

Incremental Funding For Police Protection
Legislative Recommendation | Preliminary Draft

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

OVERVIEW

SECTION 1 of this act provides that the act shall be known as the Clark County Crime Prevention Act of 2016. **SECTION 2** provides a series of legislative findings supporting the creation of a special act in Clark County to address the region's interest in enhanced public safety. **SECTION 3** through **SECTION 9** provide definitions for terms used within this act. **SECTION 10** of this act authorizes the Clark County Board of County Commissioners, by two-thirds vote, to impose a 0.1 percent sales and use tax. The proceeds of this tax must be used to employ and equip additional police officers. **SECTION 10** also provides for a two-tier distribution of the proceeds of the sales and use tax, with the first tier being allocated to the Las Vegas Metropolitan Police Department for use within the resort corridor and the second tier being allocated to police departments throughout Clark County based on population. **SECTION 11** and **SECTION 12** detail provisions that must be included in the ordinance should the Clark County Board of County Commissioners authorize a sales tax increase pursuant to this act. **SECTION 13** sets forth the requirements of expending or transferring the proceeds of the tax imposed by this act. **SECTION 14** establishes the reporting and accountability requirements for police departments and local governments should the Clark County Board of County Commissioners authorize the sales and use tax increase. **SECTION 15** of this act sets forth the distribution of the tax revenues generated pursuant to this act and sets aside an administrative collection allowance for the Nevada Department of Taxation. **SECTION 16** of this act provides for the reallocation of tax funds should the Nevada Department of Taxation determine the proceeds of the tax have been improperly allocated. **SECTION 17** and **SECTION 18** create specific county and city funds for the allocation of the proceeds of the tax imposed by this act. **SECTION 19** allows the Nevada Department of Taxation to act on behalf of Clark County in the event legal action is brought regarding this act. **SECTION 20** sets forth the legal construction and severability of this act. **SECTION 21** makes this act effective immediately upon passage and approval.

LANGUAGE FOR CONSIDERATION

CLARK COUNTY CRIME PREVENTION ACT OF 2016
CHAPTER 249, STATUTES OF NEVADA, 2016

SECTION 1. Short title. This act may be cited as the Clark County Crime Prevention Act of 2016.

SECTION 2. Legislative findings and declaration. The Legislature hereby finds and declares that:

1. Nevada continues to be among fastest-growing states in the nation, with the majority of this population growth occurring in Clark County, a region adding 3,000 to 4,000 residents each month;
2. Nevada tourism industry is critically important to the state and local economy, with annual visitor counts in the Clark County exceeding 45 million annually, growing by approximately 1 million trips each year.
3. The increase in the number of police officers to protect the residents and visitors of the Clark County

has failed to keep pace with growth; while the nation as a whole averages 2.2 police officers for each 1,000 residents, the current ratio in Clark County is currently 1.73 officers per 1,000 residents, without adjustment for visitors, which account for nearly 17 percent of the Clark County's full-time equivalent population base;

4. The crime rate in Clark County and within its core resort corridors is increasing, putting residents, visitors and the local economy at an unacceptable level of risk;
5. Funding sources for police protection have struggled to recover post-recession, making it increasingly difficult for police departments in Clark County to dedicate sufficient resources where needed without depleting coverage in other areas of Clark County;
6. 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 demographic, economic and geographic diversity of the local governments of this State, the unique growth patterns occurring in Clark County and the special financial conditions experienced in the Clark County related to the need to employ and equip more police officers; and
7. The powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act comply in all respects with any requirement or limitation pertaining thereto and imposed by any constitutional provisions.

SECTION 3. Definitions. 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, inclusive, of this act, unless the context otherwise requires, govern the construction of this act.

SECTION 4. "Act" defined. "Act" means the Clark County Crime Prevention Act of 2016.

SECTION 5. "Board" defined. "Board" means the Board of County Commissioners of Clark County.

SECTION 6. "County" defined. "County" means Clark County.

SECTION 7. "County Treasurer" defined. "County Treasurer" means the County Treasurer of Clark County.

SECTION 8. "Department" defined. "Department" means the Department of Taxation created pursuant to NRS 360.120.

SECTION 9. "Resort corridor" defined. The "resort corridor" as used herein shall be defined as the area depicted in Appendix A of this act.

SECTION 10. Imposition of tax; allocation and use of proceeds; prerequisites to change in use.

1. The Board may enact an ordinance imposing a local sales and use tax of 0.1 percent 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.
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 from the tax authorized pursuant to subsection 1, including interest and other income earned thereon, must be allocated as follows.

