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ASSEMBLY BILL NO. 1—SELECT COMMITTEE ON STATE  
REVENUE AND EDUCATION FUNDING

JUNE 7, 2003

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Referred to Select Committee on State Revenue  
and Education Funding

SUMMARY—Makes various changes concerning state financial  
administration. (BDR 32-12)

FISCAL NOTE: Effect on Local Government: Yes.  
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to state financial administration; providing for the imposition and administration of state taxes on business entities and financial institutions for the privilege of doing business in this state; replacing the casino entertainment tax with a tax on all live entertainment; revising the taxes on liquor and cigarettes; imposing a state tax on the transfer of real property and revising the provisions governing the existing tax; revising the fees charged for certain gaming licenses; establishing the Legislative Committee on Taxation, Public Revenue and Tax Policy; requiring the Department of Education to prescribe a minimum amount of money that each school district must expend each year for textbooks, instructional supplies and instructional hardware; apportioning the State Distributive School Account in the State General Fund for the 2003-2005 biennium; making various other changes relating to State Financial Administration; authorizing certain expenditures; providing penalties; making an appropriation; and providing other matters properly relating thereto.

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



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1     **Section 1.** Title 32 of NRS is hereby amended by adding  
2 thereto a new chapter to consist of the provisions set forth as  
3 sections 2 to 36, inclusive, of this act.

4     **Sec. 2.** *As used in this chapter, unless the context otherwise*  
5 *requires, the words and terms defined in sections 3 to 9, inclusive,*  
6 *of this act have the meanings ascribed to them in those sections.*

7     **Sec. 3.** *“Business” means any activity engaged in or caused*  
8 *to be engaged in with the object of gain, benefit or advantage,*  
9 *either direct or indirect, to any person or governmental entity.*

10    **Sec. 4. 1.** *“Business entity” includes:*

11       (a) *A corporation, partnership, proprietorship, limited-liability*  
12 *company, business association, joint venture, limited-liability*  
13 *partnership, business trust and their equivalents organized under*  
14 *the laws of another jurisdiction and any other person engaging in*  
15 *a business; and*

16       (b) *A natural person engaging in a business if he is deemed to*  
17 *be a business entity pursuant to section 15 of this act.*

18       2. *The term includes an independent contractor.*

19       3. *The term does not include:*

20       (a) *A nonprofit religious, charitable, fraternal or other*  
21 *organization that qualifies as a tax-exempt organization pursuant*  
22 *to 26 U.S.C. § 501(c)(3);*

23       (b) *A financial institution that is required to pay a tax on its*  
24 *net income pursuant to section 49 of this act; or*

25       (c) *A governmental entity.*

26    **Sec. 5.** *“Commission” means the Nevada Tax Commission.*

27    **Sec. 6.** *“Engaging in a business” means commencing,*  
28 *conducting or continuing a business, the exercise of corporate or*  
29 *franchise powers regarding a business, and the liquidation of a*  
30 *business entity which is or was engaging in a business when the*  
31 *liquidator holds itself out to the public as conducting that*  
32 *business.*

33    **Sec. 7.** *“Federal taxable income” means the taxable income*  
34 *of a business entity for a taxable year, as set forth in the federal*  
35 *income tax return filed by the business entity for that year with the*  
36 *Internal Revenue Service, and any other taxable income of a*  
37 *business entity for a taxable year which is required to be reported*  
38 *pursuant to federal law, regardless of whether it is actually*  
39 *reported.*

40    **Sec. 8.** *“Nevada taxable income” means the federal taxable*  
41 *income of a business entity, as adjusted pursuant to section 19 of*  
42 *this act and apportioned to this state pursuant to sections 20, 21*  
43 *and 22 of this act.*

44    **Sec. 9.** *“Taxable year” means the taxable year used by a*  
45 *business entity for the purposes of federal income taxation.*



**Sec. 10. The Department shall:**

*1. Administer and enforce the provisions of this chapter, and may adopt such regulations as it deems appropriate for that purpose.*

*2. Deposit all taxes, interest and penalties it receives pursuant to this chapter in the State Treasury for credit to the State General Fund. The money deposited in the State General Fund pursuant to this section must be accounted for separately.*

*3. If the amount deposited pursuant to subsection 2 in any fiscal year exceeds the estimate of the total revenue from the tax prepared by the Economic Forum pursuant to NRS 353.278 for that fiscal year, the excess money up to 15 percent of that estimate must be deposited in the Net Property Tax Stabilization Account, created pursuant to section 159 of this act. All additional money deposited pursuant to subsection 2 must be split and deposited 15 percent to the Net Property Tax Stabilization Account and 85 percent to the State General Fund.*

**Sec. 11. 1. Each person responsible for maintaining the records of a business entity shall:**

*(a) Keep such records as may be necessary to determine the amount of its liability pursuant to the provisions of this chapter;*

*(b) Preserve those records for 4 years or until any litigation or prosecution pursuant to this chapter is finally determined, whichever is longer; and*

*(c) Make the records available for inspection by the Department upon demand at reasonable times during regular business hours.*

*2. Any person who violates the provisions of subsection 1 is guilty of a misdemeanor.*

**Sec. 12. 1. To verify the accuracy of any return filed or, if no return is filed by a business entity, to determine the amount required to be paid, the Department, or any person authorized in writing by the Department, may examine the books, papers and records of any person or business entity that may be liable for the tax imposed by this chapter.**

*2. Any person or business entity which may be liable for the tax imposed by this chapter and which keeps outside of this state its books, papers and records relating thereto shall pay to the Department an amount equal to the allowance provided for state officers and employees generally while traveling outside of the State for each day or fraction thereof during which an employee of the Department is engaged in examining those documents, plus any other actual expenses incurred by the employee while he is absent from his regular place of employment to examine those documents.*



1     **Sec. 13.** *The Executive Director may request from any other*  
2 *governmental agency or officer such information as he deems*  
3 *necessary to carry out the provisions of this chapter. If the*  
4 *Executive Director obtains any confidential information pursuant*  
5 *to such a request, he shall maintain the confidentiality of that*  
6 *information in the same manner and to the same extent as*  
7 *provided by law for the agency or officer from whom the*  
8 *information was obtained.*

9     **Sec. 14.** *1. Except as otherwise provided in this section and*  
10 *NRS 360.250, the records and files of the Department concerning*  
11 *the administration of this chapter are confidential and privileged.*  
12 *The Department, and any employee engaged in the administration*  
13 *of this chapter or charged with the custody of any such records or*  
14 *files, shall not disclose any information obtained from the*  
15 *Department's records or files or from any examination,*  
16 *investigation or hearing authorized by the provisions of this*  
17 *chapter. Neither the Department nor any employee of the*  
18 *Department may be required to produce any of the records, files*  
19 *and information for the inspection of any person or for use in any*  
20 *action or proceeding.*

21     *2. The records and files of the Department concerning the*  
22 *administration of this chapter are not confidential and privileged*  
23 *in the following cases:*

24         *(a) Testimony by a member or employee of the Department*  
25 *and production of records, files and information on behalf of the*  
26 *Department or a taxpayer in any action or proceeding pursuant to*  
27 *the provisions of this chapter if that testimony or the records, files*  
28 *or information, or the facts shown thereby are directly involved in*  
29 *the action or proceeding.*

30         *(b) Delivery to a taxpayer or his authorized representative of a*  
31 *copy of any return or other document filed by the taxpayer*  
32 *pursuant to this chapter.*

33         *(c) Publication of statistics so classified as to prevent the*  
34 *identification of a particular business entity or document.*

35         *(d) Exchanges of information with the Internal Revenue*  
36 *Service in accordance with compacts made and provided for in*  
37 *such cases.*

38         *(e) Disclosure in confidence to the Governor or his agent in*  
39 *the exercise of the Governor's general supervisory powers, or to*  
40 *any person authorized to audit the accounts of the Department in*  
41 *pursuance of an audit, or to the Attorney General or other legal*  
42 *representative of the State in connection with an action or*  
43 *proceeding pursuant to this chapter, or to any agency of this or*  
44 *any other state charged with the administration or enforcement of*  
45 *laws relating to taxation.*



1       (f) Exchanges of information pursuant to subsection 3.  
2       3. The Commission may agree with any county fair and  
3       recreation board or the governing body of any county, city or town  
4       for the continuing exchange of information concerning taxpayers.

5       **Sec. 15.** A natural person engaging in a business shall be  
6       deemed to be a business entity that is subject to the provisions of  
7       this chapter if the person is required to file with the Internal  
8       Revenue Service a Schedule C (Form 1040), Profit or Loss From  
9       Business Form, or its equivalent or successor form, or a Schedule  
10      F (Form 1040), Profit or Loss From Farming Form, or its  
11      equivalent or successor form, for the business.

12      **Sec. 16.** 1. A tax is hereby imposed upon each business  
13      entity for the privilege of engaging in a business in this state at the  
14      rate of 5 percent of the Nevada taxable income of the business  
15      entity. The tax for each taxable year is due on the last day of that  
16      taxable year.

17      2. Except as otherwise provided in this chapter, each business  
18      entity engaging in a business in this state during a taxable year  
19      shall file with the Department a return on a form prescribed by the  
20      Department, together with the remittance of any tax due pursuant  
21      to this chapter for that taxable year, not later than 30 days after  
22      the date the business entity is required to file its federal income tax  
23      return for that taxable year with the Internal Revenue Service.  
24      The return required by this subsection must include:

25      (a) A statement that the return is made under penalty of  
26      perjury; and

27      (b) Such information as is required by the Department.

28      **Sec. 17.** 1. In addition to the returns required by section 16  
29      of this act, a business entity that is a member of an affiliated group  
30      and is engaged in a unitary business in this state with one or more  
31      other members of the affiliated group shall file with the  
32      Department such reports regarding the unitary business as the  
33      Department determines appropriate for the administration and  
34      enforcement of the provisions of this chapter.

35      2. The Department may allow two or more business entities  
36      that are members of an affiliated group to file a consolidated  
37      return for the purposes of this chapter if the business entities are  
38      allowed to file a consolidated return for the purposes of federal  
39      income taxation.

40      3. As used in this section:

41      (a) "Affiliated group" means a group of two or more business  
42      entities, each of which is controlled by a common owner or by one  
43      or more of the members of the group.

44      (b) "Controlled by" means the possession, directly or  
45      indirectly, of the power to direct or cause the direction of the



1 *management and policies of a business entity, whether through*  
2 *the ownership of voting securities, by contract or otherwise.*

3 (c) “Unitary business” means a business characterized by  
4 unity of ownership, functional integration, centralization of  
5 management and economy of scale.

6 **Sec. 18. 1.** *If a business entity files an amended federal*  
7 *income tax return that reflects a change in income required to be*  
8 *reported pursuant to this chapter, the business entity shall file an*  
9 *amended return with the Department within 30 days after the*  
10 *filing of the federal return.*

11 2. *If a final determination of federal taxable income is made*  
12 *under federal law and, pursuant to that determination, the federal*  
13 *taxable income of a business entity is found to differ from that*  
14 *initially reported to the Internal Revenue Service, the business*  
15 *entity shall, within 30 days after the date of that determination,*  
16 *report the determination to the Department in writing, together*  
17 *with such information as the Department deems appropriate.*

18 3. *If, based upon an amended return or report filed pursuant*  
19 *to this section, it appears that the tax imposed by this chapter has*  
20 *not been fully assessed, the Department shall assess the deficiency,*  
21 *with interest calculated at the rate and in the manner set forth in*  
22 *NRS 360.417. Any assessment required by this subsection must be*  
23 *made within 1 year after the Department receives the amended*  
24 *return or report.*

25 **Sec. 19. 1.** *In computing the Nevada taxable income of a*  
26 *business entity, its federal taxable income must be:*

27 (a) *Increased by:*

28 (1) *The amount of any deduction for the tax imposed by*  
29 *section 16 of this act or the equivalent taxing statute of another*  
30 *state.*

31 (2) *The amount of any net operating loss in the taxable*  
32 *year that is carried back to previous taxable years pursuant to 26*  
33 *U.S.C. § 172.*

34 (3) *The amount of any deduction claimed for the taxable*  
35 *year pursuant to 26 U.S.C. § 172 which was previously used to*  
36 *offset any increase required by this subsection.*

37 (4) *Any interest or dividends on the obligations or securities*  
38 *of any state or political subdivision of a state, other than this state*  
39 *or a political subdivision of this state.*

40 (b) *Decreased by:*

41 (1) *Any income that is exempt from taxation by this state*  
42 *under the Constitution, laws or treaties of the United States or the*  
43 *Nevada Constitution.*

44 (2) *Any interest income received on obligations of the*  
45 *United States.*



1       (3) *The amount of any refund of income tax received from*  
2 *another state which has been included as income in computing*  
3 *federal taxable income.*

4       (4) *If the business entity is required to pay a license fee*  
5 *pursuant to NRS 463.370, the exempt gaming revenue of the*  
6 *business entity for the taxable year.*

7       (5) *If the business entity is required to pay a tax on*  
8 *premiums pursuant to title 57 of NRS, the exempt insurance*  
9 *revenue of the business entity for the taxable year.*

10      2. *The Department shall adopt regulations for the*  
11 *administration of this section. The regulations must specify in*  
12 *detail the adjustments to the federal taxable income of a business*  
13 *entity required by:*

14       (a) *Subparagraph (1) of paragraph (b) of subsection 1 for a*  
15 *business entity which is required to pay the tax imposed pursuant*  
16 *to chapter 362 of NRS.*

17       (b) *Subparagraphs (4) and (5) of paragraph (b) of*  
18 *subsection 1.*

19      3. *For the purposes of this section:*

20       (a) *"Exempt gaming revenue" means a percentage of the*  
21 *federal taxable income of the business entity equal to the*  
22 *percentage obtained by dividing the total sum of all amounts*  
23 *specifically included by statute in and all amounts specifically*  
24 *excluded by statute from the calculation of the license fee required*  
25 *by NRS 463.370 for the taxable year, by the amount of the total*  
26 *revenue of the business entity for the taxable year.*

27       (b) *"Exempt insurance revenue" means a percentage of the*  
28 *federal taxable income of the business entity equal to the*  
29 *percentage obtained by dividing the amount of the total revenue of*  
30 *the business entity for the taxable year derived from direct*  
31 *premiums written, by the amount of the total revenue of the*  
32 *business entity for the taxable year.*

33      **Sec. 20.** 1. *A business entity that receives federal taxable*  
34 *income from business which is taxable both in this state and in*  
35 *another state shall apportion its taxable income, including any*  
36 *adjustments thereto required by section 19 of this act, as provided*  
37 *in this section and sections 21 and 22 of this act. A business entity*  
38 *that receives income solely from business that is taxable only in*  
39 *this state shall apportion its entire taxable income, including any*  
40 *adjustments thereto required by section 19 of this act, to this state.*

41      2. *For the purposes of this section, a business shall be*  
42 *deemed to be taxable in another state if that state subjects the*  
43 *business entity to an income tax, a franchise tax measured by net*  
44 *income, a franchise tax for the privilege of doing business in that*  
45 *state or a tax on the corporate stock of the business entity.*





1       3. As used in this section, "state" includes:

2       (a) A state of the United States, the District of Columbia,  
3       Puerto Rico, the United States Virgin Islands and any territory or  
4       insular possession subject to the jurisdiction of the United States;  
5       and

6       (b) A foreign country.

7       **Sec. 21.** 1. Except as otherwise provided in sections 20 and  
8       22 of this act, the federal taxable income of a business entity must  
9       be apportioned to this state by multiplying the amount of that  
10      income by a fraction, the numerator of which is the sum of the  
11      property factor plus the payroll factor plus the sales factor for the  
12      business entity, and the denominator of which is three.

13      2. For the purposes of this section:

14      (a) The property factor for a business entity is a fraction, the  
15      numerator of which is the average value of the real and tangible  
16      personal property owned or rented by the business entity and used  
17      in this state during the taxable year, and the denominator of which  
18      is the average value of all the real and tangible personal property  
19      owned or rented by the business entity and used by the business  
20      entity during that year.

21      (b) The payroll factor for a business entity is a fraction, the  
22      numerator of which is the total amount paid in this state during  
23      the taxable year by the business entity as compensation, and the  
24      denominator of which is the total compensation paid everywhere  
25      by the business entity during that year.

26      (c) The sales factor for a business entity is a fraction, the  
27      numerator of which is the total sales of the business entity  
28      occurring in this state during the taxable year, and the  
29      denominator of which is the total sales of the business entity  
30      everywhere during that year.

31      **Sec. 22.** If the application of the provisions of sections 20  
32      and 21 of this act does not fairly represent the extent of the  
33      business of the business entity conducted in this state, the  
34      Department may require or, upon petition by the business entity,  
35      allow for all or any part of the business of the business entity:

36      1. Separate accounting;

37      2. The exclusion of one or more of the factors enumerated in  
38      section 21 of this act;

39      3. The inclusion of one or more additional factors that will  
40      fairly represent the business of the business entity in this state; or

41      4. The use of any other reasonable method to effect an  
42      equitable apportionment of income.

43      **Sec. 23.** 1. For the purposes of this chapter, the method of  
44      accounting and the taxable year used by a business entity must be  
45      the same as those used by the business entity for the purposes of





1 *federal income taxation. If the business entity does not regularly*  
2 *use a single method of accounting, the taxable income of the*  
3 *business entity must be computed under such a method as the*  
4 *Department determines will fairly reflect that income.*

5 *2. If there is any change in the method of accounting or the*  
6 *taxable year used by a business entity for the purposes of federal*  
7 *income taxation, the same change must be implemented for the*  
8 *purposes of this chapter.*

9 **Sec. 24.** *Upon written application made before the date on*  
10 *which a business entity is otherwise required to file a return and*  
11 *pay the tax imposed by this chapter, the Department may:*

12 *1. If the business entity is granted an extension of time by the*  
13 *Federal Government for the filing of its federal income tax return,*  
14 *extend the time for filing the return required by this chapter until*  
15 *not later than 30 days after the date the business entity is required*  
16 *to file its federal income tax return pursuant to the extension of*  
17 *time granted by the Federal Government. The Department may*  
18 *require, as a condition to the granting of any extension pursuant*  
19 *to this subsection, the payment of the tax estimated to be due*  
20 *pursuant to this chapter.*

21 *2. For good cause extend by 30 days the time within which*  
22 *the business entity is required to pay the tax. If the tax is paid*  
23 *during a period of extension granted pursuant to this subsection,*  
24 *no penalty or late charge may be imposed for failure to pay at the*  
25 *time required, but the business entity shall pay interest at the rate*  
26 *of 1 percent per month from the date on which the amount would*  
27 *have been due without the extension until the date of payment,*  
28 *unless otherwise provided in NRS 360.232 or 360.320.*

29 **Sec. 25.** *The remedies of the State provided for in this*  
30 *chapter are cumulative, and no action taken by the Department or*  
31 *the Attorney General constitutes an election by the State to pursue*  
32 *any remedy to the exclusion of any other remedy for which*  
33 *provision is made in this chapter.*

34 **Sec. 26.** *If the Department determines that any tax, penalty*  
35 *or interest has been paid more than once or has been erroneously*  
36 *or illegally collected or computed, the Department shall set forth*  
37 *that fact in the records of the Department and certify to the State*  
38 *Board of Examiners the amount collected in excess of the amount*  
39 *legally due and the business entity or person from which it was*  
40 *collected or by whom paid. If approved by the State Board of*  
41 *Examiners, the excess amount collected or paid must be credited*  
42 *on any amounts then due from the person or business entity under*  
43 *this chapter, and the balance refunded to the person or business*  
44 *entity, or its successors, administrators or executors.*



1     **Sec. 27. 1.** *Except as otherwise provided in NRS 360.235*  
2 *and 360.395:*

3         (a) *No refund may be allowed unless a claim for it is filed with*  
4 *the Department within 3 years after the last day of July*  
5 *immediately following the close of the taxable year for which the*  
6 *overpayment was made.*

7         (b) *No credit may be allowed after the expiration of the period*  
8 *specified for filing claims for refund unless a claim for credit is*  
9 *filed with the Department within that period.*

10        2. *Each claim must be in writing and must state the specific*  
11 *grounds upon which the claim is founded.*

12        3. *Failure to file a claim within the time prescribed in this*  
13 *chapter constitutes a waiver of any demand against the State on*  
14 *account of overpayment.*

15        4. *Within 30 days after rejecting any claim in whole or in*  
16 *part, the Department shall serve notice of its action on the*  
17 *claimant in the manner prescribed for service of notice of a*  
18 *deficiency determination.*

19     **Sec. 28. 1.** *Except as otherwise provided in this section and*  
20 *NRS 360.320, interest must be paid upon any overpayment of any*  
21 *amount of the tax imposed by this chapter at the rate of 0.5*  
22 *percent per month, or fraction thereof, from the last day of July*  
23 *immediately following the taxable year for which the overpayment*  
24 *was made. No refund or credit may be made of any interest*  
25 *imposed upon the person or business entity making the*  
26 *overpayment with respect to the amount being refunded or*  
27 *credited.*

28        2. *The interest must be paid:*

29         (a) *In the case of a refund, to the last day of the calendar*  
30 *month following the date upon which the person making the*  
31 *overpayment, if he has not already filed a claim, is notified by the*  
32 *Department that a claim may be filed or the date upon which the*  
33 *claim is certified to the State Board of Examiners, whichever is*  
34 *earlier.*

35         (b) *In the case of a credit, to the same date as that to which*  
36 *interest is computed on the tax or the amount against which the*  
37 *credit is applied.*

38        3. *If the Department determines that any overpayment has*  
39 *been made intentionally or by reason of carelessness, it shall not*  
40 *allow any interest on the overpayment.*

41     **Sec. 29. 1.** *No injunction, writ of mandate or other legal or*  
42 *equitable process may issue in any suit, action or proceeding in*  
43 *any court against this state or against any officer of the State to*  
44 *prevent or enjoin the collection under this chapter of the tax*



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1 *imposed by this chapter or any amount of tax, penalty or interest*  
2 *required to be collected.*

3 2. *No suit or proceeding may be maintained in any court for*  
4 *the recovery of any amount alleged to have been erroneously or*  
5 *illegally determined or collected unless a claim for refund or credit*  
6 *has been filed.*

7 **Sec. 30.** 1. *Within 90 days after a final decision upon a*  
8 *claim filed pursuant to this chapter is rendered by the*  
9 *Commission, the claimant may bring an action against the*  
10 *Department on the grounds set forth in the claim in a court of*  
11 *competent jurisdiction in Carson City, the county of this state*  
12 *where the claimant resides or maintains his principal place of*  
13 *business or a county in which any relevant proceedings were*  
14 *conducted by the Department, for the recovery of the whole or any*  
15 *part of the amount with respect to which the claim has been*  
16 *disallowed.*

17 2. *Failure to bring an action within the time specified*  
18 *constitutes a waiver of any demand against the State on account of*  
19 *alleged overpayments.*

20 **Sec. 31.** 1. *If the Department fails to mail notice of action*  
21 *on a claim within 6 months after the claim is filed, the claimant*  
22 *may consider the claim disallowed and file an appeal with the*  
23 *Commission within 30 days after the last day of the 6-month*  
24 *period. If the claimant is aggrieved by the decision of the*  
25 *Commission rendered on appeal, the claimant may, within 90 days*  
26 *after the decision is rendered, bring an action against the*  
27 *Department on the grounds set forth in the claim for the recovery*  
28 *of the whole or any part of the amount claimed as an*  
29 *overpayment.*

30 2. *If judgment is rendered for the plaintiff, the amount of the*  
31 *judgment must first be credited towards any tax due from the*  
32 *plaintiff.*

33 3. *The balance of the judgment must be refunded to the*  
34 *plaintiff.*

35 **Sec. 32.** *In any judgment, interest must be allowed at the rate*  
36 *of 6 percent per annum upon the amount found to have been*  
37 *illegally collected from the date of payment of the amount to the*  
38 *date of allowance of credit on account of the judgment, or to a*  
39 *date preceding the date of the refund warrant by not more than 30*  
40 *days. The date must be determined by the Department.*

41 **Sec. 33.** *A judgment may not be rendered in favor of the*  
42 *plaintiff in any action brought against the Department to recover*  
43 *any amount paid when the action is brought by or in the name of*  
44 *an assignee of the business entity paying the amount or by any*



1 *person other than the person or business entity which paid the*  
2 *amount.*

3 **Sec. 34.** *1. The Department may recover a refund or any*  
4 *part thereof which is erroneously made and any credit or part*  
5 *thereof which is erroneously allowed in an action brought in a*  
6 *court of competent jurisdiction in Carson City or Clark County in*  
7 *the name of the State of Nevada.*

8 *2. The action must be tried in Carson City or Clark County*  
9 *unless the court, with the consent of the Attorney General, orders*  
10 *a change of place of trial.*

11 *3. The Attorney General shall prosecute the action, and the*  
12 *provisions of NRS, the Nevada Rules of Civil Procedure and the*  
13 *Nevada Rules of Appellate Procedure relating to service of*  
14 *summons, pleadings, proofs, trials and appeals are applicable to*  
15 *the proceedings.*

16 **Sec. 35.** *1. If any amount in excess of \$25 has been*  
17 *illegally determined, either by the Department or by the person*  
18 *filing the return, the Department shall certify this fact to the State*  
19 *Board of Examiners, and the latter shall authorize the*  
20 *cancellation of the amount upon the records of the Department.*

21 *2. If an amount not exceeding \$25 has been illegally*  
22 *determined, either by the Department or by the person or business*  
23 *entity filing the return, the Department, without certifying this fact*  
24 *to the State Board of Examiners, shall authorize the cancellation*  
25 *of the amount upon the records of the Department.*

26 **Sec. 36.** *1. A person shall not:*

27 *(a) Make, cause to be made or permit to be made any false or*  
28 *fraudulent return or declaration or false statement in any return*  
29 *or declaration with intent to defraud the State or to evade payment*  
30 *of the tax or any part of the tax imposed by this chapter.*

31 *(b) Make, cause to be made or permit to be made any false*  
32 *entry in books, records or accounts with intent to defraud the State*  
33 *or to evade the payment of the tax or any part of the tax imposed*  
34 *by this chapter.*

35 *(c) Keep, cause to be kept or permit to be kept more than one*  
36 *set of books, records or accounts with intent to defraud the State*  
37 *or to evade the payment of the tax or any part of the tax imposed*  
38 *by this chapter.*

39 *2. Any person who violates the provisions of subsection 1 is*  
40 *guilty of a gross misdemeanor.*

41 **Sec. 37.** *Title 32 of NRS is hereby amended by adding thereto*  
42 *a new chapter to consist of the provisions set forth as sections 38 to*  
43 *62, inclusive, of this act.*

44 **Sec. 38.** *As used in this chapter, unless the context otherwise*  
45 *requires, the words and terms defined in sections 39 to 43,*



1 *inclusive, of this act have the meanings ascribed to them in those*  
2 *sections.*

3 **Sec. 39.** *“Commission” means the Nevada Tax Commission.*

4 **Sec. 40.** *“Financial institution” means an institution*  
5 *licensed, registered or otherwise authorized to do business in this*  
6 *state pursuant to the provisions of chapter 604, 645B, 645E or 649*  
7 *of NRS or title 55 or 56 of NRS, or a similar institution chartered*  
8 *or licensed pursuant to federal law. The term does not include:*

9 1. *A nonprofit organization that is recognized as exempt from*  
10 *taxation pursuant to 26 U.S.C. § 501(c).*

11 2. *A credit union organized under the provisions of chapter*  
12 *678 of NRS or the Federal Credit Union Act.*

13 **Sec. 41.** 1. *“Gross income” means all gains, profits and*  
14 *other income earned by a financial institution from its operation*  
15 *as a financial institution, including, without limitation:*

16 (a) *All rents, compensation for services, commissions and*  
17 *brokerage and other fees;*

18 (b) *All gains or profits from the sale or other disposition of any*  
19 *real or personal property; and*

20 (c) *All recoveries on losses sustained in the ordinary course of*  
21 *business.*

22 2. *The term does not include any income which this state is*  
23 *prohibited from taxing pursuant to the Constitution or laws of the*  
24 *United States or the Nevada Constitution.*

25 **Sec. 42.** *“Net income” means gross income minus all*  
26 *ordinary and necessary expenses paid or incurred by a financial*  
27 *institution to carry on its business, including, without limitation:*

28 1. *Salaries and other compensation for personal services*  
29 *actually rendered;*

30 2. *Bad debts;*

31 3. *All interest paid or accrued on the indebtedness of the*  
32 *financial institution;*

33 4. *The cost of insurance and advertising;*

34 5. *Losses sustained and not compensated for by insurance or*  
35 *otherwise;*

36 6. *All taxes on real or personal property paid to the United*  
37 *States, this state or any political subdivision of this state, except*  
38 *the tax imposed by this chapter;*

39 7. *All payments or contributions to or under any pension or*  
40 *retirement fund or plan for the officers and employees of the*  
41 *financial institution;*

42 8. *Reasonable allowances for depreciation and depletion; and*

43 9. *Amortization of premiums on bonds, debentures, notes or*  
44 *other securities or evidences of indebtedness.*



1     **Sec. 43.** *"Taxpayer" means any person liable for a tax*  
2 *imposed pursuant to this chapter.*

3     **Sec. 44.** *The Legislature hereby finds and declares that the*  
4 *tax imposed pursuant to this chapter on a financial institution*  
5 *must not be construed as a tax upon the customers of the financial*  
6 *institution, but as a tax which is imposed upon and collectible*  
7 *from the financial institution and which constitutes part of the*  
8 *operating overhead of the financial institution.*

9     **Sec. 45.** *The Department shall:*

10     **1.** *Administer and enforce the provisions of this chapter, and*  
11 *may adopt such regulations as it deems appropriate for that*  
12 *purpose.*

13     **2.** *Deposit all taxes, interest and penalties it receives pursuant*  
14 *to this chapter in the State Treasury for credit to the State General*  
15 *Fund.*

16     **Sec. 46. 1.** *Each person responsible for maintaining the*  
17 *records of a financial institution shall:*

18     **(a)** *Keep such records as may be necessary to determine the*  
19 *amount of its liability pursuant to the provisions of this chapter;*

20     **(b)** *Preserve those records for 4 years or until any litigation or*  
21 *prosecution pursuant to this chapter is finally determined,*  
22 *whichever is longer; and*

23     **(c)** *Make the records available for inspection by the*  
24 *Department upon demand at reasonable times during regular*  
25 *business hours.*

26     **2.** *Any person who violates the provisions of subsection 1 is*  
27 *guilty of a misdemeanor.*

28     **Sec. 47. 1.** *To verify the accuracy of any return filed or, if*  
29 *no return is filed by a financial institution, to determine the*  
30 *amount required to be paid, the Department, or any person*  
31 *authorized in writing by the Department, may examine the books,*  
32 *papers and records of any person or financial institution that may*  
33 *be liable for the tax imposed by this chapter.*

34     **2.** *Any person or financial institution which may be liable for*  
35 *the tax imposed by this chapter and which keeps outside of this*  
36 *state its books, papers and records relating thereto, shall pay to the*  
37 *Department an amount equal to the allowance provided for state*  
38 *officers and employees generally while traveling outside of the*  
39 *State for each day or fraction thereof during which an employee*  
40 *of the Department is engaged in examining those documents, plus*  
41 *any other actual expenses incurred by the employee while he is*  
42 *absent from his regular place of employment to examine those*  
43 *documents.*

44     **Sec. 48. 1.** *Except as otherwise provided in this section and*  
45 *NRS 360.250, the records and files of the Department concerning*



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1 *the administration of this chapter are confidential and privileged.*  
2 *The Department, and any employee engaged in the administration*  
3 *of this chapter or charged with the custody of any such records or*  
4 *files, shall not disclose any information obtained from the records*  
5 *or files of the Department or from any examination, investigation*  
6 *or hearing authorized by the provisions of this chapter. Neither*  
7 *the Department nor any employee of the Department may be*  
8 *required to produce any of the records, files and information for*  
9 *the inspection of any person or for use in any action or*  
10 *proceeding.*

11 *2. The records and files of the Department concerning the*  
12 *administration of this chapter are not confidential and privileged*  
13 *in the following cases:*

14 *(a) Testimony by a member or employee of the Department*  
15 *and production of records, files and information on behalf of the*  
16 *Department or a taxpayer in any action or proceeding pursuant to*  
17 *the provisions of this chapter if that testimony or the records, files*  
18 *or information, or the facts shown thereby, are directly involved in*  
19 *the action or proceeding.*

20 *(b) Delivery to a taxpayer or his authorized representative of a*  
21 *copy of any return or other document filed by the taxpayer*  
22 *pursuant to this chapter.*

23 *(c) Publication of statistics so classified as to prevent the*  
24 *identification of a particular financial institution or document.*

25 *(d) Exchanges of information with the Internal Revenue*  
26 *Service in accordance with compacts made and provided for in*  
27 *such cases.*

28 *(e) Disclosure in confidence to the Governor or his agent in*  
29 *the exercise of the Governor's general supervisory powers, or to*  
30 *any person authorized to audit the accounts of the Department in*  
31 *pursuance of an audit, or to the Attorney General or other legal*  
32 *representative of the State in connection with an action or*  
33 *proceeding pursuant to this chapter, or to any agency of this or*  
34 *any other state charged with the administration or enforcement of*  
35 *laws relating to taxation.*

36 *(f) Exchanges of information pursuant to subsection 3.*

37 *3. The Commission may agree with the Commissioner of*  
38 *Financial Institutions for the continuing exchange of information*  
39 *concerning taxpayers. The Commissioner shall, at the request of*  
40 *the Commission, provide such information as is necessary to carry*  
41 *out the provisions of this chapter.*

42 **Sec. 49. 1.** *An excise tax is hereby imposed upon each*  
43 *financial institution for the privilege of doing business in this state*  
44 *at the rate of 5 percent of the amount of the net income of the*  
45 *financial institution derived from business conducted by it within*





1 *this state during a calendar quarter. The tax for each calendar*  
2 *quarter is due on the last day of that calendar quarter.*

3 *2. Each financial institution shall file with the Department a*  
4 *return on a form prescribed by the Department, together with the*  
5 *remittance of any tax due pursuant to this chapter for a calendar*  
6 *quarter, on or before the last day of the month immediately*  
7 *following that calendar quarter. With the prior approval of the*  
8 *Department, a financial institution that operates more than one*  
9 *office or branch office in this state may file one return.*

10 *3. The Department shall adopt regulations providing for the*  
11 *allocation or apportionment of tax liability pursuant to this*  
12 *chapter of a financial institution conducting business both within*  
13 *and outside of this state. The regulations must be consistent with*  
14 *the Recommended Formula for the Apportionment and Allocation*  
15 *of Net Income of Financial Institutions adopted by the Multistate*  
16 *Tax Commission, as those provisions existed on July 1, 2003.*

17 **Sec. 50.** *Upon written application made before the date on*  
18 *which payment must be made, the Department may for good cause*  
19 *extend by 30 days the time within which a financial institution is*  
20 *required to pay the tax imposed by this chapter. If the tax is paid*  
21 *during the period of extension, no penalty or late charge may be*  
22 *imposed for failure to pay at the time required, but the financial*  
23 *institution shall pay interest at the rate most recently established*  
24 *pursuant to NRS 99.040 for each month, or fraction of a month,*  
25 *from the last day of the month following the date on which the*  
26 *amount would have been due without the extension until the date*  
27 *of payment, unless otherwise provided in NRS 360.232 or 360.320.*

28 **Sec. 51.** *The remedies of the State provided for in this*  
29 *chapter are cumulative, and no action taken by the Department or*  
30 *the Attorney General constitutes an election by the State to pursue*  
31 *any remedy to the exclusion of any other remedy for which*  
32 *provision is made in this chapter.*

