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

JUNE 25, 2003

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Referred to Select Committee on State Revenue  
and Education Funding

SUMMARY—Makes various changes concerning state financial  
administration. (BDR 32-13)

FISCAL NOTE: Effect on Local Government: Yes.  
Effect on the State: Yes.

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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 an excise tax on employers based on wages paid to their employees; imposing a franchise fee on business entities for the privilege of doing business in this state; providing for the imposition and administration of a tax on financial institutions for the privilege of doing business in this state; replacing the casino entertainment tax with a tax on all live entertainment; eliminating the business activity tax; revising the provisions governing 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; revising provisions governing the purchase of retirement credit for certain educational personnel; apportioning the State Distributive School Account in the State General Fund for the 2003-2005 biennium; making appropriations to the State Distributive School Account



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for purposes relating to class-size reduction; making various other changes relating to state financial administration; authorizing certain expenditures; making an additional appropriation; providing penalties; and providing other matters properly relating thereto.

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

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 24, 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 6, inclusive,*  
6     *of this act have the meanings ascribed to them in those sections.*

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

8     **Sec. 4.** *“Employer” means any employer who is required to*  
9     *pay a contribution pursuant to NRS 612.535 for any calendar*  
10    *quarter, except an Indian tribe, nonprofit organization or political*  
11    *subdivision. For the purposes of this section:*

12    1. *“Indian tribe” includes any entity described in subsection*  
13    *10 of NRS 612.055.*

14    2. *“Nonprofit organization” means any entity described in*  
15    *subsection 1 of NRS 612.121.*

16    3. *“Political subdivision” means any entity described in*  
17    *subsection 9 of NRS 612.055.*

18    **Sec. 5.** *“Employment” has the meaning ascribed to it in NRS*  
19    *612.065 to 612.145, inclusive.*

20    **Sec. 6.** *“Taxpayer” means any person liable for the tax*  
21    *imposed by this chapter.*

22    **Sec. 7.** *The Department shall:*

23    1. *Administer and enforce the provisions of this chapter, and*  
24    *may adopt such regulations as it deems appropriate for those*  
25    *purposes.*

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

29    **Sec. 8. 1.** *Each person responsible for maintaining the*  
30    *records of a taxpayer shall:*

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

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



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

4     2. The Department may by regulation specify the types of  
5     records which must be kept to determine the amount of the  
6     liability of a taxpayer pursuant to the provisions of this chapter.

7     3. Any person who violates the provisions of subsection 1 is  
8     guilty of a misdemeanor.

9     **Sec. 9.** 1. To verify the accuracy of any return filed or, if  
10    no return is filed by a taxpayer, to determine the amount required  
11    to be paid, the Department, or any person authorized in writing by  
12    the Department, may examine the books, papers and records of  
13    any person who may be liable for the tax imposed by this chapter.

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

23    **Sec. 9.5.** The Executive Director may request from any other  
24    governmental agency or officer such information as he deems  
25    necessary to carry out the provisions of this chapter. If the  
26    Executive Director obtains any confidential information pursuant  
27    to such a request, he shall maintain the confidentiality of that  
28    information in the same manner and to the same extent as  
29    provided by law for the agency or officer from whom the  
30    information was obtained.

31    **Sec. 10.** 1. Except as otherwise provided in this section and  
32    NRS 360.250, the records and files of the Department concerning  
33    the administration of this chapter are confidential and privileged.  
34    The Department, and any employee engaged in the administration  
35    of this chapter or charged with the custody of any such records or  
36    files, shall not disclose any information obtained from the  
37    Department's records or files or from any examination,  
38    investigation or hearing authorized by the provisions of this  
39    chapter. Neither the Department nor any employee of the  
40    Department may be required to produce any of the records, files  
41    and information for the inspection of any person or for use in any  
42    action or proceeding.

43    2. The records and files of the Department concerning the  
44    administration of this chapter are not confidential and privileged  
45    in the following cases:



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1 (a) Testimony by a member or employee of the Department  
2 and production of records, files and information on behalf of the  
3 Department or a taxpayer in any action or proceeding pursuant to  
4 the provisions of this chapter if that testimony or the records, files  
5 or information, or the facts shown thereby, are directly involved in  
6 the action or proceeding.

7 (b) Delivery to a taxpayer or his authorized representative of a  
8 copy of any return or other document filed by the taxpayer  
9 pursuant to this chapter.

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

12 (d) Exchanges of information with the Internal Revenue  
13 Service in accordance with compacts made and provided for in  
14 such cases.

15 (e) Disclosure in confidence to the Governor or his agent in  
16 the exercise of the Governor's general supervisory powers, or to  
17 any person authorized to audit the accounts of the Department in  
18 pursuance of an audit, or to the Attorney General or other legal  
19 representative of the State in connection with an action or  
20 proceeding pursuant to this chapter, or to any agency of this or  
21 any other state charged with the administration or enforcement of  
22 laws relating to taxation.

23 (f) Exchanges of information pursuant to subsection 3.

24 3. The Commission may agree with any county fair and  
25 recreation board or the governing body of any county, city or town  
26 for the continuing exchange of information concerning taxpayers.

27 **Sec. 11.** 1. There is hereby imposed an excise tax on each  
28 employer at the rate of 0.6 percent of the wages, as determined  
29 pursuant to NRS 612.545, paid by the employer during a calendar  
30 quarter with respect to employment.

31 2. The tax imposed by this section must not be deducted, in  
32 whole or in part, from any wages of persons in the employment of  
33 the employer.

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

38 (a) File with the Department:

39 (1) A return on a form prescribed by the Department; and

40 (2) A copy of any report required by the Employment  
41 Security Division of the Department of Employment, Training and  
42 Rehabilitation for determining the amount of the contribution  
43 required pursuant to NRS 612.535 for any wages paid by the  
44 employer during that calendar quarter; and



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

3       **Sec. 12.** Upon written application made before the date on  
4 which payment must be made, the Department may for good cause  
5 extend by 30 days the time within which a taxpayer is required to  
6 pay the tax imposed by this chapter. If the tax is paid during the  
7 period of extension, no penalty or late charge may be imposed for  
8 failure to pay at the time required, but the taxpayer shall pay  
9 interest at the rate of 1 percent per month from the date on which  
10 the amount would have been due without the extension until the  
11 date of payment, unless otherwise provided in NRS 360.232 or  
12 360.320.

13       **Sec. 13.** The remedies of the State provided for in this  
14 chapter are cumulative, and no action taken by the Department or  
15 the Attorney General constitutes an election by the State to pursue  
16 any remedy to the exclusion of any other remedy for which  
17 provision is made in this chapter.

18       **Sec. 14.** If the Department determines that any tax, penalty  
19 or interest has been paid more than once or has been erroneously  
20 or illegally collected or computed, the Department shall set forth  
21 that fact in the records of the Department and certify to the State  
22 Board of Examiners the amount collected in excess of the amount  
23 legally due and the person from whom it was collected or by whom  
24 it was paid. If approved by the State Board of Examiners, the  
25 excess amount collected or paid must be credited on any amounts  
26 then due from the person under this chapter, and the balance  
27 refunded to the person or his successors in interest.

28       **Sec. 15.** 1. Except as otherwise provided in NRS 360.235  
29 and 360.395:

30       (a) No refund may be allowed unless a claim for it is filed with  
31 the Department within 3 years after the last day of the month  
32 immediately following the calendar quarter for which the  
33 overpayment was made.

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

37       2. Each claim must be in writing and must state the specific  
38 grounds upon which the claim is founded.

39       3. Failure to file a claim within the time prescribed in this  
40 chapter constitutes a waiver of any demand against the State on  
41 account of overpayment.

42       4. Within 30 days after rejecting any claim in whole or in  
43 part, the Department shall serve notice of its action on the  
44 claimant in the manner prescribed for service of notice of a  
45 deficiency determination.



1     **Sec. 16. 1.** *Except as otherwise provided in this section and*  
2 *NRS 360.320, interest must be paid upon any overpayment of any*  
3 *amount of the taxes imposed by this chapter at the rate of 0.5*  
4 *percent per month, or fraction thereof, from the last day of the*  
5 *month immediately following the calendar quarter for which the*  
6 *overpayment was made. No refund or credit may be made of any*  
7 *interest imposed upon the person making the overpayment with*  
8 *respect to the amount being refunded or credited.*

9     **2.** *The interest must be paid:*

10     **(a)** *In the case of a refund, to the last day of the calendar*  
11 *month following the date upon which the person making the*  
12 *overpayment, if he has not already filed a claim, is notified by*  
13 *the Department that a claim may be filed or the date upon which*  
14 *the claim is certified to the State Board of Examiners, whichever is*  
15 *earlier.*

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

19     **3.** *If the Department determines that any overpayment has*  
20 *been made intentionally or by reason of carelessness, the*  
21 *Department shall not allow any interest on the overpayment.*

22     **Sec. 17. 1.** *No injunction, writ of mandate or other legal or*  
23 *equitable process may issue in any suit, action or proceeding in*  
24 *any court against this state or against any officer of the State to*  
25 *prevent or enjoin the collection under this chapter of the tax*  
26 *imposed by this chapter or any amount of tax, penalty or interest*  
27 *required to be collected.*

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

32     **Sec. 18. 1.** *Within 90 days after a final decision upon a*  
33 *claim filed pursuant to this chapter is rendered by the*  
34 *Commission, the claimant may bring an action against the*  
35 *Department on the grounds set forth in the claim in a court of*  
36 *competent jurisdiction in Carson City, the county of this state*  
37 *where the claimant resides or maintains his principal place of*  
38 *business or a county in which any relevant proceedings were*  
39 *conducted by the Department, for the recovery of the whole or any*  
40 *part of the amount with respect to which the claim has been*  
41 *disallowed.*

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



1     **Sec. 19. 1.** *If the Department fails to mail notice of action*  
2 *on a claim within 6 months after the claim is filed, the claimant*  
3 *may consider the claim disallowed and file an appeal with the*  
4 *Commission within 30 days after the last day of the 6-month*  
5 *period. If the claimant is aggrieved by the decision of the*  
6 *Commission rendered on appeal, the claimant may, within 90 days*  
7 *after the decision is rendered, bring an action against the*  
8 *Department on the grounds set forth in the claim for the recovery*  
9 *of the whole or any part of the amount claimed as an*  
10 *overpayment.*

11     **2.** *If judgment is rendered for the plaintiff, the amount of the*  
12 *judgment must first be credited towards any tax due from the*  
13 *plaintiff.*

14     **3.** *The balance of the judgment must be refunded to the*  
15 *plaintiff.*