(a) A first tier allocation shall be made to the Las Vegas Metropolitan Police Department for resort corridor public safety. This allocation shall be referred to as the "tier one resort corridor public safety sales tax allocation" and shall be based on the estimated share of the sales and use tax generated within the resort corridor. The resort corridor allocation shall be estimated as follows.

(1) The Board shall obtain in October of each year:

(I) Clark County visitor volume for the preceding calendar year as published by the Las Vegas Convention and Visitors Authority;

(II) The most recent estimates available as to average length of stay for all visitors, including the average number of days per trip and the average number of nights per trip as published by the Las Vegas Convention and Visitors Authority;

(III) The most recent Clark County resident population estimate as published by the Nevada State Demographer.

(2) The Board shall estimate Clark County's full-time equivalency population by dividing the sum of the following by 365:

(I) The product produced by multiplying the visitor volume estimate obtained pursuant to paragraph (a)(1)(I) of subsection 3 and the average stay per visitor. The average stay per visitor shall equal the average length of stay for visitors measured in days stayed plus the average length of stay for visitors measured in nights stayed, both obtained pursuant to paragraph (a)(1)(II) of subsection 3, divided by two. This factor shall be referred to as the "visitor population-day estimate."

(2) The product produced by multiplying Clark County's estimated resident population obtained pursuant to paragraph (a)(1)(III) of subsection 3 and 365. This factor shall be referred to as the "resident population-day estimate."

(3) The Board shall estimate the full-time equivalency population share attributable to visitors by dividing:

(I) The visitor-day estimate produced pursuant to paragraph (a)(2)(I); by

(II) The total number of person days in Clark County, which shall be the sum of the visitor-day estimate produced pursuant to paragraph (a)(2)(I) and the resident-day estimate produced pursuant to paragraph (a)(2)(II).

(III) This factor shall be referred to as the "visitor population share."

(4) The quotient produced pursuant to paragraph (a)(3) of subsection 3 shall be multiplied by a visitor sales tax increment factor of 1.15. This resulting value shall be referred to as the "resort corridor sales tax share."

(5) The resort corridor sales tax share generated in paragraph (a)(4) of subsection 3 shall be multiplied by the total amount of the taxes collected pursuant to subsection 1. The resulting product shall be amount of the tier one resort corridor public safety sales tax allocation.

(b) The second tier allocation shall be made for all sales and use taxes collected pursuant to subsection 1 less the tier one resort corridor public safety sales tax allocation made pursuant to paragraph (a)(5) of subsection 3. This allocation shall be referred to as the "tier two public safety sales tax allocation."

(1) The second tier public safety sales tax allocation shall be distributed 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, "population" means the estimated annual population determined pursuant to NRS 360.283.

4. The formula used to allocate the proceeds of the tax imposed by subsection 1 as set forth in

subsection 3 shall not be changed for three years from the effective date of this act. From that point forward, the Board may, once in every even-numbered year, reconsider the resort corridor sales tax share calculated pursuant to subsection 3. Should the Board determine that there is a rational basis to modify the resort corridor sales tax share, it shall notify all affected local governments and police departments of the change at least twelve months in advance of making that change.

5. Notwithstanding the provisions of subsection 6 of this section and section 12 of this act:

(a) The proceeds of the tier one resort corridor public safety sales tax allocation shall be used solely for law enforcement and crime prevention within the resort corridor and shall not supplant, replace, offset or otherwise reduce police funding allocations, measured by either funding levels or staffing allocation, within the resort corridor.

(b) The proceeds of the tier two public safety sales tax allocation shall be used solely for law enforcement and crime prevention throughout County and shall not supplant, replace, offset or otherwise reduce police funding allocations, measured by either funding levels or staffing allocation, for police protection in the County or any city within the County.

(c) Distribution of the tier two public safety sales tax allocation shall include the resort corridor and there shall be no discount, offset or other reduction to this distribution in consideration of the tier one resort corridor public safety sales tax allocation or any other revenues dedicated to the resort corridor law enforcement or crime prevention.

6. The taxes imposed pursuant to subsection 1 of this act and distributed pursuant to subsection 3 shall be used only as approved pursuant to section 12 of this act unless the Legislature changes the use. The Board shall, before submitting to the Legislature any request to change the uses for the proceeds from the tax, submit an advisory question to the voters of the County pursuant to NRS 295.230, asking whether the uses for the proceeds 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.

SECTION 11. Required provisions of ordinance. An ordinance enacted pursuant to this act must include provisions in substance as follows:

1. A provision imposing a tax on the gross receipts of any retailer from the sale of all tangible personal property sold at retail or stored, used or otherwise consumed in the County, including incorporated cities in the County, at a rate of one-tenth of 1 percent.