33 **Sec. 52.** *If the Department determines that any tax, penalty*  
34 *or interest has been paid more than once or has been erroneously*  
35 *or illegally collected or computed, the Department shall set forth*  
36 *that fact in the records of the Department and certify to the State*  
37 *Board of Examiners the amount collected in excess of the amount*  
38 *legally due and the financial institution or person from whom it*  
39 *was collected or by whom it was paid. If approved by the State*  
40 *Board of Examiners, the excess amount collected or paid must be*  
41 *credited on any amounts then due from the person or financial*  
42 *institution under this chapter, and the balance refunded to the*  
43 *person or financial institution, or its successors, administrators or*  
44 *executors.*



1     **Sec. 53. 1.** *Except as otherwise provided in NRS 360.235*  
2 *and 360.395:*

3         (a) *No refund may be allowed unless a claim for refund is filed*  
4 *with the Department within 3 years after the last day of the month*  
5 *following the close of the calendar quarter for which the*  
6 *overpayment was made.*

7         (b) *No credit may be allowed after the expiration of the period*  
8 *specified for filing claims for refund unless a claim for credit is*  
9 *filed with the Department within that period.*

10        2. *Each claim must be in writing and must state the specific*  
11 *grounds upon which the claim is founded.*

12        3. *Failure to file a claim within the time prescribed in this*  
13 *chapter constitutes a waiver of any demand against the State on*  
14 *account of overpayment.*

15        4. *Within 30 days after rejecting any claim in whole or in*  
16 *part, the Department shall serve notice of its action on the*  
17 *claimant in the manner prescribed for service of notice of a*  
18 *deficiency determination.*

19     **Sec. 54. 1.** *Except as otherwise provided in this section and*  
20 *NRS 360.320, interest must be paid upon any overpayment of any*  
21 *amount of the tax imposed by this chapter at the rate of 0.5*  
22 *percent per month, or fraction thereof, from the last day of the*  
23 *calendar month following the calendar quarter for which the*  
24 *overpayment was made. No refund or credit may be made of any*  
25 *interest imposed upon the person or financial institution making*  
26 *the overpayment with respect to the amount being refunded or*  
27 *credited.*

28        2. *The interest must be paid:*

29         (a) *In the case of a refund, to the last day of the calendar*  
30 *month following the date upon which the person making the*  
31 *overpayment, if he has not already filed a claim, is notified by*  
32 *the Department that a claim may be filed or the date upon which*  
33 *the claim is certified to the State Board of Examiners, whichever is*  
34 *earlier.*

35         (b) *In the case of a credit, to the same date as that to which*  
36 *interest is computed on the tax or amount against which the credit*  
37 *is applied.*

38        3. *If the Department determines that any overpayment has*  
39 *been made intentionally or by reason of carelessness, it shall not*  
40 *allow any interest on the overpayment.*

41     **Sec. 55. 1.** *No injunction, writ of mandate or other legal or*  
42 *equitable process may issue in any suit, action or proceeding in*  
43 *any court against this state or against any officer of the State to*  
44 *prevent or enjoin the collection under this chapter of the tax*



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1 *imposed by this chapter or any amount of tax, penalty or interest*  
2 *required to be collected.*

3     2. *No suit or proceeding may be maintained in any court for*  
4 *the recovery of any amount alleged to have been erroneously or*  
5 *illegally determined or collected unless a claim for refund or credit*  
6 *has been filed.*

7     **Sec. 56.** 1. *Within 90 days after a final decision upon a*  
8 *claim filed pursuant to this chapter is rendered by the*  
9 *Commission, the claimant may bring an action against the*  
10 *Department on the grounds set forth in the claim in a court of*  
11 *competent jurisdiction in Carson City, the county of this state*  
12 *where the claimant resides or maintains his principal place of*  
13 *business or a county in which any relevant proceedings were*  
14 *conducted by the Department, for the recovery of the whole or any*  
15 *part of the amount with respect to which the claim has been*  
16 *disallowed.*

17     2. *Failure to bring an action within the time specified*  
18 *constitutes a waiver of any demand against the State on account of*  
19 *alleged overpayments.*

20     **Sec. 57.** 1. *If the Department fails to mail notice of action*  
21 *on a claim within 6 months after the claim is filed, the claimant*  
22 *may consider the claim disallowed and file an appeal with the*  
23 *Commission within 30 days after the last day of the 6-month*  
24 *period. If the claimant is aggrieved by the decision of the*  
25 *Commission rendered on appeal, he may, within 90 days after the*  
26 *decision is rendered, bring an action against the Department on*  
27 *the grounds set forth in the claim for the recovery of the whole or*  
28 *any part of the amount claimed as an overpayment.*

29     2. *If judgment is rendered for the plaintiff, the amount of the*  
30 *judgment must first be credited towards any tax due from the*  
31 *plaintiff.*

32     3. *The balance of the judgment must be refunded to the*  
33 *plaintiff.*

34     **Sec. 58.** *In any judgment, interest must be allowed at the rate*  
35 *of 6 percent per annum upon the amount found to have been*  
36 *illegally collected from the date of payment of the amount to the*  
37 *date of allowance of credit on account of the judgment, or to a*  
38 *date preceding the date of the refund warrant by not more than 30*  
39 *days. The date must be determined by the Department.*

40     **Sec. 59.** *A judgment may not be rendered in favor of the*  
41 *plaintiff in any action brought against the Department to recover*  
42 *any amount paid when the action is brought by or in the name of*  
43 *an assignee of the financial institution paying the amount or by*  
44 *any person other than the person or financial institution which*  
45 *paid the amount.*



1     **Sec. 60. 1.** *The Department may recover a refund or any*  
2 *part thereof which is erroneously made and any credit or part*  
3 *thereof which is erroneously allowed in an action brought in a*  
4 *court of competent jurisdiction in Carson City or Clark County in*  
5 *the name of the State of Nevada.*

6     **2.** *The action must be tried in Carson City or Clark County*  
7 *unless the court, with the consent of the Attorney General, orders*  
8 *a change of place of trial.*

9     **3.** *The Attorney General shall prosecute the action, and the*  
10 *provisions of NRS, the Nevada Rules of Civil Procedure and the*  
11 *Nevada Rules of Appellate Procedure relating to service of*  
12 *summons, pleadings, proofs, trials and appeals are applicable to*  
13 *the proceedings.*

14     **Sec. 61. 1.** *If any amount in excess of \$25 has been*  
15 *illegally determined, either by the person or financial institution*  
16 *filing the return or by the Department, the Department shall*  
17 *certify this fact to the State Board of Examiners, and the latter*  
18 *shall authorize the cancellation of the amount upon the records of*  
19 *the Department.*

20     **2.** *If an amount not exceeding \$25 has been illegally*  
21 *determined, either by the person or financial institution filing a*  
22 *return or by the Department, the Department, without certifying*  
23 *this fact to the State Board of Examiners, shall authorize the*  
24 *cancellation of the amount upon the records of the Department.*

25     **Sec. 62. 1.** *A person shall not:*

26     **(a)** *Make, cause to be made or permit to be made any false or*  
27 *fraudulent return or declaration or false statement in any return*  
28 *or declaration, with intent to defraud the State or to evade*  
29 *payment of the tax or any part of the tax imposed by this chapter.*

30     **(b)** *Make, cause to be made or permit to be made any false*  
31 *entry in books, records or accounts with intent to defraud the State*  
32 *or to evade the payment of the tax or any part of the tax imposed*  
33 *by this chapter.*

34     **(c)** *Keep, cause to be kept or permit to be kept more than one*  
35 *set of books, records or accounts with intent to defraud the State*  
36 *or to evade the payment of the tax or any part of the tax imposed*  
37 *by this chapter.*

38     **2.** *Any person who violates the provisions of subsection 1 is*  
39 *guilty of a gross misdemeanor.*

40     **Sec. 63.** *Title 32 of NRS is hereby amended by adding thereto*  
41 *a new chapter to consist of the provisions set forth as sections 64 to*  
42 *96, inclusive, of this act.*

43     **Sec. 64.** *As used in this chapter, unless the context otherwise*  
44 *requires, the words and terms defined in sections 65 to 71,*



1 *inclusive, of this act have the meanings ascribed to them in those*  
2 *sections.*

3 **Sec. 65.** *“Amount paid for live entertainment” means:*

4 *1. If the live entertainment is provided at the location of a*  
5 *taxable business entity, the consideration paid for the right or*  
6 *privilege to have access to the premises of the business entity*  
7 *where the live entertainment is provided. For the purposes of this*  
8 *subsection, the term includes all amounts paid for food,*  
9 *refreshments and merchandise purchased at the premises where*  
10 *the live entertainment is provided.*

11 *2. If the live entertainment is provided at a location other*  
12 *than the location of a taxable business entity, the total amount,*  
13 *expressed in terms of money, of consideration paid to the business*  
14 *entity for providing the live entertainment.*

15 **Sec. 66.** *“Board” means the State Gaming Control Board.*

16 **Sec. 67.** *“Business” means any activity engaged in or*  
17 *caused to be engaged in by a business entity with the object of*  
18 *gain, benefit or advantage, either direct or indirect, to any person*  
19 *or governmental entity.*

20 **Sec. 68.** *1. “Business entity” includes:*

21 *(a) A corporation, partnership, proprietorship, business*  
22 *association and any other person engaging in business.*

23 *(b) A natural person engaging in a business if he is deemed to*  
24 *be a business entity pursuant to section 72 of this act.*

25 *(c) A brothel authorized to conduct business in this state.*

26 *2. The term does not include a governmental entity.*

27 **Sec. 69.** *“Licensed gaming establishment” has the meaning*  
28 *ascribed to it in NRS 463.0169.*

29 **Sec. 70.** *“Live entertainment” means any activity provided*  
30 *for pleasure, enjoyment, recreation, relaxation, diversion or other*  
31 *similar purpose by a person or persons who are physically present*  
32 *when providing that activity to a patron or group of patrons who*  
33 *are physically present.*

34 **Sec. 71.** *“Taxpayer” means any person liable for the tax*  
35 *imposed pursuant to this chapter.*

36 **Sec. 72.** *A natural person engaging in a business shall be*  
37 *deemed to be a business entity that is subject to the provisions of*  
38 *this chapter if the person is required to file with the Internal*  
39 *Revenue Service a Schedule C (Form 1040), Profit or Loss From*  
40 *Business Form, or its equivalent or successor form, or a Schedule*  
41 *F (Form 1040), Profit or Loss From Farming form, or its*  
42 *equivalent or successor form, for the business.*

43 **Sec. 73.** *The Department shall provide by regulation for a*  
44 *more detailed definition of live entertainment consistent with the*  
45 *general definition set forth in section 70 of this act for use by the*



1 *Board and the Department in determining whether an activity is a*  
2 *taxable activity under the provisions of this chapter.*

3 **Sec. 74. 1.** *There is hereby imposed an excise tax of 10*  
4 *percent of all amounts paid for live entertainment. Amounts paid*  
5 *for gratuities directly or indirectly remitted to employees of a*  
6 *business entity providing live entertainment or for service charges,*  
7 *including those imposed in connection with the use of credit cards*  
8 *or debit cards, which are collected and retained by persons other*  
9 *than the taxpayer, are not taxable pursuant to this section.*

10 **2.** *A business entity that collects any amount paid for live*  
11 *entertainment is liable for the tax imposed by this section, but is*  
12 *entitled to collect reimbursement from any person paying that*  
13 *amount.*

14 **3.** *Any ticket for live entertainment must state whether the tax*  
15 *imposed by this section is included in the price of the ticket. If the*  
16 *ticket does not include such a statement, the taxpayer shall pay the*  
17 *tax based on the face amount of the ticket.*

18 **4.** *The tax imposed by this section does not apply to:*

19 *(a) Any amount paid for live entertainment that this state is*  
20 *prohibited from taxing under the Constitution or laws of the*  
21 *United States or the Nevada Constitution.*

22 *(b) Any merchandise sold outside the premises where live*  
23 *entertainment is provided, unless the purchase of the merchandise*  
24 *entitles the purchaser to admission to the entertainment.*

25 *(c) Any amount paid for live entertainment that is provided by*  
26 *a nonprofit organization that is recognized as exempt from*  
27 *taxation pursuant to 26 U.S.C. § 501(c).*

28 *(d) Live entertainment that is provided at a trade show.*

29 *(e) Music performed by musicians who move constantly*  
30 *through the audience if no other form of live entertainment is*  
31 *afforded to the patrons.*

32 *(f) Any competition or exhibition of unarmed combat*  
33 *regulated by the provisions of chapter 467 of NRS.*

34 **Sec. 75.** *A taxpayer shall hold the amount of all taxes for*  
35 *which he is liable pursuant to this chapter in a separate account in*  
36 *trust for the State.*

37 **Sec. 76. 1.** *The Board shall:*

38 *(a) Collect the tax imposed by this chapter from taxpayers who*  
39 *are licensed gaming establishments; and*

40 *(b) Adopt such regulations as are necessary to carry out the*  
41 *provisions of paragraph (a). The regulations must be adopted in*  
42 *accordance with the provisions of chapter 233B of NRS and*  
43 *codified in the Nevada Administrative Code.*

44 **2.** *The Department shall:*



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1       (a) Collect the tax imposed by this chapter from all other  
2 taxpayers; and

3       (b) Adopt such regulations as are necessary to carry out the  
4 provisions of paragraph (a).

5       3. For the purposes of:

6       (a) Subsection 1, the provisions of chapter 463 of NRS relating  
7 to the payment, collection, administration and enforcement of  
8 gaming license fees and taxes, including, without limitation, any  
9 provisions relating to the imposition of penalties and interest, shall  
10 be deemed to apply to the payment, collection, administration and  
11 enforcement of the taxes imposed by this chapter to the extent that  
12 those provisions do not conflict with the provisions of this chapter.

13       (b) Subsection 2, the provisions of chapter 360 of NRS relating  
14 to the payment, collection, administration and enforcement of  
15 taxes, including, without limitation, any provisions relating to the  
16 imposition of penalties and interest, shall be deemed to apply to  
17 the payment, collection, administration and enforcement of the  
18 taxes imposed by this chapter to the extent that those provisions do  
19 not conflict with the provisions of this chapter.

20       4. To ensure that the tax imposed by section 74 of this act is  
21 collected fairly and equitably, the Board and the Department shall,  
22 jointly, coordinate the administration and regulation of the  
23 provisions of this chapter.

24       **Sec. 77. 1.** Each taxpayer who is a licensed gaming  
25 establishment shall file with the Board, on or before the 24th day  
26 of each month, a report showing the amount of all taxable receipts  
27 for the preceding month. The report must be in a form prescribed  
28 by the Board.

29       2. All other taxpayers shall file with the Department, on or  
30 before the 24th day of each month, a report showing the amount  
31 of all taxable receipts for the preceding month. The report must be  
32 in a form prescribed by the Department.

33       3. Each report required to be filed by this section must be  
34 accompanied by the amount of the tax that is due for the month  
35 covered by the report.

36       4. The Board and the Department shall deposit all taxes,  
37 interest and penalties it receives pursuant to this chapter in the  
38 State Treasury for credit to the State General Fund.

39       **Sec. 78.** Upon written application made before the date on  
40 which payment must be made, the Board or the Department may  
41 for good cause extend by 30 days the time within which a taxpayer  
42 is required to pay the tax imposed by this chapter. If the tax is paid  
43 during the period of extension, no penalty or late charge may be  
44 imposed for failure to pay at the time required, but the taxpayer  
45 shall pay interest at the rate of 1 percent per month from the date



\* A B 1 \*



1 on which the amount would have been due without the extension  
2 until the date of payment, unless otherwise provided in NRS  
3 360.232 or 360.320.

4 **Sec. 79. 1.** Each person responsible for maintaining the  
5 records of a taxpayer shall:

6 (a) Keep such records as may be necessary to determine the  
7 amount of the liability of the taxpayer pursuant to the provisions  
8 of this chapter;

9 (b) Preserve those records for at least 4 years or until any  
10 litigation or prosecution pursuant to this chapter is finally  
11 determined, whichever is longer; and

12 (c) Make the records available for inspection by the Board or  
13 the Department upon demand at reasonable times during regular  
14 business hours.

15 2. The Board and the Department may by regulation specify  
16 the types of records which must be kept to determine the amount  
17 of the liability of a taxpayer from whom they are required to  
18 collect the tax imposed by this chapter.

19 3. Any agreement that is entered into, modified or extended  
20 after January 1, 2004, for the lease, assignment or transfer of any  
21 premises upon which any activity subject to the tax imposed by this  
22 chapter is, or thereafter may be, conducted shall be deemed to  
23 include a provision that the taxpayer required to pay the tax must  
24 be allowed access to, upon demand, all books, records and  
25 financial papers held by the lessee, assignee or transferee which  
26 must be kept pursuant to this section. Any person conducting  
27 activities subject to the tax imposed by section 74 of this act who  
28 fails to maintain or disclose his records pursuant to this subsection  
29 is liable to the taxpayer for any penalty paid by the taxpayer for  
30 the late payment or nonpayment of the tax caused by the failure to  
31 maintain or disclose records.

32 4. A person who violates any provision of this section is guilty  
33 of a misdemeanor.

34 **Sec. 80. 1.** To verify the accuracy of any report filed, or, if  
35 no report is filed by a taxpayer, to determine the amount of tax  
36 required to be paid:

37 (a) The Board, or any person authorized in writing by the  
38 Board, may examine the books, papers and records of any licensed  
39 gaming establishment that may be liable for the tax imposed by  
40 this chapter.

41 (b) The Department, or any person authorized in writing by  
42 the Department, may examine the books, papers and records of  
43 any other person who may be liable for the tax imposed by this  
44 chapter.



1       2. Any person who may be liable for the tax imposed by this  
2 chapter and who keeps outside of this state any books, papers and  
3 records relating thereto shall pay to the Board or the Department  
4 an amount equal to the allowance provided for state officers and  
5 employees generally while traveling outside of the State for each  
6 day or fraction thereof during which an employee of the Board or  
7 the Department is engaged in examining those documents, plus  
8 any other actual expenses incurred by the employee while he is  
9 absent from his regular place of employment to examine those  
10 documents.

11       **Sec. 81.** 1. Except as otherwise provided in this section and  
12 NRS 360.250, the records and files of the Board and the  
13 Department concerning the administration of this chapter are  
14 confidential and privileged. The Board, the Department and any  
15 employee of the Board or the Department engaged in the  
16 administration of this chapter or charged with the custody of any  
17 such records or files shall not disclose any information obtained  
18 from the records or files of the Board or the Department or from  
19 any examination, investigation or hearing authorized by the  
20 provisions of this chapter. The Board, the Department and any  
21 employee of the Board or the Department may not be required to  
22 produce any of the records, files and information for the  
23 inspection of any person or for use in any action or proceeding.

24       2. The records and files of the Board and the Department  
25 concerning the administration of this chapter are not confidential  
26 and privileged in the following cases:

27       (a) Testimony by a member or employee of the Board or the  
28 Department and production of records, files and information on  
29 behalf of the Board or the Department or a taxpayer in any action  
30 or proceeding pursuant to the provisions of this chapter, if that  
31 testimony or the records, files or information, or the facts shown  
32 thereby are directly involved in the action or proceeding.

33       (b) Delivery to a taxpayer or his authorized representative of a  
34 copy of any report or other document filed by the taxpayer  
35 pursuant to this chapter.

36       (c) Publication of statistics so classified as to prevent the  
37 identification of a particular person or document.

38       (d) Exchanges of information with the Internal Revenue  
39 Service in accordance with compacts made and provided for in  
40 such cases.

41       (e) Disclosure in confidence to the Governor or his agent in  
42 the exercise of the Governor's general supervisory powers, or to  
43 any person authorized to audit the accounts of the Board or the  
44 Department in pursuance of an audit, or to the Attorney General  
45 or other legal representative of the State in connection with an



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1 *action or proceeding pursuant to this chapter, or to any agency of*  
2 *this or any other state charged with the administration or*  
3 *enforcement of laws relating to taxation.*

4 **Sec. 82. 1. If:**

5 (a) *The Board determines that a licensed gaming*  
6 *establishment is collecting an amount paid for live entertainment*  
7 *with the intent to defraud the State or to evade the payment of the*  
8 *tax or any part of the tax imposed by this chapter, the Board shall*  
9 *establish an amount upon which the tax imposed by this chapter*  
10 *must be based.*

11 (b) *The Department determines that a taxpayer who is not a*  
12 *licensed gaming establishment*  
13 *is collecting an amount paid for live entertainment with the intent*  
14 *to defraud the State or to evade the payment of the tax or any part*  
15 *of the tax imposed by this chapter, the Department shall establish*  
16 *an amount upon which the tax imposed by this chapter must be*  
17 *based.*

18 2. *The amount paid for live entertainment established by the*  
19 *Board or the Department pursuant to subsection 1 must be based*  
20 *upon amounts paid for live entertainment to business entities that*  
21 *are deemed comparable by the Board or the Department to that of*  
22 *the taxpayer.*

23 **Sec. 83. 1. If a taxpayer:**

24 (a) *Is unable to collect all or part of the amount paid for live*  
25 *entertainment which was included in the taxable receipts reported*  
26 *for a previous reporting period; and*

27 (b) *Has taken a deduction on his federal income tax return*  
28 *pursuant to 26 U.S.C. § 166(a) for the amount which he is unable*  
29 *to collect,*  
30 *he is entitled to receive a credit for the amount of tax paid on*  
31 *account of that uncollected amount. The credit may be used*  
32 *against the amount of tax that the taxpayer is subsequently*  
33 *required to pay pursuant to this chapter.*

34 2. *If the Internal Revenue Service of the Department of the*  
35 *Treasury disallows a deduction described in paragraph (b) of*  
36 *subsection 1 and the taxpayer claimed a credit on a return for a*  
37 *previous reporting period pursuant to subsection 1, the taxpayer*  
38 *shall include the amount of that credit in the amount of taxes*  
39 *reported pursuant to this chapter in the first return filed with the*  
40 *Board or the Department after the deduction is disallowed.*

41 3. *If a taxpayer collects all or part of the amount paid for live*  
42 *entertainment for which he claimed a credit on a return for a*  
43 *previous reporting period pursuant to subsection 2, he shall*  
44 *include:*



1       (a) *The amount collected in the amount paid for live*  
2 *entertainment reported pursuant to paragraph (a) of subsection 1;*  
3 *and*

4       (b) *The tax payable on the amount collected in the amount of*  
5 *taxes reported,*  
6 *in the first return filed with the Board or the Department after that*  
7 *collection.*

8       4. *Except as otherwise provided in subsection 5, upon*  
9 *determining that a taxpayer has filed a return which contains one*  
10 *or more violations of the provisions of this section, the Board or*  
11 *the Department shall:*

12       (a) *For the first return of any taxpayer that contains one or*  
13 *more violations, issue a letter of warning to the taxpayer which*  
14 *provides an explanation of the violation or violations contained in*  
15 *the return.*

16       (b) *For the first or second return, other than a return*  
17 *described in paragraph (a), in any calendar year which contains*  
18 *one or more violations, assess a penalty equal to the amount of the*  
19 *tax which was not reported.*

20       (c) *For the third and each subsequent return in any calendar*  
21 *year which contains one or more violations, assess a penalty of*  
22 *three times the amount of the tax which was not reported.*

23       5. *For the purposes of subsection 4, if the first violation of*  
24 *this section by any taxpayer was determined by the Board or the*  
25 *Department through an audit which covered more than one return*  
26 *of the taxpayer, the Board or the Department shall treat all returns*  
27 *which were determined through the same audit to contain a*  
28 *violation or violations in the manner provided in paragraph (a) of*  
29 *subsection 4.*

30       **Sec. 84.** *The remedies of the State provided for in this*  
31 *chapter are cumulative, and no action taken by the Board, the*  
32 *Department or the Attorney General constitutes an election by the*  
33 *State to pursue any remedy to the exclusion of any other remedy*  
34 *for which provision is made in this chapter.*

35       **Sec. 85.** *If the Board or the Department determines that any*  
36 *tax, penalty or interest has been paid more than once or has been*  
37 *erroneously or illegally collected or computed, the Board or the*  
38 *Department shall set forth that fact in its records and certify to*  
39 *the State Board of Examiners the amount collected in excess of*  
40 *the amount legally due and the person from which it was collected*  
41 *or by whom paid. If approved by the State Board of Examiners,*  
42 *the excess amount collected or paid must be credited on any*  
43 *amounts then due from the person under this chapter, and the*  
44 *balance refunded to the person or his successors in interest.*



1     **Sec. 86. 1.** *Except as otherwise provided in NRS 360.235*  
2 *and 360.395:*

3     *(a) No refund may be allowed unless a claim for it is filed*  
4 *with:*

5         *(1) The Board, if the taxpayer is a licensed gaming*  
6 *establishment; or*

7         *(2) The Department, if the taxpayer is not a licensed*  
8 *gaming establishment.*

9     *A claim must be filed within 3 years after the last day of the month*  
10 *following the month for which the overpayment was made.*

11     *(b) No credit may be allowed after the expiration of the period*  
12 *specified for filing claims for refund unless a claim for credit is*  
13 *filed with the Board or the Department within that period.*

14     2. *Each claim must be in writing and must state the specific*  
15 *grounds upon which the claim is founded.*

16     3. *Failure to file a claim within the time prescribed in this*  
17 *chapter constitutes a waiver of any demand against the State on*  
18 *account of overpayment.*

19     4. *Within 30 days after rejecting any claim in whole or in*  
20 *part, the Board or the Department shall serve notice of its action*  
21 *on the claimant in the manner prescribed for service of notice of a*  
22 *deficiency determination.*

23     **Sec. 87. 1.** *Except as otherwise provided in this section and*  
24 *NRS 360.320, interest must be paid upon any overpayment of any*  
25 *amount of the tax imposed by this chapter at the rate of 0.5*  
26 *percent per month, or fraction thereof, from the last day of the*  
27 *calendar month following the month for which the overpayment*  
28 *was made. No refund or credit may be made of any interest*  
29 *imposed upon the person making the overpayment with respect to*  
30 *the amount being refunded or credited.*

31     2. *The interest must be paid:*

32         *(a) In the case of a refund, to the last day of the calendar*  
33 *month following the date upon which the person making the*  
34 *overpayment, if he has not already filed a claim, is notified by*  
35 *the Board or the Department that a claim may be filed or the date*  
36 *upon which the claim is certified to the State Board of Examiners,*  
37 *whichever is earlier.*

38         *(b) In the case of a credit, to the same date as that to which*  
39 *interest is computed on the tax or amount against which the credit*  
40 *is applied.*

41     3. *If the Board or the Department determines that any*  
42 *overpayment has been made intentionally or by reason of*  
43 *carelessness, the Board or the Department shall not allow any*  
44 *interest on the overpayment.*



1       **Sec. 88. 1.** *No injunction, writ of mandate or other legal or*  
2 *equitable process may issue in any suit, action or proceeding in*  
3 *any court against this state or against any officer of the State to*  
4 *prevent or enjoin the collection under this chapter of the tax*  
5 *imposed by this chapter or any amount of tax, penalty or interest*  
6 *required to be collected.*

7       2. *No suit or proceeding may be maintained in any court for*  
8 *the recovery of any amount alleged to have been erroneously or*  
9 *illegally determined or collected unless a claim for refund or credit*  
10 *has been filed.*

11       **Sec. 89. 1.** *Within 90 days after a final decision upon a*  
12 *claim filed pursuant to this chapter is rendered by:*

13       (a) *The Nevada Gaming Commission, the claimant may bring*  
14 *an action against the Board on the grounds set forth in the claim.*

15       (b) *The Nevada Tax Commission, the claimant may bring an*  
16 *action against the Department on the grounds set forth in the*  
17 *claim.*

18       2. *An action brought pursuant to subsection 1 must be*  
19 *brought in a court of competent jurisdiction in Carson City, the*  
20 *county of this state where the claimant resides or maintains his*  
21 *principal place of business or a county in which any relevant*  
22 *proceedings were conducted by the Board or the Department, for*  
23 *the recovery of the whole or any part of the amount with respect to*  
24 *which the claim has been disallowed.*

25       3. *Failure to bring an action within the time specified*  
26 *constitutes a waiver of any demand against the State on account of*  
27 *alleged overpayments.*

28       **Sec. 90. 1.** *If the Board fails to mail notice of action on a*  
29 *claim within 6 months after the claim is filed, the claimant may*  
30 *consider the claim disallowed and file an appeal with the Nevada*  
31 *Gaming Commission within 30 days after the last day of the 6-*  
32 *month period.*

33       2. *If the Department fails to mail notice of action on a claim*  
34 *within 6 months after the claim is filed, the claimant may consider*  
35 *the claim disallowed and file an appeal with the Nevada Tax*  
36 *Commission within 30 days after the last day of the 6-month*  
37 *period.*

38       3. *If the claimant is aggrieved by the decision of:*

39       (a) *The Nevada Gaming Commission rendered on appeal, the*  
40 *claimant may, within 90 days after the decision is rendered, bring*  
41 *an action against the Board on the grounds set forth in the claim*  
42 *for the recovery of the whole or any part of the amount claimed as*  
43 *an overpayment.*

44       (b) *The Nevada Tax Commission rendered on appeal, the*  
45 *claimant may, within 90 days after the decision is rendered, bring*



1 *an action against the Department on the grounds set forth in the*  
2 *claim for the recovery of the whole or any part of the amount*  
3 *claimed as an overpayment.*

4 *4. If judgment is rendered for the plaintiff, the amount of the*  
5 *judgment must first be credited towards any tax due from the*  
6 *plaintiff.*

7 *5. The balance of the judgment must be refunded to the*  
8 *plaintiff.*

9 **Sec. 91.** *In any judgment, interest must be allowed at the rate*  
10 *of 6 percent per annum upon the amount found to have been*  
11 *illegally collected from the date of payment of the amount to the*  
12 *date of allowance of credit on account of the judgment, or to a*  
13 *date preceding the date of the refund warrant by not more than 30*  
14 *days. The date must be determined by the Board or the*  
15 *Department.*

16 **Sec. 92.** *A judgment may not be rendered in favor of the*  
17 *plaintiff in any action brought against the Board or the*  
18 *Department to recover any amount paid when the action is*  
19 *brought by or in the name of an assignee of the person paying the*  
20 *amount or by any person other than the person who paid the*  
21 *amount.*

22 **Sec. 93. 1.** *The Board or the Department may recover a*  
23 *refund or any part thereof which is erroneously made and any*  
24 *credit or part thereof which is erroneously allowed in an action*  
25 *brought in a court of competent jurisdiction in Carson City or*  
26 *Clark County in the name of the State of Nevada.*

27 *2. The action must be tried in Carson City or Clark County*  
28 *unless the court with the consent of the Attorney General orders a*  
29 *change of place of trial.*

30 *3. The Attorney General shall prosecute the action, and the*  
31 *provisions of NRS, the Nevada Rules of Civil Procedure and the*  
32 *Nevada Rules of Appellate Procedure relating to service of*  
33 *summons, pleadings, proofs, trials and appeals are applicable to*  
34 *the proceedings.*

35 **Sec. 94. 1.** *If any amount in excess of \$25 has been*  
36 *illegally determined, either by the person filing the return or by the*  
37 *Board or the Department, the Board or the Department shall*  
38 *certify this fact to the State Board of Examiners, and the latter*  
39 *shall authorize the cancellation of the amount upon the records of*  
40 *the Board or the Department.*

41 *2. If an amount not exceeding \$25 has been illegally*  
42 *determined, either by the person filing a return or by the Board or*  
43 *the Department, the Board or the Department, without certifying*  
44 *this fact to the State Board of Examiners, shall authorize the*





1 *cancellation of the amount upon the records of the Board or the*  
2 *Department.*

3 **Sec. 95.** *Any licensed gaming establishment liable for the*  
4 *payment of the tax imposed by section 74 of this act who willfully*  
5 *fails to report, pay or truthfully account for the tax is subject to the*  
6 *revocation of his gaming license by the Nevada Gaming*  
7 *Commission.*

8 **Sec. 96. 1.** *A person shall not:*

9 *(a) Make, cause to be made or permit to be made any false or*  
10 *fraudulent return or declaration or false statement in any report*  
11 *or declaration, with intent to defraud the State or to evade*  
12 *payment of the tax or any part of the tax imposed by this chapter.*

13 *(b) Make, cause to be made or permit to be made any false*  
14 *entry in books, records or accounts with intent to defraud the State*  
15 *or to evade the payment of the tax or any part of the tax imposed*  
16 *by this chapter.*

17 *(c) Keep, cause to be kept or permit to be kept more than one*  
18 *set of books, records or accounts with intent to defraud the State*  
19 *or to evade the payment of the tax or any part of the tax imposed*  
20 *by this chapter.*

21 **2.** *Any person who violates the provisions of subsection 1 is*  
22 *guilty of a gross misdemeanor.*

23 **Sec. 97.** Chapter 360 of NRS is hereby amended by adding  
24 thereto a new section to read as follows:

25 *The Nevada Tax Commission shall adopt regulations providing*  
26 *for:*

27 **1.** *The electronic submission of returns to the Department;*  
28 *and*

29 **2.** *The payment of taxes, fees, interest and penalties to the*  
30 *Department through the use of credit cards, debit cards and*  
31 *electronic transfers of money.*

32 **Sec. 98.** NRS 360.095 is hereby amended to read as follows:

33 360.095 In the adoption of regulations, policies of  
34 enforcement, and policies for auditing of taxpayers, with respect to  
35 all taxes and fees for whose administration the Department is  
36 responsible, the Nevada Tax Commission shall apply the following  
37 principles:

38 **1.** Forms, instructions and regulations governing the  
39 computation of the amount of tax due must be brief and easily  
40 understood.

41 **2.** In cases where another authority, such as the United States  
42 or a local government, also imposes a tax upon the same property or  
43 revenue, the mechanism for collecting the tax imposed by the State  
44 must be as nearly compatible with the collection of the other taxes  
45 as is feasible.



1       3. Unless a change is made necessary by statute or to preserve  
2 compatibility with a tax imposed by another authority, the forms,  
3 instructions and regulations must remain the same from year to year,  
4 to make the taxpayer's liability as predictable as is feasible.

5       4. Exemptions or waivers, where permitted by statute, must be  
6 granted:

- 7       (a) Equitably among eligible taxpayers; and  
8       (b) As sparingly as is consistent with the legislative intent, to  
9 retain the broadest feasible base for the tax affected.

10       5. Audits and other procedures for enforcement must be  
11 applied as uniformly as is feasible, not only as among persons  
12 subject to a particular tax but also as among different taxes ~~§~~, *but*  
13 *must consider a weighting of indicators of noncompliance.*

14       6. Collection of taxes due must be pursued in an equitable  
15 manner, so that every taxpayer pays the full amount imposed by  
16 law.

17       **Sec. 99.** NRS 360.2935 is hereby amended to read as follows:

18       360.2935 Except as otherwise provided in ~~NRS 361.485;~~ *this*  
19 *title*, a taxpayer is entitled to receive on any overpayment of taxes,  
20 after the offset required by NRS 360.320 has been made, a refund  
21 together with interest at a rate determined pursuant to NRS 17.130.  
22 No interest is allowed on a refund of any penalties or interest paid  
23 by a taxpayer.

24       **Sec. 100.** NRS 360.300 is hereby amended to read as follows:

25       360.300 1. If a person fails to file a return or the Department  
26 is not satisfied with the return or returns of any tax, contribution or  
27 premium or amount of tax, contribution or premium required to be  
28 paid to the State by any person, in accordance with the applicable  
29 provisions of this chapter, chapter 362, 364A, 369, 370, 372, 372A,  
30 374, 377, 377A or 444A of NRS, NRS 482.313, or chapter 585 or  
31 680B of NRS, *or sections 37 to 62, inclusive, of this act*, as  
32 administered or audited by the Department, it may compute and  
33 determine the amount required to be paid upon the basis of:

- 34       (a) The facts contained in the return;  
35       (b) Any information within its possession or that may come into  
36 its possession; or  
37       (c) Reasonable estimates of the amount.