16     **Sec. 20.** *In any judgment, interest must be allowed at the rate*  
17 *of 6 percent per annum upon the amount found to have been*  
18 *illegally collected from the date of payment of the amount to the*  
19 *date of allowance of credit on account of the judgment, or to a*  
20 *date preceding the date of the refund warrant by not more than 30*  
21 *days. The date must be determined by the Department.*

22     **Sec. 21.** *A judgment may not be rendered in favor of the*  
23 *plaintiff in any action brought against the Department to recover*  
24 *any amount paid when the action is brought by or in the name of*  
25 *an assignee of the person paying the amount or by any person*  
26 *other than the person who paid the amount.*

27     **Sec. 22. 1.** *The Department may recover a refund or any*  
28 *part thereof which is erroneously made and any credit or part*  
29 *thereof which is erroneously allowed in an action brought in a*  
30 *court of competent jurisdiction in Carson City or Clark County in*  
31 *the name of the State of Nevada.*

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

35     **3.** *The Attorney General shall prosecute the action, and the*  
36 *provisions of NRS, the Nevada Rules of Civil Procedure and the*  
37 *Nevada Rules of Appellate Procedure relating to service of*  
38 *summons, pleadings, proofs, trials and appeals are applicable to*  
39 *the proceedings.*

40     **Sec. 23. 1.** *If any amount in excess of \$25 has been*  
41 *illegally determined, either by the Department or by the person*  
42 *filing the return, the Department shall certify this fact to the State*  
43 *Board of Examiners, and the latter shall authorize the*  
44 *cancellation of the amount upon the records of the Department.*





1     2. *If an amount not exceeding \$25 has been illegally*  
2 *determined, either by the Department or by the person filing the*  
3 *return, the Department, without certifying this fact to the State*  
4 *Board of Examiners, shall authorize the cancellation of the*  
5 *amount upon the records of the Department.*

6     **Sec. 24.** *1. A person shall not:*

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

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

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

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

21     **Sec. 25.** Title 32 of NRS is hereby amended by adding thereto  
22 a new chapter to consist of the provisions set forth as sections 26 to  
23 58, inclusive, of this act.

24     **Sec. 26.** *As used in this chapter, unless the context otherwise*  
25 *requires, the words and terms defined in sections 27 to 33,*  
26 *inclusive, of this act have the meanings ascribed to them in those*  
27 *sections.*

28     **Sec. 27.** *“Amount paid for live entertainment” means:*

29         1. *If the live entertainment is provided at a facility owned,*  
30 *leased or otherwise occupied by a taxable business entity, the*  
31 *consideration, expressed in terms of money, paid for the right or*  
32 *privilege to have access to that facility. For the purposes of this*  
33 *subsection, the term includes all amounts paid for food,*  
34 *refreshments and merchandise purchased at the facility if the*  
35 *facility has a maximum seating capacity of not more than 5,000*  
36 *seats that are permanently mounted and cannot be, or are not*  
37 *intended to be, removed temporarily for any single performance of*  
38 *live entertainment.*

39         2. *If the live entertainment is provided at a location other*  
40 *than a facility owned, leased or otherwise occupied by the taxable*  
41 *business entity providing the live entertainment, the total amount*  
42 *of consideration, expressed in terms of money, paid to the business*  
43 *entity for providing the live entertainment.*

44     **Sec. 28.** *“Board” means the State Gaming Control Board.*





1     **Sec. 29.** *“Business” means any activity engaged in or*  
2 *caused to be engaged in by a business entity with the object of*  
3 *gain, benefit or advantage, either direct or indirect, to any person*  
4 *or governmental entity.*

5     **Sec. 30. 1.** *“Business entity” includes:*

6         (a) *A corporation, partnership, proprietorship, business*  
7 *association and any other person engaging in business;*

8         (b) *A natural person engaging in a business if he is deemed to*  
9 *be a business entity pursuant to section 34 of this act; and*

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

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

12     **Sec. 31.** *“Licensed gaming establishment” has the meaning*  
13 *ascribed to it in NRS 463.0169.*

14     **Sec. 32.** *“Live entertainment” means any activity provided*  
15 *for pleasure, enjoyment, recreation, relaxation, diversion or other*  
16 *similar purpose by a person or persons who are physically present*  
17 *when providing that activity to a patron or group of patrons who*  
18 *are physically present.*

19     **Sec. 33.** *“Taxpayer” means any person liable for the tax*  
20 *imposed pursuant to this chapter.*

21     **Sec. 34.** *A natural person engaging in a business shall be*  
22 *deemed to be a business entity that is subject to the provisions of*  
23 *this chapter if the person is required to file with the Internal*  
24 *Revenue Service a Schedule C (Form 1040), Profit or Loss From*  
25 *Business Form, or its equivalent or successor form, a Schedule E*  
26 *(Form 1040), Supplemental Income and Loss Form, or its*  
27 *equivalent or successor form, or a Schedule F (Form 1040), Profit*  
28 *or Loss From Farming Form, or its equivalent or successor form,*  
29 *for the business.*

30     **Sec. 35.** *The Department shall provide by regulation for a*  
31 *more detailed definition of live entertainment consistent with the*  
32 *general definition set forth in section 32 of this act for use by the*  
33 *Board and the Department in determining whether an activity is a*  
34 *taxable activity under the provisions of this chapter.*

35     **Sec. 36. 1.** *There is hereby imposed an excise tax of 10*  
36 *percent of all amounts paid for live entertainment. Amounts paid*  
37 *for gratuities directly or indirectly remitted to employees of a*  
38 *business entity providing live entertainment or for service charges,*  
39 *including those imposed in connection with the use of credit cards*  
40 *or debit cards, which are collected and retained by persons other*  
41 *than the taxpayer, are not taxable pursuant to this section.*

42     **2.** *A business entity that collects any amount paid for live*  
43 *entertainment is liable for the tax imposed by this section, but is*  
44 *entitled to collect reimbursement from any person paying that*  
45 *amount.*



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

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

6       (a) Any amount paid for live entertainment that this state is  
7 prohibited from taxing under the Constitution, laws or treaties of  
8 the United States or the Nevada Constitution.

9       (b) Any merchandise sold outside the premises where live  
10 entertainment is provided, unless the purchase of the merchandise  
11 entitles the purchaser to admission to the entertainment.

12       (c) Any amount paid for live entertainment that is provided by  
13 or entirely for the benefit of a nonprofit organization that is  
14 recognized as exempt from taxation pursuant to 26 U.S.C. §  
15 501(c).

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

17       (e) Music performed by musicians who move constantly  
18 through the audience if no other form of live entertainment is  
19 afforded to the patrons.

20       (f) Any boxing contest or exhibition governed by the provisions  
21 of chapter 467 of NRS.

22       **Sec. 37.** A taxpayer shall hold the amount of all taxes for  
23 which he is liable pursuant to this chapter in a separate account in  
24 trust for the State.

25       **Sec. 38. 1.** The Board shall:

26       (a) Collect the tax imposed by this chapter from taxpayers who  
27 are licensed gaming establishments; and

28       (b) Adopt such regulations as are necessary to carry out the  
29 provisions of paragraph (a). The regulations must be adopted in  
30 accordance with the provisions of chapter 233B of NRS and must  
31 be codified in the Nevada Administrative Code.

32       2. The Department shall:

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

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

37       3. For the purposes of:

38       (a) Subsection 1, the provisions of chapter 463 of NRS relating  
39 to the payment, collection, administration and enforcement of  
40 gaming license fees and taxes, including, without limitation, any  
41 provisions relating to the imposition of penalties and interest, shall  
42 be deemed to apply to the payment, collection, administration and  
43 enforcement of the taxes imposed by this chapter to the extent that  
44 those provisions do not conflict with the provisions of this chapter.



1       (b) Subsection 2, the provisions of chapter 360 of NRS relating  
2 to the payment, collection, administration and enforcement of  
3 taxes, including, without limitation, any provisions relating to the  
4 imposition of penalties and interest, shall be deemed to apply to  
5 the payment, collection, administration and enforcement of the  
6 taxes imposed by this chapter to the extent that those provisions do  
7 not conflict with the provisions of this chapter.

8       4. To ensure that the tax imposed by section 36 of this act is  
9 collected fairly and equitably, the Board and the Department shall,  
10 jointly, coordinate the administration and collection of that tax  
11 and the regulation of taxpayers who are liable for the payment of  
12 the tax.

13       **Sec. 39. 1.** Each taxpayer who is a licensed gaming  
14 establishment shall file with the Board, on or before the 24th day  
15 of each month, a report showing the amount of all taxable receipts  
16 for the preceding month. The report must be in a form prescribed  
17 by the Board.

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

22       3. Each report required to be filed by this section must be  
23 accompanied by the amount of the tax that is due for the month  
24 covered by the report.

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

28       **Sec. 40.** Upon written application made before the date on  
29 which payment must be made, the Board or the Department may,  
30 for good cause, extend by 30 days the time within which a  
31 taxpayer is required to pay the tax imposed by this chapter. If the  
32 tax is paid during the period of extension, no penalty or late  
33 charge may be imposed for failure to pay at the time required, but  
34 the taxpayer shall pay interest at the rate of 1 percent per month  
35 from the date on which the amount would have been due without  
36 the extension until the date of payment, unless otherwise provided  
37 in NRS 360.232 or 360.320.

