Department of Education shall use the amount determined in subsection 1 to carry out the provisions of section 2 of Senate Bill No. 467 of this session by providing supplemental grants of money to the State Public Charter School Authority and the school districts to include additional schools within the program created by section 2 of Senate Bill No. 467 of this session and supplement the services provided at such schools. The board of trustees of a school district and the State Public Charter School Authority may submit an application to the Department on a form prescribed by the Department.~~

~~3. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfers made pursuant to subsection 2 for Fiscal Year 2020-2021, including any money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021. (Deleted by amendment.)~~

Sec. 36.5. 1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:

For the Fiscal Year 2019-2020 \$35,081,155

For the Fiscal Year 2020-2021 \$36,848,070

2. The Department of Education shall transfer the sums of money identified in this subsection from the Account for Programs for Innovation and the Prevention of Remediation to the school districts for block grants for the purpose of providing supplemental support to the operation of the school districts. The amount to be transferred for the fiscal year shown is:

	2019-2020	2020-2021
Carson City School District	\$631,574	\$663,384
Churchill County School District	255,461	268,328
Clark County School District	25,892,878	27,197,012
Douglas County School District	458,566	481,662
Elko County School District	772,986	811,919
Esmeralda County School District	5,551	5,831
Eureka County School District	21,379	22,456
Humboldt County School District	273,189	286,949
Lander County School District	78,860	82,832
Lincoln County School District	76,533	80,388
Lyon County School District	681,887	716,231
Mineral County School District	42,868	45,027
Nye County School District	410,922	431,619
Pershing County School District	53,244	55,925
Storey County School District	34,229	35,953
Washoe County School District	5,294,592	5,561,262
White Pine County School District	96,435	101,292

3. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must be used for the purpose identified in subsection 2 and does not revert to the State General Fund.

Sec. 37. 1. The Legislature hereby finds and declares that the purpose and intent of this act is to maintain and continue the existing legally operative rates of the taxes imposed pursuant to NRS 363A.130 and 363B.110, at 2 percent and 1.475 percent, respectively, without any changes or reductions in the rates of those taxes pursuant to NRS 360.203, as that section existed before the effective date of this act, for any fiscal year beginning on or after July 1, 2015.

2. Notwithstanding any other provisions of law, in order to accomplish and carry out the purpose and intent of this act:

(a) Any determinations or decisions made or actions taken before the effective date of this section by the Department of Taxation pursuant to NRS 360.203, as that section existed before the effective date of this section:

(1) Are superseded, abrogated and nullified by the provisions of this act; and

(2) Have no legal force and effect; and

(b) The Department shall not, under any circumstances, apply or use those determinations, decisions or actions as a basis, cause or reason to reduce the rates of the taxes imposed pursuant to NRS 363A.130 and 363B.110 for any fiscal year beginning on or after July 1, 2015.

Sec. 38. ~~Notwithstanding any other provisions of law, the Legislature hereby finds and declares that~~

~~1. The provisions of this act are not severable; and~~

~~2. If any provisions of this act, or any applications thereof to any persons, things or circumstances~~
~~(a) Are declared invalid by a court of competent jurisdiction in any judicial proceedings; and~~
~~(b) Any available appeals, petitions or other methods of review concerning the judicial proceedings have been exhausted under the rules governing the judicial proceedings;~~
~~such a judicial declaration of invalidity shall be deemed to invalidate the other provisions of this act, whether or not the other provisions of this act can be saved and given effect without the provisions or applications declared invalid by the court, and the invalidation of the other provisions of this act pursuant to this section becomes effective on the date on which the judicial declaration of invalidity becomes final and is no longer subject to any available appeals, petitions or other methods of review under the rules governing the judicial proceedings. (Deleted by amendment.)~~

Sec. 39. NRS 360.203 is hereby repealed.

Sec. 40. 1. This section ~~and sections 11 to 28, inclusive,~~ 2, 3, 37, 38 and 39 of this act become effective upon passage and approval.

2. Sections ~~29 to 36, inclusive,~~ 2.5, 3.3, 3.7, 31 and 36.5 of this act become effective on July 1, 2019.

~~3. If the provisions of this act are invalidated as provided in section 28 of this act, this act expires by limitation on the date on which the invalidation of the provisions of this act becomes effective as provided in section 28 of this act.~~

TEXT OF REPEALED SECTION

360.203 Reduction of rate of certain taxes on business under certain circumstances; duties of Department.

1. Except as otherwise provided in subsection 4, on or before September 30 of each even-numbered year, the Department shall determine the combined revenue from the taxes imposed by chapters 363A and 363B of NRS and the commerce tax imposed by chapter 363C of NRS for the preceding fiscal year.

2. Except as otherwise provided in subsection 4, if the combined revenue determined pursuant to subsection 1 exceeds by more than 4 percent the amount of the combined anticipated revenue from those taxes for that fiscal year, as projected by the Economic Forum for that fiscal year pursuant to paragraph (c) of subsection 1 of NRS 353.228 and as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department shall determine the rate at which the taxes imposed pursuant to NRS 363A.130 and 363B.110, in combination with the revenue from the commerce tax imposed by chapter 363C of NRS, would have generated a combined revenue of 4 percent more than the amount anticipated. In making the determination required by this subsection, the Department shall reduce the rate of the taxes imposed pursuant to NRS 363A.130 and 363B.110 in the proportion that the actual amount collected from each tax for the preceding fiscal year bears to the total combined amount collected from both taxes for the preceding fiscal year.

3. Except as otherwise provided in subsection 4, effective on July 1 of the odd-numbered year immediately following the year in which the Department made the determination described in subsection 1, the rates of the taxes imposed pursuant to NRS 363A.130 and 363B.110 that are determined pursuant to subsection 2,

rounded to the nearest one-thousandth of a percent, must thereafter be the rate of those taxes, unless further adjusted in a subsequent fiscal year.

4. If, pursuant to subsection 3, the rate of the tax imposed pursuant to NRS 363B.110 is 1.17 percent:

(a) The Department is no longer required to make the determinations required by subsections 1 and 2; and

(b) The rate of the taxes imposed pursuant to NRS 363A.130 and 363B.110 must not be further adjusted pursuant to subsection 3.

8 8

EXHIBIT 9

EXHIBIT 9

Amendment No. 1120

Senate Amendment to Senate Bill No. 551

(BDR 32-1286)

Proposed by: Senator Cannizzaro

Amendment Box: Replaces Amendment No. 1097.

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will ADD a 2/3s majority vote requirement for final passage of S B 551 (§§ 2, 3, 37, 39).

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

AAK



Date: 6/3/2019

S.B. No. 551—Revises provisions relating to state financial administration.
(BDR 32-1286)



6

6

EMERGENCY REQUEST OF SENATE MAJORITY LEADER

SENATE BILL NO. 551--SENATOR CANNIZZARO

MAY 27, 2019

Referred to Committee on Finance

SUMMARY—Revises provisions relating to state financial administration.
(BDR 32-1286)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

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

AN ACT relating to state financial administration; ~~revising provisions governing the administration of certain taxes authorized by the Clark County Crime Prevention Act of 2016 and the Clark County Sales and Use Tax Act of 2005, providing for certain proceeds from the taxes authorized by the Clark County Sales and Use Tax Act of 2005 to be used to employ and equip additional school police officers in the Clark County School District, removing the prospective expiration of the Clark County Sales and Use Tax Act of 2005 and amendments and other provisions relating thereto~~ **eliminating certain duties of the Department of Taxation relating to the commerce tax and the payroll taxes imposed on certain businesses; continuing the existing legally operative rates of the payroll taxes imposed on certain businesses; revising provisions governing the credits against the payroll taxes imposed on certain businesses for taxpayers who donate money to a scholarship organization; making appropriations for certain purposes relating to school safety, ~~early childhood education and Zoom and Victory schools,~~ and to provide supplemental support of the operation of the school districts; and providing other matters properly relating thereto.**

Legislative Counsel's Digest:

1 ~~Existing law authorizes the Board of County Commissioners of Clark County to impose a~~
2 ~~sales and use tax in Clark County to employ and equip additional police officers for the~~
3 ~~Boulder City Police Department, Henderson Police Department, Las Vegas Metropolitan~~
4 ~~Police Department, Mesquite Police Department and North Las Vegas Police Department.~~
5 ~~(Clark County Sales and Use Tax Act of 2005) A police department is prohibited from~~
6 ~~spending the proceeds of the tax unless the expenditure has been approved by a designated~~
7 ~~body and only if the use will not replace or supplant existing funding for the police~~
8 ~~department. (Section 13 of chapter 240, Statutes of Nevada 2005, as amended by chapter 497,~~
9 ~~Statutes of Nevada 2011, p. 3158) Section 10 of this bill authorizes 50 percent of the proceeds~~

of the tax in excess of the amount collected during Fiscal Year 2018-2019 to be transferred each month to the Clark County School District for the purposes of employing and equipping additional school police officers. Sections 1, 4, 9, 11, 22, 26 and 27 of this bill make conforming changes to impose generally similar requirements on the Clark County School District as are imposed on police departments that receive proceeds of the tax.

The Clark County Sales and Use Tax Act of 2005 is set to expire on October 1, 2025. (Section 22 of chapter 240, Statutes of Nevada 2005, p. 917) Sections 22, 25 and 28 of this bill remove the prospective expiration of the Act and amendments thereto, thereby authorizing the imposition of such a tax in Clark County after October 1, 2025.

Existing law imposes an annual commerce tax on each business entity whose Nevada gross revenue in a fiscal year exceeds \$4,000,000, with the rate of the commerce tax based on the industry in which the business entity is primarily engaged. (NRS 363C.200, 363C.300-363C.560) Existing law also imposes: (1) a payroll tax on financial institutions and on mining companies subject to the tax on the net proceeds of minerals, with the rate of the payroll tax set at 2 percent of the amount of the wages, as defined under existing law, paid by the financial institution or mining company during each calendar quarter in connection with its business activities; and (2) a payroll tax on other business entities, with the rate of the payroll tax set at 1.475 percent of the amount of the wages, as defined under existing law but excluding the first \$50,000 thereof, paid by the business entity during each calendar quarter in connection with its business activities. (NRS 363A.130, 363B.110, 612.190) However, a business entity that pays both the payroll tax and the commerce tax is entitled to a credit against the payroll tax of a certain amount of the commerce tax paid by the business entity. (NRS 363A.130, 363B.110)

Existing law further establishes a rate adjustment procedure that is used by the Department of Taxation to determine whether the rates of the payroll taxes should be reduced in future fiscal years under certain circumstances. Under the rate adjustment procedure, on or before September 30 of each even-numbered year, the Department must determine the combined revenue from the commerce tax and the payroll taxes for the preceding fiscal year. If that combined revenue exceeds a certain threshold amount, the Department must make additional calculations to determine future reduced rates for the payroll taxes. However, any future reduced rates for the payroll taxes do not go into effect and become legally operative until July 1 of the following odd-numbered year. (NRS 360.203) This rate adjustment procedure was enacted by the Legislature during the 2015 Legislative Session and became effective on July 1, 2015. (Sections 62 and 114 of chapter 487, Statutes of Nevada 2015, pp. 2896, 2955) Since July 1, 2015, no future reduced rates for the payroll taxes have gone into effect and become legally operative based on the rate adjustment procedure. As a result, the existing legally operative rates of the payroll taxes are still 2 percent and 1.475 percent, respectively. (NRS 363A.130, 363B.110)

Section 39 of this bill eliminates the rate adjustment procedure used by the Department of Taxation to determine whether the rates of the payroll taxes should be reduced in any fiscal year. Section 37 of this bill maintains and continues the existing legally operative rates of the payroll taxes at 2 percent and 1.475 percent, respectively, without any changes or reductions in the rates of those taxes pursuant to the rate adjustment procedure for any fiscal year. Section 37 also provides that the Department must not apply or use the rate adjustment procedure to determine any future reduced rates for the payroll taxes for any fiscal year. Sections 2 and 3 of this bill make conforming changes.

Sections 20-31 of this bill make appropriations for certain purposes relating to school safety. Specifically, section 29 of this bill makes an appropriation for the costs of public schools to retain social workers or other licensed mental health workers. Section 30 of this bill makes an appropriation for the costs of employing and equipping additional school resource officers or school police officers. Existing law establishes a credit against the payroll tax paid by certain businesses equal to an amount which is approved by the Department and which must not exceed the amount of any donation of money which is made by a taxpayer to a scholarship organization that provides grants on behalf of pupils who are members of a household with a household income which is not more than 300 percent of the federally designated level signifying poverty to attend schools in this State, including private schools, chosen by the parents or legal guardians of those pupils (NRS 363A.130, 363B.110) Under existing law, the Department: (1) is required to approve or deny applications for the tax credit in the order in which the applications are received by the

Department; and (2) is authorized to approve applications for each fiscal year until the amount of tax credits approved for the fiscal year is the amount authorized by statute for that fiscal year. Assembly Bill No. 458 of this legislative session establishes that for Fiscal Years 2019-2020 and 2020-2021, the amount authorized is \$6,655,000 for each fiscal year. Sections 2.5 and 3.3 of this bill authorize the Department to approve, in addition to the amount of credits authorized for Fiscal Years 2019-2020 and 2020-2021, an amount of tax credits equal to \$4,745,000 for each of those fiscal years. Section 3.7 of this bill: (1) prohibits a scholarship organization from using a donation for which the donor received a tax credit to provide a grant on behalf of a pupil unless the scholarship organization used a donation for which the donor received a tax credit to provide a grant on behalf of the pupil for the immediately preceding scholarship year or reasonably expects to provide a grant of at least the same amount on behalf of the pupil for each school year until the pupil graduates from high school; and (2) requires a scholarship organization to repay the amount of any tax credit approved by the Department if the scholarship organization violates this provision.

Section 31 of this bill makes an appropriation for the costs of school safety facility improvements. ~~Section 32 of this bill makes an appropriation for the costs of providing threat assessments and trainings and providing mobile crisis response team services in certain counties. Section 33 of this bill makes an appropriation to support the implementation of a program of social, emotional and academic development throughout the public schools of this State. Additionally, section 34 of this bill makes an appropriation for early childhood education programs in public schools. Finally, sections 35 and 36 of this bill make appropriations to provide supplemental funding for the Zoom and Victory schools programs to increase the number of schools served by such programs and supplement the services provided at such schools.~~

~~Section 38 of this bill declares that the provisions of this bill are not severable and that a judicial declaration of invalidity of any portion of this bill shall be deemed to invalidate all provisions of this bill. Section 40 of this bill expressly expires by limitation all provisions of this bill upon such a judicial declaration of invalidity.~~ Section 36.5 of this bill makes an appropriation to provide supplemental support to the operations of the school districts of this State, distributed in amounts based on the 2018 enrollment of the school districts of this State.

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

Section 1. ~~{NRS 360.200 is hereby amended to read as follows:
360.200 The Department may exercise {the}:~~
~~1. The specific powers enumerated in this chapter {and, except} or any other law; and
2. Except as otherwise provided {by} in this chapter or any other law, {may exercise} general supervision and control over the entire revenue system of the State, including, without limitation, the administration of the provisions of chapter 207, Statutes of Nevada 1955, as amended {NRS} and codified in chapter 372 {}} of NRS, or any special legislative act authorizing or providing for such administration by the Department.~~ (Deleted by amendment.)

Sec. 2. NRS 363A.130 is hereby amended to read as follows:
363A.130 1. ~~{Except as otherwise provided in NRS 360.203, there}~~ There is hereby imposed an excise tax on each employer at the rate of 2 percent of the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer.

2. The tax imposed by this section:

1 (a) Does not apply to any person or other entity or any wages this State is
2 prohibited from taxing under the Constitution, laws or treaties of the United States
3 or the Nevada Constitution.

4 (b) Must not be deducted, in whole or in part, from any wages of persons in the
5 employment of the employer.