38       2. One or more deficiency determinations may be made with  
39 respect to the amount due for one or for more than one period.

40       3. In making its determination of the amount required to be  
41 paid, the Department shall impose interest on the amount of tax  
42 determined to be due, calculated at the rate and in the manner set  
43 forth in NRS 360.417, unless a different rate of interest is  
44 specifically provided by statute.



1       4. The Department shall impose a penalty of 10 percent in  
2 addition to the amount of a determination that is made in the case of  
3 the failure of a person to file a return with the Department.

4       5. When a business is discontinued, a determination may be  
5 made at any time thereafter within the time prescribed in NRS  
6 360.355 as to liability arising out of that business, irrespective of  
7 whether the determination is issued before the due date of the  
8 liability.

9       **Sec. 101.** NRS 360.300 is hereby amended to read as follows:

10       360.300 1. If a person fails to file a return or the Department  
11 is not satisfied with the return or returns of any tax, contribution or  
12 premium or amount of tax, contribution or premium required to be  
13 paid to the State by any person, in accordance with the applicable  
14 provisions of this chapter, chapter 362, 364A, 369, 370, 372, 372A,  
15 374, 377, 377A or 444A of NRS, NRS 482.313, or chapter 585 or  
16 680B of NRS, or *sections 2 to 36, inclusive, or* sections 37 to 62,  
17 inclusive, of this act, as administered or audited by the Department,  
18 it may compute and determine the amount required to be paid upon  
19 the basis of:

- 20       (a) The facts contained in the return;  
21       (b) Any information within its possession or that may come into  
22 its possession; or  
23       (c) Reasonable estimates of the amount.

24       2. One or more deficiency determinations may be made with  
25 respect to the amount due for one or for more than one period.

26       3. In making its determination of the amount required to be  
27 paid, the Department shall impose interest on the amount of tax  
28 determined to be due, calculated at the rate and in the manner set  
29 forth in NRS 360.417, unless a different rate of interest is  
30 specifically provided by statute.

31       4. The Department shall impose a penalty of 10 percent in  
32 addition to the amount of a determination that is made in the case of  
33 the failure of a person to file a return with the Department.

34       5. When a business is discontinued, a determination may be  
35 made at any time thereafter within the time prescribed in NRS  
36 360.355 as to liability arising out of that business, irrespective of  
37 whether the determination is issued before the due date of the  
38 liability.

39       **Sec. 102.** NRS 360.417 is hereby amended to read as follows:

40       360.417 Except as otherwise provided in NRS 360.232 and  
41 360.320, and unless a different penalty or rate of interest is  
42 specifically provided by statute, any person who fails to pay any tax  
43 provided for in chapter 362, 364A, 369, 370, 372, 374, 377, 377A,  
44 444A or 585 of NRS, *or sections 37 to 62, inclusive, of this act,* or  
45 the fee provided for in NRS 482.313, to the State or a county within



1 the time required, shall pay a penalty of not more than 10 percent of  
2 the amount of the tax or fee which is owed, as determined by the  
3 Department, in addition to the tax or fee, plus interest at the rate of 1  
4 percent per month, or fraction of a month, from the last day of the  
5 month following the period for which the amount or any portion of  
6 the amount should have been reported until the date of payment.  
7 The amount of any penalty imposed must be based on a graduated  
8 schedule adopted by the Nevada Tax Commission which takes into  
9 consideration the length of time the tax or fee remained unpaid.

10 **Sec. 103.** NRS 360.417 is hereby amended to read as follows:

11 360.417 Except as otherwise provided in NRS 360.232 and  
12 360.320, and unless a different penalty or rate of interest is  
13 specifically provided by statute, any person who fails to pay any tax  
14 provided for in chapter 362, 364A, 369, 370, 372, 374, 377, 377A,  
15 444A or 585 of NRS, or *sections 2 to 36, inclusive, or* sections 37  
16 to 62, inclusive, of this act, or the fee provided for in NRS 482.313,  
17 to the State or a county within the time required, shall pay a penalty  
18 of not more than 10 percent of the amount of the tax or fee which is  
19 owed, as determined by the Department, in addition to the tax or fee,  
20 plus interest at the rate of 1 percent per month, or fraction of a  
21 month, from the last day of the month following the period for  
22 which the amount or any portion of the amount should have been  
23 reported until the date of payment. The amount of any penalty  
24 imposed must be based on a graduated schedule adopted by the  
25 Nevada Tax Commission which takes into consideration the length  
26 of time the tax or fee remained unpaid.

27 **Sec. 104.** NRS 360.419 is hereby amended to read as follows:

28 360.419 1. If the Executive Director or a designated hearing  
29 officer finds that the failure of a person to make a timely return or  
30 payment of a tax imposed pursuant to NRS 361.320 or chapter  
31 361A, 376A, 377 or 377A of NRS, or by chapter 362, 364A, 369,  
32 370, 372, 372A, 374, 375A or 375B of NRS, *or sections 37 to 62,*  
33 *inclusive, of this act* is the result of circumstances beyond his  
34 control and occurred despite the exercise of ordinary care and  
35 without intent, the Department may relieve him of all or part of any  
36 interest or penalty, or both.

37 2. A person seeking this relief must file with the Department a  
38 statement under oath setting forth the facts upon which he bases his  
39 claim.

40 3. The Department shall disclose, upon the request of any  
41 person:

- 42 (a) The name of the person to whom relief was granted; and  
43 (b) The amount of the relief.



1       4. The Executive Director or a designated hearing officer shall  
2 act upon the request of a taxpayer seeking relief pursuant to NRS  
3 361.4835 which is deferred by a county treasurer or county assessor.

4       **Sec. 105.** NRS 360.419 is hereby amended to read as follows:

5       360.419 1. If the Executive Director or a designated hearing  
6 officer finds that the failure of a person to make a timely return or  
7 payment of a tax imposed pursuant to NRS 361.320 or chapter  
8 361A, 376A, 377 or 377A of NRS, or by chapter 362, 364A, 369,  
9 370, 372, 372A, 374, 375A or 375B of NRS, or sections 2 to 36,  
10 *inclusive, or* 37 to 62, inclusive, of this act is the result of  
11 circumstances beyond his control and occurred despite the exercise  
12 of ordinary care and without intent, the Department may relieve him  
13 of all or part of any interest or penalty, or both.

14       2. A person seeking this relief must file with the Department a  
15 statement under oath setting forth the facts upon which he bases his  
16 claim.

17       3. The Department shall disclose, upon the request of any  
18 person:

- 19       (a) The name of the person to whom relief was granted; and  
20       (b) The amount of the relief.

21       4. The Executive Director or a designated hearing officer shall  
22 act upon the request of a taxpayer seeking relief pursuant to NRS  
23 361.4835 which is deferred by a county treasurer or county assessor.

24       **Sec. 106.** NRS 360.510 is hereby amended to read as follows:

25       360.510 1. If any person is delinquent in the payment of any  
26 tax or fee administered by the Department or if a determination has  
27 been made against him which remains unpaid, the Department may:

28       (a) Not later than 3 years after the payment became delinquent  
29 or the determination became final; or

30       (b) Not later than 6 years after the last recording of an abstract  
31 of judgment or of a certificate constituting a lien for tax  
32 owed,

33 give a notice of the delinquency and a demand to transmit  
34 personally or by registered or certified mail to any person,  
35 including, without limitation, any officer or department of this state  
36 or any political subdivision or agency of this state, who has in his  
37 possession or under his control any credits or other personal  
38 property belonging to the delinquent, or owing any debts to the  
39 delinquent or person against whom a determination has been made  
40 which remains unpaid, or owing any debts to the delinquent or that  
41 person. In the case of any state officer, department or agency, the  
42 notice must be given to the officer, department or agency before  
43 the Department presents the claim of the delinquent taxpayer to the  
44 State Controller.



1       2. A state officer, department or agency which receives such a  
2 notice may satisfy any debt owed to it by that person before it  
3 honors the notice of the Department.

4       3. After receiving the demand to transmit, the person notified  
5 by the demand may not transfer or otherwise dispose of the credits,  
6 other personal property, or debts in his possession or under his  
7 control at the time he received the notice until the Department  
8 consents to a transfer or other disposition.

9       4. Every person notified by a demand to transmit shall, within  
10 10 days after receipt of the demand to transmit, inform the  
11 Department of ~~H~~ and transmit to the Department all such credits,  
12 other personal property ~~H~~ or debts in his possession, under his  
13 control or owing by him within the time and in the manner  
14 requested by the Department. Except as otherwise provided in  
15 subsection 5, no further notice is required to be served to that  
16 person.

17       5. If the property of the delinquent taxpayer consists of a series  
18 of payments owed to him, the person who owes or controls the  
19 payments shall transmit the payments to the Department until  
20 otherwise notified by the Department. If the debt of the delinquent  
21 taxpayer is not paid within 1 year after the Department issued the  
22 original demand to transmit, the Department shall issue another  
23 demand to transmit to the person responsible for making  
24 the payments informing him to continue to transmit payments to the  
25 Department or that his duty to transmit the payments to the  
26 Department has ceased.

27       6. If the notice of the delinquency seeks to prevent the transfer  
28 or other disposition of a deposit in a bank or credit union or other  
29 credits or personal property in the possession or under the control of  
30 a bank, credit union or other depository institution, the notice must  
31 be delivered or mailed to any branch or office of the bank, credit  
32 union or other depository institution at which the deposit is carried  
33 or at which the credits or personal property is held.

34       7. If any person notified by the notice of the delinquency  
35 makes any transfer or other disposition of the property or debts  
36 required to be withheld or transmitted, to the extent of the value of  
37 the property or the amount of the debts thus transferred or paid, he is  
38 liable to the State for any indebtedness due pursuant to this chapter,  
39 or chapter 362, 364A, 369, 370, 372, 372A, 374, 377, 377A or 444A  
40 of NRS, NRS 482.313, or chapter 585 or 680B of NRS , *or sections*  
41 *37 to 62, inclusive, of this act* from the person with respect to  
42 whose obligation the notice was given if solely by reason of  
43 the transfer or other disposition the State is unable to recover the  
44 indebtedness of the person with respect to whose obligation the  
45 notice was given.



1     **Sec. 107.** NRS 360.510 is hereby amended to read as follows:

2     360.510 1. If any person is delinquent in the payment of any  
3 tax or fee administered by the Department or if a determination has  
4 been made against him which remains unpaid, the Department may:

5       (a) Not later than 3 years after the payment became delinquent  
6 or the determination became final; or

7       (b) Not later than 6 years after the last recording of an abstract  
8 of judgment or of a certificate constituting a lien for tax  
9 owed,

10 give a notice of the delinquency and a demand to transmit  
11 personally or by registered or certified mail to any person,  
12 including, without limitation, any officer or department of this state  
13 or any political subdivision or agency of this state, who has in his  
14 possession or under his control any credits or other personal  
15 property belonging to the delinquent, or owing any debts to the  
16 delinquent or person against whom a determination has been made  
17 which remains unpaid, or owing any debts to the delinquent or that  
18 person. In the case of any state officer, department or agency, the  
19 notice must be given to the officer, department or agency before  
20 the Department presents the claim of the delinquent taxpayer to the  
21 State Controller.

22     2. A state officer, department or agency which receives such a  
23 notice may satisfy any debt owed to it by that person before it  
24 honors the notice of the Department.

25     3. After receiving the demand to transmit, the person notified  
26 by the demand may not transfer or otherwise dispose of the credits,  
27 other personal property, or debts in his possession or under his  
28 control at the time he received the notice until the Department  
29 consents to a transfer or other disposition.

30     4. Every person notified by a demand to transmit shall, within  
31 10 days after receipt of the demand to transmit, inform the  
32 Department of and transmit to the Department all such credits, other  
33 personal property or debts in his possession, under his control or  
34 owing by him within the time and in the manner requested by the  
35 Department. Except as otherwise provided in subsection 5, no  
36 further notice is required to be served to that person.

37     5. If the property of the delinquent taxpayer consists of a series  
38 of payments owed to him, the person who owes or controls the  
39 payments shall transmit the payments to the Department until  
40 otherwise notified by the Department. If the debt of the delinquent  
41 taxpayer is not paid within 1 year after the Department issued the  
42 original demand to transmit, the Department shall issue another  
43 demand to transmit to the person responsible for making the  
44 payments informing him to continue to transmit payments to



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1 the Department or that his duty to transmit the payments to the  
2 Department has ceased.

3 6. If the notice of the delinquency seeks to prevent the transfer  
4 or other disposition of a deposit in a bank or credit union or other  
5 credits or personal property in the possession or under the control of  
6 a bank, credit union or other depository institution, the notice must  
7 be delivered or mailed to any branch or office of the bank, credit  
8 union or other depository institution at which the deposit is carried  
9 or at which the credits or personal property is held.

10 7. If any person notified by the notice of the delinquency  
11 makes any transfer or other disposition of the property or debts  
12 required to be withheld or transmitted, to the extent of the value of  
13 the property or the amount of the debts thus transferred or paid, he is  
14 liable to the State for any indebtedness due pursuant to this chapter,  
15 or chapter 362, 364A, 369, 370, 372, 372A, 374, 377, 377A or 444A  
16 of NRS, NRS 482.313, or chapter 585 or 680B of NRS, or sections  
17 *2 to 36, inclusive, or* 37 to 62, inclusive, of this act from the person  
18 with respect to whose obligation the notice was given if solely by  
19 reason of the transfer or other disposition the State is unable to  
20 recover the indebtedness of the person with respect to whose  
21 obligation the notice was given.

22 **Sec. 108.** NRS 360A.020 is hereby amended to read as  
23 follows:

24 360A.020 The Department shall adopt ~~{such}~~ :

25 *1. Such* regulations as are necessary to carry out the provisions  
26 of this chapter.

27 *2. Regulations providing for:*

28 *(a) The electronic submission of returns to the Department;*  
29 *and*

30 *(b) The payment to the Department of any amount required to*  
31 *be paid pursuant to this chapter or chapter 365, 366 or 373 of*  
32 *NRS, or NRS 590.120 or 590.840 through the use of credit cards,*  
33 *debit cards and electronic transfers of money.*

34 **Sec. 109.** Chapter 364A of NRS is hereby amended by adding  
35 thereto a section to read as follows:

36 *A person described in NRS 612.144 is exempt from the*  
37 *provisions of this chapter.*

38 **Sec. 110.** NRS 364A.130 is hereby amended to read as  
39 follows:

40 364A.130 1. Except as otherwise provided in subsection ~~{6,}~~  
41 *8*, a person shall not conduct a business in this state unless he has a  
42 business license issued by the Department.

43 2. The application for a business license must:

44 (a) Be made upon a form prescribed by the Department;



1 (b) Set forth the name under which the applicant transacts or  
2 intends to transact business and the location of his place or places of  
3 business;

4 (c) Declare the estimated number of employees for the previous  
5 calendar quarter;

6 (d) Be accompanied by a fee of ~~[\$25;]~~ \$100; and

7 (e) Include any other information that the Department deems  
8 necessary.

9 3. The application must be signed by:

10 (a) The owner, if the business is owned by a natural person;

11 (b) A member or partner, if the business is owned by an  
12 association or partnership; or

13 (c) An officer or some other person specifically authorized to  
14 sign the application, if the business is owned by a corporation.

15 4. If the application is signed pursuant to paragraph (c) of  
16 subsection 3, written evidence of the signer's authority must be  
17 attached to the application.

18 5. *A person who has been issued a business license by the*  
19 *Department shall submit a fee of \$100 to the Department on or*  
20 *before the last day of the month in which the anniversary date of*  
21 *issuance of the business license occurs in each year, unless the*  
22 *person submits a written statement to the Department, at least 10*  
23 *days before the anniversary date, indicating that the person will*  
24 *not be conducting business in this state after the anniversary date.*

25 6. *The business license required to be obtained pursuant to*  
26 *this section is in addition to any license to conduct business that*  
27 *must be obtained from the local jurisdiction in which the business*  
28 *is being conducted.*

29 7. For the purposes of this chapter, a person shall be deemed to  
30 conduct a business in this state if a business for which the person is  
31 responsible:

32 (a) Is incorporated pursuant to chapter 78 or 78A of NRS;

33 (b) Has an office or other base of operations in this state; or

34 (c) Pays wages or other remuneration to a natural person who  
35 performs in this state any of the duties for which he is paid.

36 ~~6-]~~ 8. A person who takes part in a trade show or convention  
37 held in this state for a purpose related to the conduct of a business is  
38 not required to obtain a business license specifically for that event.

39 **Sec. 111.** NRS 364A.130 is hereby amended to read as  
40 follows:

41 364A.130 1. Except as otherwise provided in subsection 8, a  
42 person shall not conduct a business in this state unless he has a  
43 business license issued by the Department.

44 2. The application for a business license must:

45 (a) Be made upon a form prescribed by the Department;



1 (b) Set forth the name under which the applicant transacts or  
2 intends to transact business and the location of his place or places of  
3 business;

4 (c) Declare the estimated number of employees for the previous  
5 calendar quarter;

6 (d) Be accompanied by a fee of \$100; and

7 (e) Include any other information that the Department deems  
8 necessary.

9 3. The application must be signed by:

10 (a) The owner, if the business is owned by a natural person;

11 (b) A member or partner, if the business is owned by an  
12 association or partnership; or

13 (c) An officer or some other person specifically authorized to  
14 sign the application, if the business is owned by a corporation.

15 4. If the application is signed pursuant to paragraph (c) of  
16 subsection 3, written evidence of the signer's authority must be  
17 attached to the application.

18 5. A person who has been issued a business license by the  
19 Department shall submit a fee of \$100 to the Department on or  
20 before the last day of the month in which the anniversary date of  
21 issuance of the business license occurs in each year, unless the  
22 person submits a written statement to the Department, at least 10  
23 days before the anniversary date, indicating that the person will not  
24 be conducting business in this state after the anniversary date. *A*  
25 *person who fails to submit the annual fee required pursuant to*  
26 *this subsection in a timely manner shall pay a penalty in the*  
27 *amount of \$75 in addition to the annual fee.*

28 6. The business license required to be obtained pursuant to this  
29 section is in addition to any license to conduct business that must be  
30 obtained from the local jurisdiction in which the business is being  
31 conducted.

32 7. For the purposes of this chapter, a person shall be deemed to  
33 conduct a business in this state if a business for which the person is  
34 responsible:

35 (a) Is incorporated pursuant to chapter 78 or 78A of NRS;

36 (b) Has an office or other base of operations in this state; or

37 (c) Pays wages or other remuneration to a natural person who  
38 performs in this state any of the duties for which he is paid.

39 8. A person who takes part in a trade show or convention held  
40 in this state for a purpose related to the conduct of a business is not  
41 required to obtain a business license specifically for that event.

42 **Sec. 112.** NRS 364A.140 is hereby amended to read as  
43 follows:

44 364A.140 1. A tax is hereby imposed upon the privilege of  
45 conducting business in this state. Except as otherwise provided in



1 this section, the tax for each calendar quarter is due on the last day  
2 of the quarter and must be paid on or before the last day of the  
3 month immediately following the quarter on the basis of the total  
4 number of equivalent full-time employees employed by the business  
5 in the quarter.

6 2. If the tax required to be paid by a business for a calendar  
7 quarter pursuant to subsection 1 is less than \$25, the business may  
8 submit a written request to the Department to pay the tax annually  
9 for each calendar quarter of a fiscal year ending June 30. Upon  
10 approval of the request, the tax becomes due on the last day of the  
11 fiscal year and must be paid on or before the last day of July  
12 immediately following the fiscal year. If a business ceases operation  
13 before the end of the fiscal year, the tax becomes due on the date on  
14 which the business ceases its operation and must be paid on or  
15 before the last day of the month immediately following the calendar  
16 quarter in which the business ceases its operation. A business may  
17 continue to pay the tax annually until the Department withdraws its  
18 approval for the annual payment. The Department may withdraw its  
19 approval at any time if it determines that the tax due for any  
20 calendar quarter is at least \$25.

21 3. The total number of equivalent full-time employees  
22 employed by a business in a quarter must be calculated pursuant to  
23 NRS 364A.150.

24 4. Except as otherwise provided in NRS 364A.152 and  
25 364A.170, the amount of tax due for a business for each calendar  
26 quarter is ~~[\$25]~~ **\$47.50** for each equivalent full-time employee  
27 employed by the business in the quarter.

28 5. Each business shall file a return on a form prescribed by the  
29 Department with each remittance of the tax. If the payment due is  
30 greater than \$1,000, the payment must be made by direct deposit at  
31 a bank or credit union in which the State has an account, unless the  
32 Department waives this requirement pursuant to regulations adopted  
33 by the Commission. The return must include:

34 (a) If the tax is paid quarterly, a statement of the number of  
35 equivalent full-time employees employed by the business in the  
36 preceding quarter and any other information the Department  
37 determines is necessary.

38 (b) If the tax is paid annually, a statement of the number of  
39 equivalent full-time employees employed by the business for each  
40 calendar quarter of the preceding fiscal year and any other  
41 information the Department determines is necessary.

42 6. The Commission shall adopt regulations concerning the  
43 payment of the tax imposed pursuant to this section by direct  
44 deposit.



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1     **Sec. 113.** NRS 369.174 is hereby amended to read as follows:  
2     369.174 Each month, the State Controller shall transfer to the  
3     Tax on Liquor Program Account in the State General Fund, from the  
4     tax on liquor containing more than 22 percent of alcohol by volume,  
5     the portion of the tax which exceeds ~~[\$1.90]~~ **\$2.93** per wine gallon.

6     **Sec. 114.** NRS 369.330 is hereby amended to read as follows:  
7     369.330 Except as otherwise provided in this chapter, an excise  
8     tax is hereby levied and must be collected respecting all liquor and  
9     upon the privilege of importing, possessing, storing or selling liquor,  
10    according to the following rates and classifications:

11    1. On liquor containing more than 22 percent of alcohol by  
12    volume, ~~[\$2.05]~~ **\$3.08** per wine gallon or proportionate part thereof.

13    2. On liquor containing more than 14 percent up to and  
14    including 22 percent of alcohol by volume, ~~[75-cents]~~ **\$1.12** per  
15    wine gallon or proportionate part thereof.

16    3. On liquor containing from one-half of 1 percent up to and  
17    including 14 percent of alcohol by volume, ~~[40]~~ **60** cents per wine  
18    gallon or proportionate part thereof.

19    4. On all malt beverage liquor brewed or fermented and bottled  
20    in or outside this state, ~~[9]~~ **14** cents per gallon.

21    **Sec. 115.** NRS 369.370 is hereby amended to read as follows:

22    369.370 1. For the privilege of importing, possessing, storing  
23    or selling liquors, all licensed importers and manufacturers of liquor  
24    in this state shall pay the excise tax imposed and established by this  
25    chapter.

26    2. If, after the tax is paid on any such liquor, satisfactory  
27    evidence is presented to the Department that the imports have been  
28    actually exported and sold outside this state in a manner not in  
29    conflict with the law of the place of sale, the Department shall direct  
30    that a refund or credit of the tax so paid be made to the taxpayer.  
31    The taxpayer shall report all such exports and imports, and pay the  
32    tax on the imports monthly, on forms and subject to regulations  
33    prescribed by the Department.

34    3. The excise tax imposed by this chapter is due on or before  
35    the 20th day of the following month. ~~[If all such taxes are paid on or~~  
36    ~~before the 15th day of the following month, a discount in the~~  
37    ~~amount of 3 percent of the tax must be allowed to the taxpayer.]~~ The  
38    Department may, for good cause, extend for not more than 15 days  
39    after the date the tax is due the time for paying the tax if a request  
40    for such an extension of time is received by the Department on or  
41    before the date the tax was due. If such an extension is granted,  
42    interest accrues from the original date the tax was due.

43    4. The Department shall allow refunds or credits on any  
44    shipments lost, stolen or damaged in transit, or damaged or spoiled  
45    on the premises, may require all claims in connection therewith to



1 be sworn to and may make ratable tax adjustments, credits or  
2 refunds to effectuate the purposes of this chapter.

3 **Sec. 116.** NRS 369.415 is hereby amended to read as follows:

4 369.415 1. Any person who imports liquor into the State for  
5 the purpose of rectification is an importer and ~~{shall}~~ *must* be  
6 licensed pursuant to NRS 369.180.

7 2. A licensed importer of liquor shall import neutral or distilled  
8 spirits in bulk only for the express purpose of rectification. Rectified  
9 alcoholic beverages ~~{shall}~~ *must* be sold in this state only after  
10 bottling in original packages.

11 3. Bulk imports of neutral or distilled spirits ~~{shall-be}~~ *are*  
12 taxable only when rectified and bottled in original packages for sale  
13 within the State.

14 4. Refunds ~~{,-credits-and-discounts-shall}~~ *and credits must* be  
15 allowed pursuant to NRS 369.370.

16 **Sec. 117.** NRS 370.165 is hereby amended to read as follows:

17 370.165 There is hereby levied a tax upon the purchase or  
18 possession of cigarettes by a consumer in the State of Nevada at the  
19 rate of ~~{17.5}~~ *50* mills per cigarette. The tax may be represented and  
20 precollected by the affixing of a revenue stamp or other approved  
21 evidence of payment to each package, packet or container in which  
22 cigarettes are sold. The tax must be precollected by the wholesale or  
23 retail dealer, and must be recovered from the consumer by adding  
24 the amount of the tax to the selling price. Each person who sells  
25 cigarettes at retail shall prominently display on his premises a notice  
26 that the tax is included in the selling price and is payable under the  
27 provisions of this chapter.

28 **Sec. 118.** NRS 370.220 is hereby amended to read as follows:

29 370.220 In the sale of any cigarette revenue stamps or any  
30 metered machine settings to a licensed cigarette dealer, the  
31 Department and its agents shall allow the purchaser a discount of ~~{3}~~  
32 *0.5* percent against the amount of excise tax otherwise due for the  
33 services rendered in affixing cigarette revenue stamps or metered  
34 machine impressions to the cigarette packages.

35 **Sec. 119.** NRS 370.260 is hereby amended to read as follows:

36 370.260 1. All taxes and license fees imposed by the  
37 provisions of NRS 370.001 to 370.430, inclusive, less any refunds  
38 granted as provided by law, must be paid to the Department in the  
39 form of remittances payable to the Department.

40 2. The Department shall:

41 (a) As compensation to the State for the costs of collecting the  
42 taxes and license fees, transmit each month the sum the Legislature  
43 specifies from the remittances made to it pursuant to subsection 1  
44 during the preceding month to the State Treasurer for deposit to the



1 credit of the Department. The deposited money must be expended  
2 by the Department in accordance with its work program.

3 (b) From the remittances made to it pursuant to subsection 1  
4 during the preceding month, less the amount transmitted pursuant to  
5 paragraph (a), transmit each month the portion of the tax which is  
6 equivalent to ~~12.5~~ 45 mills per cigarette to the State Treasurer for  
7 deposit to the credit of the Account for the Tax on Cigarettes in the  
8 State General Fund.

9 (c) Transmit the balance of the payments each month to the  
10 State Treasurer for deposit in the Local Government Tax  
11 Distribution Account created by NRS 360.660.

12 (d) Report to the State Controller monthly the amount of  
13 collections.

14 3. The money deposited pursuant to paragraph (c) of  
15 subsection 2 in the Local Government Tax Distribution Account is  
16 hereby appropriated to Carson City and to each of the counties in  
17 proportion to their respective populations and must be credited to  
18 the respective accounts of Carson City and each county.

19 **Sec. 120.** NRS 370.350 is hereby amended to read as follows:

20 370.350 1. Except as otherwise provided in subsection 3, a  
21 tax is hereby levied and imposed upon the use of cigarettes in this  
22 state.

23 2. The amount of the use tax is ~~17.5~~ 50 mills per cigarette.

24 3. The use tax does not apply where:

25 (a) Nevada cigarette revenue stamps have been affixed to  
26 cigarette packages as required by law.

27 (b) Tax exemption is provided for in this chapter.

28 **Sec. 121.** NRS 370.450 is hereby amended to read as follows:

29 370.450 1. Except as otherwise provided in subsection 2,  
30 there is hereby imposed upon the purchase or possession of products  
31 made from tobacco, other than cigarettes, by a customer in this state  
32 a tax of 30 percent of the wholesale price of those products.

33 2. The provisions of subsection 1 do not apply to those  
34 products which are:

35 (a) Shipped out of the State for sale and use outside the State; or

36 (b) Displayed or exhibited at a trade show, convention or other  
37 exhibition in this state by a manufacturer or wholesale dealer who is  
38 not licensed in this state.

39 3. This tax must be collected and paid by the wholesale dealer  
40 to the Department, in accordance with the provisions of NRS  
41 370.465, after the sale or distribution of those products by the  
42 wholesale dealer. ~~[The wholesale dealer is entitled to retain 2~~  
43 ~~percent of the taxes collected to cover the costs of collecting and~~  
44 ~~administering the taxes.]~~





1       4. Any wholesale dealer who sells or distributes any of those  
2 products without paying the tax provided for by this section is guilty  
3 of a misdemeanor.

4       **Sec. 122.** NRS 370.490 is hereby amended to read as follows:

5       370.490   1. The Department shall allow a credit of 30 percent  
6 of the wholesale price ~~[, less a discount of 2 percent for the services~~  
7 ~~rendered in collecting the tax,]~~ for products made from tobacco,  
8 other than cigarettes, upon which the tax has been paid pursuant to  
9 NRS 370.450 and that may no longer be sold. If the products have  
10 been purchased and delivered, a credit memo of the manufacturer is  
11 required for proof of returned merchandise.

12       2. A credit must also be granted for any products made from  
13 tobacco, other than cigarettes, shipped from this state and destined  
14 for retail sale and consumption outside the State on which the tax  
15 has previously been paid. A duplicate or copy of the invoice is  
16 required for proof of the sale outside the State.

17       3. A wholesale dealer may claim a credit by filing with the  
18 Department the proof required by this section. The claim must be  
19 made on a form prescribed by the Department.

20       **Sec. 123.** Chapter 375 of NRS is hereby amended by adding  
21 thereto the provisions set forth as sections 124 and 125 of this act.

22       **Sec. 124. 1.** *In addition to all other taxes imposed on*  
23 *transfers of real property, a tax, at the rate of \$1.10 for each \$500*  
24 *of value or fraction thereof, is hereby imposed on each deed by*  
25 *which any lands, tenements or other realty is granted, assigned,*  
26 *transferred or otherwise conveyed to, or vested in, another person,*  
27 *if the consideration or value of the interest or property conveyed*  
28 *exceeds \$100.*

29       **2.** *The amount of the tax must be computed on the basis of*  
30 *the value of the transferred property as declared pursuant to*  
31 *NRS 375.060.*

32       **3.** *The county recorder of each county shall collect the tax in*  
33 *the manner provided in NRS 375.030, except that the amount*  
34 *collected must be transmitted to the State Controller for deposit in*  
35 *the State General Fund.*

36       **4.** *The county recorder of a county:*

37       **(a)** *Whose population is 100,000 or more may deduct and*  
38 *withhold from the taxes collected 0.2 percent of those taxes to*  
39 *reimburse the county for the cost of collecting the tax.*

40       **(b)** *Whose population is less than 100,000 may deduct and*  
41 *withhold from the taxes collected 1 percent of those taxes to*  
42 *reimburse the county for the cost of collecting the tax.*

43       **Sec. 125. 1.** *When requested, the Department shall render*  
44 *assistance to the county recorder of a county whose population is*



1 *less than 30,000 relating to the imposition and collection of the tax*  
2 *imposed by section 124 of this act.*

3 *2. The Department is not entitled to receive any fee for*  
4 *rendering any assistance pursuant to subsection 1.*

5 **Sec. 126.** NRS 375.018 is hereby amended to read as follows:

6 375.018 With regard to the administration of ~~the real property~~  
7 ~~transfer tax,~~ *any tax imposed by this chapter,* the county recorder  
8 shall apply the following principles:

9 1. Forms, instructions and regulations governing the  
10 computation of the amount of tax due must be brief and easily  
11 understood.

12 2. In cases where another authority, such as the United States  
13 or this state, also imposes a tax upon the same property or revenue,  
14 the mechanism for collecting the tax imposed by the county must be  
15 as nearly compatible with the collection of the other taxes as is  
16 feasible.

17 3. Unless a change is made necessary by statute or to preserve  
18 compatibility with a tax imposed by another authority, the forms,  
19 instructions and regulations must remain the same from year to year,  
20 to make the taxpayer's liability as predictable as is feasible.

21 4. Exemptions or waivers, where permitted by statute, must be  
22 granted:

23 (a) Equitably among eligible taxpayers; and

24 (b) As sparingly as is consistent with the legislative intent, to  
25 retain the broadest feasible base for the tax.

26 **Sec. 127.** NRS 375.030 is hereby amended to read as follows:

27 375.030 1. If any deed evidencing a transfer of title subject to  
28 the tax imposed by NRS 375.020 ~~and, if applicable, NRS 375.025,~~  
29 is offered for recordation, the county recorder shall compute the  
30 amount of the tax due and shall collect that amount before  
31 acceptance of the deed for recordation.

32 2. The buyer and seller are jointly and severally liable for the  
33 payment of the taxes imposed by NRS 375.020 ~~and 375.025~~ and  
34 any penalties and interest imposed pursuant to subsection 3. The  
35 escrow holder is not liable for the payment of the taxes imposed by  
36 NRS 375.020 ~~and 375.025~~ or any penalties or interest imposed  
37 pursuant to subsection 3.

38 3. If after recordation of the deed, the county recorder  
39 disallows an exemption that was claimed at the time the deed was  
40 recorded or through audit or otherwise determines that an additional  
41 amount of tax is due, the county recorder shall promptly notify the  
42 person who requested the recording of the deed and the buyer and  
43 seller of the additional amount of tax due. If the additional amount  
44 of tax is not paid within 30 days after the date the buyer and seller  
45 are notified, the county recorder shall impose a penalty of 10



1 percent of the additional amount due in addition to interest at the  
2 rate of 1 percent per month, or portion thereof, of the additional  
3 amount due calculated from the date of the original recordation of  
4 the deed on which the additional amount is due through the date on  
5 which the additional amount due, penalty and interest are paid to the  
6 county recorder.

7 4. This section does not prohibit a buyer and seller from  
8 agreeing by contract or otherwise that one party or the other will be  
9 responsible for the payment of the tax due pursuant to this chapter,  
10 but such an agreement does not affect the ability of the county  
11 recorder to collect the tax and any penalties and interest from either  
12 the buyer or the seller.

13 **Sec. 128.** NRS 375.030 is hereby amended to read as follows:

14 375.030 1. If any deed evidencing a transfer of title subject to  
15 the tax imposed by NRS 375.020 *and section 124 of this act* is  
16 offered for recordation, the county recorder shall compute the  
17 amount of the tax due and shall collect that amount before  
18 acceptance of the deed for recordation.

19 2. The buyer and seller are jointly and severally liable for the  
20 payment of the taxes imposed by NRS 375.020 *and section 124 of*  
21 *this act* and any penalties and interest imposed pursuant to  
22 subsection 3. The escrow holder is not liable for the payment of the  
23 taxes imposed by NRS 375.020 *and section 124 of this act* or any  
24 penalties or interest imposed pursuant to subsection 3.

25 3. If after recordation of the deed, the county recorder  
26 disallows an exemption that was claimed at the time the deed was  
27 recorded or through audit or otherwise determines that an additional  
28 amount of tax is due, the county recorder shall promptly notify the  
29 person who requested the recording of the deed and the buyer and  
30 seller of the additional amount of tax due. If the additional amount  
31 of tax is not paid within 30 days after the date the buyer and seller  
32 are notified, the county recorder shall impose a penalty of 10  
33 percent of the additional amount due in addition to interest at the  
34 rate of 1 percent per month, or portion thereof, of the additional  
35 amount due calculated from the date of the original recordation of  
36 the deed on which the additional amount is due through the date on  
37 which the additional amount due, penalty and interest are paid to the  
38 county recorder.