38       **Sec. 41. 1.** Each person responsible for maintaining the  
39 records of a taxpayer shall:

40       (a) Keep such records as may be necessary to determine the  
41 amount of the liability of the taxpayer pursuant to the provisions  
42 of this chapter;

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



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

4       2. *The Board and the Department may by regulation specify*  
5 *the types of records which must be kept to determine the amount*  
6 *of the liability of a taxpayer from whom they are required to*  
7 *collect the tax imposed by this chapter.*

8       3. *Any agreement that is entered into, modified or extended*  
9 *after January 1, 2004, for the lease, assignment or transfer of any*  
10 *premises upon which any activity subject to the tax imposed by this*  
11 *chapter is, or thereafter may be, conducted shall be deemed to*  
12 *include a provision that the taxpayer required to pay the tax must*  
13 *be allowed access to, upon demand, all books, records and*  
14 *financial papers held by the lessee, assignee or transferee which*  
15 *must be kept pursuant to this section. Any person conducting*  
16 *activities subject to the tax imposed by section 36 of this act who*  
17 *fails to maintain or disclose his records pursuant to this subsection*  
18 *is liable to the taxpayer for any penalty paid by the taxpayer for*  
19 *the late payment or nonpayment of the tax caused by the failure to*  
20 *maintain or disclose records.*

21       4. *A person who violates any provision of this section is guilty*  
22 *of a misdemeanor.*

23       **Sec. 42.** 1. *To verify the accuracy of any report filed or, if*  
24 *no report is filed by a taxpayer, to determine the amount of tax*  
25 *required to be paid:*

26       (a) *The Board, or any person authorized in writing by the*  
27 *Board, may examine the books, papers and records of any licensed*  
28 *gaming establishment that may be liable for the tax imposed by*  
29 *this chapter.*

30       (b) *The Department, or any person authorized in writing by*  
31 *the Department, may examine the books, papers and records of*  
32 *any other person who may be liable for the tax imposed by this*  
33 *chapter.*

34       2. *Any person who may be liable for the tax imposed by this*  
35 *chapter and who keeps outside of this state any books, papers and*  
36 *records relating thereto shall pay to the Board or the Department*  
37 *an amount equal to the allowance provided for state officers and*  
38 *employees generally while traveling outside of the State for each*  
39 *day, or fraction thereof, during which an employee of the Board*  
40 *or 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. 43.** 1. *Except as otherwise provided in this section and*  
45 *NRS 360.250, the records and files of the Board and the*



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1 *Department concerning the administration of this chapter are*  
2 *confidential and privileged. The Board, the Department and any*  
3 *employee of the Board or the Department engaged in the*  
4 *administration of this chapter or charged with the custody of any*  
5 *such records or files shall not disclose any information obtained*  
6 *from the records or files of the Board or the Department or from*  
7 *any examination, investigation or hearing authorized by the*  
8 *provisions of this chapter. The Board, the Department and any*  
9 *employee of the Board or the Department may not be required to*  
10 *produce any of the records, files and information for the*  
11 *inspection of any person or for use in any action or proceeding.*

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

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

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

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

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

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

37 **Sec. 44. 1. If:**

38 *(a) The Board determines that a licensed gaming*  
39 *establishment is collecting an amount paid for live entertainment*  
40 *with the intent to defraud the State or to evade the payment of the*  
41 *tax or any part of the tax imposed by this chapter, the Board shall*  
42 *establish an amount upon which the tax imposed by this chapter*  
43 *must be based.*

44 *(b) The Department determines that a taxpayer who is not a*  
45 *licensed gaming establishment is collecting an amount paid for*



1 *live entertainment with the intent to defraud the State or to evade*  
2 *the payment of the tax or any part of the tax imposed by this*  
3 *chapter, the Department shall establish an amount upon which the*  
4 *tax imposed by this chapter must be based.*

5 *2. The amount paid for live entertainment established by the*  
6 *Board or the Department pursuant to subsection 1 must be based*  
7 *upon amounts paid for live entertainment to business entities that*  
8 *are deemed comparable by the Board or the Department to that of*  
9 *the taxpayer.*

10 **Sec. 45. 1. If a taxpayer:**

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

14 *(b) Has taken a deduction on his federal income tax return*  
15 *pursuant to 26 U.S.C. § 166(a) for the amount which he is unable*  
16 *to collect,*  
17 *he is entitled to receive a credit for the amount of tax paid on*  
18 *account of that uncollected amount. The credit may be used*  
19 *against the amount of tax that the taxpayer is subsequently*  
20 *required to pay pursuant to this chapter.*

21 *2. If the Internal Revenue Service disallows a deduction*  
22 *described in paragraph (b) of subsection 1 and the taxpayer*  
23 *claimed a credit on a return for a previous reporting period*  
24 *pursuant to subsection 1, the taxpayer shall include the amount of*  
25 *that credit in the amount of taxes reported pursuant to this chapter*  
26 *in the first return filed with the Board or the Department after the*  
27 *deduction is disallowed.*

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

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

35 *(b) The tax payable on the amount collected in the amount of*  
36 *taxes reported,*  
37 *in the first return filed with the Board or the Department after that*  
38 *collection.*

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

43 *(a) For the first return of any taxpayer that contains one or*  
44 *more violations, issue a letter of warning to the taxpayer which*



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1 *provides an explanation of the violation or violations contained in*  
2 *the return.*

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

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

10 *5. For the purposes of subsection 4, if the first violation of*  
11 *this section by any taxpayer was determined by the Board or the*  
12 *Department through an audit which covered more than one return*  
13 *of the taxpayer, the Board or the Department shall treat all returns*  
14 *which were determined through the same audit to contain a*  
15 *violation or violations in the manner provided in paragraph (a) of*  
16 *subsection 4.*

17 **Sec. 46.** *The remedies of the State provided for in this*  
18 *chapter are cumulative, and no action taken by the Board, the*  
19 *Department or the Attorney General constitutes an election by the*  
20 *State to pursue any remedy to the exclusion of any other remedy*  
21 *for which provision is made in this chapter.*

22 **Sec. 47.** *If the Board or the Department determines that any*  
23 *tax, penalty or interest has been paid more than once or has been*  
24 *erroneously or illegally collected or computed, the Board or the*  
25 *Department shall set forth that fact in its records and shall certify*  
26 *to the State Board of Examiners the amount collected in excess of*  
27 *the amount legally due and the person from which it was collected*  
28 *or by whom it was paid. If approved by the State Board of*  
29 *Examiners, the excess amount collected or paid must be credited*  
30 *on any amounts then due from the person under this chapter, and*  
31 *the balance refunded to the person or his successors in interest.*

32 **Sec. 48. 1.** *Except as otherwise provided in NRS 360.235*  
33 *and 360.395:*

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

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

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

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

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





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

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

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

10      **Sec. 49.** 1. *Except as otherwise provided in this section and*  
11 *NRS 360.320, interest must be paid upon any overpayment of any*  
12 *amount of the tax imposed by this chapter at the rate of 0.5*  
13 *percent per month, or fraction thereof, from the last day of the*  
14 *calendar month following the month for which the overpayment*  
15 *was made. No refund or credit may be made of any interest*  
16 *imposed upon the person making the overpayment with respect to*  
17 *the amount being refunded or credited.*

18      2. *The interest must be paid:*

19       (a) *In the case of a refund, to the last day of the calendar*  
20 *month following the date upon which the person making the*  
21 *overpayment, if he has not already filed a claim, is notified by the*  
22 *Board or the Department that a claim may be filed or the date*  
23 *upon which the claim is certified to the State Board of Examiners,*  
24 *whichever is earlier.*

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

28      3. *If the Board or the Department determines that any*  
29 *overpayment has been made intentionally or by reason of*  
30 *carelessness, the Board or the Department shall not allow any*  
31 *interest on the overpayment.*

32      **Sec. 50.** 1. *No injunction, writ of mandate or other legal or*  
33 *equitable process may issue in any suit, action or proceeding in*  
34 *any court against this state or against any officer of the State to*  
35 *prevent or enjoin the collection under this chapter of the tax*  
36 *imposed by this chapter or any amount of tax, penalty or interest*  
37 *required to be collected.*

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

42      **Sec. 51.** 1. *Within 90 days after a final decision upon a*  
43 *claim filed pursuant to this chapter is rendered by:*

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



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

4       2. *An action brought pursuant to subsection 1 must be*  
5 *brought in a court of competent jurisdiction in Carson City, the*  
6 *county of this state where the claimant resides or maintains his*  
7 *principal place of business or a county in which any relevant*  
8 *proceedings were conducted by the Board or the Department, for*  
9 *the recovery of the whole or any part of the amount with respect to*  
10 *which the claim has been disallowed.*

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

14       **Sec. 52.** 1. *If the Board fails to mail notice of action on a*  
15 *claim within 6 months after the claim is filed, the claimant may*  
16 *consider the claim disallowed and file an appeal with the Nevada*  
17 *Gaming Commission within 30 days after the last day of the*  
18 *6-month period.*

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

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

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

30       (b) *The Nevada Tax Commission rendered on appeal, the*  
31 *claimant may, within 90 days after the decision is rendered, bring*  
32 *an action against the Department on the grounds set forth in the*  
33 *claim for the recovery of the whole or any part of the amount*  
34 *claimed as an overpayment.*

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

38       5. *The balance of the judgment must be refunded to the*  
39 *plaintiff.*

40       **Sec. 53.** *In any judgment, interest must be allowed at the rate*  
41 *of 6 percent per annum upon the amount found to have been*  
42 *illegally collected from the date of payment of the amount to the*  
43 *date of allowance of credit on account of the judgment, or to a*  
44 *date preceding the date of the refund warrant by not more than 30*



1 days. The date must be determined by the Board or the  
2 Department.

3 **Sec. 54.** A judgment may not be rendered in favor of the  
4 plaintiff in any action brought against the Board or the  
5 Department to recover any amount paid when the action is  
6 brought by or in the name of an assignee of the person paying the  
7 amount or by any person other than the person who paid the  
8 amount.

9 **Sec. 55. 1.** The Board or the Department may recover a  
10 refund or any part thereof which is erroneously made and any  
11 credit or part thereof which is erroneously allowed in an action  
12 brought in a court of competent jurisdiction in Carson City or  
13 Clark County in the name of the State of Nevada.

14 2. The action must be tried in Carson City or Clark County  
15 unless the court, with the consent of the Attorney General, orders  
16 a change of place of trial.

17 3. The Attorney General shall prosecute the action, and the  
18 provisions of NRS, the Nevada Rules of Civil Procedure and the  
19 Nevada Rules of Appellate Procedure relating to service of  
20 summons, pleadings, proofs, trials and appeals are applicable to  
21 the proceedings.

22 **Sec. 56. 1.** If any amount in excess of \$25 has been  
23 illegally determined, either by the person filing the return or by the  
24 Board or the Department, the Board or the Department shall  
25 certify this fact to the State Board of Examiners, and the latter  
26 shall authorize the cancellation of the amount upon the records of  
27 the Board or the Department.

28 2. If an amount not exceeding \$25 has been illegally  
29 determined, either by the person filing a return or by the Board or  
30 the Department, the Board or the Department, without certifying  
31 this fact to the State Board of Examiners, shall authorize the  
32 cancellation of the amount upon the records of the Board or the  
33 Department.

34 **Sec. 57.** Any licensed gaming establishment liable for the  
35 payment of the tax imposed by section 36 of this act who willfully  
36 fails to report, pay or truthfully account for the tax is subject to the  
37 revocation of his gaming license by the Nevada Gaming  
38 Commission.

39 **Sec. 58. 1.** A person shall not:

40 (a) Make, cause to be made or permit to be made any false or  
41 fraudulent return or declaration or false statement in any report  
42 or declaration, with intent to defraud the State or to evade  
43 payment of the tax or any part of the tax imposed by this chapter.