6 3. Each employer shall, on or before the last day of the month immediately
7 following each calendar quarter for which the employer is required to pay a
8 contribution pursuant to NRS 612.535:

9 (a) File with the Department a return on a form prescribed by the Department;
10 and

11 (b) Remit to the Department any tax due pursuant to this section for that
12 calendar quarter.

13 4. In determining the amount of the tax due pursuant to this section, an
14 employer is entitled to subtract from the amount calculated pursuant to subsection 1
15 a credit in an amount equal to 50 percent of the amount of the commerce tax paid
16 by the employer pursuant to chapter 363C of NRS for the preceding taxable year.
17 The credit may only be used for any of the 4 calendar quarters immediately
18 following the end of the taxable year for which the commerce tax was paid. The
19 amount of credit used for a calendar quarter may not exceed the amount calculated
20 pursuant to subsection 1 for that calendar quarter. Any unused credit may not be
21 carried forward beyond the fourth calendar quarter immediately following the end
22 of the taxable year for which the commerce tax was paid, and a taxpayer is not
23 entitled to a refund of any unused credit.

24 5. An employer who makes a donation of money to a scholarship organization
25 during the calendar quarter for which a return is filed pursuant to this section is
26 entitled, in accordance with NRS 363A.139, to a credit equal to the amount
27 authorized pursuant to NRS 363A.139 against any tax otherwise due pursuant to
28 this section. As used in this subsection, "scholarship organization" has the meaning
29 ascribed to it in NRS 388D.260.

30 **Sec. 2.5. NRS 363A.139 is hereby amended to read as follows:**

31 363A.139 1. Any taxpayer who is required to pay a tax pursuant to NRS
32 363A.130 may receive a credit against the tax otherwise due for any donation of
33 money made by the taxpayer to a scholarship organization in the manner provided
34 by this section.

35 2. To receive the credit authorized by subsection 1, a taxpayer who intends to
36 make a donation of money to a scholarship organization must, before making such
37 a donation, notify the scholarship organization of the taxpayer's intent to make the
38 donation and to seek the credit authorized by subsection 1. A scholarship
39 organization shall, before accepting any such donation, apply to the Department of
40 Taxation for approval of the credit authorized by subsection 1 for the donation. The
41 Department of Taxation shall, within 20 days after receiving the application,
42 approve or deny the application and provide to the scholarship organization notice
43 of the decision and, if the application is approved, the amount of the credit
44 authorized. Upon receipt of notice that the application has been approved, the
45 scholarship organization shall provide notice of the approval to the taxpayer who
46 must, not later than 30 days after receiving the notice, make the donation of money
47 to the scholarship organization. If the taxpayer does not make the donation of
48 money to the scholarship organization within 30 days after receiving the notice, the
49 scholarship organization shall provide notice of the failure to the Department of
50 Taxation and the taxpayer forfeits any claim to the credit authorized by subsection
51 1.

3. The Department of Taxation shall approve or deny applications for the credit authorized by subsection 1 in the order in which the applications are received.

4. Except as otherwise provided in subsection 5, the Department of Taxation may, for each fiscal year, approve applications for the credit authorized by subsection 1 until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection is:

(a) For Fiscal Year 2015-2016, \$5,000,000;

(b) For Fiscal Year 2016-2017, \$5,500,000; and

(c) For each succeeding fiscal year, an amount equal to 110 percent of the amount authorized for the immediately preceding fiscal year.

The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized for any fiscal year.

5. ~~Except as otherwise provided in this subsection, in~~ addition to the amount of credits authorized by subsection 4 for Fiscal ~~Year 2017-2018,~~ Years 2019-2020 and 2020-2021, the Department of Taxation may approve applications for the credit authorized by subsection 1 for ~~that each of those fiscal year years~~ until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection and subsection 5 of NRS 363B.119 is ~~(\$20,000,000) \$4,745,000.~~ The provisions of paragraph (c) of subsection 4 do not apply to the amount of credits authorized by this subsection and the amount of credits authorized by this subsection must not be considered when determining the amount of credits authorized for a fiscal year pursuant to that paragraph. If, in Fiscal Year ~~2017-2018,~~ 2019-2020 or 2020-2021, the amount of credits authorized by subsection 1 and approved pursuant to this subsection is less than ~~(\$20,000,000) \$4,745,000,~~ the remaining amount of credits pursuant to this subsection must be carried forward and made available for approval during subsequent fiscal years until the total amount of credits authorized by subsection 1 and approved pursuant to this subsection is equal to ~~(\$20,000,000) \$9,490,000.~~ The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized pursuant to this subsection.

6. If a taxpayer applies to and is approved by the Department of Taxation for the credit authorized by subsection 1, the amount of the credit provided by this section is equal to the amount approved by the Department of Taxation pursuant to subsection 2, which must not exceed the amount of the donation made by the taxpayer to a scholarship organization. The total amount of the credit applied against the taxes described in subsection 1 and otherwise due from a taxpayer must not exceed the amount of the donation.

7. If the amount of the tax described in subsection 1 and otherwise due from a taxpayer is less than the credit to which the taxpayer is entitled pursuant to this section, the taxpayer may, after applying the credit to the extent of the tax otherwise due, carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made or until the balance of the credit is applied, whichever is earlier.

8. As used in this section, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3. NRS 363B.110 is hereby amended to read as follows:

363B.110 1. ~~Except as otherwise provided in NRS 360.203, there~~ There is hereby imposed an excise tax on each employer at the rate of 1.475 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds \$50,000.

1 2. The tax imposed by this section:

2 (a) Does not apply to any person or other entity or any wages this State is
3 prohibited from taxing under the Constitution, laws or treaties of the United States
4 or the Nevada Constitution.

5 (b) Must not be deducted, in whole or in part, from any wages of persons in the
6 employment of the employer.

7 3. Each employer shall, on or before the last day of the month immediately
8 following each calendar quarter for which the employer is required to pay a
9 contribution pursuant to NRS 612.535:

10 (a) File with the Department a return on a form prescribed by the Department;
11 and

12 (b) Remit to the Department any tax due pursuant to this chapter for that
13 calendar quarter.

14 4. In determining the amount of the tax due pursuant to this section, an
15 employer is entitled to subtract from the amount calculated pursuant to subsection 1
16 a credit in an amount equal to 50 percent of the amount of the commerce tax paid
17 by the employer pursuant to chapter 363C of NRS for the preceding taxable year.
18 The credit may only be used for any of the 4 calendar quarters immediately
19 following the end of the taxable year for which the commerce tax was paid. The
20 amount of credit used for a calendar quarter may not exceed the amount calculated
21 pursuant to subsection 1 for that calendar quarter. Any unused credit may not be
22 carried forward beyond the fourth calendar quarter immediately following the end
23 of the taxable year for which the commerce tax was paid, and a taxpayer is not
24 entitled to a refund of any unused credit.

25 5. An employer who makes a donation of money to a scholarship organization
26 during the calendar quarter for which a return is filed pursuant to this section is
27 entitled, in accordance with NRS 363B.119, to a credit equal to the amount
28 authorized pursuant to NRS 363B.119 against any tax otherwise due pursuant to
29 this section. As used in this subsection, "scholarship organization" has the meaning
30 ascribed to it in NRS 388D.260.

31 **Sec. 3.3. NRS 363B.119 is hereby amended to read as follows:**

32 363B.119 1. Any taxpayer who is required to pay a tax pursuant to NRS
33 363B.110 may receive a credit against the tax otherwise due for any donation of
34 money made by the taxpayer to a scholarship organization in the manner provided
35 by this section.

36 2. To receive the credit authorized by subsection 1, a taxpayer who intends to
37 make a donation of money to a scholarship organization must, before making such
38 a donation, notify the scholarship organization of the taxpayer's intent to make the
39 donation and to seek the credit authorized by subsection 1. A scholarship
40 organization shall, before accepting any such donation, apply to the Department of
41 Taxation for approval of the credit authorized by subsection 1 for the donation. The
42 Department of Taxation shall, within 20 days after receiving the application,
43 approve or deny the application and provide to the scholarship organization notice
44 of the decision and, if the application is approved, the amount of the credit
45 authorized. Upon receipt of notice that the application has been approved, the
46 scholarship organization shall provide notice of the approval to the taxpayer who
47 must, not later than 30 days after receiving the notice, make the donation of money
48 to the scholarship organization. If the taxpayer does not make the donation of
49 money to the scholarship organization within 30 days after receiving the notice, the
50 scholarship organization shall provide notice of the failure to the Department of
51 Taxation and the taxpayer forfeits any claim to the credit authorized by subsection
52 1.

3. The Department of Taxation shall approve or deny applications for the credit authorized by subsection 1 in the order in which the applications are received.

4. Except as otherwise provided in subsection 5, the Department of Taxation may, for each fiscal year, approve applications for the credit authorized by subsection 1 until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection is:

(a) For Fiscal Year 2015-2016, \$5,000,000;

(b) For Fiscal Year 2016-2017, \$5,500,000; and

(c) For each succeeding fiscal year, an amount equal to 110 percent of the amount authorized for the immediately preceding fiscal year.

5. The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized for any fiscal year.

5. In addition to the amount of credits authorized by subsection 4 for Fiscal ~~Year 2017-2018,~~ Years 2019-2020 and 2020-2021, the Department of Taxation may approve applications for the credit authorized by subsection 1 for ~~that~~ each of those fiscal ~~year~~ years until the total amount of the credits authorized by subsection 1 and approved by the Department of Taxation pursuant to this subsection and subsection 5 of NRS 363A.139 is ~~\$20,000,000,~~ \$4,745,000. The provisions of paragraph (c) of subsection 4 do not apply to the amount of credits authorized by this subsection and the amount of credits authorized by this subsection must not be considered when determining the amount of credits authorized for a fiscal year pursuant to that paragraph. If, in Fiscal Year ~~(2017-2018,~~ 2019-2020 or 2020-2021, the amount of credits authorized by subsection 1 and approved pursuant to this subsection is less than ~~\$20,000,000,~~ \$4,745,000, the remaining amount of credits pursuant to this subsection must be carried forward and made available for approval during subsequent fiscal years until the total amount of credits authorized by subsection 1 and approved pursuant to this subsection is equal to ~~\$20,000,000,~~ \$9,490,000. The amount of any credit which is forfeited pursuant to subsection 2 must not be considered in calculating the amount of credits authorized pursuant to this subsection.

6. If a taxpayer applies to and is approved by the Department of Taxation for the credit authorized by subsection 1, the amount of the credit provided by this section is equal to the amount approved by the Department of Taxation pursuant to subsection 2, which must not exceed the amount of the donation made by the taxpayer to a scholarship organization. The total amount of the credit applied against the taxes described in subsection 1 and otherwise due from a taxpayer must not exceed the amount of the donation.

7. If the amount of the tax described in subsection 1 and otherwise due from a taxpayer is less than the credit to which the taxpayer is entitled pursuant to this section, the taxpayer may, after applying the credit to the extent of the tax otherwise due, carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made or until the balance of the credit is applied, whichever is earlier.

8. As used in this section, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3.7. NRS 388D.270 is hereby amended to read as follows:

388D.270 1. A scholarship organization must:

(a) Be exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

(b) Not own or operate any school in this State, including, without limitation, a private school, which receives any grant money pursuant to the Nevada Educational Choice Scholarship Program.

1 (c) Accept donations from taxpayers and other persons and may also solicit and
2 accept gifts and grants.

3 (d) Not expend more than 5 percent of the total amount of money accepted
4 pursuant to paragraph (c) to pay its administrative expenses.

5 (e) Provide grants on behalf of pupils who are members of a household that has
6 a household income which is not more than 300 percent of the federally designated
7 level signifying poverty to allow those pupils to attend schools in this State chosen
8 by the parents or legal guardians of those pupils, including, without limitation,
9 private schools. The total amount of a grant provided by the scholarship
10 organization on behalf of a pupil pursuant to this paragraph must not exceed \$7,755
11 for Fiscal Year 2015-2016.

12 (f) Not limit to a single school the schools for which it provides grants.

13 (g) Except as otherwise provided in paragraph (e) ~~and subsection 6~~, not
14 limit to specific pupils the grants provided pursuant to that paragraph.

15 2. The maximum amount of a grant provided by the scholarship organization
16 pursuant to paragraph (e) of subsection 1 must be adjusted on July 1 of each year
17 for the fiscal year beginning that day and ending June 30 in a rounded dollar
18 amount corresponding to the percentage of increase in the Consumer Price Index
19 (All Items) published by the United States Department of Labor for the preceding
20 calendar year. On May 1 of each year, the Department of Education shall determine
21 the amount of increase required by this subsection, establish the adjusted amounts
22 to take effect on July 1 of that year and notify each scholarship organization of the
23 adjusted amounts. The Department of Education shall also post the adjusted
24 amounts on its Internet website.

25 3. A grant provided on behalf of a pupil pursuant to subsection 1 must be paid
26 directly to the school chosen by the parent or legal guardian of the pupil.

27 4. A scholarship organization shall provide each taxpayer and other person
28 who makes a donation, gift or grant of money to the scholarship organization
29 pursuant to paragraph (c) of subsection 1 with an affidavit, signed under penalty of
30 perjury, which includes, without limitation:

31 (a) A statement that the scholarship organization satisfies the requirements set
32 forth in subsection 1; and

33 (b) The total amount of the donation, gift or grant made to the scholarship
34 organization.

35 5. Each school in which a pupil is enrolled for whom a grant is provided by a
36 scholarship organization shall maintain a record of the academic progress of the
37 pupil. The record must be maintained in such a manner that the information may be
38 aggregated and reported for all such pupils if reporting is required by the
39 regulations of the Department of Education.

40 6. A scholarship organization shall not use a donation for which the
41 taxpayer received a tax credit pursuant to NRS 363A.139 or 363B.119 to provide
42 a grant pursuant to this section on behalf of a pupil unless the scholarship
43 organization used a donation for which the taxpayer received a tax credit
44 pursuant to NRS 363A.139 or 363B.119 to provide a grant pursuant to this
45 section on behalf of the pupil for the immediately preceding school year or
46 reasonably expects to be able to provide a grant pursuant to this section on behalf
47 of the pupil in at least the same amount for each school year until the pupil
48 graduates from high school. A scholarship organization that violates this
49 subsection shall repay to the Department of Taxation the amount of the tax credit
50 received by the taxpayer pursuant to NRS 363A.139 or 363B.119, as applicable.

51 7. The Department of Education:

52 (a) Shall adopt regulations prescribing the contents of and procedures for
53 applications for grants provided pursuant to subsection 1.

(b) May adopt such other regulations as the Department determines necessary to carry out the provisions of this section.

~~17.1~~ 8. As used in this section, "private school" has the meaning ascribed to it in NRS 394.103.