39 4. This section does not prohibit a buyer and seller from  
40 agreeing by contract or otherwise that one party or the other will be  
41 responsible for the payment of the tax due pursuant to this chapter,  
42 but such an agreement does not affect the ability of the county  
43 recorder to collect the tax and any penalties and interest from either  
44 the buyer or the seller.



1     **Sec. 129.** NRS 375.070 is hereby amended to read as follows:  
2     375.070 1. The county recorder shall transmit the proceeds of  
3 the ~~real property transfer~~ tax *imposed by NRS 375.020* at the end  
4 of each quarter in the following manner:

5     (a) An amount equal to that portion of the proceeds which is  
6 equivalent to 10 cents for each \$500 of value or fraction thereof  
7 must be transmitted to the State Controller who shall deposit that  
8 amount in the Account for Low-Income Housing created pursuant to  
9 NRS 319.500.

10    (b) In a county whose population is more than 400,000, an  
11 amount equal to that portion of the proceeds which is equivalent to  
12 60 cents for each \$500 of value or fraction thereof must be  
13 transmitted to the county treasurer for deposit in the county school  
14 district's fund for capital projects established pursuant to NRS  
15 387.328, to be held and expended in the same manner as other  
16 money deposited in that fund.

17    (c) The remaining proceeds must be transmitted to the State  
18 Controller for deposit in the Local Government Tax Distribution  
19 Account created by NRS 360.660 for credit to the respective  
20 accounts of Carson City and each county.

21    2. In addition to any other authorized use of the proceeds it  
22 receives pursuant to subsection 1, a county or city may use the  
23 proceeds to pay expenses related to or incurred for the development  
24 of affordable housing for families whose income does not exceed 80  
25 percent of the median income for families residing in the same  
26 county, as that percentage is defined by the United States  
27 Department of Housing and Urban Development. A county or city  
28 that uses the proceeds in that manner must give priority to the  
29 development of affordable housing for persons who are disabled or  
30 elderly.

31    3. The expenses authorized by subsection 2 include, but are not  
32 limited to:

- 33    (a) The costs to acquire land and developmental rights;  
34    (b) Related predevelopment expenses;  
35    (c) The costs to develop the land, including the payment of  
36 related rebates;  
37    (d) Contributions toward down payments made for the purchase  
38 of affordable housing; and  
39    (e) The creation of related trust funds.

40     **Sec. 130.** NRS 375.090 is hereby amended to read as follows:  
41     375.090 The tax imposed by NRS 375.020 ~~and 375.025~~ does  
42 not apply to:

43     1. A mere change in identity, form or place of organization,  
44 such as a transfer between a corporation and its parent corporation, a



1 subsidiary or an affiliated corporation if the affiliated corporation  
2 has identical common ownership.

3 2. A transfer of title to the United States, any territory or state  
4 or any agency, department, instrumentality or political subdivision  
5 thereof.

6 3. A transfer of title recognizing the true status of ownership of  
7 the real property.

8 4. A transfer of title without consideration from one joint  
9 tenant or tenant in common to one or more remaining joint tenants  
10 or tenants in common.

11 5. A transfer of title to community property without  
12 consideration when held in the name of one spouse to both spouses  
13 as joint tenants or tenants in common, or as community property.

14 6. A transfer of title between spouses, including gifts.

15 7. A transfer of title between spouses to effect a property  
16 settlement agreement or between former spouses in compliance with  
17 a decree of divorce.

18 8. A transfer of title to or from a trust, if the transfer is made  
19 without consideration, and is made to or from:

20 (a) The trustor of the trust;

21 (b) The trustor's legal representative; or

22 (c) A person related to the trustor in the first degree of  
23 consanguinity.

24 As used in this subsection, "legal representative" has the meaning  
25 ascribed to it in NRS 167.020.

26 9. Transfers, assignments or conveyances of unpatented mines  
27 or mining claims.

28 10. A transfer, assignment or other conveyance of real property  
29 to a corporation or other business organization if the person  
30 conveying the property owns 100 percent of the corporation or  
31 organization to which the conveyance is made.

32 11. A transfer, assignment or other conveyance of real property  
33 if the owner of the property is related to the person to whom it is  
34 conveyed within the first degree of consanguinity.

35 12. The making, delivery or filing of conveyances of real  
36 property to make effective any plan of reorganization or adjustment:

37 (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C.  
38 §§ 101 et seq.;

39 (b) Approved in an equity receivership proceeding involving a  
40 railroad, as defined in the Bankruptcy Act; or

41 (c) Approved in an equity receivership proceeding involving a  
42 corporation, as defined in the Bankruptcy Act,

43 if the making, delivery or filing of instruments of transfer or  
44 conveyance occurs within 5 years after the date of the confirmation,  
45 approval or change.



1       13. The making or delivery of conveyances of real property to  
2 make effective any order of the Securities and Exchange  
3 Commission if:

4       (a) The order of the Securities and Exchange Commission in  
5 obedience to which the transfer or conveyance is made recites that  
6 the transfer or conveyance is necessary or appropriate to effectuate  
7 the provisions of section 11 of the Public Utility Holding Company  
8 Act of 1935, 15 U.S.C. § 79k;

9       (b) The order specifies and itemizes the property which is  
10 ordered to be transferred or conveyed; and

11       (c) The transfer or conveyance is made in obedience to the  
12 order.

13       14. A transfer to an educational foundation. As used in this  
14 subsection, “educational foundation” has the meaning ascribed to it  
15 in subsection 3 of NRS 388.750.

16       15. A transfer to a university foundation. As used in this  
17 subsection, “university foundation” has the meaning ascribed to it in  
18 subsection 3 of NRS 396.405.

19       16. A transfer, assignment or other conveyance of real property  
20 to a corporation sole from another corporation sole. As used in this  
21 subsection, “corporation sole” means a corporation which is  
22 organized pursuant to the provisions of chapter 84 of NRS.

23       **Sec. 131.** NRS 375.090 is hereby amended to read as follows:

24       375.090 The ~~tax~~ *taxes* imposed by NRS 375.020 ~~does~~ *and*  
25 *section 124 of this act do* not apply to:

26       1. A mere change in ~~identity, form or place of organization,~~  
27 ~~such as a transfer between a corporation and its parent corporation, a~~  
28 ~~subsidiary or an affiliated corporation if the affiliated corporation~~  
29 ~~has identical common ownership.]~~ *the name of the owner of the*  
30 *property without a change in the ownership interest of the*  
31 *property.*

32       2. A transfer of title to the United States, any territory or state  
33 or any agency, department, instrumentality or political subdivision  
34 thereof.

35       3. A transfer of title recognizing the true status of ownership of  
36 the real property.

37       4. A transfer of title without consideration from one joint  
38 tenant or tenant in common to one or more remaining joint tenants  
39 or tenants in common.

40       5. ~~[A transfer of title to community property without~~  
41 ~~consideration when held in the name of one spouse to both spouses~~  
42 ~~as joint tenants or tenants in common, or as community property.~~

43       ~~6.]~~ A transfer of title between spouses, including gifts ~~[-~~



1 ~~—7. A transfer of title between spouses]~~, *or* to effect a property  
2 settlement agreement or between former spouses in compliance with  
3 a decree of divorce.

4 ~~[8.]~~ **6.** A transfer of title to or from a trust ~~[, if the transfer is~~  
5 ~~made]~~ without consideration ~~[, and is made to or from:~~

6 ~~—(a) The trustor of the trust;~~

7 ~~—(b) The trustor’s legal representative; or~~

8 ~~—(c) A person related to the trustor in the first degree of~~  
9 ~~consanguinity.~~

10 ~~As used in this subsection, “legal representative” has the meaning~~  
11 ~~ascribed to it in NRS 167.020.~~

12 ~~—9.]~~ *if a certificate of trust is presented at the time of transfer.*

13 **7.** Transfers, assignments or conveyances of unpatented mines  
14 or mining claims.

15 ~~[10. A transfer, assignment or other conveyance of real~~  
16 ~~property to a corporation or other business organization if the person~~  
17 ~~conveying the property owns 100 percent of the corporation or~~  
18 ~~organization to which the conveyance is made.~~

19 ~~—11.]~~ **8.** A transfer, assignment or other conveyance of real  
20 property if the owner of the property is related to the person to  
21 whom it is conveyed within the first degree of consanguinity.

22 ~~[12.]~~ **9.** The making, delivery or filing of conveyances of real  
23 property to make effective any plan of reorganization or adjustment:

24 (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C.  
25 §§ 101 et seq.;

26 (b) Approved in an equity receivership proceeding involving a  
27 railroad, as defined in the Bankruptcy Act; or

28 (c) Approved in an equity receivership proceeding involving a  
29 corporation, as defined in the Bankruptcy Act,  
30 if the making, delivery or filing of instruments of transfer or  
31 conveyance occurs within 5 years after the date of the confirmation,  
32 approval or change.

33 ~~[13.]~~ **10.** The making or delivery of conveyances of real  
34 property to make effective any order of the Securities and Exchange  
35 Commission if:

36 (a) The order of the Securities and Exchange Commission in  
37 obedience to which the transfer or conveyance is made recites that  
38 the transfer or conveyance is necessary or appropriate to effectuate  
39 the provisions of section 11 of the Public Utility Holding Company  
40 Act of 1935, 15 U.S.C. § 79k;

41 (b) The order specifies and itemizes the property which is  
42 ordered to be transferred or conveyed; and

43 (c) The transfer or conveyance is made in obedience to the  
44 order.





1 ~~[14. A transfer to an educational foundation. As used in this~~  
2 ~~subsection, "educational foundation" has the meaning ascribed to it~~  
3 ~~in subsection 3 of NRS 388.750.~~

4 ~~—15. A transfer to a university foundation. As used in this~~  
5 ~~subsection, "university foundation" has the meaning ascribed to it in~~  
6 ~~subsection 3 of NRS 396.405.~~

7 ~~—16. A transfer, assignment or other conveyance of real property~~  
8 ~~to a corporation sole from another corporation sole. As used in this~~  
9 ~~subsection, "corporation sole" means a corporation which is~~  
10 ~~organized pursuant to the provisions of chapter 84 of NRS.]~~

11 **Sec. 132.** NRS 375.120 is hereby amended to read as follows:

12 375.120 The county recorder shall:

13 1. Conduct and apply audits and other procedures for  
14 enforcement as uniformly as is feasible.

15 2. Collect ~~[real property transfer]~~ *any tax that is due pursuant*  
16 *to the provisions of this chapter* in an equitable manner, so that  
17 every taxpayer pays the full amount imposed by law.

18 **Sec. 133.** NRS 375.130 is hereby amended to read as follows:

19 375.130 1. The county recorder may audit all records relating  
20 to the collection and calculation of ~~[the real property transfer tax.]~~  
21 *any tax imposed by this chapter*. If the county recorder deems it  
22 necessary to conduct an audit, the audit must be completed within 3  
23 years after the date of the original recording of the document that  
24 evidences the transfer of property for which the tax was imposed.

25 2. The county recorder may issue subpoenas to require the  
26 production of documents necessary for him to determine the amount  
27 of ~~[real property transfer]~~ *the* tax due pursuant to this chapter or to  
28 determine whether a person qualifies for an exemption from taxes  
29 pursuant to this chapter. The county recorder may have the  
30 subpoenas served, and upon application of the district attorney, to  
31 any court of competent jurisdiction, enforced in the manner  
32 provided by law for the service and enforcement of subpoenas in a  
33 civil action.

34 **Sec. 134.** NRS 375.160 is hereby amended to read as follows:

35 375.160 1. If any ~~[real property transfer]~~ tax imposed  
36 pursuant to this chapter is not paid when due, the county may,  
37 within 3 years after the date that the tax was due, record a certificate  
38 in the office of the county recorder which states:

39 (a) The amount of the ~~[real property transfer]~~ tax and any  
40 interest or penalties due;

41 (b) The name and address of the person who is liable for the  
42 amount due as they appear on the records of the county; and

43 (c) That the county recorder has complied with all procedures  
44 required by law for determining the amount due.



1       2. From the time of the recording of the certificate, the amount  
2 due, including interest and penalties, constitutes:

3       (a) A lien upon the real property for which the tax was due if the  
4 person who owes the tax still owns the property; or

5       (b) A demand for payment if the property has been sold or  
6 otherwise transferred to another person.

7       3. The lien has the effect and priority of a judgment lien and  
8 continues for 5 years after the time of the recording of the certificate  
9 unless sooner released or otherwise discharged.

10       4. Within 5 years after the date of recording the certificate or  
11 within 5 years after the date of the last extension of the lien pursuant  
12 to this subsection, the lien may be extended by recording a new  
13 certificate in the office of the county recorder. From the time of  
14 recording the new certificate, the lien is extended for 5 years, unless  
15 sooner released or otherwise discharged.

16       **Sec. 135.** NRS 375.170 is hereby amended to read as follows:

17       375.170 1. If a person is delinquent in the payment of ~~the~~  
18 ~~real property transfer~~ any tax *imposed by this chapter* or has not  
19 paid the amount of a deficiency determination, the county may bring  
20 an action in a court of this state, a court of any other state or a court  
21 of the United States that has competent jurisdiction to collect the  
22 delinquent or deficient amount, penalties and interest. The action:

23       (a) May not be brought if the decision that the payment is  
24 delinquent or that there is a deficiency determination is on appeal to  
25 a hearing officer pursuant to NRS 375.320.

26       (b) Must be brought not later than 3 years after the payment  
27 became delinquent or the determination became final.

28       2. The district attorney shall prosecute the action. The  
29 provisions of the Nevada Revised Statutes, Nevada Rules of Civil  
30 Procedure and Nevada Rules of Appellate Procedure relating to  
31 service of summons, pleadings, proofs, trials and appeals are  
32 applicable to the proceedings. In the action, a writ of attachment  
33 may issue. A bond or affidavit is not required before an attachment  
34 may be issued.

35       3. In an action, a certificate by the county recorder showing the  
36 delinquency is prima facie evidence of:

37       (a) The determination of the tax or the amount of the tax;

38       (b) The delinquency of the amounts; and

39       (c) The compliance by the county recorder with all the  
40 procedures required by law relating to the computation and  
41 determination of the amounts.

42       **Sec. 136.** NRS 375.250 is hereby amended to read as follows:

43       375.250 1. The Legislature hereby declares that each  
44 taxpayer has the right:



1 (a) To be treated by officers and employees of the county  
2 recorder with courtesy, fairness, uniformity, consistency and  
3 common sense.

4 (b) To a prompt response from the county recorder to each  
5 communication from the taxpayer.

6 (c) To provide the minimum documentation and other  
7 information as may reasonably be required by the county recorder to  
8 carry out his duties.

9 (d) To be notified, in writing, by the county recorder whenever  
10 an officer or employee of the county recorder determines that the  
11 taxpayer is entitled to an exemption or has been taxed more than is  
12 required pursuant to this chapter.

13 (e) To written instructions indicating how the taxpayer may  
14 petition for a refund for overpayment of ~~real property transfer~~ any  
15 tax, interest or penalties.

16 (f) To recover an overpayment of ~~real property transfer~~ any tax  
17 promptly upon the final determination of such an overpayment.

18 (g) To obtain specific advice from the county recorder  
19 concerning ~~real property transfer~~ any tax.

20 (h) In any meeting with the county recorder, including an audit,  
21 conference, interview or hearing:

22 (1) To an explanation by an officer, agent or employee of the  
23 county recorder that describes the procedures to be followed and the  
24 rights of the taxpayer thereunder;

25 (2) To be represented by himself or anyone who is otherwise  
26 authorized by law to represent him before the county recorder;

27 (3) To make an audio recording using the taxpayer's  
28 equipment and at the taxpayer's expense; and

29 (4) To receive a copy of any document or audio recording  
30 made by or in the possession of the county recorder relating to the  
31 determination or collection of any tax for which the taxpayer is  
32 assessed pursuant to this chapter, upon payment of the actual cost to  
33 the county recorder of making the copy.

34 (i) To a full explanation of the authority of the county recorder  
35 to collect the ~~real property transfer~~ tax or to collect a delinquent  
36 ~~real property transfer~~ tax, including, without limitation, the  
37 procedures and notices for review and appeal that are required for  
38 the protection of the taxpayer. An explanation which meets the  
39 requirements of this section must also be included with each notice  
40 to a taxpayer that an audit will be conducted by the county.

41 (j) To the immediate release of any lien which the county  
42 recorder has placed on real property for the nonpayment of ~~the real~~  
43 ~~property transfer~~ a tax when:

44 (1) The tax is paid;

45 (2) The period of limitation for collecting the tax expires;



1 (3) The lien is the result of an error by the county recorder;  
2 (4) The county recorder determines that the taxes, interest  
3 and penalties are secured sufficiently by a lien on other real  
4 property;

5 (5) The release or subordination of the lien will not  
6 jeopardize the collection of the taxes, interest and penalties; or

7 (6) The release of the lien will facilitate the collection of the  
8 taxes, interest and penalties.

9 (k) To be free from harassment and intimidation by an officer or  
10 employee of the county recorder for any reason.

11 2. The provisions of this chapter governing the administration  
12 and collection of taxes by the county recorder must not be construed  
13 in such a manner as to interfere or conflict with the provisions of  
14 this section or any applicable regulations.

15 3. The provisions of this section apply to the administration  
16 and collection of taxes pursuant to this chapter.

17 **Sec. 137.** NRS 375.270 is hereby amended to read as follows:

18 375.270 The county recorder shall provide each taxpayer who  
19 it determines may be liable for taxes pursuant to this chapter with  
20 simplified written instructions concerning the rights and  
21 responsibilities of the taxpayer, including the:

22 1. Keeping of records sufficient for audit purposes;

23 2. Procedures for paying ~~{the real property transfer tax;}~~ *any*  
24 *taxes that are due;* and

25 3. Procedures for challenging any liability for ~~{real property~~  
26 ~~transfer}~~ *any* tax, penalties or interest and for requesting refunds of  
27 *any* erroneously paid ~~{real property transfer}~~ tax, including the steps  
28 for appealing a denial thereof.

29 **Sec. 138.** NRS 375.290 is hereby amended to read as follows:

30 375.290 A taxpayer is entitled to receive on any overpayment  
31 of ~~{the real property transfer}~~ *any* tax *imposed by this chapter* a  
32 refund together with interest at a rate determined pursuant to NRS  
33 17.130. No interest is allowed on a refund of any penalties or  
34 interest on the ~~{real property transfer}~~ tax that is paid by a taxpayer.

35 **Sec. 139.** NRS 375.300 is hereby amended to read as follows:

36 375.300 The county recorder shall provide a taxpayer with a  
37 response to any written request submitted by the taxpayer that  
38 relates to a ~~{real property transfer}~~ tax *imposed by this chapter*  
39 within 30 days after the county treasurer receives the request.

40 **Sec. 140.** NRS 375.330 is hereby amended to read as follows:

41 375.330 1. The county recorder may waive any ~~{real property~~  
42 ~~transfer}~~ tax, penalty and interest owed by the taxpayer *pursuant to*  
43 *this chapter, other than the tax imposed by section 124 of this act,*  
44 if the taxpayer meets the criteria adopted by regulation. If a waiver



1 is granted pursuant to this subsection, the county shall prepare and  
2 maintain on file a statement that contains:

- 3 (a) The reason for the waiver;
- 4 (b) The amount of the tax, penalty and interest owed by the  
5 taxpayer; and
- 6 (c) The amount of the tax, penalty and interest waived by the  
7 county.

8 2. If the county recorder or a designated hearing officer finds  
9 that the failure of a person to make a timely payment of ~~the real~~  
10 ~~property transfer~~ **any** tax imposed is the result of circumstances  
11 beyond his control and occurred despite the exercise of ordinary  
12 care and without intent to avoid such payment, the county recorder  
13 may relieve him of all or part of any interest or penalty, or both.

14 3. If a person proves to the satisfaction of the county recorder  
15 that he has in good faith remitted the ~~real property transfer~~ tax in  
16 reliance upon written advice provided by an officer or employee of  
17 the county recorder, an opinion of the district attorney or Attorney  
18 General, or the written results of an audit of his records conducted  
19 by the county recorder, the county recorder may not require the  
20 taxpayer to pay delinquent taxes, penalties or interest if the county  
21 recorder determines after the completion of a subsequent audit that  
22 the taxes the taxpayer remitted were deficient.

23 **Sec. 141.** NRS 376A.040 is hereby amended to read as  
24 follows:

25 376A.040 1. In addition to all other taxes imposed on the  
26 revenues from retail sales, a board of county commissioners of a  
27 county whose population is less than 400,000 may by ordinance, but  
28 not as in a case of emergency, impose a tax at the rate of up to 1/4 of  
29 1 percent of the gross receipts of any retailer from the sale of all  
30 tangible personal property sold at retail, or stored, used or otherwise  
31 consumed in the county, after receiving the approval of a majority  
32 of the registered voters of the county voting on the question at a  
33 primary, general or special election. The question may be combined  
34 with questions submitted pursuant to ~~NRS 375.025, 376A.050 and~~  
35 ~~376A.070 or any combination thereof.~~ **376A.050 or 376A.070, or**  
36 **both.**

37 2. If a county imposes a sales tax pursuant to this section and  
38 NRS 376A.050, the combined additional sales tax must not exceed  
39 1/4 of 1 percent. A tax imposed pursuant to this section applies  
40 throughout the county, including incorporated cities in the county.

41 3. Before the election may occur, an open-space plan must be  
42 adopted by the board of county commissioners pursuant to NRS  
43 376A.020 and the adopted open-space plan must be endorsed by  
44 resolution by the city council of each incorporated city within the  
45 county.



1     4. All fees, taxes, interest and penalties imposed and all  
2 amounts of tax required to be paid pursuant to this section must be  
3 paid to the Department of Taxation in the form of remittances  
4 payable to the Department of Taxation. The Department of Taxation  
5 shall deposit the payments with the State Treasurer for credit to the  
6 Sales and Use Tax Account in the State General Fund. The State  
7 Controller, acting upon the collection data furnished by the  
8 Department of Taxation, shall transfer monthly all fees, taxes,  
9 interest and penalties collected during the preceding month to the  
10 Intergovernmental Fund and remit the money to the county  
11 treasurer.

12     5. The money received from the tax imposed pursuant to  
13 subsection 4 must be retained by the county, or remitted to a city or  
14 general improvement district in the county. The money received by  
15 a county, city or general improvement district pursuant to this  
16 section must only be used to pay the cost of:

17     (a) The acquisition of land in fee simple for development and  
18 use as open-space land;

19     (b) The acquisition of the development rights of land identified  
20 as open-space land;

21     (c) The creation of a trust fund for the acquisition of land or  
22 development rights of land pursuant to paragraphs (a) and (b);

23     (d) The principal and interest on notes, bonds or other  
24 obligations issued by the county, city or general improvement  
25 district for the acquisition of land or development rights of land  
26 pursuant to paragraphs (a) and (b); or

27     (e) Any combination of the uses set forth in paragraphs (a) to  
28 (d), inclusive.

29     6. The money received from the tax imposed pursuant to this  
30 section and any applicable penalty or interest must not be used for  
31 any neighborhood or community park or facility.

32     7. Any money used for the purposes described in this section  
33 must be used in a manner:

34     (a) That is consistent with the provisions of the open-space plan  
35 adopted pursuant to NRS 376A.020; and

36     (b) That provides an equitable allocation of the money among  
37 the county and the incorporated cities within the county.

38     **Sec. 142.** NRS 376A.040 is hereby amended to read as  
39 follows:

40     376A.040 1. In addition to all other taxes imposed on the  
41 revenues from retail sales, a board of county commissioners of a  
42 county whose population is 100,000 or more but less than 400,000,  
43 may by ordinance, but not as in a case of emergency, impose a tax at  
44 the rate of up to 1/4 of 1 percent of the gross receipts of any retailer  
45 from the sale of all tangible personal property sold at retail, or



1 stored, used or otherwise consumed in the county, after receiving  
2 the approval of a majority of the registered voters of the county  
3 voting on the question at a primary, general or special election. The  
4 question may be combined with questions submitted pursuant to  
5 NRS ~~{375.025, 376A.050 and 376A.070 or any combination~~  
6 ~~thereof.}~~ **376A.050 or 376A.070, or both.**

7 2. If a county imposes a sales tax pursuant to this section and  
8 NRS 376A.050, the combined additional sales tax must not exceed  
9 1/4 of 1 percent. A tax imposed pursuant to this section applies  
10 throughout the county, including incorporated cities in the county.

11 3. Before the election may occur, an open-space plan must be  
12 adopted by the board of county commissioners pursuant to NRS  
13 376A.020 and the adopted open-space plan must be endorsed by  
14 resolution by the city council of each incorporated city within the  
15 county.

16 4. All fees, taxes, interest and penalties imposed and all  
17 amounts of tax required to be paid pursuant to this section must be  
18 paid to the Department of Taxation in the form of remittances  
19 payable to the Department of Taxation. The Department of Taxation  
20 shall deposit the payments with the State Treasurer for credit to the  
21 Sales and Use Tax Account in the State General Fund. The State  
22 Controller, acting upon the collection data furnished by the  
23 Department of Taxation, shall transfer monthly all fees, taxes,  
24 interest and penalties collected during the preceding month to the  
25 Intergovernmental Fund and remit the money to the county  
26 treasurer.

27 5. The money received from the tax imposed pursuant to  
28 subsection 4 must be retained by the county, or remitted to a city or  
29 general improvement district in the county. The money received by  
30 a county, city or general improvement district pursuant to this  
31 section must only be used to pay the cost of:

32 (a) The acquisition of land in fee simple for development and  
33 use as open-space land;

34 (b) The acquisition of the development rights of land identified  
35 as open-space land;

36 (c) The creation of a trust fund for the acquisition of land or  
37 development rights of land pursuant to paragraphs (a) and (b);

38 (d) The principal and interest on notes, bonds or other  
39 obligations issued by the county, city or general improvement  
40 district for the acquisition of land or development rights of land  
41 pursuant to paragraphs (a) and (b); or

42 (e) Any combination of the uses set forth in paragraphs (a) to  
43 (d), inclusive.





1       6. The money received from the tax imposed pursuant to this  
2 section and any applicable penalty or interest must not be used for  
3 any neighborhood or community park or facility.

4       7. Any money used for the purposes described in this section  
5 must be used in a manner:

6       (a) That is consistent with the provisions of the open-space plan  
7 adopted pursuant to NRS 376A.020; and

8       (b) That provides an equitable allocation of the money among  
9 the county and the incorporated cities within the county.

10      **Sec. 143.** NRS 376A.050 is hereby amended to read as  
11 follows:

12      376A.050 1. Except as otherwise provided in subsection 2, in  
13 addition to all other taxes imposed on the revenues from retail sales,  
14 a board of county commissioners in each county whose population  
15 is less than 400,000 may by ordinance, but not as in a case of  
16 emergency, impose a tax at the rate of up to 1/4 of 1 percent of the  
17 gross receipts of any retailer from the sale of all tangible personal  
18 property sold at retail, or stored, used or otherwise consumed in the  
19 county, after receiving the approval of a majority of the registered  
20 voters of the county voting on the question at a primary, general or  
21 special election. The question may be combined with questions  
22 submitted pursuant to NRS ~~[375.025, 376A.040 and 376A.070 or~~  
23 ~~any combination thereof.] 376A.040 or 376A.070, or both.~~

24      2. If a county imposes a sales tax pursuant to this section and  
25 NRS 376A.040, the combined additional sales tax must not exceed  
26 1/4 of 1 percent. A tax imposed pursuant to this section applies  
27 throughout the county, including incorporated cities in the county.

28      3. Before the election occurs, an open-space plan must be  
29 adopted by the board of county commissioners pursuant to NRS  
30 376A.020 and the adopted open-space plan must be endorsed by  
31 resolution by the city council of each incorporated city in the  
32 county.

33      4. All fees, taxes, interest and penalties imposed and all  
34 amounts of tax required to be paid pursuant to this section must be  
35 paid to the Department of Taxation in the form of remittances  
36 payable to the Department of Taxation. The Department of Taxation  
37 shall deposit the payments with the State Treasurer for credit to the  
38 Sales and Use Tax Account in the State General Fund. The State  
39 Controller, acting upon the collection data furnished by the  
40 Department of Taxation, shall transfer monthly all fees, taxes,  
41 interest and penalties collected during the preceding month to the  
42 Intergovernmental Fund and remit the money to the county  
43 treasurer.



1     **Sec. 144.** NRS 376A.050 is hereby amended to read as  
2 follows:

3     376A.050   1. Except as otherwise provided in subsection 2, in  
4 addition to all other taxes imposed on the revenues from retail sales,  
5 a board of county commissioners in each county whose population  
6 is 100,000 or more but less than 400,000, may by ordinance, but not  
7 as in a case of emergency, impose a tax at the rate of up to 1/4 of 1  
8 percent of the gross receipts of any retailer from the sale of all  
9 tangible personal property sold at retail, or stored, used or otherwise  
10 consumed in the county, after receiving the approval of a majority  
11 of the registered voters of the county voting on the question at a  
12 primary, general or special election. The question may be combined  
13 with questions submitted pursuant to NRS ~~[375.025, 376A.040 and~~  
14 ~~376A.070 or any combination thereof.] 376A.040 or 376A.070, or~~  
15 ~~both.~~

16     2. If a county imposes a sales tax pursuant to this section and  
17 NRS 376A.040, the combined additional sales tax must not exceed  
18 1/4 of 1 percent. A tax imposed pursuant to this section applies  
19 throughout the county, including incorporated cities in the county.

20     3. Before the election occurs, an open-space plan must be  
21 adopted by the board of county commissioners pursuant to NRS  
22 376A.020 and the adopted open-space plan must be endorsed by  
23 resolution by the city council of each incorporated city in the  
24 county.

25     4. All fees, taxes, interest and penalties imposed and all  
26 amounts of tax required to be paid pursuant to this section must be  
27 paid to the Department of Taxation in the form of remittances  
28 payable to the Department of Taxation. The Department of Taxation  
29 shall deposit the payments with the State Treasurer for credit to the  
30 Sales and Use Tax Account in the State General Fund. The State  
31 Controller, acting upon the collection data furnished by the  
32 Department of Taxation, shall transfer monthly all fees, taxes,  
33 interest and penalties collected during the preceding month to the  
34 Intergovernmental Fund and remit the money to the county  
35 treasurer.

36     **Sec. 145.** NRS 376A.070 is hereby amended to read as  
37 follows:

38     376A.070   1. The board of county commissioners in a county  
39 whose population is less than 400,000 may levy an ad valorem tax at  
40 the rate of up to 1 cent on each \$100 of assessed valuation upon all  
41 taxable property in the county after receiving the approval of a  
42 majority of the registered voters of the county voting on the question  
43 at a primary, general or special election. The question may be  
44 combined with questions submitted pursuant to NRS ~~[375.025,~~  
45 ~~376A.040 and 376A.050 or any combination thereof.] 376A.040 or~~



\* A B 1 \*

1 **376A.050, or both.** A tax imposed pursuant to this section applies  
2 throughout the county, including incorporated cities in the county.

3 2. The Department of Taxation shall add an amount equal to  
4 the rate of any tax imposed pursuant to this section multiplied by the  
5 total assessed valuation of the county to the allowed revenue from  
6 taxes ad valorem of the county.

7 3. Before the tax is imposed, an open-space plan must be  
8 adopted by the board of county commissioners pursuant to NRS  
9 376A.020 and the adopted open-space plan must be endorsed by  
10 resolution by the city council of each incorporated city within the  
11 county.

12 **Sec. 146.** NRS 376A.070 is hereby amended to read as  
13 follows:

14 376A.070 1. The board of county commissioners in a county  
15 whose population is 100,000 or more but less than 400,000, may  
16 levy an ad valorem tax at the rate of up to 1 cent on each \$100 of  
17 assessed valuation upon all taxable property in the county after  
18 receiving the approval of a majority of the registered voters of the  
19 county voting on the question at a primary, general or special  
20 election. The question may be combined with questions submitted  
21 pursuant to NRS ~~[375.025, 376A.040 and 376A.050 or any~~  
22 ~~combination thereof.]~~ **376A.040 or 376A.050, or both.** A tax  
23 imposed pursuant to this section applies throughout the county,  
24 including incorporated cities in the county.

25 2. The Department of Taxation shall add an amount equal to  
26 the rate of any tax imposed pursuant to this section multiplied by the  
27 total assessed valuation of the county to the allowed revenue from  
28 taxes ad valorem of the county.

29 3. Before the tax is imposed, an open-space plan must be  
30 adopted by the board of county commissioners pursuant to NRS  
31 376A.020 and the adopted open-space plan must be endorsed by  
32 resolution by the city council of each incorporated city within the  
33 county.

34 **Sec. 147.** Chapter 218 of NRS is hereby amended by adding  
35 thereto the provisions set forth as sections 148 to 153, inclusive, of  
36 this act.