2. Provisions substantially identical to those contained in chapter 374 of NRS, insofar as applicable.

3. A provision that an amendment to chapter 374 of NRS enacted after the effective date of the ordinance, not inconsistent with this act, automatically becomes part of the ordinance imposing the tax.

4. A provision that the Board shall contract with the Department, before the effective date of the ordinance, to perform all the functions incident to the administration or operation of the tax in the County.

5. A provision that a purchaser is entitled to a refund, in accordance with the provisions of NRS 374.635 to 374.720, inclusive, of the amount of the tax required to be paid that is attributable to the tax imposed upon the sale of, and the storage, use or other consumption in the County, including incorporated cities in the County, of, tangible personal property used for the performance of a written contract for the construction of an improvement to real property:

(a) That was entered into on or before the effective date of the tax; or

(b) For which a binding bid was submitted before that date if the bid was afterward accepted, and pursuant to the terms of the contract or bid, the contract price or bid amount may not be adjusted to reflect the imposition of the tax.

6. A provision that specifies the date on which the tax must first be imposed or on which any change in the rate of tax becomes effective, which must be the first day of the first calendar quarter that begins at least 120 days after the effective date of the ordinance.

SECTION 12. Amendatory ordinances. An ordinance amending an ordinance enacted pursuant to this act, except an ordinance authorizing the issuance of bonds or other securities, must include a provision in substance that the Board shall amend a contract made pursuant to subsection 4 of section 10 of this act by a contract made between the Board and the Department before the effective date of the amendatory ordinance, unless the Board determines with the written concurrence of the Department that no such amendment of the contract is needed.

SECTION 13. Requirements for expenditure or transfer of proceeds.

1. A police department shall not expend proceeds received from any sales and use tax imposed pursuant to 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 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 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 2015-2016, 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 2015-2016, 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 2015-2016, the base fiscal year for that body becomes Fiscal Year 2015-2016, but is subject to subsequent revision pursuant to paragraph (a).

9.

SECTION 14. Funding accountability and reporting requirements.

1. Any governing body that has approved expenditures pursuant to section 12 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 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 from the sales and use tax imposed pursuant to this act;
 - (2) The total number of police officers hired by the police department and the number of those officers that are filling authorized, funded positions for new officers;
 - (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 police department;
 - (c) An analysis demonstrating how the proceeds of the taxes imposed by section 9 of this act are being used to prevent crimes from occurring and their effectiveness in actual crime prevention; and
 - (d) Any other information required to complete the form for the report.
4. The Las Vegas Metropolitan Police Department shall prepare and submit separate and distinct reports as required by this section for its tier one resort corridor public safety sales tax allocation received pursuant to paragraph (3)(a) of section 9 of this act and its tier two public safety sales tax allocation received pursuant to paragraph (3)(b) of section 9 of this act. In addition to all other reporting requirement set forth in this section, both reports prepared by the Las Vegas Metropolitan Police Department shall include evidence that the tier one resort corridor public safety sales tax allocations is not offsetting, supplanting, replacing or otherwise reducing the amount of money allocated to the resort corridor from the tier two public safety sales tax allocation.
5. The Department may review and investigate the reports submitted pursuant to this section and the expenditure of any proceeds pursuant to section 12 of this act.

SECTION 15. Payment of proceeds to Department; distribution of proceeds.

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 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.

SECTION 16. Redistribution of improperly distributed proceeds. The Department may redistribute any proceeds from the tax, interest or penalty collected pursuant to this act which is determined to be improperly distributed, 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.

SECTION 17. Creation by County Treasurer of fund for use of proceeds; distribution of money.

1. The County Treasurer shall deposit money received from the State Controller pursuant to paragraph (c) of subsection 3 of section 14 of this act into the County Treasury for credit to a fund created for the use of the proceeds from the tax authorized by this act.
2. The fund of the County created for the use of the proceeds 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 of this act.

SECTION 18. Creation by city treasurers of special revenue fund for use of proceeds.

1. 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 one or more special revenue funds created for the use of the proceeds from the tax authorized by this act.
 - (a) The Las Vegas Metropolitan Police Department shall create a separate fund and otherwise account separately for tier one resort corridor public safety sales tax allocation it receives pursuant to paragraph (a) of subsection 3 of this act.
2. Each special revenue fund created for the use of the proceeds 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 at the end of any fiscal year.