44 (b) Make, cause to be made or permit to be made any false  
45 entry in books, records or accounts with intent to defraud the State



1 *or to evade the payment of the tax or any part of the tax imposed*  
2 *by this chapter.*

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

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

9 **Sec. 59.** Title 32 of NRS is hereby amended by adding thereto  
10 a new chapter to consist of the provisions set forth as sections 60 to  
11 93, inclusive, of this act.

12 **Sec. 60.** *As used in this chapter, unless the context otherwise*  
13 *requires, the words and terms defined in sections 61 to 68,*  
14 *inclusive, of this act have the meanings ascribed to them in those*  
15 *sections.*

16 **Sec. 61.** *“Business” means any activity engaged in or caused*  
17 *to be engaged in with the object of gain, benefit or advantage,*  
18 *either direct or indirect, to any person or governmental entity.*

19 **Sec. 62. 1.** *“Business entity” includes:*

20 *(a) A corporation, partnership, proprietorship, limited-liability*  
21 *company, business association, joint venture, limited-liability*  
22 *partnership, business trust and their equivalents organized under*  
23 *the laws of this state or another jurisdiction and any other type of*  
24 *entity that engages in business; and*

25 *(b) A natural person engaging in a business if he is deemed to*  
26 *be a business entity pursuant to section 74 of this act.*

27 *2. The term does not include:*

28 *(a) A governmental entity;*

29 *(b) A nonprofit religious, charitable, fraternal or other*  
30 *organization that qualifies as a tax-exempt organization pursuant*  
31 *to 26 U.S.C. § 501(c), unless the organization has taxable income*  
32 *for the purposes of federal income taxation from any unrelated*  
33 *trade or business, as defined in 26 U.S.C. § 513; or*

34 *(c) A person who operates a business from his home and earns*  
35 *from that business not more than 66 2/3 percent of the average*  
36 *annual wage, as computed for the preceding calendar year*  
37 *pursuant to chapter 612 of NRS and rounded to the nearest*  
38 *hundred dollars.*

39 **Sec. 63.** *“Commission” means the Nevada Tax Commission.*

40 **Sec. 64.** *“Engaging in a business” means commencing,*  
41 *conducting or continuing a business, the exercise of corporate or*  
42 *franchise powers regarding a business, and the liquidation of a*  
43 *business entity which is or was engaging in a business when the*  
44 *liquidator holds itself out to the public as conducting that*  
45 *business.*



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1     **Sec. 65.** *“Gross revenue” means the total amount received or*  
2 *receivable on the use, sale or exchange of property or capital or*  
3 *for the performance of services, from any transaction involving a*  
4 *business entity, without any reduction for the basis of property*  
5 *sold, the cost of goods or services sold, or any other expense of the*  
6 *business entity.*

7     **Sec. 66. 1.** *“Pass-through revenue” means revenue*  
8 *received by a business entity solely on behalf of another in a*  
9 *disclosed agency capacity, including revenue received as a broker,*  
10 *bailee, consignee or auctioneer, notwithstanding that the business*  
11 *entity may incur liability, primarily or secondarily, in a*  
12 *transaction in its capacity as an agent.*

13     **2.** *“Pass-through revenue” includes reimbursement for*  
14 *advances made by a business entity on behalf of a customer or*  
15 *client, other than with respect to services rendered or with respect*  
16 *to purchases of goods by the business entity in carrying out the*  
17 *business in which it engages.*

18     **Sec. 67.** *“Total amount received or receivable” means the*  
19 *total sum of any money and the fair market value of any other*  
20 *property or services received or receivable, including, without*  
21 *limitation, rents, royalties, interest and dividends, and aggregate*  
22 *net gains realized from the sale or exchange of stocks, bonds,*  
23 *asset-backed securities, investment and trading assets and other*  
24 *evidence of indebtedness.*

25     **Sec. 68.** *“Total revenue” means gross revenue minus:*

26     **1.** *Any revenue which this state is prohibited from taxing*  
27 *pursuant to the Constitution, laws or treaties of the United States*  
28 *or the Nevada Constitution.*

29     **2.** *Any revenue received by a natural person from the rental*  
30 *of not more than four residential units.*

31     **3.** *Any revenue from the sale of agricultural products at*  
32 *wholesale.*

33     **4.** *If a business entity pays a tax on premiums pursuant to*  
34 *title 57 of NRS, the gross revenue of the business entity derived*  
35 *from direct premiums written.*

36     **5.** *If a business entity pays a license fee pursuant to NRS*  
37 *463.370, the total sum of all amounts specifically included by*  
38 *statute in and all amounts specifically excluded by statute from the*  
39 *calculation of that fee for the business entity.*

40     **6.** *If a business entity pays a tax on the net proceeds of*  
41 *minerals pursuant to chapter 362 of NRS, the gross yield of the*  
42 *business entity from which those net proceeds are determined.*

43     **7.** *Any operating revenue of a public utility for the provision*  
44 *of electric, gas, water or sewer service which is operated or*  
45 *regulated by a governmental entity.*



1       8. Any revenue of a nonprofit religious, charitable, fraternal  
2 or other organization that qualifies as a tax-exempt organization  
3 pursuant to 26 U.S.C. § 501(c), except the gross revenue of the  
4 organization from an unrelated trade or business, as defined in 26  
5 U.S.C. § 513.

6       9. Any revenue from the operation of a vending stand  
7 pursuant to NRS 426.640.

8       10. Any revenue received by a certified disadvantaged  
9 business enterprise.

10       **Sec. 69.** The Legislature hereby finds and declares that the  
11 fee imposed by this chapter on a business entity must not be  
12 construed as a fee or tax upon the customers of the business  
13 entity, but as a fee which is imposed upon and collectible from the  
14 business entity and which constitutes part of the operating  
15 overhead of the business entity.

16       **Sec. 70.** The Department shall:

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

20       2. Deposit all fees, interest and penalties it receives pursuant  
21 to this chapter in the State Treasury for credit to the State General  
22 Fund.

23       **Sec. 71.** 1. Each person responsible for maintaining the  
24 records of a business entity shall:

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

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

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

33       2. For the purposes of this section, "record" includes any  
34 federal income tax return filed by a business entity with the  
35 Internal Revenue Service.

36       3. Any person who violates the provisions of subsection 1 is  
37 guilty of a misdemeanor.

38       **Sec. 72.** 1. To verify the accuracy of any return filed or, if  
39 no return is filed by a business entity, to determine the amount  
40 required to be paid, the Department, or any person authorized in  
41 writing by the Department, may examine the books, papers and  
42 records of any person or business entity that may be liable for the  
43 fee imposed by this chapter.

44       2. Any person or business entity which may be liable for the  
45 fee imposed by this chapter and which keeps outside of this state



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

9 **Sec. 72.5.** *The Executive Director may request from any other*  
10 *governmental agency or officer such information as he deems*  
11 *necessary to carry out the provisions of this chapter. If the*  
12 *Executive Director obtains any confidential information pursuant*  
13 *to such a request, he shall maintain the confidentiality of that*  
14 *information in the same manner and to the same extent as*  
15 *provided by law for the agency or officer from whom the*  
16 *information was obtained.*

17 **Sec. 73. 1.** *Except as otherwise provided in this section and*  
18 *NRS 360.250, the records and files of the Department concerning*  
19 *the administration of this chapter are confidential and privileged.*  
20 *The Department, and any employee engaged in the administration*  
21 *of this chapter or charged with the custody of any such records or*  
22 *files, shall not disclose any information obtained from the*  
23 *Department's records or files or from any examination,*  
24 *investigation or hearing authorized by the provisions of this*  
25 *chapter. Neither the Department nor any employee of the*  
26 *Department may be required to produce any of the records, files*  
27 *and information for the inspection of any person or for use in any*  
28 *action or proceeding.*

29 **2.** *The records and files of the Department concerning the*  
30 *administration of this chapter are not confidential and privileged*  
31 *in the following cases:*

32 *(a) Testimony by a member or employee of the Department*  
33 *and production of records, files and information on behalf of the*  
34 *Department or the business entity that paid the fee in any action or*  
35 *proceeding pursuant to the provisions of this chapter if that*  
36 *testimony or the records, files or information, or the facts shown*  
37 *thereby, are directly involved in the action or proceeding.*

38 *(b) Delivery to the person who paid the fee or his authorized*  
39 *representative of a copy of any return or other document filed by*  
40 *him pursuant to this chapter.*

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

43 *(d) Exchanges of information with the Internal Revenue*  
44 *Service in accordance with compacts made and provided for in*  
45 *such cases.*





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

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

3. *The Commission may agree with any county fair and recreation board or the governing body of any county, city or town for the continuing exchange of information concerning taxpayers.*

**Sec. 74.** *A natural person engaging in a business shall be deemed to be a business entity that is subject to the provisions of this chapter if the person files with the Internal Revenue Service a Schedule C (Form 1040), Profit or Loss From Business Form, or its equivalent or successor form, a Schedule E (Form 1040), Supplemental Income and Loss Form, or its equivalent or successor form, or a Schedule F (Form 1040), Profit or Loss From Farming Form, or its equivalent or successor form, for the business.*

**Sec. 75. 1.** *A quarterly franchise fee is hereby imposed upon each business entity for the privilege of engaging in a business in this state at the rate of:*

<i>Annual Total Revenue of Business Entity</i>	<i>Franchise Fee per Calendar Quarter</i>
<i>More than \$0 but less than \$100,000 .....</i>	<i>\$0</i>
<i>\$100,000 or more but less than \$200,000.....</i>	<i>\$30</i>
<i>\$200,000 or more but less than \$300,000.....</i>	<i>\$60</i>
<i>\$300,000 or more but less than \$400,000.....</i>	<i>\$90</i>
<i>\$400,000 or more but less than \$500,000.....</i>	<i>\$120</i>
<i>\$500,000 or more but less than \$750,000.....</i>	<i>\$175</i>
<i>\$750,000 or more but less than \$1,000,000.....</i>	<i>\$240</i>
<i>\$1,000,000 or more but less than \$1,500,000.....</i>	<i>\$350</i>
<i>\$1,500,000 or more but less than \$2,000,000.....</i>	<i>\$480</i>
<i>\$2,000,000 or more but less than \$2,500,000.....</i>	<i>\$620</i>
<i>\$2,500,000 or more but less than \$3,000,000.....</i>	<i>\$750</i>
<i>\$3,000,000 or more but less than \$4,000,000.....</i>	<i>\$950</i>
<i>\$4,000,000 or more but less than \$5,000,000.....</i>	<i>\$1,200</i>
<i>\$5,000,000 or more but less than \$7,500,000.....</i>	<i>\$1,700</i>
<i>\$7,500,000 or more but less than \$10,000,000.....</i>	<i>\$2,400</i>
<i>\$10,000,000 or more but less than \$20,000,000.....</i>	<i>\$3,500</i>



1           \$20,000,000 or more..... \$7,000  
2           plus \$3,500 for each additional \$10,000,000  
3

4       2. The fee for each calendar quarter is due on the last day of  
5 the quarter and must be paid on or before the last day of the  
6 month immediately following the quarter. The business entity  
7 shall estimate its annual total revenue for the fiscal year in which  
8 the franchise fee is being paid for the purposes of determining the  
9 amount of the franchise fee that is due.