Sec. 4. ~~NRS 354.602 is hereby amended to read as follows:~~

~~354.602 1. The board of trustees of any county school district, the board of hospital trustees of any county hospital or the board of trustees of any consolidated library district or district library may establish and administer separate accounts in:~~

~~(a) A bank whose deposits are insured by the Federal Deposit Insurance Corporation;~~

~~(b) A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755; or~~

~~(c) A savings and loan association or savings bank whose deposits if made by the State, a local government or an agency of either, are insured by the Federal Deposit Insurance Corporation, or the legal successor of the Federal Deposit Insurance Corporation;~~

~~for money deposited by the county treasurer which is by law to be administered and expended by these boards.~~

~~2. The county treasurer shall transfer the money to a separate account pursuant to subsection 1 when the following conditions are met:~~

~~(a) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library adopts a resolution declaring an intention to establish and administer a separate account in accordance with the provisions of this section;~~

~~(b) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library sends a certificate to the county treasurer, the county auditor, the board of county commissioners and, in the case of the board of trustees of the county school district, to the Department of Education, attested by the secretary of the board, declaring the intention of the board to establish and administer a separate account in accordance with the provisions of this section;~~

~~(c) The board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library submits monthly reports, listing all transactions involving the separate account, to the county treasurer, the county auditor and the board of county commissioners. The reports must be certified by the secretary of the board. In addition, the board shall give a full account and record of all money in such an account upon request of the board of county commissioners;~~

~~3. The separate account of the board of trustees of the county school district established under the provisions of this section must be composed of:~~

~~(a) The county school district fund; {; and}~~

~~(b) The county school district building and sites fund;~~

~~(c) Any other fund authorized or required by law.~~

~~4. The separate account established by the board of county hospital trustees is designated the county hospital fund.~~

~~5. The separate account of the board of trustees of the consolidated library district or district library established under the provisions of this section must be composed of:~~

~~(a) The fund for the consolidated library or district library, as appropriate; and~~

~~(b) The capital projects fund of the consolidated library or district library, as appropriate.~~

~~6. No expenditures from an account may be made in excess of the balance of the account.~~

~~7. Such an account must support all expenditures properly related to the purpose of the fund, excluding direct payments of principal and interest on general obligation bonds, and including, but not limited to, debt service, capital projects, capital outlay and operating expenses.~~

~~8. The board of county commissioners, if it determines that there is clear evidence of misuse or mismanagement of money in any separate account, may order the closing of the account and the return of the money to the county treasury to be administered in accordance with existing provisions of law. The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library is entitled to a hearing before the board of county commissioners. (Deleted by amendment.)~~

Sec. 5. ~~(NRS 387.175 is hereby amended to read as follows:~~

~~387.175 [The] 1. Except as otherwise provided in this section, the county school district fund is composed of:~~

~~[1.] (a) All local taxes for the maintenance and operation of public schools.~~

~~[2.] (b) All money received from the Federal Government for the maintenance and operation of public schools.~~

~~[3.] (c) Apportionments by this State as provided in NRS 387.124.~~

~~[4.] (d) Any other receipts, including gifts, for the operation and maintenance of the public schools in the county school district.~~

~~2. If the board of trustees of a county school district is allotted any money to employ and equip additional school police officers pursuant to any special legislative act, the money must be:~~

~~(a) Deposited in the appropriate fund in the manner required by the special legislative act; and~~

~~(b) Used only for the purposes authorized by the special legislative act. (Deleted by amendment.)~~

Sec. 6. ~~(NRS 387.180 is hereby amended to read as follows:~~

~~387.180 [The] 1. Except as otherwise provided in this section, the board of trustees of each county school district shall pay all moneys received by it for school purposes into the county treasury at the end of each month to be placed to the credit of the county school district fund or the county school district buildings and sites fund as provided for in this chapter, except when the board of trustees of a county school district has elected to establish and administer a separate account under the provisions of NRS 354.603.~~

~~2. If the board of trustees of a county school district is allotted any money to employ and equip additional school police officers pursuant to any special legislative act, the money must be:~~

~~(a) Deposited in the appropriate fund in the manner required by the special legislative act; and~~

~~(b) Used only for the purposes authorized by the special legislative act. (Deleted by amendment.)~~

Sec. 7. ~~{Section 13 of the Clark County Crime Prevention Act of 2016, being chapter 1, Statutes of Nevada 2016, 30th Special Session, at page 9, is hereby amended to read as follows:~~

~~Sec. 13. 1. A body designated pursuant to subsection 1 of section 12 of this act that approves an expenditure pursuant to section 12 of this act shall, for the relevant period, submit to the Department the reports required by this section, which must include, without limitation, the information required by this section and such other information relating to the administration of the provisions of this act as may be requested by the Department.~~

~~2. A body designated pursuant to subsection 1 of section 12 of this act shall submit the reports required by this section on or before:~~

~~(a) February 15, for the 3-month period ending on the immediately preceding December 31;~~

~~(b) May 15, for the 3-month period ending on the immediately preceding March 31;~~

~~(c) August 15, for the 3-month period ending on the immediately preceding June 30;~~

~~(d) November 15, for the 3-month period ending on the immediately preceding September 30; and~~

~~(e) August 15, for the 12-month period ending on the immediately preceding June 30.~~

~~3. Each report submitted pursuant to this section must be submitted on a form provided by the Department, which must be the same form as the form provided for the relevant report required by section 13.5 of the Clark County Sales and Use Tax Act of 2005, being chapter 240, Statutes of Nevada 2005, as added by chapter 545, Statutes of Nevada 2007, at page 2422, and amended by chapter 497, Statutes of Nevada 2011, at page 2160, from time to time thereafter, and must include, with respect to the period covered by the report:~~

~~(a) The total amount of the allocation received by the respective police department from the proceeds of the tax authorized by subsection 1 of section 9 of this act; {}~~

~~(b) A detailed description of the use of the money allocated to the police department, including, without limitation:~~

~~(1) The total expenditures made by the police department from the allocation; {}~~

~~(2) The total number of police officers hired by the respective police department, the number of those officers that are filling authorized, funded positions for new officers and demographic information regarding those officers reported in a manner consistent with the current policies of the respective police department concerning the reporting of such information; {} and~~

~~(3) A detailed analysis of the manner in which each expenditure:~~

~~(I) Conforms to all provisions of this act; and~~

~~(II) Does not replace or supplant funding or staffing levels, which existed before October 1, 2016, for the respective police department; {}~~

~~(c) An analysis of the manner in which each expenditure is being used to prevent crimes and the effectiveness of each expenditure in preventing crimes; {} and~~

~~(d) Any other information required to complete the form of the report.~~

~~4. The Metropolitan Police Committee on Fiscal Affairs shall:~~

~~(a) Prepare and submit separate reports as required by this section for the expenditures approved from the allocations received by the Las Vegas Metropolitan Police Department pursuant to paragraphs (a) and (b), respectively, of subsection 3 of section 9 of this act; and~~

~~(b) In addition to all other information required by this section, include in each report submitted pursuant to this section evidence that the expenditures from allocations received by the Las Vegas Metropolitan Police Department pursuant to paragraph (a) of subsection 3 of section 9 of this act are not effecting, supplanting, replacing or otherwise reducing the amount of money allocated to the Las Vegas Metropolitan Police~~

~~Department pursuant to paragraph (b) of subsection 3 of section 9 of this act for expenditure on law enforcement and crime prevention in the resort corridor.~~

~~5. The Department may review and investigate the reports submitted pursuant to this section and any expenditure of any proceeds from the tax authorized by subsection 1 of section 9 of this act. (Deleted by amendment.)~~

Sec. 8. ~~{The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 8.5, immediately following section 8, to read as follows:~~

~~Sec. 8.5. "Board of Trustees" means the Board of Trustees of the Clark County School District. (Deleted by amendment.)~~

Sec. 9. ~~{The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 8.5, immediately following section 8, to read as follows:~~

~~Sec. 8.5. "School police officer" means a person who is employed or appointed to serve as a school police officer in the Clark County School District pursuant to NRS 391.381. (Deleted by amendment.)~~

Sec. 10. ~~{The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 12.5, immediately following section 12, to read as follows:~~

~~Sec. 12.5. 1. During Fiscal Year 2018-2019 and during each fiscal year thereafter, the Department shall determine whether the total amount of the proceeds received from any sales and use tax imposed pursuant to this act during the preceding month exceeds the proceeds received from such a tax during the corresponding month of Fiscal Year 2018-2019. If the proceeds received in the current fiscal year:~~

~~(a) Do not exceed the proceeds received from the corresponding month of Fiscal Year 2018-2019, the amount determined by the State Controller pursuant to paragraph (b) of subsection 3 of section 14 of this act must be transferred as provided in paragraph (c) of subsection 3 of section 14 of this act.~~

~~(b) Do exceed the proceeds received from the corresponding month of Fiscal Year 2018-2019:~~

~~(1) The sum of the amount determined by the State Controller pursuant to paragraph (b) of subsection 3 of section 14 of this act received from such a tax during the corresponding month of Fiscal Year 2018-2019 and 50 percent of the excess must be transferred as provided in paragraph (c) of subsection 3 of section 14 of this act.~~

~~(2) Fifty percent of the excess must be transferred to the Clark County School District for the purpose of employing and equipping additional school police officers pursuant to this section.~~

~~2. Except as otherwise provided in subsection 3, the Board of Trustees shall not approve the expenditure of the proceeds received by the School District pursuant to this section unless the expenditure:~~

~~(a) Is used to employ and equip additional school police officers;~~

~~(b) Conforms to all provisions of this act; and~~

~~(c) Will not replace or supplant existing funding to employ and equip school police officers.~~

~~3. If the Board of Trustees contracts with the Las Vegas Metropolitan Police Department for the provision and supervision of police services pursuant to NRS 391.281:~~

~~(a) The Board of Trustees shall, in the terms of the contract, provide for the transfer to the Las Vegas Metropolitan Police Department of the proceeds received by the School District pursuant to this section; and~~

~~(b) The body designated pursuant to section 12 of this act to approve expenditures by the Las Vegas Metropolitan Police Department shall not approve the expenditure of the proceeds received by the School District pursuant to this section unless the expenditures:~~

~~(1) Is used to employ and equip additional school police officers;~~

~~(2) Conforms to all provisions of this act; and~~

~~(3) Will not replace or supplant existing funding to employ and equip school police officers. (Deleted by amendment.)~~

Sec. 11. ~~[Section 2 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended to read as follows:~~

~~Sec. 2. 1. The Legislature hereby finds and declares that:~~

~~[1.] (a) Nevada continues to be the fastest growing state in the nation, with the overwhelming majority of this population growth occurring in Clark County, which adds 6,000 to 7,000 new residents each month;~~

~~[2.] (b) The increase in the number of police officers to protect the residents of Clark County has not kept pace with the explosive growth in the numbers of these residents, so, while the nation as a whole averages 2.5 police officers for each 1,000 residents, the current ratio in Clark County is now only 1.7 police officers for each 1,000 residents;~~

~~[3.] (c) The crime rate in Clark County is increasing, and so is the time it takes for police officers to respond when a resident reports a crime, while the very real threat of terrorism means that police now must assume added responsibilities for homeland security;~~

~~[4.] (d) A majority of the voters in Clark County approved at the November 3, 2004, General Election Advisory Question No. 9, indicating their support for an increase in the sales tax of up to one half of 1 percent for the purpose of employing and equipping more police officers to protect the residents of Clark County;~~

~~[5.] (e) It is intended that 80 percent of any additional police officers employed and equipped pursuant to this act be assigned to uniform operations for marked patrol units in the community and for the control of traffic; and~~

~~[6.] (f) It is further intended that each police department that receives proceeds from any sales and use tax imposed pursuant to this act and allocated among the police departments within Clark County pursuant to section 9 of this act establish a program that promotes community participation in protecting the residents of the community that includes, without limitation:~~

~~[(a)] (1) A written policy of the department that sets forth its position on providing law enforcement services oriented toward the involvement of residents of the community;~~

~~[(b)] (2) The provision of training for all police officers employed by the department that includes, without limitation, training related to:~~

~~[(1)] (i) Methods that may be used to analyze, respond to and solve problems commonly confronted by police officers in the community;~~

~~[(3)] (15) The cultural and racial diversity of the residents of the community;~~

~~[(3)] (11) The proper utilization of community resources, such as local housing authorities, public utilities and local public officials, that are available to assist in providing law enforcement services; and~~

~~[(4)] (11) Issues concerning not only the prevention of crime, but also concerning improving the quality of life for the residents of the community; and~~

~~[(e)] (3) The formation of partnerships with the residents of the community and public and private agencies and organizations to address mutual concerns related to the provision of law enforcement services. }~~

~~7. A)~~

~~2. The Legislature hereby further finds and declares that:~~

~~(a) The Clark County School District is one of the largest school districts in the nation when measured either by enrollment or geographic area, and its enrollment of over 320,000 pupils generally ranks as the fifth largest school district by enrollment in the nation and its geographic area of almost 8,000 square miles generally ranks as the seventh largest school district by geographic area in the continental United States;~~

~~(b) A safe and secure environment in the public schools and other facilities in the Clark County School District is necessary and essential for the School District to fulfill its educational mission and successfully teach, instruct and educate the pupils enrolled in the School District;~~

~~(c) There are substantial dangers and threats to the safety of the public schools and other facilities in the Clark County School District, such as school violence, illegal weapons, illicit drugs and inappropriate and unlawful sexual conduct, that have become more frequent and severe, more difficult to police and more challenging in terms of providing effective and timely responses by the limited and overextended resources of the school police officers in the School District; and~~

~~(d) It is therefore necessary and essential for the protection of the safety of the public schools and other facilities in the Clark County School District to employ and equip additional school police officers in the School District as provided by this act;~~

~~3. The Legislature hereby further finds and declares that a general law cannot be made applicable to the purposes, objects, powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act because of [the]:~~

~~(a) The demographic, economic and geographic diversity of the local governments [of] and school districts in this State [; that]; and~~

~~(b) The special and unique growth patterns, [occurring in Clark County and the special] financial conditions [experienced] and dangers and threats to the safety of the public in Clark County and the safety of the public schools and other facilities in the Clark County [related to] School District, and the corresponding challenges in providing effective and timely police protection under those special and unique circumstances, which:~~

~~(1) Are not reasonably comparable to anywhere else in this State; and~~

~~(2) Create the ongoing need to employ and equip more [police officers]; and~~

~~8. That:~~

~~(I) Police officers for the protection of the safety of the public in Clark County, as the most populous county in this State; and~~

~~(II) School police officers for the protection of the safety of the public schools and other facilities in the Clark County School District, as the largest school district in this State in terms of enrollment and one of the largest school districts in the nation in terms of enrollment and geographic area.~~

~~4. The Legislature hereby further finds and declares that the powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act must comply in all respects with any requirement or limitation pertaining thereto and imposed by any constitutional provision. (Deleted by amendment.)~~

Sec. 12. ~~{Section 3 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 914, is hereby amended to read as follows:~~

~~Sec. 3. Except as otherwise provided in this act or unless the context otherwise requires, terms used or referred to in this act have the meanings ascribed to them in chapter 274 of NRS, as from time to time amended, but the definitions in sections 4 to 18, inclusive, of this act, unless the context otherwise requires, govern the construction of this act. (Deleted by amendment.)~~

Sec. 13. ~~{Section 9 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 914, is hereby amended to read as follows:~~

~~Sec. 9. 1. The Board may enact an ordinance imposing a local sales and use tax pursuant to this act. If the Board enacts or has enacted such an ordinance, the proceeds received from the tax authorized pursuant to this section must be used to employ and equip additional [police].~~

~~(a) Police officers for the Boulder City Police Department, Henderson Police Department, Las Vegas Metropolitan Police Department, Mesquite Police Department and North Las Vegas Police Department.~~

~~(b) School police officers for the Clark County School District pursuant to section 12.5 of this act.~~

~~2. Before enacting such an ordinance, the Board shall hold a public hearing to present its plan for implementing the local sales and use tax.~~

~~3. The proceeds received from the tax authorized pursuant to this section, including interest and other income earned thereon, must be:~~

~~(a) Allocated as follows:~~

~~(1) Subject to the limitations set forth in section 12.5 of this act, among the police departments within the County in the same ratio that the population served by each department bears to the total population of the County. As used in this [paragraph] subparagraph, "population" means the estimated annual population determined pursuant to NRS 260.283.~~

~~(2) To the Clark County School District pursuant to section 12.5 of this act.~~

~~(b) Used only as approved pursuant to section 12.5 or 13 of this act and only for the purposes set forth in this section or section 12.5 of this act unless the Legislature changes the use. (The)~~

~~4. If the Board wants to change the uses for the proceeds received from the tax and allocated among the police departments within the County, the Board shall, before submitting to the Legislature any request to change the uses for [the] such proceeds received from the tax, submit an advisory question to the voters of the County pursuant to NRS 295.230,~~

~~asking whether the uses for [the] such proceeds received from the tax should be so changed. The Board shall not submit such a request to the Legislature if a majority of the voters in the County disapprove the proposed change.] (Deleted by amendment.)~~

Sec. 14. ~~{Section 13 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as amended by chapter 497, Statutes of Nevada 2011, at page 3158, is hereby amended to read as follows:~~

