

# NEVADA LEAGUE OF CITIES & MUNICIPALITIES

## 2007 BDR Proposals

*Approved for Submission to LCB by the NLC&M Board of Directors 7/14/06*

- 1. Creation of New “local option” Diesel Road Tax:** Nevada Local governments have historically not shared in the revenue generated from the Diesel Road Tax. When the tax was first established most diesel vehicles traveled only state maintained roads and highways. Therefore, there was no need for the local governments to receive any share. Over the years, there has been a significant increase, especially in rural areas, in the number of diesel cars and trucks using city maintained streets with no corresponding revenue to assist in maintaining the local roads they travel.

This proposal creates a new “local option” diesel road tax that would be shared by cities and counties in counties where adopted by the county commission.

- 2. Impact Fees for Police and Fire:** NRS 278B currently prohibits the use of impact fees for fire and police equipment, including without limitation, vehicles used for police and fire services.

This proposal would amend NRS 278B to allow impact fees to be used for the capital needs of all fire services and not just the fire stations. In addition it would also authorize funding of administration buildings and equipment including vehicles and apparatus for both police and fire.

- 3. Under-grounding of Utilities:** A recent ruling by the Public Utilities Commission (PUC) regarding responsibility for under-grounding of utilities has created concern among local government entities. In its ruling, the PUC stated that it may be appropriate for a utility to recover increased costs through a customer surcharge, possibly on local jurisdictions, when a political subdivision has imposed an under-grounding requirement. The ruling is on appeal to the Supreme Court; however, a legislative clarification could make any court rulings moot.

This proposal would prohibit the PUC from pushing under-grounding costs on to local governments.

- 4. Residential Construction Tax:** Current statute (NRS 278.4983) caps the residential construction tax at \$1,000. It is based on one-percent of the valuation up to the maximum amount. Revenue generated from the residential construction tax is required to be used within 3 years for park construction.

This proposal retains the one-percent valuation; however it would remove the fixed cap of \$1,000. In addition, it would also add park maintenance as a permissible expenditure.

- 5. Effective Date of Enacted Legislation:** Current NRS (218.530) establishes a default effective date for enacted legislation of October 1. Legislation is often enacted with an effective date other than the default date.

This proposal would amend NRS 218.530 to require the Legislature declare an emergency exists before establishing an effective date other than October 1 on matters effecting local government. This change would allow local government necessary time to implement ordinance changes that are mandated or to ensure compliance with recently enacted state law.

- 6. State Disaster Relief Funding:** Nevada Department of Emergency Management (DEM) requires a different set of expenditure and activity reporting than that which is required by the Federal Emergency Management Agency (FEMA). In the event of a declared disaster and an entity meets FEMA requirements and meets State DEM requirements, the state DEM will deny any claims from an entity that has any unspent monies in contingency.

The purpose of the proposal would amend NRS, NAC and the reporting process for Nevada Department of Emergency Management. In addition, it proposes an increase in the state's emergency fund so monies could be reasonably available when needed by local governments.

- 7. Substance Abuse:** The proposal was requested at the 7/14/06 Board of Director's Meeting and was approved as a place holder. Approval was contingent on the Legislative Committee holding another meeting to discuss the issue and bringing it back as a formal proposal to the Annual Business meeting for final approval.

The purpose would be to assist local government in securing additional remedies and resources for the treatment and prevention of Methamphetamine abuse.