10      3. Upon determination of the actual annual total revenue of  
11 the business entity for that fiscal year, the business entity shall  
12 reconcile the amount due from franchise fees for the year. If the  
13 amount of franchise fees paid exceeds the amount actually due  
14 from the business entity, the excess fees must be credited against  
15 future franchise fees payable by the business entity. If the amount  
16 of franchise fees paid was less than the amount due, the amount  
17 due remaining unpaid shall be deemed, for the purposes of NRS  
18 360.417, to constitute a failure to pay the fee within the time  
19 required pursuant to this section.

20      4. Each business entity engaging in a business in this state  
21 shall file with the Department a return on a form prescribed by the  
22 Department, together with the remittance of any fee due pursuant  
23 to this chapter, on or before the last day of the month immediately  
24 following the calendar quarter for which the payment is being  
25 made. The form must provide each business entity with an  
26 opportunity for account reconciliation.

27      **Sec. 76.** 1. Except as otherwise provided in this section, the  
28 total revenue of a business entity in this state must be computed  
29 for each fiscal year based upon the accounting method used by the  
30 business entity to compute its income for the purposes of federal  
31 income taxation. If a business entity does not regularly use a  
32 single accounting method, or if the Department determines that  
33 the accounting method used by the business entity does not clearly  
34 reflect the total revenue of the business entity in this state, the  
35 calculation of that revenue must be made on the basis of such an  
36 accounting method as, in the opinion of the Department, clearly  
37 reflects the total revenue of the business entity in this state.

38      2. If a business entity is engaged in more than one type of  
39 business, the business entity:

40       (a) May, in computing its total revenue in this state, use a  
41 different accounting method for each of those types of business;  
42 and

43       (b) Shall compute its total revenue in this state for each of  
44 those types of businesses based upon the accounting method used



1 *by the business entity to compute its income for that type of*  
2 *business for the purposes of federal income taxation.*

3 *3. If a business entity changes the accounting method upon*  
4 *which it computes its income for the purposes of federal income*  
5 *taxation, the business entity shall, before using that method to*  
6 *compute its total revenue in this state, provide the Department*  
7 *with written notification of the change in its accounting method.*  
8 *If:*

9 *(a) The business entity or any of its owners, officers,*  
10 *employees, agents or representatives are required, on behalf of the*  
11 *business entity, to obtain the consent of the Internal Revenue*  
12 *Service to the change in its accounting method, the business entity*  
13 *shall include a notarized copy of that consent in its written*  
14 *notification to the Department; or*

15 *(b) The business entity is not required to obtain the consent of*  
16 *the Internal Revenue Service to the change in its accounting*  
17 *method, the business entity shall obtain the consent of the*  
18 *Department to the change in its accounting method before using*  
19 *that method to compute its total revenue in this state.*

20 *4. If a business entity fails to comply with the provisions of*  
21 *subsections 1 and 2, any required change in the accounting*  
22 *method does not affect the imposition and calculation of any*  
23 *penalty, or the calculation of any additional amount of franchise*  
24 *fees due, pursuant to this chapter.*

25 ***Sec. 77. In calculating the franchise fee of a business entity***  
26 ***pursuant to this chapter, the business entity is entitled to deduct***  
27 ***from its total revenue:***

28 *1. Any revenue upon which this state is prohibited from*  
29 *imposing a franchise fee pursuant to the Constitution or laws of*  
30 *the United States or the Nevada Constitution.*

31 *2. The amount of any federal, state or local governmental*  
32 *fuel taxes collected by the business entity.*

33 *3. Any revenue of the business entity attributable to interest*  
34 *upon any bonds or securities of the Federal Government, the State*  
35 *of Nevada or a political subdivision of this state.*

36 *4. Any pass-through revenue of the business entity.*

37 *5. Any revenue received as dividends or distributions by a*  
38 *parent organization from the capital account of a subsidiary entity*  
39 *of the parent organization.*

40 *6. Any revenue received by a hospital or provider of health*  
41 *care from a governmental entity.*

42 *7. Any cash discounts the business entity allows a purchaser*  
43 *of property, rights or services.*



1       8. Any indebtedness to the business entity that is impossible  
2 or impracticable to collect and which is written off by the business  
3 entity as a bad debt for purposes of federal income taxation.

4       9. Any counterfeit currency received by the business entity for  
5 which the business entity is not reimbursed.

6       10. The amount of any payments received by the business  
7 entity upon claims for health, casualty or life insurance.

8       11. The cost of all payments made to contractors and  
9 subcontractors by a business entity that is in the business of  
10 developing improved real property and who sells that improved  
11 real property to a person who is not in the business of developing  
12 real property. The amount of the deduction must not exceed the  
13 gross revenue for the transaction.

14       12. Any promotional allowances by the business entity.

15       13. The gross revenue attributable to damaged or returned  
16 merchandise.

17       **Sec. 78.** 1. The Department shall adopt regulations  
18 providing for the allocation or apportionment of the liability for  
19 franchise fees pursuant to this chapter of business entities  
20 engaging in a business both within and outside of this state. The  
21 regulations must:

22       (a) Except as otherwise provided in this section, be consistent  
23 with the methods of dividing income contained in the Uniform  
24 Division of Income for Tax Purposes Act.

25       (b) If the business consists of financial activity, as defined in  
26 the Uniform Division of Income for Tax Purposes Act, be  
27 consistent with the Recommended Formula for the Apportionment  
28 and Allocation of Net Income of Financial Institutions.

29       2. As used in this section:

30       (a) "Recommended Formula for the Apportionment and  
31 Allocation of Net Income of Financial Institutions" means the  
32 provisions of the Recommended Formula for the Apportionment  
33 and Allocation of Net Income of Financial Institutions adopted by  
34 the Multistate Tax Commission, as those provisions existed on  
35 July 1, 2003.

36       (b) "Uniform Division of Income for Tax Purposes Act"  
37 means the provisions of the Uniform Division of Income for Tax  
38 Purposes Act approved by the National Conference of  
39 Commissioners on Uniform State Laws, as those provisions  
40 existed on July 1, 2003.

41       **Sec. 79.** The Department shall, upon application by a  
42 business entity engaging in a business both within and outside of  
43 this state, reduce the liability of the business entity for franchise  
44 fees pursuant to this chapter to the extent required by the  
45 Constitution or laws of the United States or the Nevada



1 *Constitution, as a result of the tax liability of the business entity to*  
2 *other states and their political subdivisions.*

3 **Sec. 80.** 1. *If the Department determines, after notice and*  
4 *hearing, that:*

5 (a) *A business entity and one or more of its affiliated business*  
6 *entities are engaged in the same or a similar type of business; and*

7 (b) *The primary or a substantial purpose for engaging in that*  
8 *type of business through affiliated business entities is to avoid or*  
9 *to reduce liability for the franchise fees imposed by this chapter,*  
10 *the Department shall require the business entity and one or more*  
11 *of its affiliated business entities to file a consolidated return for*  
12 *the purposes of this chapter.*

13 2. *For the purposes of this section:*

14 (a) *“Affiliated business entity” means a business entity that*  
15 *directly, or indirectly through one or more intermediaries,*  
16 *controls, is controlled by or is under common control with,*  
17 *another specified business entity.*

18 (b) *“Control,” as used in the terms “controls,” “controlled by”*  
19 *and “under common control with,” means the possession, directly*  
20 *or indirectly, of the power to direct or cause the direction of the*  
21 *management and policies of a business entity, whether through*  
22 *the ownership of voting securities, by contract or otherwise.*

23 **Sec. 81.** *Upon written application made before the date on*  
24 *which payment must be made, the Department may for good cause*  
25 *extend by 30 days the time within which a business entity is*  
26 *required to pay the franchise fee imposed by this chapter. If the*  
27 *franchise fee is paid during the period of extension, no penalty or*  
28 *late charge may be imposed for failure to pay at the time required,*  
29 *but the business entity shall pay interest at the rate of 1 percent*  
30 *per month from the date on which the amount would have been*  
31 *due without the extension until the date of payment, unless*  
32 *otherwise provided in NRS 360.232 or 360.320.*

33 **Sec. 82.** *The remedies of the State provided for in this*  
34 *chapter are cumulative, and no action taken by the Department or*  
35 *the Attorney General constitutes an election by the State to pursue*  
36 *any remedy to the exclusion of any other remedy for which*  
37 *provision is made in this chapter.*

38 **Sec. 83.** *If the Department determines that any franchise fee,*  
39 *penalty or interest has been paid more than once or has been*  
40 *erroneously or illegally collected or computed, the Department*  
41 *shall set forth that fact in the records of the Department and*  
42 *certify to the State Board of Examiners the amount collected in*  
43 *excess of the amount legally due and the business entity or person*  
44 *from which it was collected or by whom it was paid. If approved by*  
45 *the State Board of Examiners, the excess amount collected or paid*



1 *must be credited on any amounts then due from the person or*  
2 *business entity under this chapter, and the balance refunded to the*  
3 *person or business entity, or its successors, administrators or*  
4 *executors.*

5 **Sec. 84. 1.** *Except as otherwise provided in NRS 360.235*  
6 *and 360.395:*

7 *(a) No refund may be allowed unless a claim for it is filed with*  
8 *the Department within 3 years after the last day of the month*  
9 *immediately following the calendar quarter for which the*  
10 *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 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 Department shall serve notice of its action on the*  
21 *claimant in the manner prescribed for service of notice of a*  
22 *deficiency determination.*

23 **Sec. 85. 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 franchise fee imposed by this chapter at the rate of*  
26 *0.5 percent per month, or fraction thereof, from the last day of the*  
27 *month immediately following the calendar quarter for which the*  
28 *overpayment was made. No refund or credit may be made of any*  
29 *interest imposed upon the person or business entity making the*  
30 *overpayment with respect to the amount being refunded or*  
31 *credited.*