~~Sec. 13. 1. A police department shall not expend proceeds received from any sales and use tax imposed pursuant to this act and allocated among the police departments within the County pursuant to section 9 of this act unless the expenditure has been approved by the body designated pursuant to this section for the approval of expenditures of that police department. The body designated pursuant to this section must approve the expenditure of the proceeds by the police department if it determines that:~~

~~(a) The proposed use of the money conforms to all provisions of this act; and~~

~~(b) The proposed use will not replace or supplant existing funding for the police department.~~

~~2. The body designated to approve an expenditure for:~~

~~(a) The Boulder City Police Department is the City Council of the City of Boulder City;~~

~~(b) The Henderson Police Department is the City Council of the City of Henderson;~~

~~(c) The Las Vegas Metropolitan Police Department is the Metropolitan Police Committee on Fiscal Affairs;~~

~~(d) The Mesquite Police Department is the City Council of the City of Mesquite; and~~

~~(e) The North Las Vegas Police Department is the City Council of the City of North Las Vegas.~~

~~3. In determining that a proposed use meets the requirement set forth in paragraph (b) of subsection 1, a body designated pursuant to subsection 2 must find that either:~~

~~(a) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is equal to or greater than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department; or~~

~~(b) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is less than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department and the body projects a decrease in its receipt of revenue in that fiscal year from consolidated taxes and property taxes of more than 2 percent from its base fiscal year.~~

~~4. If a body designated pursuant to subsection 2 makes a finding pursuant to subsection 3, the body shall adopt a resolution setting forth the finding and the reasons therefor. If the finding is made pursuant to paragraph (b) of subsection 3, the finding must include, without limitation, all facts supporting the projection of a decrease in revenue.~~

~~5. If a body designated pursuant to subsection 2 does not make a finding pursuant to subsection 3 for a fiscal year on or before July 1 of that fiscal year, the body shall retain the proceeds received for that fiscal year from any sales and use tax imposed pursuant to this act and allocated~~

~~among the police departments within the County pursuant to section 9 of this act in the special revenue fund created by the body pursuant to section 17 of this act for use pursuant to this section. Any other body designated pursuant to subsection 2 which makes a finding pursuant to subsection 2 for that fiscal year may apply to the County Treasurer requesting approval for the use by the police department for which the other body approves expenditures of any portion of these proceeds in accordance with the provisions of this section.~~

~~6. The County Treasurer, upon receiving a request pursuant to subsection 5 and proper documentation of compliance with the provisions of this section, shall provide written notice to the designated body which failed to make a finding pursuant to subsection 2 that it is required to transfer from the special revenue fund created by the body pursuant to section 17 of this act to the County Treasurer such amount of the proceeds received for that fiscal year from any sales and use tax imposed pursuant to this act and allocated among the police departments within the County pursuant to section 9 of this act, as approved by the County Treasurer for use by the designated body that submitted the request.~~

~~7. Notwithstanding the provisions of subsection 3 of section 17 of this act, a designated body that receives written notice from the County Treasurer pursuant to subsection 6 shall transfer all available required money to the County Treasurer as soon as practicable following its receipt of any portion of the proceeds. Upon receipt of the money, the County Treasurer shall transfer the money to the designated body that submitted the request, which shall deposit the money in the special revenue fund created by that designated body pursuant to section 17 of this act.~~

~~8. As used in this section, "base fiscal year" means, with respect to a body designated pursuant to subsection 2, Fiscal Year 2009-2010, except that~~

~~(a) If, in any subsequent fiscal year, the amount approved for expenditure by the body for that subsequent fiscal year for the support of the police department, not including any money received or expended pursuant to this act, exceeds by more than 2 percent the amount approved for expenditure in Fiscal Year 2009-2010, the base fiscal year for that body becomes the most recent of such subsequent fiscal year;~~

~~(b) If the base fiscal year is revised pursuant to paragraph (a) and, in any subsequent fiscal year, the amount approved for expenditure by the body for that subsequent fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is equal to or less than the amount approved for expenditure in Fiscal Year 2009-2010, the base fiscal year for that body becomes Fiscal Year 2009-2010 but is subject to subsequent revision pursuant to paragraph (a).}~~

~~(Deleted by amendment.)~~

Sec. 15. ~~{Section 13.3 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as added by chapter 1, Statutes of Nevada 2013, 27th Special Session, at page 2, is hereby amended to read as follows:~~

~~Sec. 13.3. 1. The provisions of paragraph (b) of subsection 1 and subsections 2 to 8, inclusive, of section 13 of this act do not apply to any expenditure of proceeds received from any sales and use tax imposed pursuant to this act on or after July 1, 2013, but before July 1, 2016 [1], and allocated among the police departments within the County pursuant to section 9 of this act.~~

~~2. In addition to the requirements of section 13.5 of this act~~
~~(a) The periodic reports required by that section must include, with respect to the period covered by the report, a separate detailed description of the expenditures of any proceeds received from the sales and use tax imposed pursuant to this act and allocated among the police departments within the County pursuant to section 9 of this act as a result of the provisions of subsection 1; and~~
~~(b) A governing body that is required to submit a report pursuant to section 13.5 of this act shall submit a copy of the separate detailed description required by paragraph (a) for the period covered by the report to the Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee on or before the date by which the governing body is required to submit the report for that period to the Department pursuant to section 13.5 of this act.) (Deleted by amendment.)~~

Sec. 16. ~~{Section 13.5 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, as amended by chapter 497, Statutes of Nevada 2011, at page 3160, is hereby amended to read as follows:~~

~~Sec. 13.5. 1. Any governing body that has approved expenditures pursuant to section 13.5 or 13 of this act shall submit to the Department the periodic reports required pursuant to this section and such other information relating to the provisions of this act as may be requested by the Department.~~

~~2. The reports required pursuant to this section must be submitted:~~

~~(a) On or before:~~

~~(1) February 15 for the 3-month period ending on the immediately preceding December 31;~~

~~(2) May 15 for the 3-month period ending on the immediately preceding March 31;~~

~~(3) August 15 for the 3-month period ending on the immediately preceding June 30; and~~

~~(4) November 15 for the 3-month period ending on the immediately preceding September 30; and~~

~~(b) On or before August 15 for the 12-month period ending on the immediately preceding June 30.~~

~~3. Each report must be submitted on a form provided by the Department and include, with respect to the period covered by the report:~~

~~(a) The total proceeds received by the respective police department or the Clark County School District, as applicable, from the sales and use tax imposed pursuant to this act. { }~~

~~(b) A detailed description of the use of the proceeds, including, without limitation:~~

~~(1) The total expenditures made by the respective police department or the Clark County School District, as applicable, from the sales and use tax imposed pursuant to this act. { }~~

~~(2) The total number of police officers hired by the police department (and) or the total number of school police officers hired by the Clark County School District, as applicable, the number of those officers that are filling authorized, funded positions for new officers { } within the respective police department or the Clark County School District, as applicable, and demographic information regarding those officers reported in a manner consistent with the current policies of the respective police department or the Clark County School District, as applicable, concerning the reporting of such information.~~

~~(3) A detailed analysis of the manner in which each expenditure:~~

~~(1) Conforms to all provisions of this act, and~~
~~(11) Does not replace or supplant funding which existed before~~
~~October 1, 2005, for the police department [and] or which existed before~~
~~July 1, 2010, for school police officers for the Clark County School~~
~~District, as applicable.~~

~~(c) Any other information required to complete the form for the report.~~
~~4. The Department may review and investigate the reports submitted~~
~~pursuant to this section and the expenditure of any proceeds pursuant to~~
~~section 12.5 or 13 of this act. (Deleted by amendment.)~~

Sec. 17. ~~{Section 14 of the Clark County Sales and Use Tax Act of 2005,~~
~~being chapter 249, Statutes of Nevada 2005, as amended by chapter 287, Statutes of~~
~~Nevada 2009, at page 2097, is hereby amended to read as follows:~~

~~Sec. 14. 1. All fees, taxes, interest and penalties imposed and all~~
~~amounts of tax required to be paid to the County pursuant to this act must~~
~~be paid to the Department in the form of remittances payable to the~~
~~Department.~~

~~2. The Department shall deposit the payments with the State~~
~~Treasurer for credit to the Sales and Use Tax Account in the State General~~
~~Fund.~~

~~3. [That] Except as otherwise provided in section 12.5 of this act, the~~
~~State Controller, acting upon the collection data furnished by the~~
~~Department, shall monthly:~~

~~(a) Transfer from the Sales and Use Tax Account to the appropriate~~
~~account in the State General Fund 1.75 percent of all fees, taxes, interest~~
~~and penalties collected pursuant to this act during the preceding month as~~
~~compensation to the State for the cost of collecting the tax.~~

~~(b) Determine the amount equal to all fees, taxes, interest and penalties~~
~~collected in or for the County pursuant to this act during the preceding~~
~~month, less the amount transferred to the State General Fund pursuant to~~
~~paragraph (a).~~

~~(c) Transfer the amount determined pursuant to paragraph (b) to the~~
~~Intergovernmental Fund and remit the money to the County Treasurer.~~
~~(Deleted by amendment.)~~

Sec. 18. ~~{Section 15 of the Clark County Sales and Use Tax Act of 2005,~~
~~being chapter 249, Statutes of Nevada 2005, at page 916, is hereby amended to read~~
~~as follows:~~

~~Sec. 15. The Department may redistribute any proceeds received~~
~~from the tax, interest or penalty collected pursuant to this act which is~~
~~determined to be improperly distributed [and] to the respective police~~
~~departments within the County or the Clark County School District, but~~
~~no such redistribution may be made as to amounts originally distributed~~
~~more than 6 months before the date on which the Department obtains~~
~~knowledge of the improper distribution. (Deleted by amendment.)~~

Sec. 19. ~~{Section 16 of the Clark County Sales and Use Tax Act of 2005,~~
~~being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read~~
~~as follows:~~

~~Sec. 16. 1. The County Treasurer shall deposit money received~~
~~from the State Controller pursuant to [paragraph (c) of subsection 3 of]~~
~~section 12.5 or 14 of this act into the County Treasury for credit to a fund~~
~~created for the use of the proceeds received from the tax authorized by this~~
~~act.~~

~~2. The fund of the County created for the use of the proceeds received from the tax authorized by this act must be accounted for as a separate fund and not as a part of any other fund.~~

~~3. The County Treasurer upon receipt of the money remitted to him or her pursuant to this section shall distribute it to the appropriate accounts in accordance with the allotments established pursuant to section 9 or 12.5 of this act. (Deleted by amendment.)~~

Sec. 20. ~~{Section 17 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read as follows:~~

~~Sec. 17. 1. To carry out the provisions of this act:~~

~~(a) The City Treasurers of Boulder City, Henderson, Mesquite and North Las Vegas and the Las Vegas Metropolitan Police Department shall deposit the money received from the County Treasurer pursuant to subsection 2 of section 16 of this act into a special revenue fund created for the use of the proceeds received from the tax authorized by this act, and allocated among the police departments within the County pursuant to section 9 of this act.~~

~~(b) If pursuant to NRS 387.170, the Board of Trustees:~~

~~(1) Has elected to establish and administer a separate account as the County School District Fund pursuant to NRS 354.603, the Board of Trustees shall:~~

~~(I) Create a special revenue fund for the use of the proceeds received from the tax authorized by this act and allocated to the Clark County School District pursuant to section 12.5 of this act; and~~

~~(II) Deposit the money received from the County Treasurer pursuant to section 16 of this act into the special revenue fund.~~

~~(2) Has not elected to establish and administer a separate account as the County School District Fund pursuant to NRS 354.603, the County Treasurer shall:~~

~~(I) Create a special revenue fund for the use of the proceeds received from the tax authorized by this act and allocated to the School District pursuant to section 12.5 of this act; and~~

~~(II) Deposit the money received by the County Treasurer pursuant to section 16 of this act into the special revenue fund.~~

~~2. Each special revenue fund created for the use of the proceeds received from the tax authorized by this act pursuant to subsection 1 must be accounted for as a separate fund and not as a part of any other fund.~~

~~3. Interest earned on a special revenue fund created pursuant to subsection 1 must be credited to the fund. The money in each such fund must remain in the fund and must not revert to the County Treasury or the County School District Fund, as applicable, at the end of any fiscal year. (Deleted by amendment.)~~

Sec. 21. ~~{Section 20 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read as follows:~~

~~Sec. 20. In a proceeding arising from an ordinance imposing a tax pursuant to this act, the Department may act for and on behalf of the County, or the Clark County School District, as appropriate for the proceeding. (Deleted by amendment.)~~

1 Sec. 22. ~~{Section 21 of the Clark County Sales and Use Tax Act of 2005,~~
2 ~~being chapter 249, Statutes of Nevada 2005, at page 917, is hereby amended to read~~
3 ~~as follows:~~

4 ~~Sec. 21. 1. The powers conferred by this act are in addition and~~
5 ~~supplemental to, and not in substitution for, the powers conferred by any~~
6 ~~other law and the limitations imposed by this act do not affect the powers~~
7 ~~conferred by any other law.~~

8 ~~2. This act must not be construed to prevent the exercise of any power~~
9 ~~granted by any other law to the County or the Clark County School~~
10 ~~District, as applicable, or any officer, agent or employee of the County { }~~
11 ~~or the Clark County School District, as applicable.~~

12 ~~3. This act must not be construed to repeal or otherwise affect any~~
13 ~~other law or part thereof { }, except that if there is any conflict between the~~
14 ~~specific provisions of this act and the general provisions of any other law~~
15 ~~or part thereof, the specific provisions of this act control.~~

16 ~~4. This act is intended to provide a separate method of accomplishing~~
17 ~~the objectives of the act, but not an exclusive method.~~

18 ~~5. If any provision of this act, or application thereof to any person,~~
19 ~~thing or circumstance, is held invalid, the invalidity shall not affect the~~
20 ~~provisions or application of this act which can be given effect without the~~
21 ~~invalid provision or application, and to this end the provisions of this act~~
22 ~~are declared to be severable.} (Deleted by amendment.)~~

23 Sec. 23. ~~{Section 23 of chapter 249, Statutes of Nevada 2005, at page 917, is~~
24 ~~hereby amended to read as follows:~~

25 ~~Sec. 23. {1.} This act becomes effective:~~

26 ~~{(a)} 1. Upon passage and approval for the purposes of enacting~~
27 ~~ordinances and performing any other preparatory administrative tasks that~~
28 ~~are necessary to carry out the provisions of this act; and~~

29 ~~{(b)} 2. On October 1, 2005, for all other purposes.~~

30 ~~{3. This act expires by limitation on October 1, 2025.} (Deleted by~~
31 ~~amendment.)~~

32 Sec. 24. ~~{Section 23 of chapter 545, Statutes of Nevada 2007, at page 2428,~~
33 ~~is hereby amended to read as follows:~~

34 ~~Sec. 23. 1. This section and sections 2 to 22, inclusive, of this act~~
35 ~~become effective:~~

36 ~~(a) Upon passage and approval for the purposes of enacting ordinances~~
37 ~~and performing any other preparatory administrative tasks that are~~
38 ~~necessary to carry out the provisions of this act; and~~

39 ~~(b) On October 1, 2007, for all other purposes.~~

40 ~~2. Sections 1 and 2 of this act become effective on October 1, 2007,~~
41 ~~{and expire by limitation on October 1, 2025.}~~

42 ~~3. Sections 3 to 22, inclusive, of this act expire by limitation on~~
43 ~~October 1, 2027.} (Deleted by amendment.)~~

44 Sec. 25. ~~{Section 28 of chapter 387, Statutes of Nevada 2009, at page 2104,~~
45 ~~is hereby amended to read as follows:~~

46 ~~Sec. 28. 1. This section and sections 4, 18 and 27 of this act~~
47 ~~become effective upon passage and approval.~~

48 ~~2. Sections 2, 3, 5, 6, 7, 9, 11 to 16, inclusive, and 19 to 26, inclusive,~~
49 ~~of this act become effective on July 1, 2009.~~