37 **Sec. 148.** *As used in sections 148 to 153, inclusive, of this*  
38 *act, "Committee" means the Legislative Committee on Taxation,*  
39 *Public Revenue and Tax Policy.*

40 **Sec. 149. 1.** *There is hereby established a Legislative*  
41 *Committee on Taxation, Public Revenue and Tax Policy*  
42 *consisting of:*

43 *(a) The Speaker of the Assembly, or a member of the Assembly*  
44 *designated by the Speaker of the Assembly;*



- 1     ***(b) The Minority Leader of the Assembly, or a member of the***
- 2     ***Assembly designated by the Minority Leader of the Assembly;***
- 3     ***(c) The Majority Leader of the Senate, or a member of the***
- 4     ***Senate designated by the Majority Leader of the Senate;***
- 5     ***(d) The Minority Leader of the Senate, or a member of the***
- 6     ***Senate designated by the Minority Leader of the Senate;***
- 7     ***(e) Two members appointed by the Speaker of the Assembly***
- 8     ***who were members of the Assembly Committee on Taxation***
- 9     ***during the immediately preceding legislative session; and***
- 10    ***(f) Two members appointed by the Majority Leader of the***
- 11    ***Senate who were members of the Senate Committee on Taxation***
- 12    ***during the immediately preceding legislative session.***
- 13    ***2. The members of the Committee shall elect a Chairman and***
- 14    ***Vice Chairman from among their members. The Chairman must***
- 15    ***be elected from one house of the Legislature and the Vice***
- 16    ***Chairman from the other house. After the initial election of a***
- 17    ***Chairman and Vice Chairman, each of those officers holds office***
- 18    ***for a term of 2 years commencing on July 1 of each odd-numbered***
- 19    ***year. If a vacancy occurs in the Chairmanship or Vice***
- 20    ***Chairmanship, the members of the Committee shall elect a***
- 21    ***replacement for the remainder of the unexpired term.***
- 22    ***3. Any member of the Committee who is not a candidate for***
- 23    ***reelection or who is defeated for reelection continues to serve until***
- 24    ***the convening of the next session of the Legislature.***
- 25    ***4. Vacancies on the Committee must be filled in the same***
- 26    ***manner as the original appointments.***
- 27    ***Sec. 150. 1. The members of the Committee shall meet***
- 28    ***throughout each year at the times and places specified by a call of***
- 29    ***the Chairman or a majority of the Committee.***
- 30    ***2. The Director of the Legislative Counsel Bureau or his***
- 31    ***designee shall act as the nonvoting recording Secretary.***
- 32    ***3. The Committee shall prescribe regulations for its own***
- 33    ***management and government.***
- 34    ***4. Except as otherwise provided in subsection 5, five voting***
- 35    ***members of the Committee constitute a quorum.***
- 36    ***5. Any recommended legislation proposed by the Committee***
- 37    ***must be approved by a majority of the members of the Senate and***
- 38    ***by a majority of the members of the Assembly serving on the***
- 39    ***Committee.***
- 40    ***6. Except during a regular or special session of the***
- 41    ***Legislature, the members of the Committee are entitled to receive***
- 42    ***the compensation provided for a majority of the members of the***
- 43    ***Legislature during the first 60 days of the preceding regular***
- 44    ***session, the per diem allowance provided for state officers and***
- 45    ***employees generally and the travel expenses provided pursuant to***



1 *NRS 218.2207 for each day or portion of a day of attendance at a*  
2 *meeting of the Committee and while engaged in the business of*  
3 *the Committee. The salaries and expenses paid pursuant to this*  
4 *subsection and the expenses of the Committee must be paid from*  
5 *the Legislative Fund.*

6 **Sec. 151.** *The Committee may:*

7 *1. Review and study:*

8 *(a) The specific taxes collected in this state, including, without*  
9 *limitation, taxes on gross receipts, mining, property, sales or*  
10 *services, business profits, employees of business, slot route*  
11 *operators and car rental companies;*

12 *(b) The implementation of any taxes, fees and other methods*  
13 *for generating public revenue in this state;*

14 *(c) The impact of any changes to taxes, fees and other methods*  
15 *for generating public revenue that result from legislation enacted*  
16 *by the Legislature on the residents of this state and on the*  
17 *businesses located in this state, doing business in this state or*  
18 *considering locating in this state;*

19 *(d) The fiscal effects of any taxes, fees and other methods for*  
20 *generating public revenue;*

21 *(e) Broad issues of tax policy and fiscal policy relevant to the*  
22 *future of the State of Nevada; and*

23 *(f) Any other issues related to taxation, the generation of*  
24 *public revenue, tax policy or fiscal policy which affect this state.*

25 *2. Conduct investigations and hold hearings in connection*  
26 *with its powers pursuant to this section.*

27 *3. Contract with one or more consultants to obtain technical*  
28 *advice concerning its review and study.*

29 *4. Apply for any available grants and accept any gifts, grants*  
30 *or donations and use any such gifts, grants or donations to aid the*  
31 *Committee in exercising its powers pursuant to this section.*

32 *5. Request that the Legislative Counsel Bureau assist in the*  
33 *research, investigations, hearings, studies and reviews of the*  
34 *Committee.*

35 *6. Recommend to the Legislature, as a result of its review and*  
36 *study, any appropriate legislation.*

37 **Sec. 152.** *1. If the Committee conducts investigations or*  
38 *holds hearings pursuant to subsection 2 of section 151 of this act:*

39 *(a) The Secretary of the Committee or, in his absence, a*  
40 *member designated by the Committee may administer oaths;*

41 *(b) The Secretary or Chairman of the Committee may cause*  
42 *the deposition of witnesses, residing either within or outside of this*  
43 *state, to be taken in the manner prescribed by rule of court for*  
44 *taking depositions in civil actions in the district courts; and*



1       (c) *The Chairman of the Committee may issue subpoenas to*  
2 *compel the attendance of witnesses and the production of books*  
3 *and papers.*

4       2. *If a witness refuses to attend or testify or produce books or*  
5 *papers as required by the subpoena, the Chairman of the*  
6 *Committee may report to the district court by a petition which sets*  
7 *forth that:*

8       (a) *Due notice has been given of the time and place of*  
9 *attendance of the witness or the production of the books or papers;*

10       (b) *The witness has been subpoenaed by the Committee*  
11 *pursuant to this section; and*

12       (c) *The witness has failed or refused to attend or produce the*  
13 *books or papers required by the subpoena before the Committee*  
14 *that is named in the subpoena, or has refused to answer questions*  
15 *propounded to him.*

16 *The petition may request an order of the court compelling the*  
17 *witness to attend and testify or produce the books and papers*  
18 *before the Committee.*

19       3. *Upon such a petition, the court shall enter an order*  
20 *directing the witness to appear before the court at a time and place*  
21 *to be fixed by the court in its order, the time to be not more than*  
22 *10 days after the date of the order, and to show cause why he has*  
23 *not attended or testified or produced the books or papers before*  
24 *the Committee. A certified copy of the order must be served upon*  
25 *the witness.*

26       4. *If it appears to the court that the subpoena was regularly*  
27 *issued by the Committee, the court shall enter an order that the*  
28 *witness appear before the Committee at the time and place fixed in*  
29 *the order and testify or produce the required books or papers.*  
30 *Failure to obey the order constitutes contempt of court.*

31       **Sec. 153.** *Each witness who appears before the Committee by*  
32 *its order, except a state officer or employee, is entitled to receive*  
33 *for his attendance the fees and mileage provided for witnesses in*  
34 *civil cases in the courts of record of this state. The fees and*  
35 *mileage must be audited and paid upon the presentation of proper*  
36 *claims sworn to by the witness and approved by the Secretary and*  
37 *Chairman of the Committee.*

38       **Sec. 154.** NRS 218.53883 is hereby amended to read as  
39 follows:

40       218.53883   1.   The Committee shall:

41       (a) Review the laws relating to *the exemptions from and* the  
42 distribution of revenue generated by state and local taxes. In  
43 conducting the review, the Committee ~~may~~:

44       (1) *May* consider the purposes for which the various state  
45 and local taxes were imposed, the actual use of the revenue



1 collected from the various state and local taxes , and any relief to the  
2 taxpayers from the burden of the various state and local taxes that  
3 may result from any possible recommendations of the Committee.

4 *(2) Shall consider the purposes for which various*  
5 *exemptions from those taxes were adopted, whether any of those*  
6 *exemptions have become obsolete or no longer serve their*  
7 *intended purpose, and whether any of those exemptions should be*  
8 *repealed.*

9 (b) Study whether removing the authority of the Board of  
10 County Commissioners of Washoe County to impose a certain  
11 additional governmental services tax is a prudent act which is in the  
12 best interests of this state.

13 2. In conducting its review of the laws relating to *the*  
14 *exemptions from and* the distribution of revenue generated by state  
15 and local taxes, the Committee may review:

16 (a) The *exemptions and* distribution of the revenue from:

17 (1) The local school support tax imposed by chapter 374 of  
18 NRS;

19 (2) The tax on aviation fuel and motor vehicle fuel imposed  
20 by or pursuant to chapter 365 of NRS;

21 (3) The tax on intoxicating liquor imposed by chapter 369 of  
22 NRS;

23 (4) The tax on fuel imposed pursuant to chapter 373 of NRS;

24 (5) The tax on tobacco imposed by chapter 370 of NRS;

25 (6) The governmental services tax imposed by or pursuant to  
26 chapter 371 of NRS;

27 (7) The tax imposed on gaming licensees by or pursuant to  
28 chapter 463 of NRS;

29 (8) Property taxes imposed pursuant to chapter 361 of NRS;

30 (9) The tax on the transfer of real property imposed by or  
31 pursuant to chapter 375 of NRS; and

32 (10) Any other state or local tax.

33 (b) The proper crediting of gasoline tax revenue if the collection  
34 is moved to the terminal rack level.

35 3. The Committee may:

36 (a) Conduct investigations and hold hearings in connection with  
37 its review and study;

38 (b) Contract with one or more consultants to obtain technical  
39 advice concerning the study conducted pursuant to NRS 218.53884;

40 (c) Apply for any available grants and accept any gifts, grants or  
41 donations and use any such gifts, grants or donations to aid the  
42 committee in carrying out its duties pursuant to this chapter;

43 (d) Direct the Legislative Counsel Bureau to assist in its  
44 research, investigations, review and study; and





1 (e) Recommend to the Legislature, as a result of its review and  
2 study, any appropriate legislation.

3 **Sec. 155.** (Deleted.)

4 **Sec. 156.** (Deleted.)

5 **Sec. 157.** NRS 233B.039 is hereby amended to read as  
6 follows:

7 233B.039 1. The following agencies are entirely exempted  
8 from the requirements of this chapter:

9 (a) The Governor.

10 (b) The Department of Corrections.

11 (c) The University and Community College System of Nevada.

12 (d) The Office of the Military.

13 (e) ~~The~~ *Except as otherwise provided in section 76 of this act,*  
14 *the* State Gaming Control Board.

15 (f) The Nevada Gaming Commission.

16 (g) The Welfare Division of the Department of Human  
17 Resources.

18 (h) The Division of Health Care Financing and Policy of the  
19 Department of Human Resources.

20 (i) The State Board of Examiners acting pursuant to chapter 217  
21 of NRS.

22 (j) Except as otherwise provided in NRS 533.365, the Office of  
23 the State Engineer.

24 (k) The Division of Industrial Relations of the Department of  
25 Business and Industry acting to enforce the provisions of NRS  
26 618.375.

27 (l) The Administrator of the Division of Industrial Relations of  
28 the Department of Business and Industry in establishing and  
29 adjusting the schedule of fees and charges for accident benefits  
30 pursuant to subsection 2 of NRS 616C.260.

31 (m) The Board to Review Claims in adopting resolutions to  
32 carry out its duties pursuant to NRS 590.830.

33 2. Except as otherwise provided in subsection 5 and NRS  
34 391.323, the Department of Education, the Board of the Public  
35 Employees' Benefits Program and the Commission on Professional  
36 Standards in Education are subject to the provisions of this chapter  
37 for the purpose of adopting regulations but not with respect to any  
38 contested case.

39 3. The special provisions of:

40 (a) Chapter 612 of NRS for the distribution of regulations by  
41 and the judicial review of decisions of the Employment Security  
42 Division of the Department of Employment, Training and  
43 Rehabilitation;

44 (b) Chapters 616A to 617, inclusive, of NRS for the  
45 determination of contested claims;



1 (c) Chapter 703 of NRS for the judicial review of decisions of  
2 the Public Utilities Commission of Nevada;

3 (d) Chapter 91 of NRS for the judicial review of decisions of the  
4 Administrator of the Securities Division of the Office of the  
5 Secretary of State; and

6 (e) NRS 90.800 for the use of summary orders in contested  
7 cases,

8 prevail over the general provisions of this chapter.

9 4. The provisions of NRS 233B.122, 233B.124, 233B.125 and  
10 233B.126 do not apply to the Department of Human Resources in  
11 the adjudication of contested cases involving the issuance of letters  
12 of approval for health facilities and agencies.

13 5. The provisions of this chapter do not apply to:

14 (a) Any order for immediate action, including, but not limited  
15 to, quarantine and the treatment or cleansing of infected or infested  
16 animals, objects or premises, made under the authority of the State  
17 Board of Agriculture, the State Board of Health or any other agency  
18 of this state in the discharge of a responsibility for the preservation  
19 of human or animal health or for insect or pest control;

20 (b) An extraordinary regulation of the State Board of Pharmacy  
21 adopted pursuant to NRS 453.2184; or

22 (c) A regulation adopted by the State Board of Education  
23 pursuant to NRS 392.644 or 394.1694.

24 6. The State Board of Parole Commissioners is subject to the  
25 provisions of this chapter for the purpose of adopting regulations but  
26 not with respect to any contested case.

27 **Sec. 158.** Chapter 338 of NRS is hereby amended by adding  
28 thereto a new section to read as follows:

29 *A public body shall include in each contract for the*  
30 *construction, alteration or repair of any public work, a clause*  
31 *requiring each contractor, subcontractor and other person who*  
32 *provides labor, equipment, materials, supplies or services for the*  
33 *public work to comply with the requirements of all applicable state*  
34 *and local laws, including, without limitation, any applicable*  
35 *licensing requirements and requirements for the payment of sales*  
36 *and use taxes on equipment, materials and supplies provided for*  
37 *the public work.*

38 **Sec. 159.** Chapter 353 of NRS is hereby amended by adding  
39 thereto a new section to read as follows:

40 *1. The Net Profits Tax Stabilization Account is hereby*  
41 *created in the State General Fund. The Interim Finance*  
42 *Committee shall administer the Account.*

43 *2. The balance in the Account at the end of each fiscal year*  
44 *may not exceed 30 percent of the estimate of the total revenue*  
45 *from the tax imposed by section 16 of this act prepared by the*



1 *Economic Forum pursuant to NRS 353.228 for that fiscal year.*  
2 *Any revenue in excess of that amount must be deposited to the*  
3 *credit of the Fund to Stabilize the Operation of the State*  
4 *Government.*

5 3. *If, for any fiscal year, the revenue from the tax imposed*  
6 *pursuant to section 16 of this act falls short by 5 percent or more*  
7 *of the estimate of the total revenue from the tax prepared by the*  
8 *Economic Forum pursuant to NRS 353.228 for that fiscal year,*  
9 *the Interim Finance Committee may, at a time when the*  
10 *Legislature is not in session, allocate money in the Account to*  
11 *supplement regular legislative appropriations and to pay claims*  
12 *that are obligations of the State.*

13 4. *The Governor shall, biannually, determine the revenue*  
14 *received from the tax imposed by section 16 of this act and submit*  
15 *any recommendations to the Interim Finance Committee for*  
16 *allocations to be made from the Account.*


17 **Sec. 160.** NRS 353.1465 is hereby amended to read as  
18 follows:

19 353.1465 1. Upon approval of the State Board of Finance, a  
20 state agency may enter into contracts with issuers of credit cards or  
21 debit cards or operators of systems that provide for the electronic  
22 transfer of money to provide for the acceptance of credit cards, debit  
23 cards or electronic transfers of money by the agency:

24 (a) For the payment of money owed to the agency for taxes,  
25 interest, penalties or any other obligation; or

26 (b) In payment for goods or services.

27 2. Before a state agency may enter into a contract pursuant to  
28 subsection 1, the agency must submit the proposed contract to the  
29 State Treasurer for his review and transmittal to the State Board of  
30 Finance.

31 3. Except as otherwise provided in subsection 4, if the issuer or  
32 operator charges the state agency a fee for each use of a credit card  
33 or debit card or for each electronic transfer of money, the state  
34 agency may require the cardholder or the person requesting the  
35 electronic transfer of money to pay a fee  which must not exceed  
36 the amount charged to the state agency by the issuer or operator.

37 4. A state agency that is required to pay a fee charged by the  
38 issuer or operator for the use of a credit card or debit card or for an  
39 electronic transfer of money may, pursuant to NRS 353.148, file a  
40 claim with the Director of the Department of Administration for  
41 reimbursement of the fees paid to the issuer or operator during the  
42 immediately preceding quarter.


43 5. *The Director of the Department of Administration shall*  
44 *adopt regulations providing for the submission of payments to*  
45 *state agencies pursuant to contracts authorized by this section.*



1 *The regulations must not conflict with a regulation adopted*  
2 *pursuant to NRS 360A.020 or section 97 of this act.*

3 **6.** As used in this section:

4 (a) “Cardholder” means the person or organization named on the  
5 face of a credit card or debit card to whom or for whose benefit the  
6 credit card or debit card is issued by an issuer.

7 (b) “Credit card” means any instrument or device, whether  
8 known as a credit card or credit plate  or by any other name,  
9 issued with or without a fee by an issuer for the use of the  
10 cardholder in obtaining money, property, goods, services or  
11 anything else of value on credit.

12 (c) “Debit card” means any instrument or device, whether  
13 known as a debit card or by any other name, issued with or without  
14 a fee by an issuer for the use of the cardholder in depositing,  
15 obtaining or transferring funds.

16 (d) “Electronic transfer of money” has the meaning ascribed to it  
17 in NRS 463.01473.

18 (e) “Issuer” means a business organization, financial institution  
19 or authorized agent of a business organization or financial institution  
20 that issues a credit card or debit card.

21 **Sec. 161.** NRS 353.228 is hereby amended to read as follows:

22 353.228 1. The Economic Forum impaneled pursuant to NRS  
23 353.226 shall:

24 (a) Make such projections for economic indicators as it deems  
25 necessary to ensure that an accurate estimate is produced pursuant to  
26 paragraph (b);

27 (b) Provide an accurate estimate of the revenue that will be  
28 collected by the State for general, unrestricted uses, and not for  
29 special purposes, during the biennium that begins on the second July  
30 1 following the date on which the Economic Forum was empaneled;

31 (c) Request such technical assistance as the Economic Forum  
32 deems necessary from the Technical Advisory Committee created  
33 by NRS 353.229;

34 (d) On or before December 1 of the year in which the Economic  
35 Forum was empaneled, prepare a written report of its projections of  
36 economic indicators and estimate of future state revenue required by  
37 paragraphs (a) and (b) and present the report to the Governor and  
38 the Legislature; and

39 (e) On or before May 1 of the year following the year in which  
40 the Economic Forum was empaneled, prepare a written report  
41 confirming or revising the projections of economic indicators and  
42 estimate of future state revenue contained in the report prepared  
43 pursuant to paragraph (d) and present the report to the Governor and  
44 the Legislature.



1       2. The Economic Forum may make preliminary projections of  
2 economic indicators and estimates of future state revenue at any  
3 time. Any such projections and estimates must be made available to  
4 the various agencies of the State through the Chief.

5       3. *Any estimate of future state revenue provided pursuant to*  
6 *this section must include only 85 percent of the total estimate of*  
7 *future state revenue derived from the tax imposed by section 16 of*  
8 *this act.*

9       4. The Economic Forum may request information directly from  
10 any state agency. A state agency that receives a reasonable request  
11 for information from the Economic Forum shall comply with the  
12 request as soon as is reasonably practicable after receiving the  
13 request.

14       ~~4.~~ 5. To carry out its duties pursuant to this section, the  
15 Economic Forum may consider any information received from the  
16 Technical Advisory Committee and any other information received  
17 from independent sources.

18       ~~5.~~ 6. Copies of the projections and estimates made pursuant  
19 to this section must be made available to the public by the Director  
20 of the Legislative Counsel Bureau for the cost of reproducing the  
21 material.

22       **Sec. 161.2.** Chapter 387 of NRS is hereby amended by adding  
23 thereto a new section to read as follows:

24       1. *On or before July 1 of each year, the Department, in*  
25 *consultation with the Budget Division of the Department of*  
26 *Administration and the Fiscal Analysis Division of the Legislative*  
27 *Counsel Bureau, shall develop or revise, as applicable, a formula*  
28 *for determining the minimum amount of money that each school*  
29 *district is required to expend each fiscal year for textbooks,*  
30 *instructional supplies and instructional hardware. The formula*  
31 *must be used only to develop expenditure requirements and must*  
32 *not be used to alter the distribution of money for basic support to*  
33 *school districts.*

34       2. *Upon approval of the formula pursuant to subsection 1, the*  
35 *Department shall provide written notice to each school district*  
36 *within the first 30 days of each fiscal year that sets forth the*  
37 *required minimum combined amount of money that the school*  
38 *district must expend for textbooks, instructional supplies and*  
39 *instructional hardware for that fiscal year.*

40       3. *On or before January 1 of each year, the Department shall*  
41 *determine whether each school district has expended, during the*  
42 *immediately preceding fiscal year, the required minimum amount*  
43 *of money set forth in the notice provided pursuant to subsection 2.*  
44 *In making this determination, the Department shall use the report*  
45 *submitted by the school district pursuant to NRS 387.303.*



1     4. *Except as otherwise provided in subsection 5, if the*  
2 *Department determines that a school district has not expended the*  
3 *required minimum amount of money set forth in the notice*  
4 *provided pursuant to subsection 2, a reduction must be made from*  
5 *the basic support allocation otherwise payable to that school*  
6 *district in an amount that is equal to the difference between the*  
7 *actual combined expenditure for textbooks, instructional supplies*  
8 *and instructional hardware and the minimum required combined*  
9 *expenditure set forth in the notice provided pursuant to subsection*  
10 *2. A reduction in the amount of the basic support allocation*  
11 *pursuant to this subsection:*

12     (a) *Does not reduce the amount that the school district is*  
13 *required to expend on textbooks, instructional supplies and*  
14 *instructional hardware in the current fiscal year; and*

15     (b) *Must not exceed the amount of basic support that was*  
16 *provided to the school district for the fiscal year in which the*  
17 *minimum expenditure amount was not satisfied.*

18     5. *If the actual enrollment of pupils in a school district is less*  
19 *than the enrollment included in the projections used in the school*  
20 *district's biennial budget submitted pursuant to NRS 387.303, the*  
21 *required expenditure for textbooks, instructional supplies and*  
22 *instructional hardware pursuant to this section must be reduced*  
23 *proportionately.*

24     **Sec. 161.4.** NRS 387.205 is hereby amended to read as  
25 follows:

26     387.205 1. Subject to the limitations set forth in NRS  
27 387.207 ~~§~~ *and section 161.2 of this act*, money on deposit in the  
28 county school district fund or in a separate account, if the board of  
29 trustees of a school district has elected to establish such an account  
30 pursuant to the provisions of NRS 354.603, must be used for:

31     (a) Maintenance and operation of the public schools controlled  
32 by the county school district.

33     (b) Payment of premiums for Nevada industrial insurance.

34     (c) Rent of schoolhouses.

35     (d) Construction, furnishing or rental of teacherages, when  
36 approved by the Superintendent of Public Instruction.

37     (e) Transportation of pupils, including the purchase of new  
38 buses.

39     (f) Programs of nutrition, if such expenditures do not curtail the  
40 established school program or make it necessary to shorten the  
41 school term, and each pupil furnished lunch whose parent or  
42 guardian is financially able so to do pays at least the actual cost of  
43 the lunch.

44     (g) Membership fees, dues and contributions to an  
45 interscholastic activities association.



1 (h) Repayment of a loan made from the State Permanent School  
2 Fund pursuant to NRS 387.526.

3 2. Subject to the limitations set forth in NRS 387.207 ~~and~~ *and*  
4 *section 161.2 of this act*, money on deposit in the county school  
5 district fund, or in a separate account, if the board of trustees of a  
6 school district has elected to establish such an account pursuant to  
7 the provisions of NRS 354.603, when available, may be used for:

8 (a) Purchase of sites for school facilities.

9 (b) Purchase of buildings for school use.

10 (c) Repair and construction of buildings for school use.

11 **Sec. 161.6.** NRS 387.207 is hereby amended to read as  
12 follows:

13 387.207 1. Except as otherwise provided in this section, in  
14 each school year a school district shall spend for ~~textbooks,~~ library  
15 books and ~~supplies and materials relating to instruction, including,~~  
16 ~~without limitation,~~ software for computers ~~,~~ an amount of money,  
17 expressed as an amount per pupil, that is at least equal to the  
18 average of the total amount of money that was expended per year by  
19 the school district for those items in the immediately preceding 3  
20 years.

21 2. Except as otherwise provided in this section, in each school  
22 year a school district shall spend for the purchase of equipment  
23 relating to instruction, including, without limitation, equipment for  
24 telecommunications and for the purchase of equipment relating to  
25 the transportation of pupils, an amount of money, expressed as an  
26 amount per pupil, that is at least equal to the average of the total  
27 amount of money that was expended per year by the school district  
28 for those items in the immediately preceding 3 years.

29 3. Except as otherwise provided in this section, in each school  
30 year a school district shall spend for the maintenance and repair of  
31 equipment, vehicles, and buildings and facilities an amount of  
32 money, expressed as an amount per pupil, that is at least equal to the  
33 average of the total amount of money that was expended per year by  
34 the school district for those items in the immediately preceding 3  
35 years, excluding any amount of money derived from the proceeds of  
36 bonds.

37 4. A school district may satisfy the expenditures required by  
38 subsections 1, 2 and 3 if the school district spends an aggregate  
39 amount of money for all the items identified in those subsections  
40 that is at least equal to the average of the total amount of money  
41 expended by the school district per year for all those items in the  
42 immediately preceding 3 years.

43 5. A school district is not required to satisfy the expenditures  
44 required by this section for a school year in which:





1 (a) The total number of pupils who are enrolled in public  
2 schools within the school district has declined from the immediately  
3 preceding school year; or

4 (b) The total revenue available in the general fund of the school  
5 district has declined from the immediately preceding school year.

6 **Sec. 162.** NRS 388.750 is hereby amended to read as follows:  
7 388.750 1. An educational foundation:

8 (a) Shall comply with the provisions of chapter 241 of NRS;  
9 *and*

10 (b) Except as otherwise provided in subsection 2, shall make its  
11 records public and open to inspection pursuant to NRS 239.010 . ~~§~~  
12 *and*

13 ~~—(c) Is exempt from the tax on transfers of real property pursuant~~  
14 ~~to subsection 14 of NRS 375.090.]~~

15 2. An educational foundation is not required to disclose the  
16 names of the contributors to the foundation or the amount of their  
17 contributions. The educational foundation shall, upon request, allow  
18 a contributor to examine, during regular business hours, any record,  
19 document or other information of the foundation relating to that  
20 contributor.

21 3. As used in this section, “educational foundation” means a  
22 nonprofit corporation, association or institution or a charitable  
23 organization that is:

24 (a) Organized and operated exclusively for the purpose of  
25 supporting one or more kindergartens, elementary schools, junior  
26 high or middle schools or high schools, or any combination thereof;

27 (b) Formed pursuant to the laws of this state; and

28 (c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

29 **Sec. 162.2.** NRS 391.165 is hereby amended to read as  
30 follows:

31 391.165 1. Except as otherwise provided in subsection 3 ~~for~~  
32 ~~this section~~ and except as otherwise required as a result of NRS  
33 286.537, the board of trustees of a school district shall pay the cost  
34 for a licensed teacher to purchase one-fifth of a year of service  
35 pursuant to subsection 2 of NRS 286.300 if:

36 (a) The teacher is a member of the Public Employees’  
37 Retirement System and has at least 5 years of service;

38 (b) The teacher has been employed as a licensed teacher in this  
39 state for at least 5 consecutive school years, regardless of whether  
40 the employment was with one or more school districts in this state;

41 (c) Each evaluation of the teacher conducted pursuant to NRS  
42 391.3125 is at least satisfactory for the years of employment  
43 required by paragraph (b); and

44 (d) In addition to the years of employment required by  
45 paragraph (b), the teacher has been employed as a licensed teacher



1 for ~~[1 school year]~~ *2 school years* at a school within the school  
2 district which, ~~[for that school year, carries]~~ *during his employment*  
3 *at the school:*

4 (1) *Carried* the designation of demonstrating need for  
5 improvement ~~[pursuant to NRS 385.367.]~~; *or*

6 (2) *At least 65 percent of the pupils who are enrolled in the*  
7 *school are children who are at risk.*

8 *The provisions of this paragraph do not require consecutive years*  
9 *of employment or employment at the same school within the*  
10 *school district.*

11 2. Except as otherwise provided in subsection 3, the board of  
12 trustees of a school district shall pay the cost for a licensed teacher  
13 to purchase one-fifth of a year of service for each year that a teacher  
14 ~~[is employed as a teacher at a school within the school district that is~~  
15 ~~described in paragraph (d)]~~ *satisfies the requirements* of  
16 subsection 1.

17 3. In no event may the years of service purchased by a licensed  
18 teacher as a result of subsection 2 of NRS 286.300 exceed 5 years.

19 4. The board of trustees of a school district shall not:

20 (a) Assign or reassign a licensed teacher to circumvent the  
21 requirements of this section.

22 (b) Include ~~[.]~~ as part of a teacher's salary ~~[.]~~ the costs of paying  
23 the teacher to purchase service pursuant to this section.

24 5. As used in this section ~~[, "service"]~~:

25 (a) *A child is "at risk" if he is eligible for free or reduced-price*  
26 *lunches pursuant to 42 U.S.C. §§ 1751 et. seq.*

27 (b) *"Service"* has the meaning ascribed to it in NRS 286.078.

28 **Sec. 162.4.** NRS 391.165 is hereby amended to read as  
29 follows:

30 391.165 1. Except as otherwise provided in subsection 3 of  
31 this section and except as otherwise required as a result of NRS  
32 286.537, the board of trustees of a school district shall pay the cost  
33 for a licensed teacher *or licensed school psychologist* to purchase  
34 one-fifth of a year of service pursuant to subsection 2 of NRS  
35 286.300 if:

36 (a) The teacher *or school psychologist* is a member of the Public  
37 Employees' Retirement System and has at least 5 years of service;

38 (b) The teacher *or school psychologist* has been employed as a  
39 licensed teacher *or licensed school psychologist* in this state for at  
40 least 5 consecutive school years, regardless of whether the  
41 employment was with one or more school districts in this state;

42 (c) Each evaluation of the teacher *or school psychologist*  
43 conducted pursuant to NRS 391.3125 is at least satisfactory for the  
44 years of employment required by paragraph (b); and



1 (d) In addition to the years of employment required by  
2 paragraph (b) ~~[-, the]~~ :

3 (1) *The* teacher has been employed as a licensed teacher for  
4 2 school years at a school within the school district which, during  
5 his employment at the school:

6 ~~[(1)]~~ (I) Carried the designation of demonstrating need for  
7 improvement; or

8 ~~[(2)]~~ (II) At least 65 percent of the pupils who are enrolled  
9 in the school are children who are at risk ~~[-]~~ ;

10 (2) *The teacher holds an endorsement in the field of*  
11 *mathematics, science, special education or English as a second*  
12 *language and has been employed for at least 1 school year to teach*  
13 *in the subject area for which he holds an endorsement; or*

14 (3) *The school psychologist has been employed as a*  
15 *licensed school psychologist for at least 1 school year.*

16 The provisions of this paragraph do not require consecutive years of  
17 employment or employment at the same school within the school  
18 district.

19 2. Except as otherwise provided in subsection 3, the board of  
20 trustees of a school district shall pay the cost for a licensed teacher  
21 *or school psychologist* to purchase one-fifth of a year of service for  
22 each year that a teacher *or school psychologist* satisfies the  
23 requirements of subsection 1. *If, in 1 school year, a teacher*  
24 *satisfies the criteria set forth in both subparagraphs (1) and (2) of*  
25 *paragraph (d) of subsection 1, the school district in which the*  
26 *teacher is employed is not required to pay for more than one-fifth*  
27 *of a year of service pursuant to subsection 2 of NRS 286.300 for*  
28 *that school year.*

29 3. In no event may the years of service purchased by a licensed  
30 teacher *or school psychologist* as a result of subsection 2 of NRS  
31 286.300 exceed 5 years.

32 4. The board of trustees of a school district shall not:

33 (a) Assign or reassign a licensed teacher *or school psychologist*  
34 to circumvent the requirements of this section.

35 (b) Include ~~[-]~~ as part of a teacher's *or school psychologist's*  
36 salary ~~[-]~~ the costs of paying the teacher *or school psychologist* to  
37 purchase service pursuant to this section.

38 5. As used in this section:

39 (a) A child is "at risk" if he is eligible for free or reduced-price  
40 lunches pursuant to 42 U.S.C. §§ 1751 et. seq.

41 (b) "Service has the meaning ascribed to it in NRS 286.078.

42 **Sec. 163.** NRS 396.405 is hereby amended to read as follows:

43 396.405 1. A university foundation:

44 (a) Shall comply with the provisions of chapter 241 of NRS;



1 (b) Except as otherwise provided in subsection 2, shall make its  
2 records public and open to inspection pursuant to NRS 239.010; *and*

3 (c) ~~[Is exempt from the tax on transfers of real property~~  
4 ~~pursuant to subsection 14 of NRS 375.090; and~~

5 ~~—(d)]~~ May allow a president or an administrator of the university  
6 or community college which it supports to serve as a member of its  
7 governing body.

8 2. A university foundation is not required to disclose the name  
9 of any contributor or potential contributor to the university  
10 foundation, the amount of his contribution or any information which  
11 may reveal or lead to the discovery of his identity. The university  
12 foundation shall, upon request, allow a contributor to examine,  
13 during regular business hours, any record, document or other  
14 information of the foundation relating to that contributor.

15 3. As used in this section, “university foundation” means a  
16 nonprofit corporation, association or institution or a charitable  
17 organization that is:

18 (a) Organized and operated exclusively for the purpose of  
19 supporting a university or a community college;

20 (b) Formed pursuant to the laws of this state; and

21 (c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

22 **Sec. 164.** NRS 463.0136 is hereby amended to read as  
23 follows:

24 463.0136 “Associated equipment” means:

25 1. Any equipment or mechanical, electromechanical or  
26 electronic contrivance, component or machine used remotely or  
27 directly in connection with gaming, any game, race book or sports  
28 pool that would not otherwise be classified as a gaming device,  
29 including dice, playing cards, links which connect to progressive  
30 slot machines, equipment which affects the proper reporting of gross  
31 revenue, computerized systems of betting at a race book or sports  
32 pool, computerized systems for monitoring slot machines and  
33 devices for weighing or counting money; or

34 2. A computerized system for recordation of sales for use in an  
35 area subject to the ~~[casino-entertainment]~~ tax *imposed* pursuant to  
36 ~~[NRS 463.401.]~~ *section 74 of this act.*

37 **Sec. 165.** NRS 463.270 is hereby amended to read as follows:

38 463.270 1. Subject to the power of the Board to deny, revoke,  
39 suspend, condition or limit licenses, any state license in force may  
40 be renewed by the Board for the next succeeding license period  
41 upon proper application for renewal and payment of state license  
42 fees and taxes as required by law and the regulations of the Board.

43 2. All state gaming licenses are subject to renewal on the 1st  
44 day of each January and all quarterly state gaming licenses on the  
45 1st day of each calendar quarter thereafter.



1       3. Application for renewal must be filed with the Board and all  
2 state license fees and taxes required by law, including without  
3 limitation NRS 463.370, 463.373 to 463.3855, inclusive, ~~463.401,~~  
4 463.660, 464.015 and 464.040, *and section 74 of this act*, must be  
5 paid to the Board on or before the dates respectively provided by  
6 law for each fee or tax.

7       4. Application for renewal of licenses for slot machines only  
8 must be made by the operators of the locations where such machines  
9 are situated.

10       5. Any person failing to pay any state license fees or taxes due  
11 at the times respectively provided shall pay in addition to such  
12 license fees or taxes a penalty of not less than \$50 or 25 percent of  
13 the amount due, whichever is the greater, but not more than \$1,000  
14 if the fees or taxes are less than 10 days late and in no case in excess  
15 of \$5,000. The penalty must be collected as are other charges,  
16 license fees and penalties under this chapter.

17       6. Any person who operates, carries on or exposes for play any  
18 gambling game, gaming device or slot machine or who  
19 manufactures, sells or distributes any gaming device, equipment,  
20 material or machine used in gaming, after his license becomes  
21 subject to renewal, and thereafter fails to apply for renewal as  
22 provided in this section, is guilty of a misdemeanor and, in addition  
23 to the penalties provided by law, is liable to the State of Nevada for  
24 all license fees, taxes and penalties which would have been due  
25 upon application for renewal.

26       7. If any licensee or other person fails to renew his license as  
27 provided in this section the Board may order the immediate closure  
28 of all his gaming activity until the license is renewed by the  
29 payment of the necessary fees, taxes, interest and any penalties.  
30 Except for a license for which fees are based on the gross revenue of  
31 the licensee, failure to renew a license within 30 days after the date  
32 required by this chapter shall be deemed a surrender of the license.

33       8. The voluntary surrender of a license by a licensee does not  
34 become effective until accepted in the manner provided in the  
35 regulations of the Board. The surrender of a license does not relieve  
36 the former licensee of any penalties, fines, fees, taxes or interest  
37 due.

38       **Sec. 166.** NRS 463.370 is hereby amended to read as follows:

39       463.370 1. Except as otherwise provided in NRS 463.373,  
40 the Commission shall charge and collect from each licensee a  
41 license fee based upon all the gross revenue of the licensee as  
42 follows:

43       (a) Three *and one-quarter* percent of all the gross revenue of  
44 the licensee which does not exceed \$50,000 per calendar month;



1 (b) Four *and one-quarter* percent of all the gross revenue of the  
2 licensee which exceeds \$50,000 per calendar month and does not  
3 exceed \$134,000 per calendar month; and

4 (c) Six and ~~one-quarter~~ *one-half* percent of all the gross  
5 revenue of the licensee which exceeds \$134,000 per calendar month.

6 2. Unless the licensee has been operating for less than a full  
7 calendar month, the Commission shall charge and collect the fee  
8 prescribed in subsection 1, based upon the gross revenue for the  
9 preceding calendar month, on or before the 24th day of the  
10 following month. Except for the fee based on the first full month of  
11 operation, the fee is an estimated payment of the license fee for the  
12 third month following the month whose gross revenue is used as its  
13 basis.