32 **2.** *The interest must be paid:*

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

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

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



1     **Sec. 86. 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 franchise*  
5 *fee imposed by this chapter or any amount of the franchise fee,*  
6 *penalty or interest 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. 87. 1.** *Within 90 days after a final decision upon a*  
12 *claim filed pursuant to this chapter is rendered by the*  
13 *Commission, the claimant may bring an action against the*  
14 *Department on the grounds set forth in the claim in a court of*  
15 *competent jurisdiction in Carson City, the county of this state*  
16 *where the claimant resides or maintains his principal place of*  
17 *business or a county in which any relevant proceedings were*  
18 *conducted by the Department, for the recovery of the whole or any*  
19 *part of the amount with respect to which the claim has been*  
20 *disallowed.*

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

24     **Sec. 88. 1.** *If the Department fails to mail notice of action*  
25 *on a claim within 6 months after the claim is filed, the claimant*  
26 *may consider the claim disallowed and file an appeal with the*  
27 *Commission within 30 days after the last day of the 6-month*  
28 *period. If the claimant is aggrieved by the decision of the*  
29 *Commission rendered on appeal, the claimant may, within 90 days*  
30 *after the decision is rendered, bring an action against the*  
31 *Department on the grounds set forth in the claim for the recovery*  
32 *of the whole or any part of the amount claimed as an*  
33 *overpayment.*

34     2. *If judgment is rendered for the plaintiff, the amount of the*  
35 *judgment must first be credited towards any franchise fees due*  
36 *from the plaintiff.*

37     3. *The balance of the judgment must be refunded to the*  
38 *plaintiff.*

39     **Sec. 89.** *In any judgment, interest must be allowed at the rate*  
40 *of 6 percent per annum upon the amount found to have been*  
41 *illegally collected from the date of payment of the amount to the*  
42 *date of allowance of credit on account of the judgment, or to a*  
43 *date preceding the date of the refund warrant by not more than 30*  
44 *days. The date must be determined by the Department.*





1     **Sec. 90.** *A judgment may not be rendered in favor of the*  
2 *plaintiff in any action brought against the Department to recover*  
3 *any amount paid when the action is brought by or in the name of*  
4 *an assignee of the business entity paying the amount or by any*  
5 *person other than the person or business entity which paid the*  
6 *amount.*

7     **Sec. 91. 1.** *The Department may recover a refund, or any*  
8 *part thereof, which is erroneously made and any credit or part*  
9 *thereof which is erroneously allowed in an action brought in a*  
10 *court of competent jurisdiction in Carson City or Clark County in*  
11 *the name of the State of Nevada.*

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

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

20     **Sec. 92. 1.** *If any amount in excess of \$25 has been*  
21 *illegally determined, either by the Department or by the person*  
22 *filing the return, the Department shall certify this fact to the State*  
23 *Board of Examiners, and the latter shall authorize the*  
24 *cancellation of the amount upon the records of the Department.*

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

30     **Sec. 93. 1.** *A person shall not:*

31     **(a)** *Make, cause to be made or permit to be made any false or*  
32 *fraudulent return or declaration or false statement in any return*  
33 *or declaration with intent to defraud the State or to evade payment*  
34 *of the franchise fee or any part of the franchise fee imposed by*  
35 *this chapter.*

36     **(b)** *Make, cause to be made or permit to be made any false*  
37 *entry in books, records or accounts with intent to defraud the State*  
38 *or to evade the payment of the franchise fee or any part of the*  
39 *franchise fee imposed by this chapter.*

40     **(c)** *Keep, cause to be kept or permit to be kept more than one*  
41 *set of books, records or accounts with intent to defraud the State*  
42 *or to evade the payment of the franchise fee or any part of the*  
43 *franchise fee imposed by this chapter.*

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



1     **Sec. 93.10.** Title 32 of NRS is hereby amended by adding  
2 thereto a new chapter to consist of the provisions set forth as  
3 sections 93.12 to 93.72, inclusive, of this act.

4     **Sec. 93.12.** *As used in this chapter, unless the context*  
5 *otherwise requires, the words and terms defined in sections 93.14*  
6 *to 93.24, inclusive, of this act have the meanings ascribed to them*  
7 *in those sections.*

8     **Sec. 93.14.** *“Commission” means the Nevada Tax*  
9 *Commission.*

10    **Sec. 93.16.** *“Federal taxable income” means the taxable*  
11 *income of a financial institution for a taxable year, as set forth in*  
12 *the federal income tax return filed by the financial institution for*  
13 *that year with the Internal Revenue Service, and any other taxable*  
14 *income of a financial institution for a taxable year under federal*  
15 *law, regardless of whether it is actually reported.*

16    **Sec. 93.18.** *“Financial institution” means an institution*  
17 *licensed, registered or otherwise authorized to do business in this*  
18 *state pursuant to the provisions of chapter 604, 645B, 645E or 649*  
19 *of NRS or title 55 or 56 of NRS, a similar institution chartered or*  
20 *licensed pursuant to federal law and doing business in this state or*  
21 *a person conducting loan or credit card processing activities in*  
22 *this state. The term does not include:*

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

25     2. *A credit union organized under the provisions of chapter*  
26 *678 of NRS or the Federal Credit Union Act.*

27    **Sec. 93.19.** *“Gross income” means all gains, profits and*  
28 *other income earned by a financial institution from its operation*  
29 *as a financial institution, including, without limitation:*

30     1. *All rents, compensation for services, commissions and*  
31 *brokerage and other fees;*

32     2. *All gains or profits from the sale or other disposition of*  
33 *any real or personal property; and*

34     3. *All recoveries on losses sustained in the ordinary course of*  
35 *business,*

36 *and excluding any income which this state is prohibited from*  
37 *taxing pursuant to the laws or Constitution of the United States or*  
38 *the Nevada Constitution.*

39    **Sec. 93.20.** *“Nevada taxable income” means the amount of*  
40 *the federal taxable income of a financial institution, as adjusted*  
41 *pursuant to section 93.42 of this act.*

42    **Sec. 93.22.** *“Taxable year” means the taxable year used by*  
43 *the financial institution for the purposes of federal income*  
44 *taxation.*



1     **Sec. 93.24.** *“Taxpayer” means any person liable for a tax*  
2 *imposed pursuant to this chapter.*

3     **Sec. 93.26.** *The Department shall:*

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

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

10     **Sec. 93.28.** 1. *Each person responsible for maintaining the*  
11 *records of a financial institution shall:*

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

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

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

20         2. *For the purposes of this section, “record” includes any*  
21 *federal income tax return filed by a financial institution with the*  
22 *Internal Revenue Service.*

23         3. *Any person who violates the provisions of subsection 1 is*  
24 *guilty of a misdemeanor.*

25     **Sec. 93.30.** 1. *To verify the accuracy of any return filed or,*  
26 *if no return is filed by a financial institution, to determine the*  
27 *amount required to be paid, the Department, or any person*  
28 *authorized in writing by the Department, may examine the books,*  
29 *papers and records of any person or financial institution that may*  
30 *be liable for the tax imposed by this chapter.*

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

41     **Sec. 93.32.** *The Executive Director may request from any*  
42 *other governmental agency or officer such information as he*  
43 *deems necessary to carry out the provisions of this chapter. If the*  
44 *Executive Director obtains any confidential information pursuant*  
45 *to such a request, he shall maintain the confidentiality of that*



1 *information in the same manner and to the same extent as*  
2 *provided by law for the agency or officer from whom the*  
3 *information was obtained.*

4 **Sec. 93.34. 1.** *Except as otherwise provided in this section*  
5 *and NRS 360.250, the records and files of the Department*  
6 *concerning the administration of this chapter are confidential and*  
7 *privileged. The Department, and any employee engaged in the*  
8 *administration of this chapter or charged with the custody of any*  
9 *such records or files, shall not disclose any information obtained*  
10 *from the Department's records or files or from any examination,*  
11 *investigation or hearing authorized by the provisions of this*  
12 *chapter. Neither the Department nor any employee of the*  
13 *Department may be required to produce any of the records, files*  
14 *and information for the inspection of any person or for use in any*  
15 *action or proceeding.*

16 **2.** *The records and files of the Department concerning the*  
17 *administration of this chapter are not confidential and privileged*  
18 *in the following cases:*

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

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

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

30 (d) *Exchanges of information with the Internal Revenue*  
31 *Service in accordance with compacts made and provided for in*  
32 *such cases.*

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

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

42 **3.** *The Commission may agree with any county fair and*  
43 *recreation board or the governing body of any county, city or town*  
44 *for the continuing exchange of information concerning taxpayers.*



1     **Sec. 93.36.** 1. A franchise tax is hereby imposed upon each  
2 financial institution for the privilege of engaging in business in  
3 this state at the rate of 3 percent of the Nevada taxable income of  
4 the financial institution each taxable year. The tax for each  
5 taxable year is due on the last day of that taxable year.

6     2. Each financial institution engaging in business in this  
7 state during a taxable year shall file with the Department a return  
8 on a form prescribed by the Department, together with the  
9 remittance of any tax due pursuant to this chapter for that taxable  
10 year, not later than the date the financial institution is required to  
11 file its federal income tax return for that taxable year with the  
12 Internal Revenue Service. The return required by this subsection  
13 must include:

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

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

17     **Sec. 93.38.** 1. In addition to the returns required by section  
18 93.36 of this act, a financial institution that is a member of an  
19 affiliated group and is engaged in a unitary business in this state  
20 with one or more other members of the affiliated group shall file  
21 with the Department such reports regarding the unitary business  
22 as the Department determines is appropriate for the  
23 administration and enforcement of the provisions of this chapter.

24     2. The Department may allow two or more financial  
25 institutions that are members of an affiliated group to file a  
26 consolidated return for the purposes of this chapter if the financial  
27 institutions are allowed to file a consolidated return for the  
28 purposes of federal income taxation.

29     3. As used in this section:

30     (a) "Affiliated group" means a group of two or more financial  
31 institutions, each of which is controlled by a common owner or by  
32 one or more of the members of the group.

33     (b) "Controlled by" means the possession, directly or  
34 indirectly, of the power to direct or cause the direction of the  
35 management and policies of a financial institution, whether  
36 through the ownership of voting securities, by contract or  
37 otherwise.

38     (c) "Unitary business" means a business characterized by  
39 unity of ownership, functional integration, centralization of  
40 management and economy of scale.

41     **Sec. 93.40.** 1. If a financial institution files an amended  
42 federal income tax return that reflects a change in income  
43 required to be reported pursuant to this chapter, the financial  
44 institution shall file an amended return with the Department not  
45 later than the date it files the amended federal return.