50 ~~3. Section 17 of this act becomes effective on July 1, 2011.~~

51 ~~4. {Section 20 of this act expires by limitation on September 30, 2025.~~

52 ~~5.} Section 25 of this act expires by limitation on September 30, 2027.~~

~~[6.] 5. Sections 7 and 9 of this act expire by limitation on September 30, 2020.~~
~~[7.] 6. Sections 8 and 10 of this act become effective on October 1, 2020. (Deleted by amendment.)~~

Sec. 26. ~~{Section 3.5 of chapter 1, Statutes of Nevada 2013, 27th Special Session, at page 3, is hereby amended to read as follows:~~

~~Sec. 3.5. 1. If the increase in the rate of the tax authorized by section 3 of this act is enacted pursuant to that section, the County Treasurer of Clark County shall not make any allotment to a police department pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005 of any portion of the proceeds of the increase allocated among the police departments within Clark County pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005, unless the County Treasurer is satisfied that the police department will meet the requirements of subsection 1 of section 3.7 of this act.~~

~~2. If the County Treasurer determines pursuant to subsection 1 that an allotment will not be made to a police department, any other police department may apply to the County Treasurer requesting approval for the use by the requesting police department of the unused allotment. If the County Treasurer is satisfied that the requesting police department will meet the requirements of subsection 1 of section 3.7 of this act, the County Treasurer shall make the requested allotment to the requesting police department. (Deleted by amendment.)~~

Sec. 27. ~~{Section 3.7 of chapter 1, Statutes of Nevada 2013, 27th Special Session, at page 3, is hereby amended to read as follows:~~

~~Sec. 3.7. 1. A police department shall not expend any portion of an allotment made to it by the County Treasurer pursuant to section 3.5 of this act to employ and equip additional police officers unless:~~

~~(a) The police department employs and equips an equal number of police officers in unfilled budgeted positions for police officers using money other than the proceeds of the increase in the rate of the tax authorized by section 3 of this act (i) and allocated among the police departments within Clark County pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005; or~~

~~(b) If, based on the number of budgeted positions for police officers in the police department for the 2013-2014 fiscal year, the police department does not have a sufficient number of unfilled budgeted positions for police officers to match all of the positions that are available for funding with the proceeds of the increase in the rate of the tax authorized by section 3 of this act (i) and allocated among the police departments within Clark County pursuant to section 9 of the Clark County Sales and Use Tax Act of 2005, the police department applies for and is granted a waiver from the requirements of paragraph (a) by the Committee on Local Government Finance;~~

~~2. The Committee on Local Government Finance shall, on or before September 1 of each year, submit a report to the Legislative Commission that sets forth the number of waivers granted by the Committee pursuant to this section during the immediately preceding fiscal year and the reasons for each such waiver. (Deleted by amendment.)~~

Sec. 28. ~~{Section 4 of chapter 1, Statutes of Nevada 2013, 27th Special Session, at page 3, is hereby amended to read as follows:~~

~~Sec. 4. This act becomes effective upon passage and approval (and expires by limitation on October 1, 2025.) (Deleted by amendment.)~~

1 ~~Sec. 29. 1. There is hereby appropriated from the State General Fund to~~
 2 ~~the School Safety Account the sum of \$2,500,000 for the Fiscal Year 2019-2020.~~

3 ~~2. The Department of Education shall transfer money from the appropriation~~
 4 ~~made by subsection 1 to school districts and charter schools for block grants for~~
 5 ~~contract or employee social workers or other licensed mental health workers in~~
 6 ~~schools with identified needs. The money must not be used for administrative~~
 7 ~~expenditures of the Department of Education.~~

8 ~~3. For purposes of the allocations of sums for the block grant program~~
 9 ~~described in subsection 2, eligible licensed social workers or other mental health~~
 10 ~~workers include the following:~~

- 11 ~~(a) Licensed Clinical Social Workers;~~
- 12 ~~(b) Social Workers;~~
- 13 ~~(c) Social Worker Intern with Supervision;~~
- 14 ~~(d) Clinical Psychologists;~~
- 15 ~~(e) Psychologist Intern with Supervision;~~
- 16 ~~(f) Marriage and Family Therapists;~~
- 17 ~~(g) Mental Health Counselors;~~
- 18 ~~(h) Community Health Workers;~~
- 19 ~~(i) School Based Health Centers; and~~
- 20 ~~(j) Licensed Nurses.~~

21 ~~4. The money appropriated by subsection 1 must be expended in accordance~~
 22 ~~with NRS 353.150 to 353.246, inclusive, concerning the allotment, transfer, work~~
 23 ~~program and budget. Transfers to and allotments from must be allowed and made in~~
 24 ~~accordance with NRS 353.215 to 353.225, inclusive, after separate consideration of~~
 25 ~~the merits of each request.~~

26 ~~5. Any remaining balance of the transfer made by subsection 2 for Fiscal Year~~
 27 ~~2019-2020 may be carried forward for Fiscal Year 2020-2021, must not be~~
 28 ~~committed for expenditure after June 30, 2021, and does not revert to the State~~
 29 ~~General Fund.) (Deleted by amendment.)~~

30 ~~Sec. 30. 1. There is hereby appropriated from the State General Fund to~~
 31 ~~the School Safety Account the following sums:~~

32 ~~For the Fiscal Year 2019-2020.....\$1,500,000~~
 33 ~~For the Fiscal Year 2020-2021.....\$4,000,000~~

34 ~~2. The Department of Education shall transfer from the appropriation made by~~
 35 ~~subsection 1 to provide grants to public schools to employ and equip school~~
 36 ~~resource officers or school police officers in schools with identified needs on the~~
 37 ~~basis of data relating to school discipline, violence, climate and vulnerability and~~
 38 ~~the ability of the public school to hire school resource officers or school police~~
 39 ~~officers. The money must not be used for administrative expenditures of the~~
 40 ~~Department of Education.~~

41 ~~3. The money transferred pursuant to subsection 2:~~

- 42 ~~(a) Must be accounted for separately from any other money received by the~~
 43 ~~school districts and charter schools of this State and used only for the purposes~~
 44 ~~specified in subsection 2;~~
- 45 ~~(b) May not be used to settle or arbitrate disputes between a recognized~~
 46 ~~organization representing employees of a school district and the school district, or~~
 47 ~~to settle any negotiations;~~
- 48 ~~(c) May not be used to adjust the district-wide schedules of salaries and~~
 49 ~~benefits of the employees of a school district.~~

50 ~~4. Any remaining balance of the sums transferred by subsection 1 for Fiscal~~
 51 ~~Year 2019-2020 and Fiscal Year 2020-2021 must not be committed for expenditure~~
 52 ~~after June 30 of each fiscal year and must be reverted to the State General Fund on~~

~~on or before September 18, 2020, and September 17, 2021, for each fiscal year respectively. (Deleted by amendment.)~~

Sec. 31. 1. There is hereby appropriated from the State General Fund to the School Safety Account the ~~(sum of \$17,500,000 for the Fiscal Year 2020-2021)~~ following sums:

For the Fiscal Year 2019-2020 \$8,340,845

For the Fiscal Year 2020-2021 \$8,404,930

2. The Department of Education shall transfer from the appropriation made by subsection 1 to provide grants utilizing a competitive grant process based on demonstrated need, within the limits of legislative appropriation, to school districts ~~(in counties whose population is less than 100,000)~~ and to charter schools for school safety facility improvements.

3. Any remaining balance of the appropriation made by subsection 1 ~~for Fiscal Year 2019-2020 must be added to the money appropriated for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the appropriation made by subsection 1 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021.~~

Sec. 32. ~~1. There is hereby appropriated from the State General Fund to the School Safety Account the following sums:~~

~~For the Fiscal Year 2019-2020 \$145,000~~

~~For the Fiscal Year 2020-2021 \$145,000~~

~~2. The money appropriated by subsection 1 must be used by the Department of Education to provide threat assessments and trainings and to provide mobile crisis response team services in counties whose population is less than 100,000.~~

~~3. Any remaining balance of the money appropriated by subsection 1 for Fiscal Year 2019-2020 and Fiscal Year 2020-2021 must not be committed for expenditure after June 30 of each fiscal year and must be reverted to the State General Fund on or before September 18, 2020, and September 17, 2021, for each fiscal year respectively. (Deleted by amendment.)~~

Sec. 33. ~~1. There is hereby appropriated from the State General Fund to the School Safety Account the following sums:~~

~~For the Fiscal Year 2019-2020 \$2,000,000~~

~~For the Fiscal Year 2020-2021 \$2,700,000~~

~~2. The money appropriated by subsection 1 must be used by the Department of Education to support the implementation of a program of social, emotional and academic development throughout the public schools in this State, including, without limitation, the development and implementation of a strategic plan to carry out full implementation of such programs within 5 years.~~

~~3. Any remaining balance of the transfer made by subsection 1 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfer made by subsection 1 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021. (Deleted by amendment.)~~

Sec. 34. ~~1. There is hereby appropriated from the State General Fund to the Other State Education Programs Account in the State General Fund the following sums:~~

~~For the Fiscal Year 2019-2020 \$2,000,000~~

~~For the Fiscal Year 2020-2021 \$2,000,000~~

~~2. The Department of Education shall use the money appropriated by subsection 1 for competitive state grants to school districts and charter schools for early childhood education programs.~~

~~2. Any remaining balance of the sums transferred by subsection 1 for Fiscal Year 2019-2020 and Fiscal Year 2020-2021 must not be committed for expenditure after June 30 of each fiscal year and must be reverted to the State General Fund on or before September 18, 2020, and September 17, 2021, for each fiscal year respectively. (Deleted by amendment.)~~

~~Sec. 35. (1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:~~

~~For the Fiscal Year 2019-2020 \$15,875,000~~

~~For the Fiscal Year 2020-2021 \$15,875,000~~

~~2. The Department of Education shall use the amount determined in subsection 1 to carry out the provisions of section 1 of Senate Bill No. 467 of this session by providing supplemental grants of money to the State Public Charter School Authority and the school districts to include additional schools within the program created by section 1 of Senate Bill No. 467 of this session and supplement the services provided at such schools. The board of trustees of a school district and the State Public Charter School Authority may submit an application to the Department on a form prescribed by the Department.~~

~~3. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfers made pursuant to subsection 2 for Fiscal Year 2020-2021, including any money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021. (Deleted by amendment.)~~

~~Sec. 36. (1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:~~

~~For the Fiscal Year 2019-2020 \$15,875,000~~

~~For the Fiscal Year 2020-2021 \$15,875,000~~

~~2. The Department of Education shall use the amount determined in subsection 1 to carry out the provisions of section 2 of Senate Bill No. 467 of this session by providing supplemental grants of money to the State Public Charter School Authority and the school districts to include additional schools within the program created by section 2 of Senate Bill No. 467 of this session and supplement the services provided at such schools. The board of trustees of a school district and the State Public Charter School Authority may submit an application to the Department on a form prescribed by the Department.~~

~~3. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfers made pursuant to subsection 2 for Fiscal Year 2020-2021, including any money added from the previous fiscal year, must not be committed for expenditure after June 30, 2021, and must be reverted to the State General Fund on or before September 17, 2021. (Deleted by amendment.)~~

~~Sec. 36.5. 1. There is hereby appropriated from the State General Fund to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 the following sums:~~

~~For the Fiscal Year 2019-2020 \$35,081,155~~

~~For the Fiscal Year 2020-2021 \$36,848,070~~

2. The Department of Education shall transfer the sums of money identified in this subsection from the Account for Programs for Innovation and the Prevention of Remediation to the school districts for block grants for the purpose of providing supplemental support to the operation of the school districts. The amount to be transferred for the fiscal year shown is:

	2019-2020	2020-2021
Carson City School District	\$631,574	\$663,384
Churchill County School District	255,461	268,328
Clark County School District	25,892,878	27,197,012
Douglas County School District	458,566	481,662
Elko County School District	772,986	811,919
Esmeralda County School District	5,551	5,831
Eureka County School District	21,379	22,456
Humboldt County School District	273,189	286,949
Lander County School District	78,860	82,832
Lincoln County School District	76,533	80,388
Lyon County School District	681,887	716,231
Mineral County School District	42,868	45,027
Nye County School District	410,922	431,619
Pershing County School District	53,244	55,925
Storey County School District	34,229	35,953
Washoe County School District	5,294,592	5,561,262
White Pine County School District	96,435	101,292

3. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2019-2020 must be added to the money transferred for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the transfers made by subsection 2 for Fiscal Year 2020-2021, including any such money added from the previous fiscal year, must be used for the purpose identified in subsection 2 and does not revert to the State General Fund.

Sec. 37. 1. The Legislature hereby finds and declares that the purpose and intent of this act is to maintain and continue the existing legally operative rates of the taxes imposed pursuant to NRS 363A.130 and 363B.110, at 2 percent and 1.475 percent, respectively, without any changes or reductions in the rates of those taxes pursuant to NRS 360.203, as that section existed before the effective date of this act, for any fiscal year beginning on or after July 1, 2015.

2. Notwithstanding any other provisions of law, in order to accomplish and carry out the purpose and intent of this act:

(a) Any determinations or decisions made or actions taken before the effective date of this section by the Department of Taxation pursuant to NRS 360.203, as that section existed before the effective date of this section:

(1) Are superseded, abrogated and nullified by the provisions of this act; and

(2) Have no legal force and effect; and

(b) The Department shall not, under any circumstances, apply or use those determinations, decisions or actions as a basis, cause or reason to reduce the rates of the taxes imposed pursuant to NRS 363A.130 and 363B.110 for any fiscal year beginning on or after July 1, 2015.

Sec. 38. ~~Notwithstanding any other provisions of law, the Legislature hereby finds and declares that~~

~~1. The provisions of this act are not severable; and~~

~~2. If any provisions of this act, or any applications thereof to any persons, things or circumstances,~~

~~(a) Are declared invalid by a court of competent jurisdiction in any judicial proceedings; and~~

~~(b) Any available appeals, petitions or other methods of review concerning the judicial proceedings have been exhausted under the rules governing the judicial proceedings;~~

~~such a judicial declaration of invalidity shall be deemed to invalidate the other provisions of this act, whether or not the other provisions of this act can be saved and given effect without the provisions or applications declared invalid by the court, and the invalidation of the other provisions of this act pursuant to this section becomes effective on the date on which the judicial declaration of invalidity becomes final and is no longer subject to any available appeals, petitions or other methods of review under the rules governing the judicial proceedings. (Deleted by amendment.)~~

Sec. 39. NRS 360.203 is hereby repealed.

Sec. 40. 1. This section ~~{,}~~ and sections ~~{1 to 28, inclusive,} 2, 3, 37, {, 28}~~ and 39 of this act become effective upon passage and approval.

2. Sections ~~{29 to 36, inclusive,} 2.5, 3.3, 3.7, 31 and 36.5~~ of this act become effective on July 1, 2019.

~~{ 3. If the provisions of this act are invalidated as provided in section 38 of this act, this act expires by limitation on the date on which the invalidation of the provisions of this act becomes effective as provided in section 38 of this act. }~~

TEXT OF REPEALED SECTION

360.203 Reduction of rate of certain taxes on business under certain circumstances; duties of Department.

1. Except as otherwise provided in subsection 4, on or before September 30 of each even-numbered year, the Department shall determine the combined revenue from the taxes imposed by chapters 363A and 363B of NRS and the commerce tax imposed by chapter 363C of NRS for the preceding fiscal year.

2. Except as otherwise provided in subsection 4, if the combined revenue determined pursuant to subsection 1 exceeds by more than 4 percent the amount of the combined anticipated revenue from those taxes for that fiscal year, as projected by the Economic Forum for that fiscal year pursuant to paragraph (c) of subsection 1 of NRS 353.228 and as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department shall determine the rate at which the taxes imposed pursuant to NRS 363A.130 and 363B.110, in combination with the revenue from the commerce tax imposed by chapter 363C of NRS, would have generated a combined revenue of 4 percent more than the amount anticipated. In making the determination required by this subsection, the Department shall reduce the rate of the taxes imposed pursuant to NRS 363A.130 and 363B.110 in the proportion that the actual amount collected from each tax for the preceding fiscal year bears to the total combined amount collected from both taxes for the preceding fiscal year.