14 3. When a licensee has been operating for less than a full  
15 calendar month, the Commission shall charge and collect the fee  
16 prescribed in subsection 1, based on the gross revenue received  
17 during that month, on or before the 24th day of the following  
18 calendar month of operation. After the first full calendar month of  
19 operation, the Commission shall charge and collect the fee based on  
20 the gross revenue received during that month, on or before the 24th  
21 day of the following calendar month. The payment of the fee due for  
22 the first full calendar month of operation must be accompanied by  
23 the payment of a fee equal to three times the fee for the first full  
24 calendar month. This additional amount is an estimated payment of  
25 the license fees for the next 3 calendar months. Thereafter, each  
26 license fee must be paid in the manner described in subsection 2.  
27 Any deposit held by the Commission on July 1, 1969, must be  
28 treated as an advance estimated payment.

29 4. All revenue received from any game or gaming device  
30 which is operated on the premises of a licensee, regardless of  
31 whether any portion of the revenue is shared with any other person,  
32 must be attributed to the licensee for the purposes of this section and  
33 counted as part of the gross revenue of the licensee. Any other  
34 person, including, without limitation, an operator of an inter-casino  
35 linked system, who is authorized to receive a share of the revenue  
36 from any game, gaming device or inter-casino linked system that is  
37 operated on the premises of a licensee is liable to the licensee for  
38 that person's proportionate share of the license fees paid by the  
39 licensee pursuant to this section and shall remit or credit the full  
40 proportionate share to the licensee on or before the 24th day of each  
41 calendar month. The proportionate share of an operator of an inter-  
42 casino linked system must be based on all compensation and other  
43 consideration received by the operator of the inter-casino linked  
44 system, including, without limitation, amounts that accrue to the  
45 meter of the primary progressive jackpot of the inter-casino linked



\* A B 1 \*

1 system and amounts that fund the reserves of such a jackpot, subject  
2 to all appropriate adjustments for deductions, credits, offsets and  
3 exclusions that the licensee is entitled to take or receive pursuant to  
4 the provisions of this chapter. A licensee is not liable to any other  
5 person authorized to receive a share of the licensee's revenue from  
6 any game, gaming device or inter-casino linked system that is  
7 operated on the premises of the licensee for that person's  
8 proportionate share of the license fees to be remitted or credited to  
9 the licensee by that person pursuant to this section.

10 5. An operator of an inter-casino linked system shall not enter  
11 into any agreement or arrangement with a licensee that provides for  
12 the operator of the inter-casino linked system to be liable to the  
13 licensee for less than its full proportionate share of the license fees  
14 paid by the licensee pursuant to this section, whether accomplished  
15 through a rebate, refund, charge-back or otherwise.

16 6. Any person required to pay a fee pursuant to this section  
17 shall file with the Commission, on or before the 24th day of each  
18 calendar month, a report showing the amount of all gross revenue  
19 received during the preceding calendar month. Each report must be  
20 accompanied by:

21 (a) The fee due based on the revenue of the month covered by  
22 the report; and

23 (b) An adjustment for the difference between the estimated fee  
24 previously paid for the month covered by the report, if any, and  
25 the fee due for the actual gross revenue earned in that month. If the  
26 adjustment is less than zero, a credit must be applied to the  
27 estimated fee due with that report.

28 7. If the amount of license fees required to be reported and paid  
29 pursuant to this section is later determined to be greater or less than  
30 the amount actually reported and paid, the Commission shall:

31 (a) Charge and collect the additional license fees determined to  
32 be due, with interest thereon until paid; or

33 (b) Refund any overpayment to the person entitled thereto  
34 pursuant to this chapter, with interest thereon.

35 Interest pursuant to paragraph (a) must be computed at the rate  
36 prescribed in NRS 17.130 from the first day of the first month  
37 following the due date of the additional license fees until paid.  
38 Interest pursuant to paragraph (b) must be computed at one-half the  
39 rate prescribed in NRS 17.130 from the first day of the first month  
40 following the date of overpayment until paid.

41 8. Failure to pay the fees provided for in this section shall be  
42 deemed a surrender of the license at the expiration of the period for  
43 which the estimated payment of fees has been made, as established  
44 in subsection 2.





1 9. Except as otherwise provided in NRS 463.386, the amount  
2 of the fee prescribed in subsection 1 must not be prorated.

3 10. Except as otherwise provided in NRS 463.386, if a licensee  
4 ceases operation, the Commission shall:

5 (a) Charge and collect the additional license fees determined to  
6 be due with interest computed pursuant to paragraph (a) of  
7 subsection 7; or

8 (b) Refund any overpayment to the licensee with interest  
9 computed pursuant to paragraph (b) of subsection 7,  
10 based upon the gross revenue of the licensee during the last 3  
11 months immediately preceding the cessation of operation, or  
12 portions of those last 3 months.

13 11. If in any month ~~the~~ the amount of gross revenue is less than  
14 zero, the licensee may offset the loss against gross revenue in  
15 succeeding months until the loss has been fully offset.

16 12. If in any month ~~the~~ the amount of the license fee due is less  
17 than zero, the licensee is entitled to receive a credit against any  
18 license fees due in succeeding months until the credit has been fully  
19 offset.

20 **Sec. 167.** NRS 463.370 is hereby amended to read as follows:

21 463.370 1. Except as otherwise provided in NRS 463.373,  
22 the Commission shall charge and collect from each licensee a  
23 license fee based upon all the gross revenue of the licensee as  
24 follows:

25 (a) Three and ~~one-quarter~~ *one-half* percent of all the gross  
26 revenue of the licensee which does not exceed \$50,000 per calendar  
27 month;

28 (b) Four and ~~one-quarter~~ *one-half* percent of all the gross  
29 revenue of the licensee which exceeds \$50,000 per calendar month  
30 and does not exceed \$134,000 per calendar month; and

31 (c) Six and ~~one-half~~ *three-quarters* percent of all the gross  
32 revenue of the licensee which exceeds \$134,000 per calendar month.

33 2. Unless the licensee has been operating for less than a full  
34 calendar month, the Commission shall charge and collect the fee  
35 prescribed in subsection 1, based upon the gross revenue for the  
36 preceding calendar month, on or before the 24th day of the  
37 following month. Except for the fee based on the first full month of  
38 operation, the fee is an estimated payment of the license fee for the  
39 third month following the month whose gross revenue is used as its  
40 basis.

41 3. When a licensee has been operating for less than a full  
42 calendar month, the Commission shall charge and collect the fee  
43 prescribed in subsection 1, based on the gross revenue received  
44 during that month, on or before the 24th day of the following  
45 calendar month of operation. After the first full calendar month of



1 operation, the Commission shall charge and collect the fee based on  
2 the gross revenue received during that month, on or before the 24th  
3 day of the following calendar month. The payment of the fee due for  
4 the first full calendar month of operation must be accompanied by  
5 the payment of a fee equal to three times the fee for the first full  
6 calendar month. This additional amount is an estimated payment of  
7 the license fees for the next 3 calendar months. Thereafter, each  
8 license fee must be paid in the manner described in subsection 2.  
9 Any deposit held by the Commission on July 1, 1969, must be  
10 treated as an advance estimated payment.

11 4. All revenue received from any game or gaming device  
12 which is operated on the premises of a licensee, regardless of  
13 whether any portion of the revenue is shared with any other person,  
14 must be attributed to the licensee for the purposes of this section and  
15 counted as part of the gross revenue of the licensee. Any other  
16 person, including, without limitation, an operator of an inter-casino  
17 linked system, who is authorized to receive a share of the revenue  
18 from any game, gaming device or inter-casino linked system that is  
19 operated on the premises of a licensee is liable to the licensee for  
20 that person's proportionate share of the license fees paid by the  
21 licensee pursuant to this section and shall remit or credit the full  
22 proportionate share to the licensee on or before the 24th day of each  
23 calendar month. The proportionate share of an operator of an inter-  
24 casino linked system must be based on all compensation and other  
25 consideration received by the operator of the inter-casino linked  
26 system, including, without limitation, amounts that accrue to the  
27 meter of the primary progressive jackpot of the inter-casino linked  
28 system and amounts that fund the reserves of such a jackpot, subject  
29 to all appropriate adjustments for deductions, credits, offsets and  
30 exclusions that the licensee is entitled to take or receive pursuant to  
31 the provisions of this chapter. A licensee is not liable to any other  
32 person authorized to receive a share of the licensee's revenue from  
33 any game, gaming device or inter-casino linked system that is  
34 operated on the premises of the licensee for that person's  
35 proportionate share of the license fees to be remitted or credited to  
36 the licensee by that person pursuant to this section.

37 5. An operator of an inter-casino linked system shall not enter  
38 into any agreement or arrangement with a licensee that provides for  
39 the operator of the inter-casino linked system to be liable to the  
40 licensee for less than its full proportionate share of the license fees  
41 paid by the licensee pursuant to this section, whether accomplished  
42 through a rebate, refund, charge-back or otherwise.

43 6. Any person required to pay a fee pursuant to this section  
44 shall file with the Commission, on or before the 24th day of each  
45 calendar month, a report showing the amount of all gross revenue



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1 received during the preceding calendar month. Each report must be  
2 accompanied by:

3 (a) The fee due based on the revenue of the month covered by  
4 the report; and

5 (b) An adjustment for the difference between the estimated fee  
6 previously paid for the month covered by the report, if any, and the  
7 fee due for the actual gross revenue earned in that month. If the  
8 adjustment is less than zero, a credit must be applied to the  
9 estimated fee due with that report.

10 7. If the amount of license fees required to be reported and paid  
11 pursuant to this section is later determined to be greater or less than  
12 the amount actually reported and paid, the Commission shall:

13 (a) Charge and collect the additional license fees determined to  
14 be due, with interest thereon until paid; or

15 (b) Refund any overpayment to the person entitled thereto  
16 pursuant to this chapter, with interest thereon.

17 Interest pursuant to paragraph (a) must be computed at the rate  
18 prescribed in NRS 17.130 from the first day of the first month  
19 following the due date of the additional license fees until paid.  
20 Interest pursuant to paragraph (b) must be computed at one-half the  
21 rate prescribed in NRS 17.130 from the first day of the first month  
22 following the date of overpayment until paid.

23 8. Failure to pay the fees provided for in this section shall be  
24 deemed a surrender of the license at the expiration of the period for  
25 which the estimated payment of fees has been made, as established  
26 in subsection 2.

27 9. Except as otherwise provided in NRS 463.386, the amount  
28 of the fee prescribed in subsection 1 must not be prorated.

29 10. Except as otherwise provided in NRS 463.386, if a licensee  
30 ceases operation, the Commission shall:

31 (a) Charge and collect the additional license fees determined to  
32 be due with interest computed pursuant to paragraph (a) of  
33 subsection 7; or

34 (b) Refund any overpayment to the licensee with interest  
35 computed pursuant to paragraph (b) of subsection 7,  
36 based upon the gross revenue of the licensee during the last 3  
37 months immediately preceding the cessation of operation, or  
38 portions of those last 3 months.

39 11. If in any month the amount of gross revenue is less than  
40 zero, the licensee may offset the loss against gross revenue in  
41 succeeding months until the loss has been fully offset.

42 12. If in any month the amount of the license fee due is less  
43 than zero, the licensee is entitled to receive a credit against any  
44 license fees due in succeeding months until the credit has been fully  
45 offset.



1     **Sec. 168.** NRS 463.373 is hereby amended to read as follows:  
2     463.373 1. Before issuing a state gaming license to an  
3     applicant for a restricted operation, the Commission shall charge  
4     and collect from him for each slot machine for each quarter year:

5     (a) A license fee of ~~[\$64]~~ **\$81** for each slot machine if he will  
6     have at least one but not more than five slot machines.

7     (b) A license fee of ~~[\$305 plus \$106]~~ **\$405 plus \$141** for each  
8     slot machine in excess of five if he will have at least six but not  
9     more than 15 slot machines.

10    2. The Commission shall charge and collect the fee prescribed  
11    in subsection 1:

12    (a) On or before the last day of the last month in a calendar  
13    quarter, for the ensuing calendar quarter, from a licensee whose  
14    operation is continuing.

15    (b) In advance from a licensee who begins operation or puts  
16    additional slot machines into play during a calendar quarter.

17    3. Except as otherwise provided in NRS 463.386, no proration  
18    of the fee prescribed in subsection 1 may be allowed for any reason.

19    4. The operator of the location where slot machines are situated  
20    shall pay the fee prescribed in subsection 1 upon the total number of  
21    slot machines situated in that location, whether or not the machines  
22    are owned by one or more licensee-owners.

23    **Sec. 169.** NRS 463.401 is hereby amended to read as follows:

24    463.401 1. In addition to any other license fees and taxes  
25    imposed by this chapter, a casino entertainment tax equivalent to 10  
26    percent of all amounts paid for admission, food, refreshments and  
27    merchandise is hereby levied ~~[, except as provided in subsection 2,]~~  
28    upon each licensed gaming establishment in this state where music  
29    and dancing privileges or any other entertainment is provided to the  
30    patrons in a cabaret, nightclub, cocktail lounge or casino showroom  
31    in connection with the serving or selling of food or refreshments or  
32    the selling of any merchandise. Amounts paid for gratuities directly  
33    or indirectly remitted to employees of the licensee or for service  
34    charges, including those imposed in connection with use of credit  
35    cards or debit cards, that are collected and retained by persons other  
36    than the licensee are not taxable pursuant to this section.

37    2. ~~[A licensed gaming establishment is not subject to tax~~  
38    ~~pursuant to this section if:~~

39    ~~—(a) The establishment is licensed for less than 51 slot machines,~~  
40    ~~less than six games, or any combination of slot machines and games~~  
41    ~~within those respective limits;~~

42    ~~—(b) The entertainment is presented in a facility that would not~~  
43    ~~have been subject to taxation pursuant to 26 U.S.C. § 4231(6) as that~~  
44    ~~provision existed in 1965;~~



1 ~~—(c) The entertainment is presented in a facility that would have~~  
2 ~~been subject to taxation pursuant to 26 U.S.C. § 4231(1), (2), (3),~~  
3 ~~(4) or (5) as those provisions existed in 1965; or~~  
4 ~~—(d) In other cases, if:~~  
5 ~~—(1) No distilled spirits, wine or beer is served or permitted to~~  
6 ~~be consumed;~~  
7 ~~—(2) Only light refreshments are served;~~  
8 ~~—(3) Where space is provided for dancing, no charge is made~~  
9 ~~for dancing; and~~  
10 ~~—(4) Where music is provided or permitted, the music is~~  
11 ~~provided without any charge to the owner, lessee or operator of the~~  
12 ~~establishment or to any concessionaire.~~  
13 ~~—3.]~~ The tax imposed by this section does not apply to  
14 merchandise sold outside the facility in which the entertainment is  
15 presented, unless the purchase of the merchandise entitles the  
16 purchaser to admission to the entertainment.  
17 ~~[4.]~~ 3. The tax imposed by this section must be paid by the  
18 licensee of the establishment.  
19 **Sec. 170.** NRS 463.4015 is hereby amended to read as  
20 follows:  
21 463.4015 ~~[1.]~~ The following kinds of entertainment are not  
22 subject to the casino entertainment tax:  
23 ~~[(a)]~~ 1. A charitable or nonprofit benefit;  
24 ~~[(b)]~~ ~~An exhibition in a museum;~~  
25 ~~—(c) A sporting event;~~  
26 ~~—(d)]~~ 2. A trade show;  
27 ~~[(e)]~~ ~~A motion picture film;~~  
28 ~~—(f) An outdoor concert;~~  
29 ~~—(g) A concert or other activity or entertainment presented in an~~  
30 ~~amusement park, arcade, theme park, outdoor area, area with a man-~~  
31 ~~made body of water, area customarily used for trade shows or~~  
32 ~~conventions, or any similar area, unless the concert or other activity~~  
33 ~~or entertainment is presented in a cabaret, nightclub, cocktail lounge~~  
34 ~~or casino showroom which is located within such a facility or area;~~  
35 ~~—(h) Interactive entertainment;~~  
36 ~~—(i) Participation in physical or sporting activities other than~~  
37 ~~dancing;~~  
38 ~~—(j) Instrumental music alone;~~  
39 ~~—(k)] ; and~~  
40 3. Music by musicians who move constantly through the  
41 audience, whether the music is vocal or instrumental, or both, if no  
42 other form of entertainment such as dancing privileges is afforded  
43 the patrons . ~~[-; and~~  
44 ~~—(l) Mechanical music alone, mechanical speech alone or a~~  
45 ~~combination of these.~~



- 1 ~~—2. Entertainment is also not subject to the casino entertainment~~  
2 ~~tax if the entertainment is:~~  
3 ~~—(a) Provided or occurs at private meetings or dinners attended by~~  
4 ~~members of a particular organization or by a casual assemblage and~~  
5 ~~the purpose of the event is not primarily for entertainment;~~  
6 ~~—(b) Provided to the public without requirement for payment of~~  
7 ~~an admission charge or the purchase of food, refreshment or~~  
8 ~~merchandise or the expectation that the patron will not remain to~~  
9 ~~view or participate in the entertainment without purchasing food,~~  
10 ~~refreshment or merchandise;~~  
11 ~~—(c) Presented in or about a swimming pool, water park or on a~~  
12 ~~natural or artificial beach;~~  
13 ~~—(d) Presented in an auditorium; or~~  
14 ~~—(e) Presented in a common area of a shopping mall.]~~

15 **Sec. 171.** NRS 463.408 is hereby amended to read as follows:

- 16 463.408 1. As used in this section, "holidays or special  
17 events" refers to periods during which the influx of tourist activity  
18 in this state or any area thereof may require additional or alternative  
19 industry accommodation as determined by the Board.  
20 2. Any licensee holding a valid license under this chapter may  
21 apply to the Board, on application forms prescribed by the Board,  
22 for a holiday or special event permit to:  
23 (a) Increase the licensee's game operations during holidays or  
24 special events; or  
25 (b) Provide persons who are attending a special event with  
26 gaming in an area of the licensee's establishment to which access by  
27 the general public may be restricted.  
28 3. The application must be filed with the Board at least 15 days  
29 before the date of the holiday or special event.  
30 4. If the Board approves the application, it shall issue to the  
31 licensee a permit to operate presently existing games or any  
32 additional games in designated areas of the licensee's establishment.  
33 The number of additional games must not exceed 50 percent of the  
34 number of games operated by the licensee at the time the application  
35 is filed. The permit must state the period for which it is issued and  
36 the number, if any, of additional games allowed. For purposes of  
37 computation, any fractional game must be counted as one full game.  
38 The licensee shall present any such permit on the demand of any  
39 inspecting agent of the Board or Board.  
40 5. Before issuing any permit, the Board shall charge and collect  
41 from the licensee a fee of \$14 per game per day for each day the  
42 permit is effective. The fees are in lieu of the fees required under  
43 NRS 463.380, 463.383 and 463.390.



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1       6. The additional games allowed under a permit must not be  
2 counted in computing the ~~casino-entertainment tax under NRS~~  
3 ~~463.401.] tax imposed by section 74 of this act.~~

4       7. If any such additional games are not removed at the time the  
5 permit expires, the licensee is immediately subject to the fees  
6 provided for in this chapter.

7       **Sec. 172.** NRS 463.770 is hereby amended to read as follows:

8       463.770 1. All gross revenue from operating interactive  
9 gaming received by an establishment licensed to operate interactive  
10 gaming, regardless of whether any portion of the revenue is shared  
11 with another person, must be attributed to the licensee and counted  
12 as part of the gross revenue of the licensee for the purpose of  
13 computing the license fee required by NRS 463.370.

14       2. A manufacturer of interactive gaming systems who is  
15 authorized by an agreement to receive a share of the revenue from  
16 an interactive gaming system from an establishment licensed to  
17 operate interactive gaming is liable to the establishment for a  
18 portion of the license fee paid pursuant to subsection 1. The portion  
19 for which the manufacturer of interactive gaming systems is liable is  
20 ~~[6.25]~~ 6.5 percent of the amount of revenue to which the  
21 manufacturer of interactive gaming systems is entitled pursuant to  
22 the agreement.

23       3. For the purposes of subsection 2, the amount of revenue to  
24 which the manufacturer of interactive gaming systems is entitled  
25 pursuant to an agreement to share the revenue from an interactive  
26 gaming system:

27       (a) Includes all revenue of the manufacturer of interactive  
28 gaming systems that is his share of the revenue from the interactive  
29 gaming system pursuant to the agreement; and

30       (b) Does not include revenue that is the fixed purchase price for  
31 the sale of a component of the interactive gaming system.

32       **Sec. 173.** NRS 463.770 is hereby amended to read as follows:

33       463.770 1. All gross revenue from operating interactive  
34 gaming received by an establishment licensed to operate interactive  
35 gaming, regardless of whether any portion of the revenue is shared  
36 with another person, must be attributed to the licensee and counted  
37 as part of the gross revenue of the licensee for the purpose of  
38 computing the license fee required by NRS 463.370.

39       2. A manufacturer of interactive gaming systems who is  
40 authorized by an agreement to receive a share of the revenue from  
41 an interactive gaming system from an establishment licensed to  
42 operate interactive gaming is liable to the establishment for a  
43 portion of the license fee paid pursuant to subsection 1. The portion  
44 for which the manufacturer of interactive gaming systems is liable is  
45 ~~[6.5]~~ 6.75 percent of the amount of revenue to which the





1 manufacturer of interactive gaming systems is entitled pursuant to  
2 the agreement.

3 3. For the purposes of subsection 2, the amount of revenue to  
4 which the manufacturer of interactive gaming systems is entitled  
5 pursuant to an agreement to share the revenue from an interactive  
6 gaming system:

7 (a) Includes all revenue of the manufacturer of interactive  
8 gaming systems that is his share of the revenue from the interactive  
9 gaming system pursuant to the agreement; and

10 (b) Does not include revenue that is the fixed purchase price for  
11 the sale of a component of the interactive gaming system.

12 **Sec. 174.** NRS 467.107 is hereby amended to read as follows:

13 467.107 1. In addition to the payment of any other fees and  
14 money due under this chapter, every promoter, except as provided in  
15 subsection 2, shall pay a license fee of:

16 (a) ~~Four~~ **Seven** percent of the total gross receipts from  
17 admission fees to the live contest or exhibition of unarmed combat,  
18 exclusive of any federal tax or tax imposed by any political  
19 subdivision of this state; and

20 (b) Three percent of the first \$1,000,000, and 1 percent of the  
21 next \$2,000,000, of the total gross receipts from the sale, lease or  
22 other exploitation of broadcasting, television and motion picture  
23 rights for that contest or exhibition,  
24 without any deductions for commissions, brokerage fees,  
25 distribution fees, advertising, contestants' purses or any other  
26 expenses or charges.

27 2. A corporation organized pursuant to NRS 81.550 to 81.660,  
28 inclusive, which promotes an amateur contest or exhibition of  
29 unarmed combat whose net proceeds are to be spent entirely in this  
30 state, for the purposes for which the corporation is organized, is  
31 exempt from the fees payable under this section. The corporation  
32 must retain the services of a promoter licensed pursuant to this  
33 chapter.

34 3. The Commission shall adopt regulations:

35 (a) Requiring that the number and face value of all  
36 complimentary tickets be reported.

37 (b) Governing the treatment of complimentary tickets for the  
38 purposes of computing gross receipts from admission fees under  
39 paragraph (a) of subsection 1.

40 **Sec. 175.** NRS 645B.060 is hereby amended to read as  
41 follows:

42 645B.060 1. Subject to the administrative control of the  
43 Director of the Department of Business and Industry, the  
44 Commissioner shall exercise general supervision and control over  
45 mortgage brokers doing business in this state.



1       2. In addition to the other duties imposed upon him by law, the  
2 Commissioner shall:

3       (a) Adopt any regulations that are necessary to carry out the  
4 provisions of this chapter, except as to loan brokerage fees.

5       (b) Conduct such investigations as may be necessary to  
6 determine whether any person has violated any provision of this  
7 chapter, a regulation adopted pursuant to this chapter or an order of  
8 the Commissioner.

9       (c) Conduct an annual examination of each mortgage broker  
10 doing business in this state. The annual examination must include,  
11 without limitation, a formal exit review with the mortgage broker.  
12 The Commissioner shall adopt regulations prescribing:

13       (1) Standards for determining the rating of each mortgage  
14 broker based upon the results of the annual examination; and

15       (2) Procedures for resolving any objections made by the  
16 mortgage broker to the results of the annual examination. The  
17 results of the annual examination may not be opened to public  
18 inspection pursuant to NRS 645B.090 until any objections made by  
19 the mortgage broker have been decided by the Commissioner.

20       (d) Conduct such other examinations, periodic or special audits,  
21 investigations and hearings as may be necessary and proper for the  
22 efficient administration of the laws of this state regarding mortgage  
23 brokers and mortgage agents. The Commissioner shall adopt  
24 regulations specifying the general guidelines that will be followed  
25 when a periodic or special audit of a mortgage broker is conducted  
26 pursuant to this chapter.

27       (e) Classify as confidential certain records and information  
28 obtained by the Division when those matters are obtained from a  
29 governmental agency upon the express condition that they remain  
30 confidential. This paragraph does not limit examination by ~~the~~:

31       (1) *The Legislative Auditor* ~~the~~; or

32       (2) *The Department of Taxation if necessary to carry out*  
33 *the provisions of sections 37 to 62, inclusive, of this act.*

34       (f) Conduct such examinations and investigations as are  
35 necessary to ensure that mortgage brokers meet the requirements of  
36 this chapter for obtaining a license, both at the time of the  
37 application for a license and thereafter on a continuing basis.

38       3. For each special audit, investigation or examination, a  
39 mortgage broker shall pay a fee based on the rate established  
40 pursuant to NRS 658.101.

41       **Sec. 176.** NRS 645B.670 is hereby amended to read as  
42 follows:

43       645B.670 Except as otherwise provided in NRS 645B.690:

44       1. For each violation committed by an applicant, whether or  
45 not he is issued a license, the Commissioner may impose upon the



1 applicant an administrative fine of not more than \$10,000, if the  
2 applicant:

3 (a) Has knowingly made or caused to be made to the  
4 Commissioner any false representation of material fact;

5 (b) Has suppressed or withheld from the Commissioner any  
6 information which the applicant possesses and which, if submitted  
7 by him, would have rendered the applicant ineligible to be licensed  
8 pursuant to the provisions of this chapter; or

9 (c) Has violated any provision of this chapter, a regulation  
10 adopted pursuant to this chapter or an order of the Commissioner in  
11 completing and filing his application for a license or during the  
12 course of the investigation of his application for a license.

13 2. For each violation committed by a licensee, the  
14 Commissioner may impose upon the licensee an administrative fine  
15 of not more than \$10,000, may suspend, revoke or place conditions  
16 upon his license, or may do both, if the licensee, whether or not  
17 acting as such:

18 (a) Is insolvent;

19 (b) Is grossly negligent or incompetent in performing any act for  
20 which he is required to be licensed pursuant to the provisions of this  
21 chapter;

22 (c) Does not conduct his business in accordance with law or has  
23 violated any provision of this chapter, a regulation adopted pursuant  
24 to this chapter or an order of the Commissioner;

25 (d) Is in such financial condition that he cannot continue in  
26 business with safety to his customers;

27 (e) Has made a material misrepresentation in connection with  
28 any transaction governed by this chapter;

29 (f) Has suppressed or withheld from a client any material facts,  
30 data or other information relating to any transaction governed by the  
31 provisions of this chapter which the licensee knew or, by the  
32 exercise of reasonable diligence, should have known;

33 (g) Has knowingly made or caused to be made to the  
34 Commissioner any false representation of material fact or has  
35 suppressed or withheld from the Commissioner any information  
36 which the licensee possesses and which, if submitted by him, would  
37 have rendered the licensee ineligible to be licensed pursuant to the  
38 provisions of this chapter;

39 (h) Has failed to account to persons interested for all money  
40 received for a trust account;

41 (i) Has refused to permit an examination by the Commissioner  
42 of his books and affairs or has refused or failed, within a reasonable  
43 time, to furnish any information or make any report that may be  
44 required by the Commissioner pursuant to the provisions of this  
45 chapter or a regulation adopted pursuant to this chapter;



1 (j) Has been convicted of, or entered a plea of nolo contendere  
2 to, a felony or any crime involving fraud, misrepresentation or  
3 moral turpitude;

4 (k) Has refused or failed to pay, within a reasonable time, any  
5 fees, assessments, costs or expenses that the licensee is required to  
6 pay pursuant to this chapter or a regulation adopted pursuant to this  
7 chapter;

8 (l) Has failed to satisfy a claim made by a client which has been  
9 reduced to judgment;

10 (m) Has failed to account for or to remit any money of a client  
11 within a reasonable time after a request for an accounting or  
12 remittal;

13 (n) Has commingled the money or other property of a client  
14 with his own or has converted the money or property of others to his  
15 own use;

16 (o) Has engaged in any other conduct constituting a deceitful,  
17 fraudulent or dishonest business practice;

18 (p) Has repeatedly violated the policies and procedures of the  
19 mortgage broker;

20 (q) Has failed to exercise reasonable supervision over the  
21 activities of a mortgage agent as required by NRS 645B.460;

22 (r) Has instructed a mortgage agent to commit an act that would  
23 be cause for the revocation of the license of the mortgage broker,  
24 whether or not the mortgage agent commits the act;

25 (s) Has employed a person as a mortgage agent or authorized a  
26 person to be associated with the licensee as a mortgage agent at a  
27 time when the licensee knew or, in light of all the surrounding facts  
28 and circumstances, reasonably should have known that the person:

29 (1) Had been convicted of, or entered a plea of nolo  
30 contendere to, a felony or any crime involving fraud,  
31 misrepresentation or moral turpitude; or

32 (2) Had a financial services license or registration suspended  
33 or revoked within the immediately preceding 10 years; ~~for~~

34 (t) *Has failed to pay the tax imposed pursuant to the provisions*  
35 *of sections 37 to 62, inclusive, of this act; or*

36 (u) Has not conducted verifiable business as a mortgage broker  
37 for 12 consecutive months, except in the case of a new applicant.  
38 The Commissioner shall determine whether a mortgage broker is  
39 conducting business by examining the monthly reports of activity  
40 submitted by the licensee or by conducting an examination of the  
41 licensee.

42 **Sec. 177.** NRS 645E.300 is hereby amended to read as  
43 follows:

44 645E.300 1. Subject to the administrative control of the  
45 Director of the Department of Business and Industry, the



1 Commissioner shall exercise general supervision and control over  
2 mortgage companies doing business in this state.

3 2. In addition to the other duties imposed upon him by law, the  
4 Commissioner shall:

5 (a) Adopt any regulations that are necessary to carry out the  
6 provisions of this chapter, except as to loan fees.

7 (b) Conduct such investigations as may be necessary to  
8 determine whether any person has violated any provision of this  
9 chapter, a regulation adopted pursuant to this chapter or an order of  
10 the Commissioner.

11 (c) Conduct an annual examination of each mortgage company  
12 doing business in this state.

13 (d) Conduct such other examinations, periodic or special audits,  
14 investigations and hearings as may be necessary and proper for the  
15 efficient administration of the laws of this state regarding mortgage  
16 companies.

17 (e) Classify as confidential certain records and information  
18 obtained by the Division when those matters are obtained from a  
19 governmental agency upon the express condition that they remain  
20 confidential. This paragraph does not limit examination by ~~the~~ :

21 (1) *The* Legislative Auditor ~~[-]~~; or

22 (2) *The Department of Taxation if necessary to carry out*  
23 *the provisions of sections 37 to 62, inclusive, of this act.*

24 (f) Conduct such examinations and investigations as are  
25 necessary to ensure that mortgage companies meet the requirements  
26 of this chapter for obtaining a license, both at the time of the  
27 application for a license and thereafter on a continuing basis.

28 3. For each special audit, investigation or examination, a  
29 mortgage company shall pay a fee based on the rate established  
30 pursuant to NRS 658.101.

31 **Sec. 178.** NRS 645E.670 is hereby amended to read as  
32 follows:

33 645E.670 1. For each violation committed by an applicant,  
34 whether or not he is issued a license, the Commissioner may impose  
35 upon the applicant an administrative fine of not more than \$10,000,  
36 if the applicant:

37 (a) Has knowingly made or caused to be made to the  
38 Commissioner any false representation of material fact;

39 (b) Has suppressed or withheld from the Commissioner any  
40 information which the applicant possesses and which, if submitted  
41 by him, would have rendered the applicant ineligible to be licensed  
42 pursuant to the provisions of this chapter; or

43 (c) Has violated any provision of this chapter, a regulation  
44 adopted pursuant to this chapter or an order of the Commissioner in



1 completing and filing his application for a license or during the  
2 course of the investigation of his application for a license.

3 2. For each violation committed by a licensee, the  
4 Commissioner may impose upon the licensee an administrative fine  
5 of not more than \$10,000, may suspend, revoke or place conditions  
6 upon his license, or may do both, if the licensee, whether or not  
7 acting as such:

8 (a) Is insolvent;

9 (b) Is grossly negligent or incompetent in performing any act for  
10 which he is required to be licensed pursuant to the provisions of this  
11 chapter;

12 (c) Does not conduct his business in accordance with law or has  
13 violated any provision of this chapter, a regulation adopted pursuant  
14 to this chapter or an order of the Commissioner;

15 (d) Is in such financial condition that he cannot continue in  
16 business with safety to his customers;

17 (e) Has made a material misrepresentation in connection with  
18 any transaction governed by this chapter;

19 (f) Has suppressed or withheld from a client any material facts,  
20 data or other information relating to any transaction governed by the  
21 provisions of this chapter which the licensee knew or, by the  
22 exercise of reasonable diligence, should have known;

23 (g) Has knowingly made or caused to be made to the  
24 Commissioner any false representation of material fact or has  
25 suppressed or withheld from the Commissioner any information  
26 which the licensee possesses and which, if submitted by him, would  
27 have rendered the licensee ineligible to be licensed pursuant to the  
28 provisions of this chapter;

29 (h) Has failed to account to persons interested for all money  
30 received for a trust account;

31 (i) Has refused to permit an examination by the Commissioner  
32 of his books and affairs or has refused or failed, within a reasonable  
33 time, to furnish any information or make any report that may be  
34 required by the Commissioner pursuant to the provisions of this  
35 chapter or a regulation adopted pursuant to this chapter;

36 (j) Has been convicted of, or entered a plea of nolo contendere  
37 to, a felony or any crime involving fraud, misrepresentation or  
38 moral turpitude;

39 (k) Has refused or failed to pay, within a reasonable time, any  
40 fees, assessments, costs or expenses that the licensee is required to  
41 pay pursuant to this chapter or a regulation adopted pursuant to this  
42 chapter;

43 (l) *Has failed to pay the tax imposed pursuant to the provisions*  
44 *of sections 37 to 62, inclusive, of this act;*



\* A B 1 \*

1       (m) Has failed to satisfy a claim made by a client which has  
2 been reduced to judgment;

3       ~~[(m)]~~ (n) Has failed to account for or to remit any money of a  
4 client within a reasonable time after a request for an accounting or  
5 remittal;

6       ~~[(o)]~~ (o) Has commingled the money or other property of a  
7 client with his own or has converted the money or property of others  
8 to his own use; or

9       ~~[(p)]~~ (p) Has engaged in any other conduct constituting a  
10 deceitful, fraudulent or dishonest business practice.