1       2. If a final determination of federal taxable income is made  
2 under federal law and, pursuant to that determination, the federal  
3 taxable income of a financial institution is found to differ from  
4 that initially reported to the Internal Revenue Service, the  
5 financial institution shall, within 30 days after the date of that  
6 determination, report the determination to the Department in  
7 writing, together with such information as the Department deems  
8 appropriate.

9       3. If, based upon an amended return or report filed pursuant  
10 to this section, it appears that the tax imposed by this chapter has  
11 not been fully assessed, the Department shall assess the deficiency,  
12 with interest calculated at the rate and in the manner set forth in  
13 NRS 360.417. Any assessment required by this subsection must be  
14 made within 1 year after the Department receives the amended  
15 return or report.

16       **Sec. 93.42.** 1. In computing the Nevada taxable income of  
17 a financial institution, its federal taxable income must be:

18       (a) Increased by:

19           (1) The amount of any deduction for the tax imposed by  
20 section 93.36 of this act or the equivalent taxing statute of another  
21 state;

22           (2) The amount of any net operating loss in the taxable  
23 year that is carried back to previous taxable years pursuant to 26  
24 U.S.C. § 172;

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

28           (4) Any interest or dividends on the obligations or securities  
29 of any state or political subdivision of a state, other than this state  
30 or a political subdivision of this state; and

31       (b) Decreased by:

32           (1) Any income that is exempt from taxation by this state  
33 under the Constitution, laws or treaties of the United States or the  
34 Nevada Constitution;

35           (2) Any interest income received on obligations of the  
36 United States; and

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

40       2. After making the calculations required by subsection 1, the  
41 resulting amount must be allocated or apportioned to this state in  
42 accordance with the regulations adopted pursuant to section 93.44  
43 of this act to determine the amount of the tax liability of the  
44 financial institution. The Nevada taxable income of the financial



1 *institution consists of the amount of the tax liability of the*  
2 *financial institution determined pursuant to this subsection.*

3 *3. The Department shall adopt regulations for the*  
4 *administration of this section.*

5 **Sec. 93.44.** *The Department shall adopt regulations*  
6 *providing for the allocation or apportionment to this state of the*  
7 *tax liability of a financial institution pursuant to this chapter. If*  
8 *the federal taxable income of a financial institution is derived*  
9 *from business conducted both within and outside this state,*  
10 *whether or not the financial institution is physically present in*  
11 *another state or is subject to another state's jurisdiction to impose*  
12 *a tax on the financial institution, the apportionment factor for*  
13 *determining the tax liability of the financial institution derived*  
14 *from business conducted by it in this state must consist of a*  
15 *fraction, the numerator of which is the gross income of the*  
16 *financial institution from customers whose address is within this*  
17 *state, and the denominator of which is the gross income of the*  
18 *financial institution from its entire operation as a financial*  
19 *institution in this state.*

20 **Sec. 93.46.** *1. For the purposes of this chapter, the method*  
21 *of accounting and the taxable year used by a financial institution*  
22 *must be the same as those used by the financial institution for the*  
23 *purposes of federal income taxation. If the financial institution*  
24 *does not regularly use a single method of accounting, the taxable*  
25 *income of the financial institution must be computed under such a*  
26 *method as the Department determines will fairly reflect that*  
27 *income.*

28 *2. If there is any change in the method of accounting or the*  
29 *taxable year used by a financial institution for the purposes of*  
30 *federal income taxation, the same change must be implemented*  
31 *for the purposes of this chapter.*

32 **Sec. 93.48.** *Upon written application made before the date on*  
33 *which a financial institution is otherwise required to file a return*  
34 *and to pay the tax imposed by this chapter, the Department may:*

35 *1. If the financial institution is granted an extension of time*  
36 *by the Federal Government for the filing of its federal income tax*  
37 *return, extend the time for filing the return required by this*  
38 *chapter until not later than the date the financial institution is*  
39 *required to file its federal income tax return pursuant to the*  
40 *extension of time granted by the Federal Government. The*  
41 *Department shall require, as a condition to the granting of any*  
42 *extension pursuant to this subsection, the payment of the tax*  
43 *estimated to be due pursuant to this chapter.*

44 *2. For good cause, extend by 30 days the time within which*  
45 *the financial institution is required to pay the tax. If the tax is paid*





1 *during a period of extension granted pursuant to this subsection,*  
2 *no penalty or late charge may be imposed for failure to pay at the*  
3 *time required, but the financial institution shall pay interest at the*  
4 *rate of 1 percent per month from the date on which the amount*  
5 *would have been due without the extension until the date of*  
6 *payment, unless otherwise provided in NRS 360.232 or 360.320.*

7 **Sec. 93.50.** *The remedies of the State provided for in this*  
8 *chapter are cumulative, and no action taken by the Department or*  
9 *the Attorney General constitutes an election by the State to pursue*  
10 *any remedy to the exclusion of any other remedy for which*  
11 *provision is made in this chapter.*

12 **Sec. 93.52.** *If the Department determines that any tax,*  
13 *penalty or interest has been paid more than once or has been*  
14 *erroneously or illegally collected or computed, the Department*  
15 *shall set forth that fact in the records of the Department and shall*  
16 *certify to the State Board of Examiners the amount collected in*  
17 *excess of the amount legally due and the financial institution or*  
18 *person from which it was collected or by whom it was paid. If*  
19 *approved by the State Board of Examiners, the excess amount*  
20 *collected or paid must be credited on any amounts then due from*  
21 *the person or financial institution under this chapter, and the*  
22 *balance refunded to the person or financial institution, or its*  
23 *successors, administrators or executors.*

24 **Sec. 93.54. 1.** *Except as otherwise provided in NRS 360.235*  
25 *and 360.395:*

26 *(a) No refund may be allowed unless a claim for it is filed with*  
27 *the Department within 3 years after the last day of the month*  
28 *immediately following the close of the taxable year for which the*  
29 *overpayment was made.*

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

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

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

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

42 **Sec. 93.56. 1.** *Except as otherwise provided in this section*  
43 *and NRS 360.320, interest must be paid upon any overpayment of*  
44 *any amount of the tax imposed by this chapter at the rate of 0.5*  
45 *percent per month, or fraction thereof, from the last day of the*



1 *calendar month immediately following the calendar month in*  
2 *which the overpayment was made. No refund or credit may be*  
3 *made of any interest imposed upon the person or financial*  
4 *institution making the overpayment with respect to the amount*  
5 *being refunded or credited.*

6 *2. The interest must be paid:*

7 *(a) In the case of a refund, to the last day of the calendar*  
8 *month following the date upon which the person making the*  
9 *overpayment, if he has not already filed a claim, is notified by*  
10 *the Department that a claim may be filed or the date upon which*  
11 *the claim is certified to the State Board of Examiners, whichever is*  
12 *earlier.*

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

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

19 **Sec. 93.58.** *1. No injunction, writ of mandate or other legal*  
20 *or equitable process may issue in any suit, action or proceeding in*  
21 *any court against this state or against any officer of the State to*  
22 *prevent or enjoin the collection under this chapter of the tax*  
23 *imposed by this chapter or any amount of tax, penalty or interest*  
24 *required to be collected.*

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

29 **Sec. 93.60.** *1. Within 90 days after a final decision upon a*  
30 *claim filed pursuant to this chapter is rendered by the*  
31 *Commission, the claimant may bring an action against the*  
32 *Department on the grounds set forth in the claim in a court of*  
33 *competent jurisdiction in Carson City, the county of this state*  
34 *where the claimant resides or maintains his principal place of*  
35 *business or a county in which any relevant proceedings were*  
36 *conducted by the Department, for the recovery of the whole or any*  
37 *part of the amount with respect to which the claim has been*  
38 *disallowed.*

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

42 **Sec. 93.62.** *1. If the Department fails to mail notice of*  
43 *action on a claim within 6 months after the claim is filed, the*  
44 *claimant may consider the claim disallowed and may file an*  
45 *appeal with the Commission within 30 days after the last day of*



1 *the 6-month period. If the claimant is aggrieved by the decision of*  
2 *the Commission rendered on appeal, the claimant may, within 90*  
3 *days after the decision is rendered, bring an action against the*  
4 *Department on the grounds set forth in the claim for the recovery*  
5 *of the whole or any part of the amount claimed as an*  
6 *overpayment.*

7 *2. If judgment is rendered for the plaintiff, the amount of the*  
8 *judgment must first be credited towards any tax due from the*  
9 *plaintiff.*

10 *3. The balance of the judgment must be refunded to the*  
11 *plaintiff.*

12 **Sec. 93.64.** *In any judgment, interest must be allowed at the*  
13 *rate of 6 percent per annum upon the amount found to have been*  
14 *illegally collected from the date of payment of the amount to the*  
15 *date of allowance of credit on account of the judgment, or to a*  
16 *date preceding the date of the refund warrant by not more than 30*  
17 *days. The date must be determined by the Department.*

18 **Sec. 93.66.** *A judgment may not be rendered in favor of the*  
19 *plaintiff in any action brought against the Department to recover*  
20 *any amount paid when the action is brought by or in the name of*  
21 *an assignee of the financial institution paying the amount or by*  
22 *any person other than the person or financial institution which*  
23 *paid the amount.*

24 **Sec. 93.68.** *1. The Department may recover a refund, or*  
25 *any part thereof, which is erroneously made and any credit or part*  
26 *thereof which is erroneously allowed in an action brought in a*  
27 *court of competent jurisdiction in Carson City or Clark County in*  
28 *the name of the State of Nevada.*

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

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

37 **Sec. 93.70.** *1. If any amount in excess of \$25 has been*  
38 *illegally determined, either by the Department or by the person*  
39 *filing the return, the Department shall certify this fact to the State*  
40 *Board of Examiners, and the latter shall authorize the*  
41 *cancellation of the amount upon the records of the Department.*

42 *2. If an amount not exceeding \$25 has been illegally*  
43 *determined, either by the Department or by the person or financial*  
44 *institution filing the return, the Department, without certifying*



1 *this fact to the State Board of Examiners, shall authorize the*  
2 *cancellation of the amount upon the records of the Department.*

3 **Sec. 93.72. 1. A person shall not:**

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

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

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

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

18 **Sec. 94.** Chapter 360 of NRS is hereby amended by adding  
19 thereto the provisions set forth as sections 95 to 101, inclusive, of  
20 this act.