3. Except as otherwise provided in subsection 4, effective on July 1 of the odd-numbered year immediately following the year in which the Department made the determination described in subsection 1, the rates of the taxes imposed pursuant to NRS 363A.130 and 363B.110 that are determined pursuant to subsection 2,

rounded to the nearest one-thousandth of a percent, must thereafter be the rate of those taxes, unless further adjusted in a subsequent fiscal year.

4. If, pursuant to subsection 3, the rate of the tax imposed pursuant to NRS 363B.110 is 1.17 percent:

(a) The Department is no longer required to make the determinations required by subsections 1 and 2; and

(b) The rate of the taxes imposed pursuant to NRS 363A.130 and 363B.110 must not be further adjusted pursuant to subsection 3.

EXHIBIT 10

EXHIBIT 10

Amendment No. 1121

Senate Amendment to Senate Bill No. 551

(BDR 32-1286)

Proposed by: Senator Cannizzaro

Amendment Box: Conflicts with Amendment No. 1120.

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) ~~orange double underlining~~ is deleted language in the original bill proposed to be retained in this amendment.

AAK



Date: 6/3/2019

S.B. No. 551—Revises provisions relating to state financial administration.
(BDR 32-1286)



6

6

EMERGENCY REQUEST OF SENATE MAJORITY LEADER

SENATE BILL NO. 551—SENATOR CANNIZZARO

MAY 27, 2019

Referred to Committee on Finance

SUMMARY—Revises provisions relating to state financial administration.
(BDR 32-1286)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

EXPLANATION—Matter in *bolded italics* is new, matter between brackets ~~(omitted material)~~ is material to be omitted.

AN ACT relating to state financial administration; ~~revising provisions governing the administration of certain taxes authorized by the Clark County Crime Prevention Act of 2016 and the Clark County Sales and Use Tax Act of 2005, providing for certain proceeds from the taxes authorized by the Clark County Sales and Use Tax Act of 2005 to be used to employ and equip additional school police officers in the Clark County School District, removing the prospective expiration of the Clark County Sales and Use Tax Act of 2005 and amendments and other provisions relating thereto;~~ eliminating certain duties of the Department of Taxation relating to the commerce tax and the payroll taxes imposed on certain businesses; continuing the existing legally operative rates of the payroll taxes imposed on certain businesses; **revising provisions governing the credits against the payroll taxes imposed on certain businesses for taxpayers who donate money to a scholarship organization; eliminating the education savings accounts program;** making appropriations for certain purposes relating to school safety ~~from early childhood education and Zoom and Victory schools;~~ **and to provide supplemental support of the operation of the school districts;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 ~~Existing law authorizes the Board of County Commissioners of Clark County to impose a~~
2 ~~sales and use tax in Clark County to employ and equip additional police officers for the~~
3 ~~Boulder City Police Department, Henderson Police Department, Las Vegas Metropolitan~~
4 ~~Police Department, Mesquite Police Department and North Las Vegas Police Department.~~
5 ~~(Clark County Sales and Use Tax Act of 2005) A police department is prohibited from~~
6 ~~expending the proceeds of the tax unless the expenditure has been approved by a designated~~
7 ~~body and only if the use will not replace or supplant existing funding for the police~~

department. (Section 12 of chapter 249, Statutes of Nevada 2005, as amended by chapter 497, Statutes of Nevada 2011, p. 3158) Section 10 of this bill authorizes 50 percent of the proceeds of the tax in excess of the amount collected during Fiscal Year 2018-2019 to be transferred each month to the Clark County School District for the purposes of employing and equipping additional school police officers. Sections 1, 4, 9, 11, 23, 26 and 27 of this bill make conforming changes to impose generally similar requirements on the Clark County School District as are imposed on police departments that receive proceeds of the tax.

~~The Clark County Sales and Use Tax Act of 2005 is set to expire on October 1, 2025. (Section 23 of chapter 249, Statutes of Nevada 2005, p. 917) Sections 23-25 and 28 of this bill remove the prospective expiration of the Act and amendments thereto, thereby authorizing the imposition of such a tax in Clark County after October 1, 2025.)~~

Existing law imposes an annual commerce tax on each business entity whose Nevada gross revenue in a fiscal year exceeds \$4,000,000, with the rate of the commerce tax based on the industry in which the business entity is primarily engaged. (NRS 363C.200, 363C.300-363C.560) Existing law also imposes: (1) a payroll tax on financial institutions and on mining companies subject to the tax on the net proceeds of minerals, with the rate of the payroll tax set at 2 percent of the amount of the wages, as defined under existing law, paid by the financial institution or mining company during each calendar quarter in connection with its business activities; and (2) a payroll tax on other business entities, with the rate of the payroll tax set at 1.475 percent of the amount of the wages, as defined under existing law but excluding the first \$50,000 thereof, paid by the business entity during each calendar quarter in connection with its business activities. (NRS 363A.130, 363B.110, 612.190) However, a business entity that pays both the payroll tax and the commerce tax is entitled to a credit against the payroll tax of a certain amount of the commerce tax paid by the business entity. (NRS 363A.130, 363B.110)

Existing law further establishes a rate adjustment procedure that is used by the Department of Taxation to determine whether the rates of the payroll taxes should be reduced in future fiscal years under certain circumstances. Under the rate adjustment procedure, on or before September 30 of each even-numbered year, the Department must determine the combined revenue from the commerce tax and the payroll taxes for the preceding fiscal year. If that combined revenue exceeds a certain threshold amount, the Department must make additional calculations to determine future reduced rates for the payroll taxes. However, any future reduced rates for the payroll taxes do not go into effect and become legally operative until July 1 of the following odd-numbered year. (NRS 360.203) This rate adjustment procedure was enacted by the Legislature during the 2015 Legislative Session and became effective on July 1, 2015. (Sections 62 and 114 of chapter 487, Statutes of Nevada 2015, pp. 2896, 2955) Since July 1, 2015, no future reduced rates for the payroll taxes have gone into effect and become legally operative based on the rate adjustment procedure. As a result, the existing legally operative rates of the payroll taxes are still 2 percent and 1.475 percent, respectively. (NRS 363A.130, 363B.110)

Section 39 of this bill eliminates the rate adjustment procedure used by the Department of Taxation to determine whether the rates of the payroll taxes should be reduced in any fiscal year. Section 37 of this bill maintains and continues the existing legally operative rates of the payroll taxes at 2 percent and 1.475 percent, respectively, without any changes or reductions in the rates of those taxes pursuant to the rate adjustment procedure for any fiscal year. Section 37 also provides that the Department must not apply or use the rate adjustment procedure to determine any future reduced rates for the payroll taxes for any fiscal year. Sections 2 and 3 of this bill make conforming changes.

~~Sections 29-33 of this bill make appropriations for certain purposes relating to school safety. Specifically, section 29 of this bill makes an appropriation for the costs of public schools to retain social workers or other licensed mental health workers. Section 30 of this bill makes an appropriation for the costs of employing and equipping additional school resource officers or school police officers. Existing law establishes a credit against the payroll tax paid by certain businesses equal to an amount which is approved by the Department and which must not exceed the amount of any donation of money which is made by a taxpayer to a scholarship organization that provides grants on behalf of pupils who are members of a household with a household income which is not more than 300 percent of the federally designated level signifying poverty to attend schools in this State, including private schools, chosen by the parents or legal guardians of those pupils (NRS 363A.130,~~

363B.110) Under existing law, the Department: (1) is required to approve or deny applications for the tax credit in the order in which the applications are received by the Department; and (2) is authorized to approve applications for each fiscal year until the amount of tax credits approved for the fiscal year is the amount authorized by statute for that fiscal year. Assembly Bill No. 458 of this legislative session establishes that for Fiscal Years 2019-2020 and 2020-2021, the amount authorized is \$6,655,000 for each fiscal year. Sections 2.5 and 3.5 of this bill authorize the Department to approve, in addition to the amount of credits authorized for Fiscal Years 2019-2020 and 2020-2021, an amount of tax credits equal to \$4,745,000 for each of those fiscal years. Section 30.75 of this bill: (1) prohibits a scholarship organization from using a donation for which the donor received a tax credit to provide a grant on behalf of a pupil unless the scholarship organization used a donation for which the donor received a tax credit to provide a grant on behalf of the pupil for the immediately preceding scholarship year or reasonably expects to provide a grant of the same amount on behalf of the pupil for each school year until the pupil graduates from high school; and (2) requires a scholarship organization to repay the amount of any tax credit approved by the Department if the scholarship organization violates this provision.

Senate Bill No. 302 (S.B. 302) of the 78th Session of the Nevada Legislature established the education savings accounts program, pursuant to which grants of money are made to certain parents on behalf of their children to defray the cost of instruction outside the public school system. (Chapter 332, Statutes of Nevada 2015, p. 1824; NRS 353B.700-353B.930) Following a legal challenge of S.B. 302, the Nevada Supreme Court held in *Schwartz v. Lopez*, 132 Nev. 732 (2016), that the legislation was valid under Section 2 of Article 11 of the Nevada Constitution, which requires a uniform system of common schools, and under Section 10 of Article 11 of the Nevada Constitution, which prohibits the use of public money for a sectarian purpose. However, the Nevada Supreme Court found that the Legislature did not make an appropriation for the support of the education savings accounts program and held that the use of any money appropriated for K-12 public education for the education savings accounts program would violate Sections 2 and 6 of Article 11 of the Nevada Constitution. The Court enjoined enforcement of section 16 of S.B. 302, which amended NRS 387.124 to require that all money deposited in education savings accounts be subtracted from each school district's quarterly apportionments from the State Distributive School Account. Because the Court has enjoined this provision of law and the Legislature has not made an appropriation for the support of the education savings accounts program, the education savings accounts program is not operating. Section 39.5 of this bill eliminates the education savings accounts program. Sections 30.1-30.7 and 30.8-30.95 of this bill make conforming changes related to the elimination of the education savings accounts program.

Section 31 of this bill makes an appropriation for the costs of school safety facility improvements. ~~{Section 32 of this bill makes an appropriation for the costs of providing threat assessments and trainings and providing mobile crisis response team services in certain counties. Section 33 of this bill makes an appropriation to support the implementation of a program of social, emotional and academic development throughout the public schools of this State. Additionally, section 34 of this bill makes an appropriation for early childhood education programs in public schools. Finally, sections 35 and 36 of this bill make appropriations to provide supplemental funding for the Zoom and Victory schools programs to increase the number of schools served by such programs and supplement the services provided at such schools.~~

~~Section 38 of this bill declares that the provisions of this bill are not severable and that a judicial declaration of invalidity of any portion of this bill shall be deemed to invalidate all provisions of this bill. Section 40 of this bill expressly expires by limitation all provisions of this bill upon such a judicial declaration of invalidity.~~ Section 36.5 of this bill makes an appropriation to provide supplemental support to the operations of the school districts of this State, distributed in amounts based on the 2018 enrollment of the school districts of this State.

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

1 Section 1. ~~NRS 360.200 is hereby amended to read as follows:~~
2 ~~360.200 The Department may exercise (the)~~
3 ~~1. The specific powers enumerated in this chapter (and, except) or any other~~
4 ~~law and~~
5 ~~2. Except as otherwise provided (by) in this chapter or any other law, (may~~
6 ~~exercise) general supervision and control over the entire revenue system of the~~
7 ~~State, including, without limitation, the administration of the provisions of chapter~~
8 ~~307, Statutes of Nevada 1955, as amended ((NRS) and codified in chapter 372 ()),~~
9 ~~of NRS, or any special legislative act authorizing or providing for such~~
10 ~~administration by the Department.) (Deleted by amendment.)~~

11 Sec. 2. NRS 363A.130 is hereby amended to read as follows:

12 363A.130 1. ~~{Except as otherwise provided in NRS 360.203, there}~~ There is
13 hereby imposed an excise tax on each employer at the rate of 2 percent of the
14 wages, as defined in NRS 612.190, paid by the employer during a calendar quarter
15 with respect to employment in connection with the business activities of the
16 employer.

17 2. The tax imposed by this section:

18 (a) Does not apply to any person or other entity or any wages this State is
19 prohibited from taxing under the Constitution, laws or treaties of the United States
20 or the Nevada Constitution.

21 (b) Must not be deducted, in whole or in part, from any wages of persons in the
22 employment of the employer.

23 3. Each employer shall, on or before the last day of the month immediately
24 following each calendar quarter for which the employer is required to pay a
25 contribution pursuant to NRS 612.535:

26 (a) File with the Department a return on a form prescribed by the Department;
27 and

28 (b) Remit to the Department any tax due pursuant to this section for that
29 calendar quarter.

30 4. In determining the amount of the tax due pursuant to this section, an
31 employer is entitled to subtract from the amount calculated pursuant to subsection 1
32 a credit in an amount equal to 50 percent of the amount of the commerce tax paid
33 by the employer pursuant to chapter 363C of NRS for the preceding taxable year.
34 The credit may only be used for any of the 4 calendar quarters immediately
35 following the end of the taxable year for which the commerce tax was paid. The
36 amount of credit used for a calendar quarter may not exceed the amount calculated
37 pursuant to subsection 1 for that calendar quarter. Any unused credit may not be
38 carried forward beyond the fourth calendar quarter immediately following the end
39 of the taxable year for which the commerce tax was paid, and a taxpayer is not
40 entitled to a refund of any unused credit.

41 5. An employer who makes a donation of money to a scholarship organization
42 during the calendar quarter for which a return is filed pursuant to this section is
43 entitled, in accordance with NRS 363A.139, to a credit equal to the amount
44 authorized pursuant to NRS 363A.139 against any tax otherwise due pursuant to
45 this section. As used in this subsection, "scholarship organization" has the meaning
46 ascribed to it in NRS 388D.260.

47 Sec. 2.5. NRS 363A.139 is hereby amended to read as follows:

48 363A.139 1. Any taxpayer who is required to pay a tax pursuant to NRS
49 363A.130 may receive a credit against the tax otherwise due for any donation of

1 money made by the taxpayer to a scholarship organization in the manner provided
2 by this section.

3 2. To receive the credit authorized by subsection 1, a taxpayer who intends to
4 make a donation of money to a scholarship organization must, before making such
5 a donation, notify the scholarship organization of the taxpayer's intent to make the
6 donation and to seek the credit authorized by subsection 1. A scholarship
7 organization shall, before accepting any such donation, apply to the Department of
8 Taxation for approval of the credit authorized by subsection 1 for the donation. The
9 Department of Taxation shall, within 20 days after receiving the application,
10 approve or deny the application and provide to the scholarship organization notice
11 of the decision and, if the application is approved, the amount of the credit
12 authorized. Upon receipt of notice that the application has been approved, the
13 scholarship organization shall provide notice of the approval to the taxpayer who
14 must, not later than 30 days after receiving the notice, make the donation of money
15 to the scholarship organization. If the taxpayer does not make the donation of
16 money to the scholarship organization within 30 days after receiving the notice, the
17 scholarship organization shall provide notice of the failure to the Department of
18 Taxation and the taxpayer forfeits any claim to the credit authorized by subsection
19 1.

20 3. The Department of Taxation shall approve or deny applications for the
21 credit authorized by subsection 1 in the order in which the applications are
22 received.

23 4. Except as otherwise provided in subsection 5, the Department of Taxation
24 may, for each fiscal year, approve applications for the credit authorized by
25 subsection 1 until the total amount of the credits authorized by subsection 1 and
26 approved by the Department of Taxation pursuant to this subsection is:

27 (a) For Fiscal Year 2015-2016, \$5,000,000;

28 (b) For Fiscal Year 2016-2017, \$5,500,000; and

29 (c) For each succeeding fiscal year, an amount equal to 110 percent of the
30 amount authorized for the immediately preceding fiscal year.