11       **Sec. 179.** NRS 649.395 is hereby amended to read as follows:

12       649.395 1. The Commissioner may impose an administrative  
13 fine, not to exceed \$500 for each violation, or suspend or revoke the  
14 license of a collection agency, or both impose a fine and suspend or  
15 revoke the license, by an order made in writing and filed in his  
16 office and served on the licensee by registered or certified mail at  
17 the address shown in the records of the Commissioner, if:

18       (a) The licensee is adjudged liable in any court of law for breach  
19 of any bond given under the provisions of this chapter; ~~[(or)]~~

20       (b) After notice and hearing, the licensee is found guilty of:

21           (1) Fraud or misrepresentation;

22           (2) An act or omission inconsistent with the faithful  
23 discharge of his duties and obligations; or

24           (3) A violation of any provision of this chapter ~~[(or)]~~; or

25       (c) *The Commissioner determines that the licensee has failed*  
26 *to pay the tax imposed pursuant to the provisions of sections 38 to*  
27 *62, inclusive, of this act.*

28       2. The Commissioner may suspend or revoke the license of a  
29 collection agency without notice and hearing if:

30       (a) The suspension or revocation is necessary for the immediate  
31 protection of the public; and

32       (b) The licensee is afforded a hearing to contest the suspension  
33 or revocation within 20 days after the written order of suspension or  
34 revocation is served upon the licensee.

35       3. Upon revocation of his license, all rights of the licensee  
36 under this chapter terminate, and no application may be received  
37 from any person whose license has once been revoked.

38       **Sec. 180.** NRS 658.151 is hereby amended to read as follows:

39       658.151 1. The Commissioner may forthwith take possession  
40 of the business and property of any depository institution to which  
41 this title or title 56 of NRS applies when it appears that the  
42 depository institution:

43       (a) Has violated its charter or any laws applicable thereto.

44       (b) Is conducting its business in an unauthorized or unsafe  
45 manner.





1 (c) Is in an unsafe or unsound condition to transact its business.  
2 (d) Has an impairment of its stockholders' or members' equity.  
3 (e) Has refused to pay its depositors in accordance with the  
4 terms on which such deposits were received, or has refused to pay  
5 its holders of certificates of indebtedness or investment in  
6 accordance with the terms upon which those certificates of  
7 indebtedness or investment were sold.

8 (f) Has become otherwise insolvent.

9 (g) Has neglected or refused to comply with the terms of a  
10 lawful order of the Commissioner.

11 (h) Has refused, upon proper demand, to submit its records,  
12 affairs and concerns for inspection and examination of an appointed  
13 or authorized examiner of the Commissioner.

14 (i) Has made a voluntary assignment of its assets to trustees.

15 *(j) Has failed to pay the tax imposed pursuant to the provisions*  
16 *of sections 37 to 62, inclusive, of this act.*

17 2. The Commissioner also may forthwith take possession of the  
18 business and property of any depository institution to which this title  
19 or title 56 of NRS applies when it appears that the officers of the  
20 depository institution have refused to be examined upon oath  
21 regarding its affairs.

22 **Sec. 181.** NRS 665.133 is hereby amended to read as follows:

23 665.133 1. The records and information described in NRS  
24 665.130 may be disclosed to:

25 (a) An agency of the Federal Government or of another state  
26 which regulates the financial institution which is the subject of the  
27 records or information;

28 (b) The Director of the Department of Business and Industry for  
29 his confidential use;

30 (c) The State Board of Finance for its confidential use, if the  
31 report or other information is necessary for the State Board of  
32 Finance to perform its duties under this title;

33 *(d) The Department of Taxation for its use in carrying out the*  
34 *provisions of sections 37 to 62, inclusive, of this act;*

35 (e) An entity which insures or guarantees deposits;

36 ~~(f)~~ (f) A public officer authorized to investigate criminal  
37 charges in connection with the affairs of the depository institution;

38 ~~(g)~~ (g) A person preparing a proposal for merging with or  
39 acquiring an institution or holding company, but only after notice of  
40 the disclosure has been given to the institution or holding company;

41 ~~(h)~~ (h) Any person to whom the subject of the report has  
42 authorized the disclosure;

43 ~~(i)~~ (i) Any other person if the Commissioner determines, after  
44 notice and opportunity for hearing, that disclosure is in the public  
45 interest and outweighs any potential harm to the depository



1 institution and its stockholders, members, depositors and creditors;  
2 and

3 ~~[(i)]~~ (j) Any court in a proceeding initiated by the  
4 Commissioner concerning the financial institution.

5 2. All the reports made available pursuant to this section  
6 remain the property of the Division of Financial Institutions, and no  
7 person, agency or authority to whom the reports are made available,  
8 or any officer, director or employee thereof, may disclose any of the  
9 reports or any information contained therein, except in published  
10 statistical material that does not disclose the affairs of any natural  
11 person or corporation.

12 **Sec. 182.** NRS 673.484 is hereby amended to read as follows:

13 673.484 The Commissioner may after notice and hearing  
14 suspend or revoke the charter of any association for ~~[repeated]~~ :

15 1. *Repeated* failure to abide by the provisions of this chapter or  
16 the regulations adopted thereunder.

17 2. *Failure to pay the tax imposed pursuant to the provisions*  
18 *of sections 37 to 62, inclusive, of this act.*

19 **Sec. 183.** NRS 675.440 is hereby amended to read as follows:

20 675.440 1. If the Commissioner has reason to believe that  
21 grounds for revocation or suspension of a license exist, he shall give  
22 20 days' written notice to the licensee stating the contemplated  
23 action and, in general, the grounds therefor and set a date for a  
24 hearing.

25 2. At the conclusion of a hearing, the Commissioner shall:

26 (a) Enter a written order either dismissing the charges, revoking  
27 the license, or suspending the license for a period of not more than  
28 60 days, which period must include any prior temporary suspension.  
29 A copy of the order must be sent by registered or certified mail to  
30 the licensee.

31 (b) Impose upon the licensee a fine of \$500 for each violation by  
32 the licensee of any provision of this chapter or any lawful regulation  
33 adopted under it.

34 (c) If a fine is imposed pursuant to this section, enter such order  
35 as is necessary to recover the costs of the proceeding, including his  
36 investigative costs and attorney's fees.

37 3. The grounds for revocation or suspension of a license are  
38 that:

39 (a) The licensee has failed to pay the annual license fee;

40 (b) The licensee, either knowingly or without any exercise of  
41 due care to prevent it, has violated any provision of this chapter or  
42 any lawful regulation adopted under it;

43 (c) *The licensee has failed to pay the tax imposed pursuant to*  
44 *the provisions of sections 37 to 62, inclusive, of this act;*



1 (d) Any fact or condition exists which would have justified the  
2 Commissioner in denying the licensee's original application for a  
3 license hereunder; or

4 ~~[(d)]~~ (e) The applicant failed to open an office for the conduct  
5 of the business authorized under this chapter within 120 days from  
6 the date the license was issued, or has failed to remain open for the  
7 conduct of the business for a period of 120 days without good cause  
8 therefor.

9 4. Any revocation or suspension applies only to the license  
10 granted to a person for the particular office for which grounds for  
11 revocation or suspension exist.

12 5. An order suspending or revoking a license becomes effective  
13 5 days after being entered unless the order specifies otherwise or a  
14 stay is granted.

15 **Sec. 184.** NRS 676.290 is hereby amended to read as follows:

16 676.290 1. The Commissioner may, pursuant to the  
17 procedure provided in this chapter, deny, suspend or revoke any  
18 license for which application has been made or which has been  
19 issued under the provisions of this chapter if he finds, as to the  
20 licensee, its associates, directors or officers, grounds for action.

21 2. Any one of the following grounds may provide the requisite  
22 grounds for denial, suspension or revocation:

23 (a) Conviction of a felony or of a misdemeanor involving moral  
24 turpitude.

25 (b) Violation of any of the provisions of this chapter or  
26 regulations of the Commissioner.

27 (c) Fraud or deceit in procuring the issuance of the license.

28 (d) Continuous course of unfair conduct.

29 (e) Insolvency, filing in bankruptcy, receivership or assigning  
30 for the benefit of creditors by any licensee or applicant for a license  
31 under this chapter.

32 (f) *Failure to pay the tax imposed pursuant to the provisions of*  
33 *sections 37 to 62, inclusive, of this act.*

34 (g) Failure to pay the fee for renewal or reinstatement of a  
35 license.

36 3. The Commissioner shall, after notice and hearing, impose  
37 upon the licensee a fine of \$500 for each violation by the licensee of  
38 any of the provisions of this chapter or regulations of the  
39 Commissioner. If a fine is imposed pursuant to this section, the  
40 costs of the proceeding, including investigative costs and attorney's  
41 fees, may be recovered by the Commissioner.

42 **Sec. 185.** NRS 677.510 is hereby amended to read as follows:

43 677.510 1. If the Commissioner has reason to believe that  
44 grounds for revocation or suspension of a license exist, he shall give  
45 20 days' written notice to the licensee stating the contemplated



1 action and, in general, the grounds therefor and set a date for a  
2 hearing.

3 2. At the conclusion of a hearing, the Commissioner shall:

4 (a) Enter a written order either dismissing the charges, or  
5 revoking the license, or suspending the license for a period of not  
6 more than 60 days, which period must include any prior temporary  
7 suspension. A copy of the order must be sent by registered or  
8 certified mail to the licensee.

9 (b) Impose upon the licensee a fine of \$500 for each violation by  
10 the licensee of any provision of this chapter or any lawful regulation  
11 adopted pursuant thereto.

12 (c) If a fine is imposed pursuant to this section, enter such order  
13 as is necessary to recover the costs of the proceeding, including his  
14 investigative costs and attorney's fees.

15 3. The grounds for revocation or suspension of a license are  
16 that:

17 (a) The licensee has failed to pay the annual license fee;

18 (b) The licensee, either knowingly or without any exercise of  
19 due care to prevent it, has violated any provision of this chapter, or  
20 any lawful regulation adopted pursuant thereto;

21 (c) *The licensee has failed to pay the tax imposed pursuant to*  
22 *the provisions of sections 37 to 62, inclusive, of this act;*

23 (d) Any fact or condition exists which would have justified the  
24 Commissioner in denying the licensee's original application for a  
25 license hereunder; or

26 ~~[(d)]~~ (e) The applicant failed to open an office for the conduct  
27 of the business authorized under this chapter within 120 days from  
28 the date the license was issued, or has failed to remain open for the  
29 conduct of the business for a period of 120 days without good cause  
30 therefor.

31 4. Any revocation or suspension applies only to the license  
32 granted to a person for the particular office for which grounds for  
33 revocation or suspension exist.

34 5. An order suspending or revoking a license becomes effective  
35 5 days after being entered unless the order specifies otherwise or a  
36 stay is granted.

37 **Sec. 186.** NRS 680B.037 is hereby amended to read as  
38 follows:

39 680B.037 ~~[(Payment)]~~

40 1. *Except as otherwise provided in subsection 2, payment* by  
41 an insurer of the tax imposed by NRS 680B.027 is in lieu of all  
42 taxes imposed by the State or any city, town or county upon  
43 premiums or upon income of insurers and of franchise, privilege or  
44 other taxes measured by income of the insurer.



1     ***2. The provisions of subsection 1 do not apply to the tax***  
2 ***imposed pursuant to the provisions of sections 37 to 62, inclusive,***  
3 ***of this act.***

4     **Sec. 187.** NRS 680B.037 is hereby amended to read as  
5 follows:

6     680B.037 1. Except as otherwise provided in subsection 2,  
7 payment by an insurer of the tax imposed by NRS 680B.027 is in  
8 lieu of all taxes imposed by the State or any city, town or county  
9 upon premiums or upon income of insurers and of franchise,  
10 privilege or other taxes measured by income of the insurer.

11     2. The provisions of subsection 1 do not apply to the ~~{tax}~~  
12 ***taxes*** imposed pursuant to the provisions of ***sections 2 to 36,***  
13 ***inclusive, and*** sections 37 to 62, inclusive, of this act.

14     **Sec. 188.** NRS 687A.130 is hereby amended to read as  
15 follows:

16     687A.130 The Association is exempt from payment of all fees  
17 and all taxes levied by this state or any of its subdivisions, except  
18 ~~{taxes}~~ :

19     ***1. Taxes*** levied on real or personal property.

20     ***2. The excise tax on the privilege of doing business in this***  
21 ***state imposed pursuant to sections 37 to 62, inclusive, of this act.***

22     **Sec. 189.** NRS 694C.450 is hereby amended to read as  
23 follows:

24     694C.450 1. Except as otherwise provided in this section, a  
25 captive insurer shall pay to the Division, not later than March 1 of  
26 each year, a tax at the rate of:

27     (a) Two-fifths of 1 percent on the first \$20,000,000 of its net  
28 direct premiums;

29     (b) One-fifth of 1 percent on the next \$20,000,000 of its net  
30 direct premiums; and

31     (c) Seventy-five thousandths of 1 percent on each additional  
32 dollar of its net direct premiums.

33     2. Except as otherwise provided in this section, a captive  
34 insurer shall pay to the Division, not later than March 1 of each  
35 year, a tax at a rate of:

36     (a) Two hundred twenty-five thousandths of 1 percent on the  
37 first \$20,000,000 of revenue from assumed reinsurance premiums;

38     (b) One hundred fifty thousandths of 1 percent on the next  
39 \$20,000,000 of revenue from assumed reinsurance premiums; and

40     (c) Twenty-five thousandths of 1 percent on each additional  
41 dollar of revenue from assumed reinsurance premiums.

42     The tax on reinsurance premiums pursuant to this subsection must  
43 not be levied on premiums for risks or portions of risks which are  
44 subject to taxation on a direct basis pursuant to subsection 1. A  
45 captive insurer is not required to pay any reinsurance premium tax



1 pursuant to this subsection on revenue related to the receipt of assets  
2 by the captive insurer in exchange for the assumption of loss  
3 reserves and other liabilities of another insurer that is under  
4 common ownership and control with the captive insurer, if the  
5 transaction is part of a plan to discontinue the operation of the other  
6 insurer and the intent of the parties to the transaction is to renew or  
7 maintain such business with the captive insurer.

8 3. If the sum of the taxes to be paid by a captive insurer  
9 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any  
10 given year, the captive insurer shall pay a tax of \$5,000 for that  
11 year.

12 4. Two or more captive insurers under common ownership and  
13 control must be taxed as if they were a single captive insurer.

14 5. Notwithstanding any specific statute to the contrary, ~~and~~  
15 except as otherwise provided in this subsection, the tax provided for  
16 by this section constitutes all the taxes collectible pursuant to the  
17 laws of this state from a captive insurer, and no occupation tax or  
18 other taxes may be levied or collected from a captive insurer by this  
19 state or by any county, city or municipality within this state, except  
20 for *the tax imposed pursuant to the provisions of sections 37 to 62,*  
21 *inclusive, of this act and* ad valorem taxes on real or personal  
22 property located in this state used in the production of income by the  
23 captive insurer.

24 6. Ten percent of the revenues collected from the tax imposed  
25 pursuant to this section must be deposited with the State Treasurer  
26 for credit to the Account for the Regulation and Supervision of  
27 Captive Insurers created pursuant to NRS 694C.460. The remaining  
28 90 percent of the revenues collected must be deposited with the  
29 State Treasurer for credit to the State General Fund.

30 7. As used in this section, unless the context otherwise  
31 requires:

32 (a) “Common ownership and control” means:

33 (1) In the case of a stock insurer, the direct or indirect  
34 ownership of 80 percent or more of the outstanding voting stock of  
35 two or more corporations by the same member or members.

36 (2) In the case of a mutual insurer, the direct or indirect  
37 ownership of 80 percent or more of the surplus and the voting power  
38 of two or more corporations by the same member or members.

39 (b) “Net direct premiums” means the direct premiums collected  
40 or contracted for on policies or contracts of insurance written by a  
41 captive insurer during the preceding calendar year, less the amounts  
42 paid to policyholders as return premiums, including dividends on  
43 unabsorbed premiums or premium deposits returned or credited to  
44 policyholders.



1     **Sec. 190.** NRS 694C.450 is hereby amended to read as  
2 follows:

3     694C.450 1. Except as otherwise provided in this section, a  
4 captive insurer shall pay to the Division, not later than March 1 of  
5 each year, a tax at the rate of:

6     (a) Two-fifths of 1 percent on the first \$20,000,000 of its net  
7 direct premiums;

8     (b) One-fifth of 1 percent on the next \$20,000,000 of its net  
9 direct premiums; and

10    (c) Seventy-five thousandths of 1 percent on each additional  
11 dollar of its net direct premiums.

12    2. Except as otherwise provided in this section, a captive  
13 insurer shall pay to the Division, not later than March 1 of each  
14 year, a tax at a rate of:

15    (a) Two hundred twenty-five thousandths of 1 percent on the  
16 first \$20,000,000 of revenue from assumed reinsurance premiums;

17    (b) One hundred fifty thousandths of 1 percent on the next  
18 \$20,000,000 of revenue from assumed reinsurance premiums; and

19    (c) Twenty-five thousandths of 1 percent on each additional  
20 dollar of revenue from assumed reinsurance premiums.

21 The tax on reinsurance premiums pursuant to this subsection must  
22 not be levied on premiums for risks or portions of risks which are  
23 subject to taxation on a direct basis pursuant to subsection 1. A  
24 captive insurer is not required to pay any reinsurance premium tax  
25 pursuant to this subsection on revenue related to the receipt of assets  
26 by the captive insurer in exchange for the assumption of loss  
27 reserves and other liabilities of another insurer that is under  
28 common ownership and control with the captive insurer, if the  
29 transaction is part of a plan to discontinue the operation of the other  
30 insurer and the intent of the parties to the transaction is to renew or  
31 maintain such business with the captive insurer.

32    3. If the sum of the taxes to be paid by a captive insurer  
33 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any  
34 given year, the captive insurer shall pay a tax of \$5,000 for that  
35 year.

36    4. Two or more captive insurers under common ownership and  
37 control must be taxed as if they were a single captive insurer.

38    5. Notwithstanding any specific statute to the contrary, except  
39 as otherwise provided in this subsection, the tax provided for by this  
40 section constitutes all the taxes collectible pursuant to the laws of  
41 this state from a captive insurer, and no occupation tax or other  
42 taxes may be levied or collected from a captive insurer by this state  
43 or by any county, city or municipality within this state, except for  
44 the ~~tax~~ taxes imposed pursuant to the provisions of *sections 2 to*  
45 *36, inclusive, and* sections 37 to 62, inclusive, of this act and ad





1 valorem taxes on real or personal property located in this state used  
2 in the production of income by the captive insurer.

3 6. Ten percent of the revenues collected from the tax imposed  
4 pursuant to this section must be deposited with the State Treasurer  
5 for credit to the Account for the Regulation and Supervision of  
6 Captive Insurers created pursuant to NRS 694C.460. The remaining  
7 90 percent of the revenues collected must be deposited with the  
8 State Treasurer for credit to the State General Fund.

9 7. As used in this section, unless the context otherwise  
10 requires:

11 (a) "Common ownership and control" means:

12 (1) In the case of a stock insurer, the direct or indirect  
13 ownership of 80 percent or more of the outstanding voting stock of  
14 two or more corporations by the same member or members.

15 (2) In the case of a mutual insurer, the direct or indirect  
16 ownership of 80 percent or more of the surplus and the voting power  
17 of two or more corporations by the same member or members.

18 (b) "Net direct premiums" means the direct premiums collected  
19 or contracted for on policies or contracts of insurance written by a  
20 captive insurer during the preceding calendar year, less the amounts  
21 paid to policyholders as return premiums, including dividends on  
22 unabsorbed premiums or premium deposits returned or credited to  
23 policyholders.

24 **Sec. 191.** 1. NRS 372.370, 374.375, 463.4002, 463.4006,  
25 463.4008, and 463.4009 are hereby repealed.

26 2. NRS 463.4001, 463.4004, 463.401, 463.4015, 463.402,  
27 463.403, 463.404, 463.4045, 463.405, 463.4055 and 463.406 are  
28 hereby repealed.

29 3. NRS 375.025 and 375.075 are hereby repealed.

30 **Sec. 192.** Except as otherwise provided by specific statute:

31 1. After the close of the 2003-2004 Fiscal Year and after the  
32 close of the 2004-2005 Fiscal Year, the Interim Finance Committee  
33 shall determine the amount, if any, by which the total revenue from  
34 all sources to the State General Fund, excluding reversions to the  
35 State General Fund, exceeds:

36 (a) One hundred seven percent of the total revenue from all  
37 sources to the State General Fund as projected by the 2003  
38 Legislature for the applicable fiscal year; and

39 (b) The total amount of all applicable contingent appropriations  
40 enacted by the 2003 Legislature for which the conditions for the  
41 contingent appropriations were satisfied.

42 2. If the amount determined pursuant to subsection 1 is greater  
43 than \$0, the Interim Finance Committee, upon making the  
44 determination, shall cause to be transferred from the State General  
45 Fund to the Fund to Stabilize the Operation of the State Government



1 created by NRS 353.288 the portion of the amount determined  
2 pursuant to subsection 1 that may be transferred without exceeding  
3 the permissible balance of the Fund to Stabilize the Operation of the  
4 State Government as set forth in NRS 353.288.

5 3. If less than the full amount determined pursuant to  
6 subsection 1 is transferred to the Fund to Stabilize the Operation of  
7 the State Government pursuant to subsection 2, the Interim Finance  
8 Committee shall cause to be transferred from the State General Fund  
9 to the Fund for Tax Accountability created by section 193 of this act  
10 the remainder of the amount determined pursuant to subsection 1.

11 **Sec. 193.** 1. The Fund for Tax Accountability is hereby  
12 created as a special revenue fund.

13 2. Money from the Fund may be appropriated only for the  
14 purpose of supplementing future revenue of this state to allow the  
15 reduction of the rate or amount of a tax or fee.

16 3. This section does not authorize a refund or other return of  
17 any tax or fee paid to this state pursuant to any statute or regulation  
18 in effect at the time the tax or fee was paid.

19 **Sec. 194.** Notwithstanding the provisions of sections 37 to 62,  
20 inclusive, of this act and any other provision of law, the tax return  
21 and remittance of:

22 1. The amount of the tax required pursuant to sections 37 to 62,  
23 inclusive, of this act for the calendar quarters beginning on July 1,  
24 2003 and October 1, 2003, shall be deemed to be due on or after  
25 January 1, 2004, and on or before April 30, 2004.

26 2. The estimated amount of the tax required pursuant to  
27 sections 37 to 62, inclusive, of this act for the calendar quarter  
28 beginning on April 1, 2004, shall be deemed to be due on or before  
29 June 30, 2004.

30 **Sec. 195.** Notwithstanding the provisions of this act and any  
31 other provision of law to the contrary, a public utility may increase  
32 its previously approved rates by an amount which is reasonably  
33 estimated to produce an amount of revenue equal to the amount of  
34 any tax liability incurred by the public utility before January 1,  
35 2005, as a result of the provisions of this act.

36 **Sec. 196.** Notwithstanding the provisions of section 61 of  
37 Assembly Bill No. 553 of the 72nd Session of the Nevada  
38 Legislature, the sums appropriated to the Interim Finance  
39 Committee by subsection 1 of that section may be allocated and  
40 used pursuant to that section for information technology and  
41 additional operational costs that may be required by the Department  
42 of Taxation or other state agency to implement or modify the  
43 collections of State General Fund revenues approved by the 19th  
44 Special Session of the Nevada Legislature.



1     **Sec. 197.** 1. There is hereby appropriated from the State  
2 General Fund to the Interim Finance Committee for allocation as  
3 appropriate to the Legislative Committee on Taxation, Public  
4 Revenue and Tax Policy to exercise its powers pursuant to section  
5 151 of this act, including, without limitation, to hire a consultant:

6         For Fiscal Year 2003-2004..... \$125,000  
7         For Fiscal Year 2004-2005..... \$125,000

8     2. The sums appropriated by subsection 1 are available for  
9 either fiscal year. Any balance of those sums must not be committed  
10 for expenditure after June 30, 2005, and reverts to the State General  
11 Fund as soon as all payments of money committed have been made.

12     **Sec. 197.10.** 1. There is hereby appropriated from the State  
13 General Fund to the State Distributive School Account the sum of  
14 \$108,937,389 for distribution by the Superintendent of Public  
15 Instruction to the county school districts for Fiscal Year 2003-2004  
16 which must, except as otherwise provided in sections 197.14 and  
17 197.18 of this act, be used to employ teachers to comply with the  
18 required ratio of pupils to teachers, as set forth in NRS 388.700, in  
19 grades 1 and 2 and in selected kindergartens with pupils who are  
20 considered at risk of failure by the Superintendent of Public  
21 Instruction and to maintain the current ratio of pupils per teacher in  
22 grade 3. Expenditures for the class-size reduction program must be  
23 accounted for in a separate category of expenditure in the State  
24 Distributive School Account.

25     2. Except as otherwise provided in sections 197.14 and 197.18  
26 of this act, the money appropriated by subsection 1 must be used to  
27 pay the salaries and benefits of not less than 1,887 teachers  
28 employed by school districts to meet the required pupil-teacher  
29 ratios in the 2003-2004 school year.

30     3. Any remaining balance of the sum appropriated by  
31 subsection 1 must not be committed for expenditure after June 30,  
32 2004, and must be transferred and added to the money appropriated  
33 to the State Distributive School Account pursuant to section 197.12  
34 of this act for the 2004-2005 fiscal year, and may be expended as  
35 that money is expended.

36     **Sec. 197.12.** 1. There is hereby appropriated from the State  
37 General Fund to the State Distributive School Account the sum of  
38 \$117,142,553 for distribution by the Superintendent of Public  
39 Instruction to the county school districts for Fiscal Year 2004-2005  
40 which must, except as otherwise provided in sections 197.14 and  
41 197.18 of this act, be used to employ teachers to comply with the  
42 required ratio of pupils to teachers, as set forth in NRS 388.700, in  
43 grades 1 and 2 and in selected kindergartens with pupils who are  
44 considered at risk of failure by the Superintendent of Public  
45 Instruction and to maintain the current ratio of pupils per teacher in



1 grade 3. Expenditures for the class-size reduction program must be  
2 accounted for in a separate category of expenditure in the State  
3 Distributive School Account.

4 2. Except as otherwise provided in sections 197.14 and 197.18  
5 of this act, the money appropriated by subsection 1 must be used to  
6 pay the salaries and benefits of not less than 1,953 teachers  
7 employed by school districts to meet the required pupil-teacher  
8 ratios in the 2004-2005 school year.

9 3. Any remaining balance of the sum appropriated by  
10 subsection 1, including any money added thereto pursuant to section  
11 197.10 of this act, must not be committed for expenditure after June  
12 30, 2005, and reverts to the State General Fund as soon as all  
13 payments of money committed have been made.

14 **Sec. 197.14.** 1. Except as otherwise provided in subsection  
15 2, the board of trustees of each county school district:

16 (a) Shall file a plan with the Superintendent of Public Instruction  
17 describing how the money appropriated by sections 197.10 and  
18 197.12 of this act will be used to comply with the required ratio of  
19 pupils to teachers in kindergarten and grades 1, 2 and 3; or

20 (b) May, after receiving approval of the plan from the  
21 Superintendent of Public Instruction, use the money appropriated by  
22 sections 197.10 and 197.12 of this act to carry out an alternative  
23 program for reducing the ratio of pupils per teacher or to carry out  
24 programs of remedial education that have been found to be effective  
25 in improving pupil achievement in grades 1, 2 and 3, so long as the  
26 combined ratio of pupils per teacher in the aggregate of kindergarten  
27 and grades 1, 2 and 3 of the school district does not exceed the  
28 combined ratio of pupils per teacher in the aggregate of kindergarten  
29 and grades 1, 2 and 3 of the school district in the 2000-2001 school  
30 year. The plan approved by the Superintendent of Public Instruction  
31 must describe the method to be used by the school district to  
32 evaluate the effectiveness of the alternative program or remedial  
33 programs in improving pupil achievement.

34 2. In lieu of complying with subsection 1, the board of trustees  
35 of a school district that is located in a county whose population is  
36 less than 100,000 may, after receiving approval of the plan from the  
37 Superintendent of Public Instruction, use the money appropriated by  
38 sections 197.10 and 197.12 of this act to carry out a program in  
39 which alternative pupil-teacher ratios are carried out in grades 1  
40 through 5 or grades 1 through 6, as applicable. Alternative ratios for  
41 grade 6 may only be approved for those school districts that include  
42 grade 6 in elementary school. The alternative pupil-teacher ratios  
43 shall not:

44 (a) Exceed 22 to 1 in grades 1, 2 and 3; and



1 (b) Exceed 25 to 1 in grades 4 and 5 or grades 4, 5 and 6, as  
2 applicable.

3 3. If a school district receives approval to carry out programs  
4 of remedial education pursuant to paragraph (b) of subsection 1 or to  
5 carry out alternative pupil-teacher ratios pursuant to subsection 2,  
6 the school district shall evaluate the effectiveness of the alternative  
7 program. The evaluation must include, without limitation, the effect  
8 of the alternative program on:

- 9 (a) Team-teaching;  
10 (b) Pupil discipline; and  
11 (c) The academic achievement of pupils.

12 4. A school district shall submit a written report of the results  
13 of the evaluation to the Superintendent of Public Instruction on or  
14 before December 1 of each year for the immediately preceding  
15 school year. The Superintendent of Public Instruction shall  
16 summarize the results of the evaluations and report the findings in  
17 an interim report to the Legislative Committee on Education on or  
18 before February 16, 2004.

19 5. On or before February 1, 2005, the Superintendent of Public  
20 Instruction shall submit a final written report of the results of the  
21 evaluations of alternative class-size reduction programs to the  
22 Legislative Bureau of Educational Accountability and Program  
23 Evaluation. On or before February 15, 2005, the Legislative Bureau  
24 of Educational Accountability and Program Evaluation shall submit  
25 a copy of the written report to the Director of the Legislative  
26 Counsel Bureau for transmission to the 73rd Session of the Nevada  
27 Legislature.

28 6. The interim report required pursuant to subsection 4 and the  
29 final written report required pursuant to subsection 5 must include,  
30 without limitation:

- 31 (a) The number of school districts for which an alternative class-  
32 size reduction program was approved;  
33 (b) A description of the approved alternative class-size reduction  
34 programs; and  
35 (c) The effect of the alternative class-size reduction programs  
36 on:  
37 (1) Team teaching;  
38 (2) Pupil discipline; and  
39 (3) The academic achievement of pupils.

40 **Sec. 197.16.** 1. During the 2003-2005 biennium, a school  
41 district that is located in a county whose population is 100,000 or  
42 more shall study the current class-sizes in the school district for  
43 grades 1 to 5, inclusive, to determine whether alternative pupil-  
44 teacher ratios may:

- 45 (a) Improve the academic achievement of pupils;



- 1 (b) Decrease pupil discipline; or
- 2 (c) Decrease or eliminate team-teaching in grades 1 and 2.
- 3 2. In conducting the study, the school district shall consider the
- 4 costs that would be associated with carrying out the alternative
- 5 pupil-teacher ratios, including, without limitation, the:
- 6 (a) Number of additional classrooms needed; and
- 7 (b) Number of additional teachers needed.
- 8 3. On or before February 15, 2005, each school district that
- 9 conducts a study of alternative pupil-teacher ratios pursuant to this
- 10 section shall submit a written report of its findings concerning
- 11 alternative pupil-teacher ratios to the:
- 12 (a) Director of the Legislative Counsel Bureau for transmission
- 13 to the 73rd Session of the Nevada Legislature;
- 14 (b) Legislative Bureau of Educational Accountability and
- 15 Program Evaluation; and
- 16 (c) State Board of Education.
- 17 **Sec. 197.18.** 1. The money appropriated for class-size
- 18 reduction pursuant to sections 197.10 and 197.12 of this act:
- 19 (a) May be applied first to pupils considered most at risk of
- 20 failure.
- 21 (b) Must not be used to settle or arbitrate disputes between a
- 22 recognized organization representing employees of a school district
- 23 and the school district, or to settle any negotiations.
- 24 (c) Must not be used to adjust the district-wide schedules of
- 25 salaries and benefits of the employees of a school district.
- 26 2. The money appropriated for class-size reduction pursuant to
- 27 sections 197.10 and 197.12 of this act must not be distributed to a
- 28 school district unless that school district has:
- 29 (a) Filed with the Department of Education a plan for achieving
- 30 the required ratio set forth in NRS 388.700; and
- 31 (b) Demonstrated that, from resources of the school district
- 32 other than allocations received from the State Distributive School
- 33 Account for class-size reduction, a sufficient number of classroom
- 34 teachers have been employed to maintain the average pupil-teacher
- 35 ratio that existed for each grade for grades 1, 2 and 3, in that school
- 36 district for the 3 school years immediately preceding the start of the
- 37 class-size reduction program in the 1990-1991 school year. In
- 38 addition, if a school district uses the allocations received from the
- 39 State Distributive School Account for class-size reduction to carry
- 40 out an alternative class-size reduction program as set forth in
- 41 subsection 2 of section 197.14 of this act, a sufficient number of
- 42 teachers have been employed to maintain the average pupil-teacher
- 43 ratio that existed in each grade so reduced, in that school district for
- 44 the 3 years immediately preceding the implementation of the
- 45 alternative program.



1     **Sec. 197.20.** In no event may the alternative pupil-teacher  
2 ratios authorized pursuant to subsection 2 of section 197.14 of this  
3 act be carried out beyond the 2003-2005 biennium unless the 73rd  
4 Session of the Nevada Legislature determines that the alternative  
5 pupil-teacher ratios may be carried out after June 30, 2005.

6     **Sec. 197.22.** The basic support guarantee for school districts  
7 for operating purposes for the 2003-2004 Fiscal Year is an estimated  
8 weighted average of \$4,295 per pupil. For each respective school  
9 district, the basic support guarantee per pupil for the 2003-2004  
10 Fiscal Year is:

11	
12	Carson City..... \$4,923
13	Churchill County..... \$5,418
14	Clark County ..... \$4,127
15	Douglas County..... \$4,541
16	Elko County ..... \$5,307
17	Esmeralda County ..... \$9,169
18	Eureka County..... \$3,495
19	Humboldt County..... \$5,362
20	Lander County..... \$4,836
21	Lincoln County..... \$7,943
22	Lyon County..... \$5,553
23	Mineral County ..... \$6,012
24	Nye County ..... \$5,561
25	Pershing County ..... \$6,385
26	Storey County..... \$7,082
27	Washoe County ..... \$4,161
28	White Pine County ..... \$6,164
29	

30     **Sec. 197.24.** 1. The basic support guarantee for school  
31 districts for operating purposes for the 2004-2005 Fiscal Year is an  
32 estimated weighted average of \$4,424 per pupil.

33     2. On or before April 1, 2004, the Department of Taxation shall  
34 provide a certified estimate of the assessed valuation for each school  
35 district for the 2004-2005 Fiscal Year. The assessed valuation for  
36 each school district must be that which is taxable for purposes of  
37 providing revenue to school districts, including any assessed  
38 valuation attributable to the net proceeds of minerals derived from  
39 within the boundaries of the district.

40     3. Pursuant to NRS 362.115, on or before April 25 of each  
41 year, the Department of Taxation shall provide an estimate of the  
42 net proceeds of minerals based upon statements required of mine  
43 operators.





1       4. For purposes of establishing the basic support guarantee, the  
2 estimated basic support guarantees for each school district for the  
3 2004-2005 Fiscal Year for operating purposes are:

	Basic Support Guarantee Before Adjustment	Estimated Ad Valorem Adjustment	Estimated Basic Support Guarantee as Adjusted
9 <u>School District</u>			
10 Carson City	\$4,462	\$643	\$5,105
11 Churchill County	\$5,094	\$514	\$5,608
12 Clark County	\$3,328	\$921	\$4,249
13 Douglas County	\$3,196	\$1,451	\$4,647
14 Elko County	\$5,004	\$508	\$5,512
15 Esmeralda County	\$6,596	\$2,987	\$9,583
16 Eureka County	\$(5,236)	\$9,304	\$4,068
17 Humboldt County	\$5,006	\$642	\$5,648
18 Lander County	\$3,741	\$1,328	\$5,069
19 Lincoln County	\$7,519	\$664	\$8,183
20 Lyon County	\$5,149	\$593	\$5,742
21 Mineral County	\$5,792	\$473	\$6,265
22 Nye County	\$4,888	\$877	\$5,765
23 Pershing County	\$5,714	\$949	\$6,663
24 Storey County	\$5,559	\$1,848	\$7,407
25 Washoe County	\$3,393	\$908	\$4,301
26 White Pine County	\$5,915	\$482	\$6,397

27  
28       5. The ad valorem adjustment may be made only to take into  
29 account the difference in the assessed valuation and the estimated  
30 enrollment of the school district between the amount estimated as of  
31 April 1, 2003, and the amount estimated as of April 1, 2004, for the  
32 2004-2005 Fiscal Year. Estimates of net proceeds of minerals  
33 received from the Department of Taxation on or before April 25  
34 pursuant to subsection 3 must be taken into consideration in  
35 determining the adjustment.