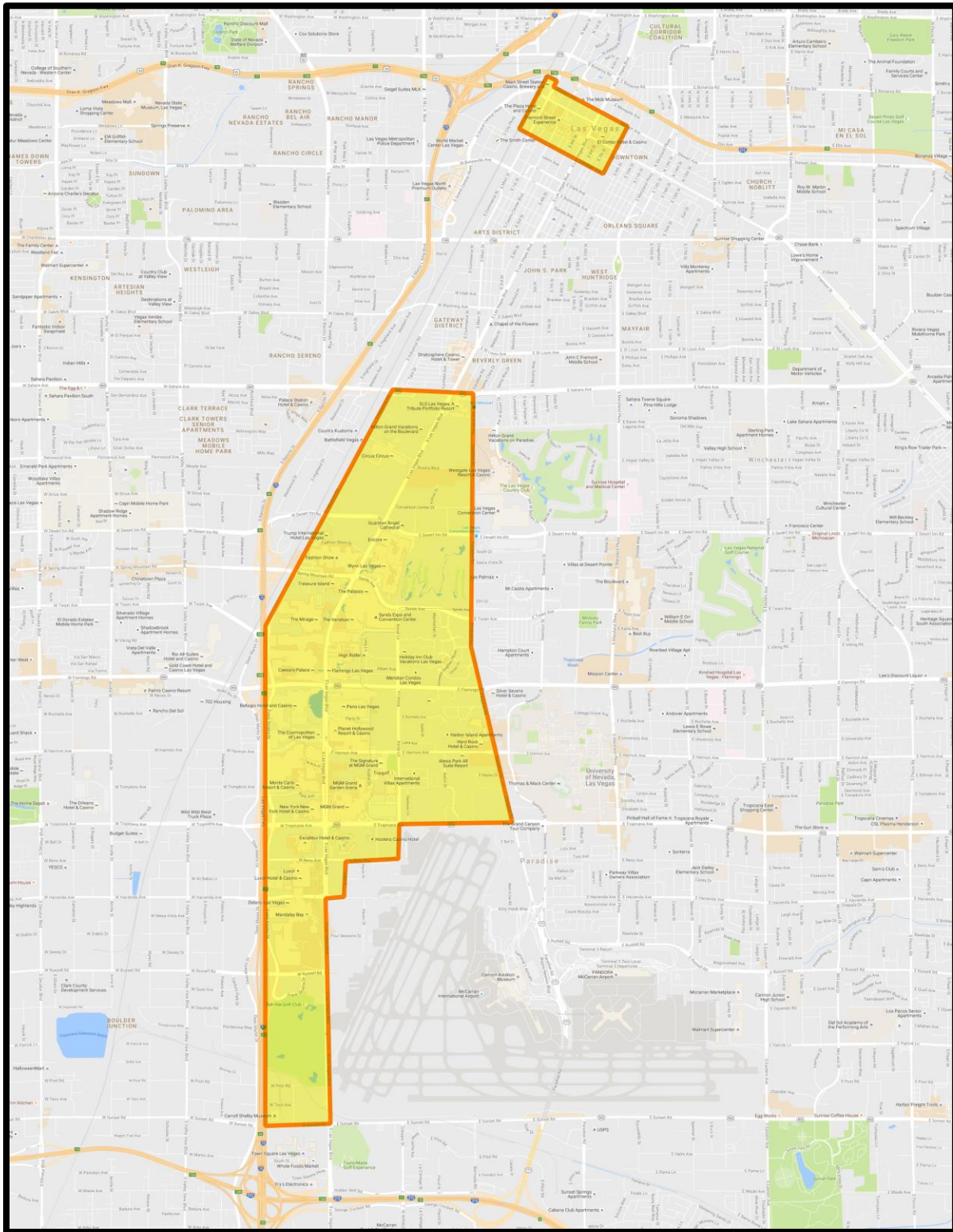
SECTION 19. Action by Department on behalf of County. In a proceeding arising from an ordinance imposing a tax pursuant to this act, the Department may act for and on behalf of the County.

SECTION 20. Construction of act; severability of provisions.

1. The powers conferred by this act are in addition and supplemental to, and not in substitution for, the powers conferred by any other law and the limitations imposed by this act do not affect the powers conferred by any other law.
2. This act must not be construed to prevent the exercise of any power granted by any other law to the County or any officer, agent or employee of the County.
3. This act must not be construed to repeal or otherwise affect any other law or part thereof.
4. This act is intended to provide a separate method of accomplishing the objectives of the act, but not an exclusive method.
5. If any provision of this act, or application thereof to any person, thing or circumstance, is held invalid, the invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 21. 1. Sections 1 to 19, inclusive, of this act become effective upon passage and approval of this act.

APPENDIX A



This is a preliminary draft document.
It is intended for discussion purposes only.

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