31 ➤ The amount of any credit which is forfeited pursuant to subsection 2 must not be
32 considered in calculating the amount of credits authorized for any fiscal year.

33 5. ~~Not~~ Except as otherwise provided in this subsection, in addition to the
34 amount of credits authorized by subsection 4 for Fiscal Year 2017-2018, Years
35 2019-2020 and 2020-2021, the Department of Taxation may approve applications
36 for the credit authorized by subsection 1 for each of those fiscal years
37 until the total amount of the credits authorized by subsection 1 and approved by the
38 Department of Taxation pursuant to this subsection and subsection 5 of NRS
39 363B.119 is \$20,000,000, \$4,745,000. The provisions of paragraph (c) of
40 subsection 4 do not apply to the amount of credits authorized by this subsection and
41 the amount of credits authorized by this subsection must not be considered when
42 determining the amount of credits authorized for a fiscal year pursuant to that
43 paragraph. If, in Fiscal Year ~~2017-2018,~~ 2019-2020 or 2020-2021, the amount of
44 credits authorized by subsection 1 and approved pursuant to this subsection is less
45 than ~~\$20,000,000,~~ \$4,745,000, the remaining amount of credits pursuant to this
46 subsection must be carried forward and made available for approval during
47 subsequent fiscal years until the total amount of credits authorized by subsection 1
48 and approved pursuant to this subsection is equal to ~~\$20,000,000,~~ \$9,490,000. The
49 amount of any credit which is forfeited pursuant to subsection 2 must not be
50 considered in calculating the amount of credits authorized pursuant to this
51 subsection.

52 6. If a taxpayer applies to and is approved by the Department of Taxation for
53 the credit authorized by subsection 1, the amount of the credit provided by this

section is equal to the amount approved by the Department of Taxation pursuant to subsection 2, which must not exceed the amount of the donation made by the taxpayer to a scholarship organization. The total amount of the credit applied against the taxes described in subsection 1 and otherwise due from a taxpayer must not exceed the amount of the donation.

7. If the amount of the tax described in subsection 1 and otherwise due from a taxpayer is less than the credit to which the taxpayer is entitled pursuant to this section, the taxpayer may, after applying the credit to the extent of the tax otherwise due, carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made or until the balance of the credit is applied, whichever is earlier.

8. As used in this section, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3. NRS 363B.110 is hereby amended to read as follows:

~~363B.110 1. Except as otherwise provided in NRS 360.203, there~~ **There** is hereby imposed an excise tax on each employer at the rate of 1.475 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds \$50,000.

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

4. In determining the amount of the tax due pursuant to this section, an employer is entitled to subtract from the amount calculated pursuant to subsection 1 a credit in an amount equal to 50 percent of the amount of the commerce tax paid by the employer pursuant to chapter 363C of NRS for the preceding taxable year. The credit may only be used for any of the 4 calendar quarters immediately following the end of the taxable year for which the commerce tax was paid. The amount of credit used for a calendar quarter may not exceed the amount calculated pursuant to subsection 1 for that calendar quarter. Any unused credit may not be carried forward beyond the fourth calendar quarter immediately following the end of the taxable year for which the commerce tax was paid, and a taxpayer is not entitled to a refund of any unused credit.

5. An employer who makes a donation of money to a scholarship organization during the calendar quarter for which a return is filed pursuant to this section is entitled, in accordance with NRS 363B.119, to a credit equal to the amount authorized pursuant to NRS 363B.119 against any tax otherwise due pursuant to this section. As used in this subsection, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 3.5. NRS 363B.119 is hereby amended to read as follows:

~~363B.119 1. Any taxpayer who is required to pay a tax pursuant to NRS 363B.110 may receive a credit against the tax otherwise due for any donation of~~

1 money made by the taxpayer to a scholarship organization in the manner provided
2 by this section.

3 2. To receive the credit authorized by subsection 1, a taxpayer who intends to
4 make a donation of money to a scholarship organization must, before making such
5 a donation, notify the scholarship organization of the taxpayer's intent to make the
6 donation and to seek the credit authorized by subsection 1. A scholarship
7 organization shall, before accepting any such donation, apply to the Department of
8 Taxation for approval of the credit authorized by subsection 1 for the donation. The
9 Department of Taxation shall, within 20 days after receiving the application,
10 approve or deny the application and provide to the scholarship organization notice
11 of the decision and, if the application is approved, the amount of the credit
12 authorized. Upon receipt of notice that the application has been approved, the
13 scholarship organization shall provide notice of the approval to the taxpayer who
14 must, not later than 30 days after receiving the notice, make the donation of money
15 to the scholarship organization. If the taxpayer does not make the donation of
16 money to the scholarship organization within 30 days after receiving the notice, the
17 scholarship organization shall provide notice of the failure to the Department of
18 Taxation and the taxpayer forfeits any claim to the credit authorized by subsection
19 1.

20 3. The Department of Taxation shall approve or deny applications for the
21 credit authorized by subsection 1 in the order in which the applications are
22 received.

23 4. Except as otherwise provided in subsection 5, the Department of Taxation
24 may, for each fiscal year, approve applications for the credit authorized by
25 subsection 1 until the total amount of the credits authorized by subsection 1 and
26 approved by the Department of Taxation pursuant to this subsection is:

27 (a) For Fiscal Year 2015-2016, \$5,000,000;

28 (b) For Fiscal Year 2016-2017, \$5,500,000; and

29 (c) For each succeeding fiscal year, an amount equal to 110 percent of the
30 amount authorized for the immediately preceding fiscal year.

31 The amount of any credit which is forfeited pursuant to subsection 2 must not be
32 considered in calculating the amount of credits authorized for any fiscal year.

33 5. In addition to the amount of credits authorized by subsection 4 for Fiscal
34 ~~(Year 2017-2018),~~ Years 2019-2020 and 2020-2021, the Department of Taxation
35 may approve applications for the credit authorized by subsection 1 for ~~that each~~
36 of those fiscal ~~year~~ years until the total amount of the credits authorized by
37 subsection 1 and approved by the Department of Taxation pursuant to this
38 subsection and subsection 5 of NRS 363A.139 is ~~(\$20,000,000),~~ \$4,745,000. The
39 provisions of paragraph (c) of subsection 4 do not apply to the amount of credits
40 authorized by this subsection and the amount of credits authorized by this
41 subsection must not be considered when determining the amount of credits
42 authorized for a fiscal year pursuant to that paragraph. If, in Fiscal Year ~~2017-~~
43 ~~2018,~~ 2019-2020 or 2020-2021, the amount of credits authorized by subsection 1
44 and approved pursuant to this subsection is less than ~~(\$20,000,000),~~ \$4,745,000, the
45 remaining amount of credits pursuant to this subsection must be carried forward
46 and made available for approval during subsequent fiscal years until the total
47 amount of credits authorized by subsection 1 and approved pursuant to this
48 subsection is equal to ~~(\$20,000,000),~~ \$9,490,000. The amount of any credit which
49 is forfeited pursuant to subsection 2 must not be considered in calculating the
50 amount of credits authorized pursuant to this subsection.

51 6. If a taxpayer applies to and is approved by the Department of Taxation for
52 the credit authorized by subsection 1, the amount of the credit provided by this
53 section is equal to the amount approved by the Department of Taxation pursuant to

subsubsection 2, which must not exceed the amount of the donation made by the taxpayer to a scholarship organization. The total amount of the credit applied against the taxes described in subsection 1 and otherwise due from a taxpayer must not exceed the amount of the donation.

7. If the amount of the tax described in subsection 1 and otherwise due from a taxpayer is less than the credit to which the taxpayer is entitled pursuant to this section, the taxpayer may, after applying the credit to the extent of the tax otherwise due, carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made or until the balance of the credit is applied, whichever is earlier.

8. As used in this section, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 4. ~~NRS 354.603 is hereby amended to read as follows:~~

~~354.603 1. The board of trustees of any county school district, the board of hospital trustees of any county hospital or the board of trustees of any consolidated library district or district library may establish and administer separate accounts in:~~

~~(a) A bank whose deposits are insured by the Federal Deposit Insurance Corporation;~~

~~(b) A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755; or~~

~~(c) A savings and loan association or savings bank whose deposits if made by the State, a local government or an agency of either, are insured by the Federal Deposit Insurance Corporation, or the legal successor of the Federal Deposit Insurance Corporation;~~

~~for money deposited by the county treasurer which is by law to be administered and expended by those boards;~~

~~2. The county treasurer shall transfer the money to a separate account pursuant to subsection 1 when the following conditions are met:~~

~~(a) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library adopts a resolution declaring an intention to establish and administer a separate account in accordance with the provisions of this section;~~

~~(b) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library sends a certificate to the county treasurer, the county auditor, the board of county commissioners and, in the case of the board of trustees of the county school district, to the Department of Education, attested by the secretary of the board, declaring the intention of the board to establish and administer a separate account in accordance with the provisions of this section;~~

~~(c) The board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library submits monthly reports, listing all transactions involving the separate account, to the county treasurer, the county auditor and the board of county commissioners. The reports must be certified by the secretary of the board. In addition, the board shall give a full account and record of all money in such an account upon request of the board of county commissioners;~~

~~3. The separate account of the board of trustees of the county school district established under the provisions of this section must be composed of:~~

~~(a) The county school district fund; (and)~~

~~(b) The county school district building and sites fund;~~

~~(c) Any other fund authorized or required by law;~~

~~4. The separate account established by the board of county hospital trustees is designated the county hospital fund.~~

~~5. The separate account of the board of trustees of the consolidated library district or district library established under the provisions of this section must be composed of:~~

~~(a) The fund for the consolidated library or district library, as appropriate; and~~

~~(b) The capital projects fund of the consolidated library or district library, as appropriate.~~

~~6. No expenditures from an account may be made in excess of the balance of the account.~~

~~7. Such an account must support all expenditures properly related to the purpose of the fund, excluding direct payments of principal and interest on general obligation bonds, and including, but not limited to, debt service, capital projects, capital outlay and operating expenses.~~

~~8. The board of county commissioners, if it determines that there is clear evidence of misuse or mismanagement of money in any separate account, may order the closing of the account and the return of the money to the county treasury to be administered in accordance with existing provisions of law. The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library is entitled to a hearing before the board of county commissioners. (Deleted by amendment.)~~

Sec. 5. ~~(NRS 387.175 is hereby amended to read as follows:~~

~~387.175 [The] 1. Except as otherwise provided in this section, the county school district fund is composed of:~~

~~[1.] (a) All local taxes for the maintenance and operation of public schools;~~

~~[2.] (b) All money received from the Federal Government for the maintenance and operation of public schools;~~

~~[3.] (c) Apportionments by this State as provided in NRS 387.124;~~

~~[4.] (d) Any other receipts, including gifts, for the operation and maintenance of the public schools in the county school district.~~

~~2. If the board of trustees of a county school district is allotted any money to employ and equip additional school police officers pursuant to any special legislative act, the money must be:~~

~~(a) Deposited in the appropriate fund in the manner required by the special legislative act; and~~

~~(b) Used only for the purposes authorized by the special legislative act. (Deleted by amendment.)~~

Sec. 6. ~~(NRS 387.180 is hereby amended to read as follows:~~

~~387.180 [The] 1. Except as otherwise provided in this section, the board of trustees of each county school district shall pay all moneys received by it for school purposes into the county treasury at the end of each month to be placed to the credit of the county school district fund or the county school district buildings and sites fund as provided for in this chapter, except when the board of trustees of a county school district has elected to establish and administer a separate account under the provisions of NRS 254.601.~~

~~2. If the board of trustees of a county school district is allotted any money to employ and equip additional school police officers pursuant to any special legislative act, the money must be:~~

~~(a) Deposited in the appropriate fund in the manner required by the special legislative act; and~~

~~(b) Used only for the purposes authorized by the special legislative act. (Deleted by amendment.)~~

1 Sec. 7. ~~{Section 12 of the Clark County Crime Prevention Act of 2016, being~~
2 ~~chapter 1, Statutes of Nevada 2016, 30th Special Session, at page 9, is hereby~~
3 ~~amended to read as follows:~~

4 ~~Sec. 12. 1. A body designated pursuant to subsection 1 of section~~
5 ~~12 of this act that approves an expenditure pursuant to section 12 of this act~~
6 ~~shall, for the relevant period, submit to the Department the reports required~~
7 ~~by this section, which must include, without limitation, the information~~
8 ~~required by this section and such other information relating to the~~
9 ~~administration of the provisions of this act as may be requested by the~~
10 ~~Department.~~

11 ~~2. A body designated pursuant to subsection 1 of section 12 of this act~~
12 ~~shall submit the reports required by this section on or before:~~

13 ~~(a) February 15, for the 3-month period ending on the immediately~~
14 ~~preceding December 31;~~

15 ~~(b) May 15, for the 3-month period ending on the immediately~~
16 ~~preceding March 31;~~

17 ~~(c) August 15, for the 3-month period ending on the immediately~~
18 ~~preceding June 30;~~

19 ~~(d) November 15, for the 3-month period ending on the immediately~~
20 ~~preceding September 30; and~~

21 ~~(e) August 15, for the 12-month period ending on the immediately~~
22 ~~preceding June 30.~~

23 ~~3. Each report submitted pursuant to this section must be submitted~~
24 ~~on a form provided by the Department, which must be the same form as the~~
25 ~~form provided for the relevant report required by section 13.5 of the Clark~~
26 ~~County Sales and Use Tax Act of 2005, being chapter 249, Statutes of~~
27 ~~Nevada 2005, as added by chapter 545, Statutes of Nevada 2007, at page~~
28 ~~2422, and amended by chapter 497, Statutes of Nevada 2011, at page~~
29 ~~2160, from time to time thereafter, and must include, with respect to the~~
30 ~~period covered by the report:~~

31 ~~(a) The total amount of the allocation received by the respective police~~
32 ~~department from the proceeds of the tax authorized by subsection 1 of~~
33 ~~section 9 of this act; {t}~~

34 ~~(b) A detailed description of the use of the money allocated to the~~
35 ~~police department, including without limitation:~~

36 ~~(1) The total expenditures made by the police department from the~~
37 ~~allocation; {t}~~

38 ~~(2) The total number of police officers hired by the respective~~
39 ~~police department; the number of those officers that are filling authorized,~~
40 ~~funded positions for new officers and demographic information regarding~~
41 ~~those officers reported in a manner consistent with the current policies of~~
42 ~~the respective police department concerning the reporting of such~~
43 ~~information; {t and}~~

44 ~~(3) A detailed analysis of the manner in which each expenditure:~~

45 ~~(i) Conforms to all provisions of this act; and~~

46 ~~(ii) Does not replace or supplant funding or staffing levels,~~
47 ~~which existed before October 1, 2016, for the respective police department;~~
48 ~~{t}~~

49 ~~(c) An analysis of the manner in which each expenditure is being used~~
50 ~~to prevent crimes and the effectiveness of each expenditure in preventing~~
51 ~~crimes; {t and}~~

52 ~~(d) Any other information required to complete the form of the report.~~

53 ~~4. The Metropolitan Police Committee on Fiscal Affairs shall~~

~~(a) Prepare and submit separate reports as required by this section for the expenditures approved from the allocations received by the Las Vegas Metropolitan Police Department pursuant to paragraphs (a) and (b), respectively, of subsection 3 of section 9 of this act; and~~

~~(b) In addition to all other information required by this section, include in each report submitted pursuant to this section evidence that the expenditures from allocations received by the Las Vegas Metropolitan Police Department pursuant to paragraph (a) of subsection 3 of section 9 of this act are not offsetting, supplanting, replacing or otherwise reducing the amount of money allocated to the Las Vegas Metropolitan Police Department pursuant to paragraph (b) of subsection 3 of section 9 of this act for expenditure on law enforcement and crime prevention in the resort corridor.~~

~~5. The Department may review and investigate the reports submitted pursuant to this section and any expenditure of any proceeds from the tax authorized by subsection 1 of section 9 of this act. (Deleted by amendment.)~~

Sec. 8. ~~{The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 8.5, immediately following section 5, to read as follows:~~