36       6. Upon receipt of the certified estimates of assessed valuations  
37 as of April 1, 2004, from the Department of Taxation, the  
38 Department of Education shall recalculate the amount of ad valorem  
39 adjustment and the tentative basic support guarantee for operating  
40 purposes for the 2004-2005 Fiscal Year by April 15, 2004. The final  
41 basic support guarantee for each school district for the 2004-2005  
42 Fiscal Year is the amount, which is recalculated for the 2004-2005  
43 Fiscal Year pursuant to this section, taking into consideration  
44 estimates of net proceeds of minerals received from the Department  
45 of Taxation on or before April 25, 2004. The basic support



1 guarantee recalculated pursuant to this section must be calculated  
2 before May 31, 2004.

3 **Sec. 197.26.** 1. The basic support guarantee for each special  
4 education program unit that is maintained and operated for at least 9  
5 months of a school year is \$31,811 in the 2003-2004 Fiscal Year  
6 and \$32,447 in the 2004-2005 Fiscal Year, except as limited by  
7 subsection 2.

8 2. The maximum number of units and amount of basic support  
9 for special education program units within each of the school  
10 districts, before any reallocation pursuant to NRS 387.1221, for the  
11 Fiscal Years 2003-2004 and 2004-2005 are:

12

13 Allocation of Special Education Units

	2003-2004		2004-2005	
	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>
14 <u>DISTRICT</u>				
15 Carson City	82	\$2,608,502	84	\$2,725,548
16 Churchill County	45	\$1,431,495	46	\$1,492,562
17 Clark County	1,594	\$50,706,734	1,661	\$53,894,467
18 Douglas County	64	\$2,035,904	65	\$2,109,055
19 Elko County	80	\$2,544,880	80	\$2,595,760
20 Esmeralda County	2	\$63,622	2	\$64,894
21 Eureka County	4	\$127,244	4	\$129,788
22 Humboldt County	30	\$954,330	30	\$973,410
23 Lander County	12	\$381,732	12	\$389,364
24 Lincoln County	17	\$540,787	17	\$551,599
25 Lyon County	56	\$1,781,416	57	\$1,849,479
26 Mineral County	12	\$381,732	12	\$389,364
27 Nye County	47	\$1,495,117	50	\$1,622,350
28 Pershing County	14	\$445,354	14	\$454,258
29 Storey County	8	\$254,488	8	\$259,576
30 Washoe County	491	\$15,619,201	510	\$16,547,970
31 White Pine County	17	\$540,787	16	\$519,152

32

33

34 3. The State Board of Education shall reserve 40 special  
35 education program units in each fiscal year of the 2003-2005  
36 biennium, to be allocated to school districts by the State Board of  
37 Education to meet additional needs that cannot be met by the  
38 allocations provided in subsection 2 to school districts for that fiscal  
39 year. In addition, charter schools in this state are authorized to apply  
40 directly to the Department of Education for the reserved special  
41 education program units, which may be allocated upon approval of  
42 the State Board of Education.

43 4. Notwithstanding the provisions of subsections 2 and 3, the  
44 State Board of Education is authorized to spend from the State  
45 Distributive School Account up to \$181,067 in the Fiscal Year



1 2003-2004 for 5.69 special education program units and \$190,877 in  
2 the Fiscal Year 2004-2005 for 5.88 special education program units  
3 for instructional programs incorporating educational technology for  
4 gifted and talented pupils. Any school district may submit a written  
5 application to the Department of Education requesting one or more  
6 of the units for gifted and talented pupils. For each fiscal year of the  
7 2003-2005 biennium, the Department will award the units for gifted  
8 and talented pupils based on a review of applications received from  
9 school districts.

10 **Sec. 197.28.** 1. There is hereby appropriated from the State  
11 General Fund to the State Distributive School Account in the State  
12 General Fund created pursuant to NRS 387.030:

13 For the 2003-2004 Fiscal Year..... \$633,802,090  
14 For the 2004-2005 Fiscal Year..... \$762,875,860

15 2. The money appropriated by subsection 1 must be:

16 (a) Expended in accordance with NRS 353.150 to 353.245,  
17 inclusive, concerning the allotment, transfer, work program and  
18 budget; and

19 (b) Work-programmed for the 2 separate Fiscal Years 2003-  
20 2004 and 2004-2005, as required by NRS 353.215. Work programs  
21 may be revised with the approval of the Governor upon the  
22 recommendation of the Chief of the Budget Division of the  
23 Department of Administration.

24 3. Transfers to and from allotments must be allowed and made  
25 in accordance with NRS 353.215 to 353.225, inclusive, after  
26 separate considerations of the merits of each request.

27 4. The sums appropriated by subsection 1 are available for  
28 either fiscal year or may be transferred to Fiscal Year 2002-2003.  
29 Money may be transferred from one fiscal year to another with the  
30 approval of the Governor upon the recommendation of the Chief of  
31 the Budget Division of the Department of Administration. If funds  
32 appropriated by subsection 1 are transferred to Fiscal Year 2002-  
33 2003, any remaining funds in the State Distributive School Account  
34 after all obligations have been met that are not subject to reversion  
35 to the State General Fund must be transferred back to Fiscal Year  
36 2003-2004. Any amount transferred back to Fiscal Year 2003-2004  
37 must not exceed the amount originally transferred to Fiscal Year  
38 2002-2003.

39 5. Any remaining balance of the appropriation made by  
40 subsection 1 for the 2003-2004 Fiscal Year must be transferred and  
41 added to the money appropriated for the 2004-2005 Fiscal Year and  
42 may be expended as that money is expended.

43 6. Any remaining balance of the appropriation made by  
44 subsection 1 for the 2004-2005 Fiscal Year, including any money  
45 added thereto pursuant to the provisions of subsections 3 and 5,



1 must not be committed for expenditure after June 30, 2005, and  
2 reverts to the State General Fund as soon as all payments of money  
3 committed have been made.

4 **Sec. 197.30.** 1. Expenditure of \$212,878,015 by the  
5 Department of Education from money in the State Distributive  
6 School Account that was not appropriated from the State General  
7 Fund is hereby authorized during the fiscal year beginning July 1,  
8 2003.

9 2. Expenditure of \$151,981,922 by the Department of  
10 Education from money in the State Distributive School Account that  
11 was not appropriated from the State General Fund is hereby  
12 authorized during the fiscal year beginning July 1, 2004.

13 3. For purposes of accounting and reporting, the sums  
14 authorized for expenditure by subsections 1 and 2 are considered to  
15 be expended before any appropriation is made to the State  
16 Distributive School Account from the State General Fund.

17 4. The money authorized to be expended by subsections 1 and  
18 2 must be expended in accordance with NRS 353.150 to 353.245,  
19 inclusive, concerning the allotment, transfer, work program and  
20 budget. Transfers to and from allotments must be allowed and made  
21 in accordance with NRS 353.215 to 353.225, inclusive, after  
22 separate consideration of the merits of each request.

23 5. The Chief of the Budget Division of the Department of  
24 Administration may, with the approval of the Governor, authorize  
25 the augmentation of the amounts authorized for expenditure by the  
26 Department of Education, in subsections 1 and 2, for the purpose of  
27 meeting obligations of the State incurred under chapter 387 of NRS  
28 with amounts from any other state agency, from any agency of local  
29 government, from any agency of the Federal Government or from  
30 any other source that he determines is in excess of the amount taken  
31 into consideration by this act. The Chief of the Budget Division of  
32 the Department of Administration shall reduce any authorization  
33 whenever he determines that money to be received will be less than  
34 the amount authorized in subsections 1 and 2.

35 **Sec. 197.32.** During each of the Fiscal Years 2003-2004 and  
36 2004-2005, whenever the State Controller finds that current claims  
37 against the State Distributive School Account in the State General  
38 Fund exceed the amount available in the Account to pay those  
39 claims, he may advance temporarily from the State General Fund to  
40 the State Distributive School Account the amount required to  
41 pay the claims, but not more than the amount expected to be  
42 received in the current fiscal year from any source authorized for the  
43 State Distributive School Account. No amount may be transferred  
44 unless requested by the Chief of the Budget Division of the  
45 Department of Administration.



\* A B 1 \*

1     **Sec. 197.34.** The Department of Education is hereby  
2 authorized to spend from the State Distributive School Account the  
3 sums of \$16,926,569 for the 2003-2004 Fiscal Year and  
4 \$17,843,596 for the 2004-2005 Fiscal Year for the support of  
5 courses which are approved by the Department of Education as  
6 meeting the course of study for an adult standard high school  
7 diploma as approved by the State Board of Education. In each fiscal  
8 year of the 2003-2005 biennium, the sum authorized must be  
9 allocated among the various school districts in accordance with a  
10 plan or formula developed by the Department of Education to  
11 ensure the money is distributed equitably and in a manner that  
12 permits accounting for the expenditures of school districts.

13     **Sec. 197.36.** The Department of Education is hereby  
14 authorized to provide from the State Distributive School Account  
15 the sum of \$50,000 to each of the 17 school districts in each fiscal  
16 year of the 2003-2005 biennium to support special counseling  
17 services for elementary school pupils at risk of failure.

18     **Sec. 197.38.** The amounts of the guarantees set forth in  
19 sections 197.22 and 197.24 of this act may be reduced to effectuate  
20 a reserve required pursuant to NRS 353.225.

21     **Sec. 197.40.** 1. The Department of Education shall transfer  
22 from the State Distributive School Account to the school districts  
23 specified in this section the following sums for Fiscal Years 2003-  
24 2004 and 2004-2005 :

25			
26	<u>School District</u>	<u>2003-2004</u>	<u>2004-2005</u>
27	Clark County School District	\$4,532,532	\$4,552,361
28	Douglas County School District	\$1,146,374	\$1,175,848
29	Elko County School District	\$1,291,907	\$1,295,158
30	Washoe County School District	<u>\$1,847,128</u>	<u>\$1,913,468</u>
31		\$8,817,941	\$8,936,835
32			

33     2. A school district that receives an allocation pursuant to  
34 subsection 1 shall:

35     (a) Use the money to maintain and continue the operation of a  
36 regional training program for the professional development of  
37 teachers and administrators established by the school district  
38 pursuant to NRS 391.512; and

39     (b) Use the money to maintain and continue the operation of the  
40 Nevada Early Literacy Intervention Program through the regional  
41 training program established pursuant to paragraph (a).

42     3. Any remaining balance of the transfers made by subsection  
43 1 for the 2003-2004 Fiscal Year must be added to the money  
44 received by the school districts for the 2004-2005 Fiscal Year and  
45 may be expended as that money is expended. Any remaining



1 balance of the transfers made by subsection 1 for the 2004-2005  
2 Fiscal Year, including any money added from the transfer for the  
3 previous fiscal year, must not be committed for expenditure after  
4 June 30, 2005, and reverts to the State Distributive School Account  
5 as soon as all payments of money committed have been made.

6 **Sec. 197.42.** 1. The Legislative Bureau of Educational  
7 Accountability and Program Evaluation is hereby authorized to  
8 receive from the State Distributive School Account to spend for an  
9 evaluation of the regional training programs for the professional  
10 development of teachers and administrators established pursuant to  
11 NRS 391.512:

12 For the Fiscal Year 2003-2004 ..... \$100,000  
13 For the Fiscal Year 2004-2005 ..... \$100,000

14 2. Any remaining balance of the sums authorized for  
15 expenditure by subsection 1 for the 2003-2004 Fiscal Year must be  
16 added to the money authorized for expenditure for the 2004-2005  
17 Fiscal Year and may be expended as that money is expended. Any  
18 remaining balance of the sums authorized for expenditure pursuant  
19 to subsection 1 for the 2004-2005 Fiscal Year, including any money  
20 added from the authorization for the previous fiscal year, must not  
21 be committed for expenditure after June 30, 2005, and reverts to the  
22 State Distributive School Account as soon as all payments of money  
23 committed have been made.

24 **Sec. 197.44.** 1. The Department of Education shall transfer  
25 from the State Distributive School Account to the Statewide Council  
26 for the Coordination of the Regional Training Programs created by  
27 NRS 391.516 the sum of \$80,000 in each Fiscal Year 2003-2004  
28 and 2004-2005 for additional training opportunities for educational  
29 administrators in Nevada.

30 2. The Statewide Council shall use the money:

31 (a) To support the goals of Nevada Project LEAD (Leadership  
32 in Educational Administration Development), as established through  
33 the Department of Educational Leadership in the College of  
34 Education, located at the University of Nevada, Reno. In supporting  
35 the goals of Nevada Project LEAD, the Statewide Council shall:

36 (1) Disseminate research-based knowledge related to  
37 effective educational leadership behaviors and skills; and

38 (2) Develop, support and maintain on-going activities,  
39 programs, training and networking opportunities.

40 (b) For purposes of providing additional training for educational  
41 administrators, including, without limitation, paying:

42 (1) Travel expenses of administrators who attend the training  
43 program;

44 (2) Travel and per-diem expenses for any consultants  
45 contracted to provide additional training; and



1 (3) Any charges to obtain a conference room for the  
2 provision of the additional training.

3 (c) To supplement and not replace the money that the school  
4 district, Nevada Project LEAD or the regional training program  
5 would otherwise expend for training for administrators as described  
6 in this section.

7 3. Any remaining balance of the transfers made by subsection  
8 1 for the 2003-2004 Fiscal Year must be added to the money  
9 received by the Statewide Council for the 2004-2005 Fiscal Year  
10 and may be expended as that money is expended. Any remaining  
11 balance of the transfers made by subsection 1 for the 2004-2005  
12 Fiscal Year, including any money added from the transfer for the  
13 previous fiscal year, must not be committed for expenditure after  
14 June 30, 2005, and reverts to the State Distributive School Account  
15 as soon as all payments of money committed have been made.

16 **Sec. 197.46.** 1. The Department of Education shall transfer  
17 from the State Distributive School Account the following sums for  
18 remedial education programs for certain schools:

19 For the Fiscal Year 2003-2004..... \$5,179,109  
20 For the Fiscal Year 2004-2005 ..... \$5,013,874

21 The money allocated must be used to provide remedial education  
22 programs that have been approved by the Department as being  
23 effective in improving pupil achievement.

24 2. A school may submit an application to the Department of  
25 Education on or before November 1 of each fiscal year for  
26 transmission to the State Board of Examiners for an allocation from  
27 the amount authorized by subsection 1 if the school:

28 (a) Receives a designation as demonstrating need for  
29 improvement.

30 (b) Did not receive a designation as demonstrating need for  
31 improvement, but the school failed to meet adequate yearly  
32 progress; or

33 (c) Did not receive a designation as demonstrating need for  
34 improvement, but more than 40 percent of the pupils enrolled in the  
35 school received an average score below the 26th percentile on all  
36 four subjects tested pursuant to NRS 389.015.

37 3. The Department of Education shall, in consultation with the  
38 Budget Division of the Department of Administration and the  
39 Legislative Bureau of Educational Accountability and Program  
40 Evaluation, develop a form for such applications. The form must  
41 include, without limitation, a notice that money received by a school  
42 to implement or continue remedial education programs that have  
43 been approved by the Department as being effective in improving  
44 pupil achievement will be used to implement or continue the





1 programs in a manner that has been approved by the vendor of the  
2 remedial program.

3 4. Upon receipt of an application submitted pursuant to  
4 subsection 2, the Department of Education shall review the  
5 application jointly with the Budget Division of the Department of  
6 Administration and the Legislative Bureau of Educational  
7 Accountability and Program Evaluation. The Department of  
8 Education shall transmit the application to the State Board  
9 of Examiners with the recommendation of the Department of  
10 Education concerning the allocation of money based upon each  
11 application so received. The State Board of Examiners, or the Clerk  
12 of the Board if authorized by the Board to act on its behalf, shall  
13 consider each such application and, if it finds that an allocation  
14 should be made, recommend the amount of the allocation to the  
15 Interim Finance Committee. The Interim Finance Committee shall  
16 consider each such recommendation, but is not bound to follow the  
17 recommendation of the State Board of Examiners when determining  
18 the allocation to be received by a school. In determining the amount  
19 of the allocation, the State Board of Examiners and the Interim  
20 Finance Committee shall consider:

21 (a) The total number of pupils enrolled in the school who failed  
22 to meet adequate yearly progress;

23 (b) The percentage of pupils enrolled in the school who failed to  
24 meet adequate yearly progress;

25 (c) The total number of subgroups of pupils, as prescribed by the  
26 No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301 et seq.,  
27 enrolled in the school who failed to meet adequate yearly progress;  
28 and

29 (d) The financial need of the particular school.

30 5. In addition to the considerations set forth in subsection 4, in  
31 determining whether to approve an application for a school that has  
32 received an allocation in the immediately preceding year and in  
33 determining the amount of the allocation for such a school, the State  
34 Board of Examiners and the Interim Finance Committee shall  
35 consider whether the school has carried out the program of remedial  
36 study for which it received an allocation in a manner that has been  
37 approved by the vendor of the remedial program and whether the  
38 program has been successful, as measured by the academic  
39 achievement of the pupils enrolled in the school on the examinations  
40 administered pursuant to NRS 389.015 or 389.550 and any  
41 assessments related to the program of remedial study.

42 6. A school that receives an allocation of money pursuant to  
43 this section shall use the money to:

44 (a) Pay the costs incurred by the school in providing the  
45 program of remedial study required by NRS 385.389. The money



\* A B 1 \*

1 must first be applied to those pupils who failed to meet adequate  
2 yearly progress.

3 (b) Pay for the salaries, training or other compensation of  
4 teachers and other educational personnel to provide the program  
5 of remedial study, instructional materials required for the program  
6 of remedial study, equipment necessary to offer the program of  
7 remedial study and all other additional operating costs attributable to  
8 the program of remedial study, to the extent that the training,  
9 materials and equipment are those that are approved by the vendor  
10 of the remedial program.

11 (c) Supplement and not replace the money the school would  
12 otherwise expend for programs of remedial study.

13 7. Before a school amends a plan for expenditure of an  
14 allocation of money received pursuant to this section, the school  
15 district in which the school is located must submit the proposed  
16 amendment to the Department of Education to receive approval  
17 from the Department of Education, the Budget Division of the  
18 Department of Administration and the Legislative Bureau of  
19 Educational Accountability and Program Evaluation, or the Interim  
20 Finance Committee.

21 8. The sums authorized for expenditure in subsection 1 are  
22 available for either fiscal year. Any remaining balance of those sums  
23 must not be committed for expenditure after June 30, 2005, and  
24 reverts to the State Distributive School Account as soon as all  
25 payments of money committed have been made.

26 **Sec. 197.48.** 1. The Department of Education shall transfer  
27 from the State Distributive School Account the following sums for  
28 supplemental services or tutoring for pupils in non-Title I schools  
29 that failed to meet adequate yearly progress on the examinations  
30 administered pursuant to NRS 389.550:

31 For the Fiscal Year 2003-2004..... \$1,000,000

32 For the Fiscal Year 2004-2005 ..... \$1,500,000

33 2. The supplemental services or tutoring for which money is  
34 provided pursuant to this section must:

35 (a) Be conducted before or after school, on weekends, during the  
36 summer or between sessions in schools with year-round school  
37 calendars; and

38 (b) Be selected by the Department as an approved provider in  
39 accordance with the No Child Left Behind Act of 2001, 20 U.S.C.  
40 §§ 6301 et seq.

41 3. A school may submit an application to the Department of  
42 Education on or before November 1 of each fiscal year for  
43 transmission to the State Board of Examiners for an allocation from  
44 the amount authorized by subsection 1 if the school:



1 (a) Receives a designation as demonstrating need for  
2 improvement; and

3 (b) Is not receiving money from Title I, 20 U.S.C. §§ 6301 et  
4 seq.

5 4. The Department of Education shall, in consultation with the  
6 Budget Division of the Department of Administration and the  
7 Legislative Bureau of Educational Accountability and Program  
8 Evaluation, develop a form for such applications.

9 5. Upon receipt of an application submitted pursuant to  
10 subsection 3, the Department of Education shall review the  
11 application jointly with the Budget Division of the Department of  
12 Administration and the Legislative Bureau of Educational  
13 Accountability and Program Evaluation. The Department of  
14 Education shall transmit the application to the State Board  
15 of Examiners with the recommendation of the Department of  
16 Education concerning the allocation of money based upon each  
17 application so received. The State Board of Examiners, or the Clerk  
18 of the Board if authorized by the Board to act on its behalf, shall  
19 consider each such application and, if it finds that an allocation  
20 should be made, recommend the amount of the allocation to the  
21 Interim Finance Committee. The Interim Finance Committee shall  
22 consider each such recommendation, but is not bound to follow the  
23 recommendation of the State Board of Examiners when determining  
24 the allocation to be received by a school district.

25 6. A school that receives an allocation of money pursuant to  
26 this section shall use the money to:

27 (a) Provide supplemental services or tutoring that has been  
28 selected and approved by the Department of Education.

29 (b) Pay the costs incurred by the school in providing the  
30 supplemental services or tutoring. The money must be applied to  
31 those pupils who failed to meet adequate yearly progress.

32 (c) Pay for the salaries, training or other compensation of  
33 teachers and other educational personnel to provide the  
34 supplemental services or tutoring, instructional materials required  
35 for the program, equipment necessary to offer the program and all  
36 other additional operating costs attributable to the program.

37 (d) Supplement and not replace the money the school district  
38 would otherwise expend for supplemental services or tutoring.

39 7. Before a school amends a plan for expenditure of an  
40 allocation of money received pursuant to this section, the school  
41 district in which the school is located must submit the proposed  
42 amendment to the Department of Education to receive approval  
43 from the Department of Education, the Budget Division of the  
44 Department of Administration and the Legislative Bureau of



1 Educational Accountability and Program Evaluation, or the Interim  
2 Finance Committee.

3 8. The sums transferred pursuant to subsection 1 are available  
4 for either fiscal year. Any remaining balance of those sums must not  
5 be committed for expenditure after June 30, 2005, and reverts to the  
6 State Distributive School Account as soon as all payments of money  
7 committed have been made.

8 **Sec. 197.50.** 1. The Department of Education shall transfer  
9 from the State Distributive School Account the following sums for  
10 early childhood education:

11 For the Fiscal Year 2003-2004..... \$2,896,583  
12 For the Fiscal Year 2004-2005..... \$2,896,583

13 2. Of the sums transferred pursuant to subsection 1, \$301,000  
14 in each fiscal year of the 2003-2005 biennium must be used for the  
15 Classroom on Wheels Program.

16 3. The remaining money transferred by subsection 1 must be  
17 used by the Department of Education for competitive state grants to  
18 school districts and community-based organizations for early  
19 childhood education programs.

20 4. To receive a grant of money pursuant to subsections 2 and 3,  
21 school districts, community-based organizations and the Classroom  
22 on Wheels Program must submit a comprehensive plan to the  
23 Department of Education that includes, without limitation:

24 (a) A detailed description of the proposed early childhood  
25 education program;

26 (b) A description of the manner in which the money will be  
27 used, which must supplement and not replace the money that would  
28 otherwise be expended for early childhood education programs; and

29 (c) A plan for the longitudinal evaluation of the program to  
30 determine the effectiveness of the program on the academic  
31 achievement of children who participate in the program.

32 5. A school district, community-based organization or  
33 Classroom on Wheels Program that receives a grant of money shall:

34 (a) Use the money to initiate or expand prekindergarten  
35 education programs that meet the criteria set forth in the publication  
36 of the Department of Education, entitled "August 2000 Public  
37 Support for Prekindergarten Education For School Readiness in  
38 Nevada."

39 (b) Use the money to supplement and not replace the money that  
40 the school district, community-based organization or Classroom on  
41 Wheels Program would otherwise expend for early childhood  
42 education programs, as described in this section.

43 (c) Use the money to pay for the salaries and other items directly  
44 related to the instruction of pupils in the classroom.



1 (d) Submit a longitudinal evaluation of the program in  
2 accordance with the plan submitted pursuant to paragraph (c) of  
3 subsection 4.

4 The money must not be used to remodel classrooms or facilities or  
5 for playground equipment.

6 6. The Department of Education shall develop statewide  
7 performance and outcome indicators to measure the effectiveness of  
8 the early childhood education programs for which grants of money  
9 were awarded pursuant to this section. The indicators must include,  
10 without limitation:

11 (a) Longitudinal measures of the developmental progress of  
12 children before and after their completion of the program;

13 (b) Longitudinal measures of parental involvement in the  
14 program before and after completion of the program; and

15 (c) The percentage of participants who drop out of the program  
16 before completion.

17 7. The Department of Education shall review the evaluations of  
18 the early childhood education programs submitted by each school  
19 district, community-based organization and the Classroom on  
20 Wheels Program pursuant to paragraph (d) of subsection 5 and  
21 prepare a compilation of the evaluations for inclusion in the report  
22 submitted pursuant to subsection 8.

23 8. The Department of Education shall, on an annual basis,  
24 provide a written report to the Governor, Legislative Committee on  
25 Education and the Legislative Bureau of Educational Accountability  
26 and Program Evaluation regarding the effectiveness of the early  
27 childhood programs for which grants of money were received. The  
28 report must include, without limitation:

29 (a) The number of grants awarded;

30 (b) An identification of each school district, community-based  
31 organization and the Classroom on Wheels Program that received a  
32 grant of money and the amount of each grant awarded;

33 (c) For each school district, community based-organization and  
34 the Classroom on Wheels Program that received a grant of money:

35 (1) The number of children who received services through a  
36 program funded by the grant for each year that the program received  
37 funding from the State for early childhood programs; and

38 (2) The average per child expenditure for the program for  
39 each year the program received funding from the State for early  
40 childhood programs;

41 (d) A compilation of the evaluations reviewed pursuant to  
42 subsection 7 that includes, without limitation:

43 (1) A longitudinal comparison of the data showing the  
44 effectiveness of the different programs; and



1 (2) A description of the programs in this state that are the  
2 most effective; and

3 (e) Any recommendations for legislation.

4 9. Any balance of the sums transferred pursuant to subsection 1  
5 remaining at the end of the respective fiscal years must not be  
6 committed for expenditure after June 30 of the respective fiscal  
7 years and reverts to the State Distributive School Account as soon as  
8 all payments of money committed have been made.

9 **Sec. 197.52.** 1. The Department of Education shall transfer  
10 from the State Distributive School Account the following sums to  
11 purchase one-fifth of a year of service for certain teachers in  
12 accordance with NRS 391.165:

13 For the Fiscal Year 2003-2004..... \$2,689,206  
14 For the Fiscal Year 2004-2005..... \$7,045,056

15 2. The Department of Education shall distribute the money  
16 appropriated by subsection 1 to the school districts to assist the  
17 school districts with paying for the retirement credit for certain  
18 teachers in accordance with NRS 391.165. The amount of money  
19 distributed to each school district must be proportionate to the total  
20 costs of paying for the retirement credit pursuant to NRS 391.165  
21 for each fiscal year. If insufficient money is available from the  
22 appropriation to pay the total costs necessary to pay the retirement  
23 credit for each fiscal year, the school district shall pay the difference  
24 to comply with NRS 391.165.

25 3. Any balance of the sums appropriated by subsection 1  
26 remaining at the end of the respective fiscal years must not be  
27 committed for expenditure after June 30 of the respective fiscal  
28 years and reverts to the State General Fund as soon as all payments  
29 of money committed have been made.

30 **Sec. 197.54.** 1. The Department of Education shall transfer  
31 from the State Distributive School Account the following sum to  
32 purchase one-fifth of a year of service for certain licensed  
33 educational personnel in accordance with NRS 391.165:

34 For the Fiscal Year 2004-2005 \$5,732,643

35 2. The Department of Education shall distribute the money  
36 appropriated by subsection 1 to the school districts to assist the  
37 school districts with paying for the retirement credit for certain  
38 licensed educational personnel in accordance with NRS 391.165.  
39 The amount of money distributed to each school district must be  
40 proportionate to the total costs of paying for the retirement credit  
41 pursuant to NRS 391.165 for each fiscal year. If insufficient money  
42 is available to pay the total costs necessary to pay the retirement  
43 credit for each fiscal year, the school district shall pay the difference  
44 to comply with NRS 391.165.



1       3. Any remaining balance of the appropriation made by  
2 subsection 1 must not be committed for expenditure after June 30,  
3 2005, and reverts to the State General Fund as soon as all payments  
4 of money committed have been made.

5       **Sec. 197.56.** Of the amounts included in the basic support  
6 guarantee amounts enumerated in sections 197.22 and 7197.24 of  
7 this act, \$64,425,447 for Fiscal Year 2003-2004 and \$66,721,434  
8 for Fiscal Year 2004-2005 must be expended for the purchase of  
9 textbooks, instructional supplies and instructional hardware as  
10 prescribed in section 1 of this act.

11       **Sec. 197.58.** All funding remaining in the Fund for School  
12 Improvement at the close of Fiscal Year 2002-2003 shall be  
13 transferred to the budget for the State Distributive School Account  
14 and shall be authorized for expenditure in that Account.

15       **Sec. 197.60.** The sums appropriated or authorized in sections  
16 197.40 to 197.54, inclusive, of this act:

17       1. Must be accounted for separately from any other money  
18 received by the school districts of this state and used only for the  
19 purposes specified in the applicable section of this act.

20       2. May not be used to settle or arbitrate disputes between a  
21 recognized organization representing employees of a school district  
22 and the school district, or to settle any negotiations.

23       3. May not be used to adjust the district-wide schedules of  
24 salaries and benefits of the employees of a school district.

25       **Sec. 197.62.** 1. The Department of Education shall transfer  
26 from the State Distributive School Account the following sums for  
27 special transportation costs to school districts:

28               For the 2003-2004 school year..... \$47,715

29               For the 2004-2005 school year..... \$47,715

30       2. Pursuant to NRS 392.015, the Department of Education shall  
31 use the money transferred in subsection 1 to reimburse school  
32 districts for the additional costs of transportation for any pupil to a  
33 school outside the school district in which his residence is located.

34       **Sec. 197.64.** There is hereby appropriated from the State  
35 General Fund to the State Distributive School Account created by  
36 NRS 387.030 in the State General Fund the sum of \$3,152,559 for  
37 an unanticipated shortfall in money in Fiscal Year 2002-2003. This  
38 appropriation is supplemental to that made by section 4 of chapter  
39 565, Statutes of Nevada 2001, at page 2832 and to that made  
40 pursuant to Assembly Bill 253 of the 72nd Legislative Session.

41       **Sec. 197.66.** Each school district shall expend the revenue  
42 made available through this act, as well as other revenue from state,  
43 local and federal sources, in a manner that is consistent with NRS  
44 288.150 and that is designed to attain the goals of the Legislature  
45 regarding educational reform in this state, especially with regard to





1 assisting pupils in need of remediation and pupils who are not  
2 proficient in the English language. Materials and supplies for  
3 classrooms are subject to negotiation by employers with recognized  
4 employee organizations.

5 **Sec. 198.** The provisions of:

6 1. Sections 112, 113, 114, 166 and 168 of this act do not affect  
7 the amount of any license fees or taxes due for any period ending on  
8 or before June 30, 2003.

9 2. Sections 117, 119 and 120 of this act do not apply to any  
10 taxes precollected pursuant to chapter 370 of NRS on or before  
11 June 30, 2003.

12 3. Sections 63 to 96, inclusive, of this act apply to any taxable  
13 amount paid for live entertainment that is collected on or after  
14 January 1, 2004.

15 4. Section 167 of this act does not affect the amount of any  
16 license fees due for any period ending on or before June 30, 2004.

17 5. Section 158 of this act does not apply to contracts made on  
18 or before June 30, 2003.

19 **Sec. 199.** 1. This section and sections 196, 197.58, 197.64,  
20 197.66 and 198 of this act become effective upon passage and  
21 approval.

22 2. Sections 37 to 62, inclusive, 97 to 100, inclusive, 102, 104,  
23 106, 108, 109, 110, 112 to 122, inclusive, 127, 130, 141, 143, 145,  
24 147 to 156, inclusive, 158, 160, 166, 168, 169, 170, 172, 175 to 186,  
25 inclusive, 188, 189, 192 to 195, inclusive, and subsections 1 and 3  
26 of section 191 of this act become effective:

27 (a) Upon passage and approval for the purpose of adopting  
28 regulations and performing any other preparatory administrative  
29 tasks that are necessary to carry out the provisions of this act; and

30 (b) On July 1, 2003, for all other purposes.

31 3. Sections 63 to 96, inclusive, 111, 123 to 126, inclusive, 128,  
32 129, 131 to 140, inclusive, 157, 162 163, 164, 165, 171, 174 and  
33 subsection 2 of section 191 of this act become effective:

34 (a) Upon passage and approval for the purpose of adopting  
35 regulations and performing any other preparatory administrative  
36 tasks that are necessary to carry out the provisions of this act; and

37 (b) On January 1, 2004, for all other purposes.

38 4. Sections 167 and 173 of this act become effective:

39 (a) Upon passage and approval for the purpose of adopting  
40 regulations and performing any other preparatory administrative  
41 tasks that are necessary to carry out the provisions of this act; and

42 (b) On July 1, 2004, for all other purposes.

43 5. Sections 161.2, 161.4, 161.6, 162.2, 197, 197.10, 197.14 to  
44 197.20, inclusive, 197.22 to 197.56, inclusive, 197.60 and 197.62 of  
45 this act become effective on July 1, 2003.



- 1     6. Sections 162.4 and 197.12 of this act become effective on  
2     July 1, 2004.  
3     7. Sections 1 to 36, inclusive, 101, 103, 105, 107, 159, 161,  
4     187 and 190 of this act become effective on January 1, 2005.  
5     8. Sections 142, 144 and 146 of this act become effective at  
6     12:01 a.m. on October 1, 2029.  
7     9. Sections 147 to 154, inclusive, expire by limitation on  
8     July 1, 2005.  
9     10. Sections 141, 143, and 145 of this act expire by limitation  
10    on September 30, 2029.

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### LEADLINES OF REPEALED SECTIONS

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- 372.370 Reimbursement to taxpayer for collection of tax.**  
**374.375 Reimbursement to taxpayer for collection of tax.**  
**375.025 Additional tax in certain counties.**  
**375.075 Additional tax in certain counties: Disposition and  
use of proceeds.**  
**463.4001 Definitions.**  
**463.4002 “Auditorium” defined.**  
**463.4004 “Casino showroom” defined.**  
**463.4006 “Instrumental music” defined.**  
**463.4008 “Mechanical music” defined.**  
**463.4009 “Mechanical speech” defined.**  
**463.401 Levy; amount; exemptions.**  
**463.4015 Types of entertainment which are not subject to  
casino entertainment tax.**  
**463.402 Forms for reports; regulations and standards.**  
**463.403 Monthly reports and payments; overpayments and  
underpayments; interest.**  
**463.404 Remittances must be deposited in State General  
Fund; refunds of tax erroneously paid.**  
**463.4045 Refund of overpayment.**  
**463.405 Records of receipts: Maintenance; inspection.**  
**463.4055 Ticket for admission to certain establishments  
must indicate whether tax is included in price of ticket.**  
**463.406 Penalties.**