~~Sec. 8.5. "Board of Trustees" means the Board of Trustees of the Clark County School District. (Deleted by amendment.)~~

Sec. 9. ~~{The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 8.5, immediately following section 8, to read as follows:~~

~~Sec. 8.5. "School police officer" means a person who is employed or appointed to serve as a school police officer in the Clark County School District pursuant to NRS 391.281. (Deleted by amendment.)~~

Sec. 10. ~~{The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 12.5, immediately following section 12, to read as follows:~~

~~Sec. 12.5. 1. During Fiscal Year 2019-2020 and during each fiscal year thereafter, the Department shall determine whether the total amount of the proceeds received from any sales and use tax imposed pursuant to this act during the preceding month exceeds the proceeds received from such a tax during the corresponding month of Fiscal Year 2018-2019. If the proceeds received in the current fiscal year:~~

~~(a) Do not exceed the proceeds received from the corresponding month of Fiscal Year 2018-2019, the amount determined by the State Controller pursuant to paragraph (b) of subsection 3 of section 14 of this act must be transferred as provided in paragraph (c) of subsection 3 of section 14 of this act.~~

~~(b) Do exceed the proceeds received from the corresponding month of Fiscal Year 2018-2019:~~

~~(1) The sum of the amount determined by the State Controller pursuant to paragraph (b) of subsection 3 of section 14 of this act received from such a tax during the corresponding month of Fiscal Year 2018-2019 and 50 percent of the excess must be transferred as provided in paragraph (c) of subsection 3 of section 14 of this act.~~

~~(2) Fifty percent of the excess must be transferred to the Clark County School District for the purpose of employing and equipping additional school police officers pursuant to this section.~~

~~2. Except as otherwise provided in subsection 3, the Board of Trustees shall not approve the expenditure of the proceeds received by the School District pursuant to this section unless the expenditure:~~

~~(a) Is used to employ and equip additional school police officers;~~

~~(b) Conforms to all provisions of this act; and~~

~~(c) Will not replace or supplant existing funding to employ and equip school police officers.~~

~~3. If the Board of Trustees contracts with the Las Vegas Metropolitan Police Department for the provision and supervision of police services pursuant to NRS 281.251:~~

~~(a) The Board of Trustees shall, in the terms of the contract, provide for the transfer to the Las Vegas Metropolitan Police Department of the proceeds received by the School District pursuant to this section; and~~

~~(b) The body designated pursuant to section 13 of this act to approve expenditures by the Las Vegas Metropolitan Police Department shall not approve the expenditure of the proceeds received by the School District pursuant to this section unless the expenditure:~~

~~(1) Is used to employ and equip additional school police officers;~~

~~(2) Conforms to all provisions of this act; and~~

~~(3) Will not replace or supplant existing funding to employ and equip school police officers. (Deleted by amendment.)~~

Sec. 11. ~~[Section 2 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended to read as follows:~~

~~Sec. 2. 1. The Legislature hereby finds and declares that:~~

~~[1.] (a) Nevada continues to be the fastest growing state in the nation, with the overwhelming majority of this population growth occurring in Clark County, which adds 6,000 to 7,000 new residents each month;~~

~~[2.] (b) The increase in the number of police officers to protect the residents of Clark County has not kept pace with the explosive growth in the numbers of these residents, so, while the nation as a whole averages 2.5 police officers for each 1,000 residents, the current ratio in Clark County is now only 1.7 police officers for each 1,000 residents;~~

~~[3.] (c) The crime rate in Clark County is increasing, and so is the time it takes for police officers to respond when a resident reports a crime, while the very real threat of terrorism means that police now must assume added responsibilities for homeland security;~~

~~[4.] (d) A majority of the voters in Clark County approved at the November 2, 2004, General Election Advisory Question No. 9, indicating their support for an increase in the sales tax of up to one half of 1 percent for the purpose of employing and equipping more police officers to protect the residents of Clark County;~~

~~[5.] (e) It is intended that 80 percent of any additional police officers employed and equipped pursuant to this act be assigned to uniform operations for marked patrol units in the community and for the control of traffic; and~~

~~[6.] (f) It is further intended that each police department that receives proceeds from any sales and use tax imposed pursuant to this act and allocated among the police departments within Clark County pursuant to section 9 of this act establish a program that promotes community~~

1 participation in protecting the residents of the community that includes,
2 without limitation:

3 ~~[(a)] (1) A written policy of the department that sets forth its position~~
4 ~~on providing law enforcement services oriented toward the involvement of~~
5 ~~residents of the community;~~

6 ~~[(b)] (2) The provision of training for all police officers employed by~~
7 ~~the department that includes, without limitation, training related to:~~

8 ~~[(1)] (I) Methods that may be used to analyze, respond to and~~
9 ~~solve problems commonly confronted by police officers in the community;~~

10 ~~[(2)] (II) The cultural and racial diversity of the residents of the~~
11 ~~community;~~

12 ~~[(3)] (III) The proper utilization of community resources, such as~~
13 ~~local housing authorities, public utilities and local public officials, that are~~
14 ~~available to assist in providing law enforcement services; and~~

15 ~~[(4)] (IV) Issues concerning not only the prevention of crime, but~~
16 ~~also concerning improving the quality of life for the residents of the~~
17 ~~community; and~~

18 ~~[(c)] (3) The formation of partnerships with the residents of the~~
19 ~~community and public and private agencies and organizations to address~~
20 ~~mutual concerns related to the provision of law enforcement services. {~~

21 ~~7. A}~~

22 ~~2. The Legislature hereby further finds and declares that:~~

23 ~~(a) The Clark County School District is one of the largest school~~
24 ~~districts in the nation when measured either by enrollment or geographic~~
25 ~~area, and its enrollment of over 330,000 pupils generally ranks as the~~
26 ~~fifth largest school district by enrollment in the nation and its geographic~~
27 ~~area of almost 8,000 square miles generally ranks as the seventh largest~~
28 ~~school district by geographic area in the continental United States;~~

29 ~~(b) A safe and secure environment in the public schools and other~~
30 ~~facilities in the Clark County School District is necessary and essential~~
31 ~~for the School District to fulfill its educational mission and successfully~~
32 ~~teach, instruct and educate the pupils enrolled in the School District;~~

33 ~~(c) There are substantial dangers and threats to the safety of the~~
34 ~~public schools and other facilities in the Clark County School District,~~
35 ~~such as school violence, illegal weapons, illicit drugs and inappropriate~~
36 ~~and unlawful sexual conduct, that have become more frequent and~~
37 ~~severe, more difficult to police and more challenging in terms of~~
38 ~~providing effective and timely responses by the limited and overextended~~
39 ~~resources of the school police officers in the School District; and~~

40 ~~(d) It is therefore necessary and essential for the protection of the~~
41 ~~safety of the public schools and other facilities in the Clark County~~
42 ~~School District to employ and equip additional school police officers in~~
43 ~~the School District as provided by this act.~~

44 ~~3. The Legislature hereby further finds and declares that a general~~
45 ~~law cannot be made applicable to the purposes, objects, powers, rights,~~
46 ~~privileges, immunities, liabilities, duties and disabilities provided in this act~~
47 ~~because of [the]:~~

48 ~~(a) The demographic, economic and geographic diversity of the local~~
49 ~~governments [of] and school districts in this State [the], and~~

50 ~~(b) The special and unique growth patterns, [occurring in Clark~~
51 ~~County and the special] financial conditions [experienced] and dangers~~
52 ~~and threats to the safety of the public in Clark County and the safety of~~
53 ~~the public schools and other facilities in the Clark County [related to]~~

~~School District, and the corresponding challenges in providing effective and timely police protection under these special and unique circumstances, which:~~

~~(1) Are not reasonably comparable to anywhere else in this State; and~~

~~(2) Create the ongoing need to employ and equip more [police officers]; and~~

~~8. That:~~

~~(I) Police officers for the protection of the safety of the public in Clark County, as the most populous county in this State; and~~

~~(II) School police officers for the protection of the safety of the public schools and other facilities in the Clark County School District, as the largest school district in this State in terms of enrollment and one of the largest school districts in the nation in terms of enrollment and geographic area;~~

~~4. The Legislature hereby further finds and declares that the powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act must comply in all respects with any requirement or limitation pertaining thereto and imposed by any constitutional provisions. (Deleted by amendment.)~~

~~Sec. 12. [Section 3 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 914, is hereby amended to read as follows:]~~

~~Sec. 3. Except as otherwise provided in this act or unless the context otherwise requires, terms used or referred to in this act have the meanings ascribed to them in chapter 374 of NRS, as from time to time amended, but the definitions in sections 4 to [8], 8.5, inclusive, of this act, unless the context otherwise requires, govern the construction of this act. (Deleted by amendment.)~~

~~Sec. 13. [Section 9 of the Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 914, is hereby amended to read as follows:]~~

~~Sec. 9. 1. The Board may enact an ordinance imposing a local sales and use tax pursuant to this act. If the Board enacts or has enacted such an ordinance, the proceeds received from the tax authorized pursuant to this section must be used to employ and equip additional [police].~~

~~(a) Police officers for the Boulder City Police Department, Henderson Police Department, Las Vegas Metropolitan Police Department, Mesquite Police Department and North Las Vegas Police Department.~~

~~(b) School police officers for the Clark County School District pursuant to section 12.5 of this act.~~

~~2. Before enacting such an ordinance, the Board shall hold a public hearing to present its plan for implementing the local sales and use tax.~~

~~3. The proceeds received from the tax authorized pursuant to this section, including interest and other income earned thereon, must be:~~

~~(a) Allocated as follows:~~

~~(1) Subject to the limitations set forth in section 12.5 of this act, among the police departments within the County in the same ratio that the population served by each department bears to the total population of the County. As used in this [paragraph] subparagraph, "population" means the estimated annual population determined pursuant to NRS 360.283.~~

~~(2) To the Clark County School District pursuant to section 12.5 of this act.~~

~~(b) Used only as approved pursuant to section 12.5 or 13 of this act and only for the purposes set forth in this section or section 12.5 of this act unless the Legislature changes the use. (The)~~

~~4. If the Board wants to change the uses for the proceeds received from the tax and allocated among the police departments within the County, the Board shall, before submitting to the Legislature any request to change the uses for (the) such proceeds received from the tax, submit an advisory question to the voters of the County pursuant to NRS 205.230, asking whether the uses for (the) such proceeds received from the tax should be so changed. The Board shall not submit such a request to the Legislature if a majority of the voters in the County disapprove the proposed change. (Deleted by amendment.)~~

Sec. 14. ~~(Section 13 of the Clark County Sales and Use Tax Act of 2005, being chapter 240, Statutes of Nevada 2005, as amended by chapter 497, Statutes of Nevada 2011, at page 2158, is hereby amended to read as follows:~~

~~Sec. 13. 1. A police department shall not expend proceeds received from any sales and use tax imposed pursuant to this act and allocated among the police departments within the County pursuant to section 9 of this act unless the expenditure has been approved by the body designated pursuant to this section for the approval of expenditures of that police department. The body designated pursuant to this section must approve the expenditure of the proceeds by the police department if it determines that:~~

~~(a) The proposed use of the money conforms to all provisions of this act; and~~

~~(b) The proposed use will not replace or supplant existing funding for the police department.~~

~~2. The body designated to approve an expenditure for:~~

~~(a) The Boulder City Police Department is the City Council of the City of Boulder City;~~

~~(b) The Henderson Police Department is the City Council of the City of Henderson;~~

~~(c) The Las Vegas Metropolitan Police Department is the Metropolitan Police Committee on Fiscal Affairs;~~

~~(d) The Mesquite Police Department is the City Council of the City of Mesquite; and~~

~~(e) The North Las Vegas Police Department is the City Council of the City of North Las Vegas.~~

~~3. In determining that a proposed use meets the requirement set forth in paragraph (b) of subsection 1, a body designated pursuant to subsection 2 must find that either:~~

~~(a) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is equal to or greater than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department; or~~

~~(b) The amount approved for expenditure by the body for the fiscal year for the support of the police department, not including any money received or expended pursuant to this act, is less than the amount approved for expenditure in the immediately preceding fiscal year for the support of the police department and the body projects a decrease in its receipt of revenue in that fiscal year from consolidated taxes and property taxes of more than 2 percent from its base fiscal year.~~

1 ~~4. If a body designated pursuant to subsection 2 makes a finding~~
2 ~~pursuant to subsection 3, the body shall adopt a resolution setting forth the~~
3 ~~finding and the reasons therefor. If the finding is made pursuant to~~
4 ~~paragraph (b) of subsection 2, the finding must include, without limitation,~~
5 ~~all facts supporting the projection of a decrease in revenue.~~

6 ~~5. If a body designated pursuant to subsection 2 does not make a~~
7 ~~finding pursuant to subsection 3 for a fiscal year on or before July 1 of that~~
8 ~~fiscal year, the body shall retain the proceeds received for that fiscal year~~
9 ~~from any sales and use tax imposed pursuant to this act and allocated~~
10 ~~among the police departments within the County pursuant to section 9 of~~
11 ~~this act in the special revenue fund created by the body pursuant to section~~
12 ~~17 of this act for use pursuant to this section. Any other body designated~~
13 ~~pursuant to subsection 2 which makes a finding pursuant to subsection 3 for~~
14 ~~that fiscal year may apply to the County Treasurer requesting approval for~~
15 ~~the use by the police department for which the other body approves~~
16 ~~expenditures of any portion of those proceeds in accordance with the~~
17 ~~provisions of this section.~~

18 ~~6. The County Treasurer, upon receiving a request pursuant to~~
19 ~~subsection 5 and proper documentation of compliance with the provisions~~
20 ~~of this section, shall provide written notice to the designated body which~~
21 ~~failed to make a finding pursuant to subsection 3 that it is required to~~
22 ~~transfer from the special revenue fund created by the body pursuant to~~
23 ~~section 17 of this act to the County Treasurer such amount of the proceeds~~
24 ~~received for that fiscal year from any sales and use tax imposed pursuant to~~
25 ~~this act and allocated among the police departments within the County~~
26 ~~pursuant to section 9 of this act, as approved by the County Treasurer for~~
27 ~~use by the designated body that submitted the request.~~

28 ~~7. Notwithstanding the provisions of subsection 3 of section 17 of this~~
29 ~~act, a designated body that receives written notice from the County~~
30 ~~Treasurer pursuant to subsection 6 shall transfer all available required~~
31 ~~money to the County Treasurer as soon as practicable following its receipt~~
32 ~~of any portion of the proceeds. Upon receipt of the money, the County~~
33 ~~Treasurer shall transfer the money to the designated body that submitted the~~
34 ~~request, which shall deposit the money in the special revenue fund created~~
35 ~~by that designated body pursuant to section 17 of this act.~~

36 ~~8. As used in this section, "base fiscal year" means, with respect to a~~
37 ~~body designated pursuant to subsection 2, Fiscal Year 2009-2010, except that~~
38 ~~that~~

39 ~~(a) If, in any subsequent fiscal year, the amount approved for~~
40 ~~expenditure by the body for that subsequent fiscal year for the support of~~
41 ~~the police department, not including any money received or expended~~
42 ~~pursuant to this act, exceeds by more than 2 percent the amount approved~~
43 ~~for expenditure in Fiscal Year 2009-2010, the base fiscal year for that body~~
44 ~~becomes the most recent of such subsequent fiscal years.~~

45 ~~(b) If the base fiscal year is revised pursuant to paragraph (a) and, in~~
46 ~~any subsequent fiscal year, the amount approved for expenditure by the~~
47 ~~body for that subsequent fiscal year for the support of the police~~
48 ~~department, not including any money received or expended pursuant to this~~
49 ~~act, is equal to or less than the amount approved for expenditure in Fiscal~~
50 ~~Year 2009-2010, the base fiscal year for that body becomes Fiscal Year~~
51 ~~2009-2010 but is subject to subsequent revision pursuant to paragraph (a).}~~

52 ~~(Deleted by amendment.)~~