21 **Sec. 95. The Nevada Tax Commission shall adopt**  
22 **regulations providing for:**

23 **1. The electronic submission of returns to the Department;**  
24 **and**

25 **2. The payment of taxes, fees, interest and penalties to the**  
26 **Department through the use of credit cards, debit cards and**  
27 **electronic transfers of money.**

28 **Sec. 96. As used in sections 96 to 101, inclusive, of this act,**  
29 **unless the context otherwise requires, the words and terms defined**  
30 **in sections 97, 98 and 99 of this act have the meanings ascribed to**  
31 **them in those sections.**

32 **Sec. 97. 1. "Business" includes:**

33 (a) *A corporation, partnership, proprietorship, limited-liability*  
34 *company, business association, joint venture, limited-liability*  
35 *partnership, business trust and their equivalents organized under*  
36 *the laws of this state or another jurisdiction and any other person*  
37 *that conducts an activity for profit; and*

38 (b) *The activities of a natural person which are deemed to be a*  
39 *business pursuant to section 100 of this act.*

40 **2. The term does not include:**

41 (a) *A governmental entity;*

42 (b) *A nonprofit religious, charitable, fraternal or other*  
43 *organization that qualifies as a tax-exempt organization pursuant*  
44 *to 26 U.S.C. § 501(c), unless the organization has taxable income*



1 *for the purposes of federal income taxation from any unrelated*  
2 *trade or business, as defined in 26 U.S.C. § 513;*

3 (c) *A person who operates a business from his home and earns*  
4 *from that business not more than 66 2/3 percent of the average*  
5 *annual wage, as computed for the preceding calendar year*  
6 *pursuant to chapter 612 of NRS and rounded to the nearest*  
7 *hundred dollars; or*

8 (d) *A business whose primary purpose is to create or produce*  
9 *motion pictures. As used in this paragraph, "motion pictures" has*  
10 *the meaning ascribed to it in NRS 231.020.*

11 **Sec. 98. 1. "Employee" includes:**

12 (a) *A natural person who receives wages or other*  
13 *remuneration from a business for personal services, including*  
14 *commissions and bonuses and remuneration payable in a medium*  
15 *other than cash; and*

16 (b) *A natural person engaged in the operation of a business.*

17 **2. The term includes:**

18 (a) *A partner or other co-owner of a business; and*

19 (b) *Except as otherwise provided in subsection 3, a natural*  
20 *person reported as an employee to the:*

21 (1) *Employment Security Division of the Department of*  
22 *Employment, Training and Rehabilitation;*

23 (2) *Administrator of the Division of Industrial Relations of*  
24 *the Department of Business and Industry; or*

25 (3) *Internal Revenue Service on an Employer's Quarterly*  
26 *Federal Tax Return (Form 941), Employer's Monthly Federal*  
27 *Tax Return (Form 941-M), Employer's Annual Tax Return for*  
28 *Agricultural Employees (Form 943), or any equivalent or*  
29 *successor form.*

30 **3. The term does not include:**

31 (a) *A business or an independent contractor performing*  
32 *services on behalf of another business.*

33 (b) *A natural person who is retired or otherwise receiving*  
34 *remuneration solely because of past service to the business.*

35 (c) *A newspaper carrier or the immediate supervisor of a*  
36 *newspaper carrier who is an independent contractor of the*  
37 *newspaper.*

38 (d) *A natural person who performs all of his duties for the*  
39 *business outside of this state.*

40 **4. An independent contractor is not an employee of a**  
41 **business with which he contracts.**

42 **Sec. 99. "Wages" means any remuneration paid for personal**  
43 **services, including commissions, and bonuses and remuneration**  
44 **payable in any medium other than cash.**



1     **Sec. 100.** *The activity or activities conducted by a natural*  
2 *person shall be deemed to be a business that is subject to the*  
3 *provisions of sections 96 to 101, inclusive, of this act if the person*  
4 *is required to file with the Internal Revenue Service a Schedule C*  
5 *(Form 1040), Profit or Loss From Business Form, or its*  
6 *equivalent or successor form, a Schedule E (Form 1040),*  
7 *Supplemental Income and Loss Form, or its equivalent or*  
8 *successor form, or a Schedule F (Form 1040), Profit or Loss*  
9 *From Farming Form, or its equivalent or successor form, for the*  
10 *activity or activities.*

11     **Sec. 101.** *1. Except as otherwise provided in subsection 8, a*  
12 *person shall not conduct a business in this state unless he has a*  
13 *business license issued by the Department.*

14     *2. An application for a business license must:*

15         *(a) Be made upon a form prescribed by the Department;*  
16         *(b) Set forth the name under which the applicant transacts or*  
17 *intends to transact business and the location of his place or places*  
18 *of business;*

19         *(c) Declare the estimated number of employees for the*  
20 *previous calendar quarter;*

21         *(d) Be accompanied by a fee of \$75; and*

22         *(e) Include any other information that the Department deems*  
23 *necessary.*

24     *3. The application must be signed by:*

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

26         *(b) A member or partner, if the business is owned by an*  
27 *association or partnership; or*

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

30     *4. If the application is signed pursuant to paragraph (c) of*  
31 *subsection 3, written evidence of the signer's authority must be*  
32 *attached to the application.*

33     *5. A person who has been issued a business license by the*  
34 *Department shall submit a fee of \$75 to the Department on or*  
35 *before the last day of the month in which the anniversary date of*  
36 *issuance of the business license occurs in each year, unless the*  
37 *person submits a written statement to the Department, at least 10*  
38 *days before the anniversary date, indicating that the person will*  
39 *not be conducting business in this state after the anniversary date.*

40     *6. The business license required to be obtained pursuant to*  
41 *this section is in addition to any license to conduct business that*  
42 *must be obtained from the local jurisdiction in which the business*  
43 *is being conducted.*



1       7. *For the purposes of sections 96 to 101, inclusive, of this*  
2 *act, a person shall be deemed to conduct a business in this state if*  
3 *a business for which the person is responsible:*

4       (a) *Is organized pursuant to title 7 of NRS, other than a*  
5 *business organized pursuant to chapter 82 or 84 of NRS;*

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

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

9       8. *A person who takes part in a trade show or convention*  
10 *held in this state for a purpose related to conducting a business is*  
11 *not required to obtain a business license specifically for that event.*

12       **Sec. 102.** NRS 360.095 is hereby amended to read as follows:

13       360.095 In the adoption of regulations, policies of  
14 enforcement, and policies for auditing of taxpayers, with respect to  
15 all taxes and fees for whose administration the Department is  
16 responsible, the Nevada Tax Commission shall apply the following  
17 principles:

18       1. Forms, instructions and regulations governing the  
19 computation of the amount of tax due must be brief and easily  
20 understood.

21       2. In cases where another authority, such as the United States  
22 or a local government, also imposes a tax upon the same property or  
23 revenue, the mechanism for collecting the tax imposed by the State  
24 must be as nearly compatible with the collection of the other taxes  
25 as is feasible.

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

30       4. Exemptions or waivers, where permitted by statute, must be  
31 granted:

32       (a) Equitably among eligible taxpayers; and

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

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

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

42       **Sec. 103.** NRS 360.225 is hereby amended to read as follows:

43       360.225 1. During the course of an investigation undertaken  
44 pursuant to NRS 360.130 of a person claiming:





1 (a) A partial abatement of property taxes pursuant to  
2 NRS 361.0687;

3 (b) ~~[An exemption from taxes upon the privilege of doing~~  
4 ~~business in this state pursuant to NRS 364A.170;~~

5 ~~—(c)]~~ A deferral of the payment of taxes on the sale of capital  
6 goods pursuant to NRS 372.397 or 374.402; or

7 ~~[(d)]~~ (c) An abatement of taxes on the gross receipts from the  
8 sale, storage, use or other consumption of eligible machinery or  
9 equipment pursuant to NRS 374.357,

10 the Department shall investigate whether the person meets the  
11 eligibility requirements for the abatement, partial abatement ~~[~~  
12 ~~exemption]~~ or deferral that the person is claiming.

13 2. If the Department finds that the person does not meet the  
14 eligibility requirements for the abatement ~~[, exemption]~~ or deferral  
15 which the person is claiming, the Department shall report its  
16 findings to the Commission on Economic Development and take  
17 any other necessary actions.

18 **Sec. 104.** NRS 360.2935 is hereby amended to read as  
19 follows:

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

26 **Sec. 105.** NRS 360.300 is hereby amended to read as follows:

27 360.300 1. If a person fails to file a return or the Department  
28 is not satisfied with the return or returns of any tax, *franchise fee*,  
29 contribution or premium or amount of tax, *franchise fee*,  
30 contribution or premium required to be paid to the State by any  
31 person, in accordance with the applicable provisions of this chapter,  
32 chapter 362, 364A, 369, 370, 372, 372A, 374, 377, 377A or 444A of  
33 NRS, NRS 482.313, or chapter 585 or 680B of NRS, *or sections 2*  
34 *to 24, inclusive, 60 to 93, inclusive, or 93.12 to 93.72, inclusive, of*  
35 *this act*, as administered or audited by the Department, it may  
36 compute and determine the amount required to be paid upon the  
37 basis of:

38 (a) The facts contained in the return;

39 (b) Any information within its possession or that may come into  
40 its possession; or

41 (c) Reasonable estimates of the amount.

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

44 3. In making its determination of the amount required to be  
45 paid, the Department shall impose interest on the amount of tax



1 determined to be due, calculated at the rate and in the manner set  
2 forth in NRS 360.417, unless a different rate of interest is  
3 specifically provided by statute.

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

7 5. When a business is discontinued, a determination may be  
8 made at any time thereafter within the time prescribed in NRS  
9 360.355 as to liability arising out of that business, irrespective of  
10 whether the determination is issued before the due date of the  
11 liability.

12 **Sec. 105.5.** NRS 360.300 is hereby amended to read as  
13 follows:

14 360.300 1. If a person fails to file a return or the Department  
15 is not satisfied with the return or returns of any tax, franchise fee,  
16 contribution or premium or amount of tax, franchise fee,  
17 contribution or premium required to be paid to the State by any  
18 person, in accordance with the applicable provisions of this chapter,  
19 chapter 362, ~~364A,~~ 369, 370, 372, 372A, 374, 377, 377A or 444A  
20 of NRS, NRS 482.313, or chapter 585 or 680B of NRS, or sections  
21 2 to 24, inclusive, 60 to 93, inclusive, or 93.12 to 93.72, inclusive,  
22 of this act, as administered or audited by the Department, it may  
23 compute and determine the amount required to be paid upon the  
24 basis of:

25 (a) The facts contained in the return;

26 (b) Any information within its possession or that may come into  
27 its possession; or

28 (c) Reasonable estimates of the amount.

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

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

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

39 5. When a business is discontinued, a determination may be  
40 made at any time thereafter within the time prescribed in NRS  
41 360.355 as to liability arising out of that business, irrespective of  
42 whether the determination is issued before the due date of the  
43 liability.



1     **Sec. 106.** NRS 360.417 is hereby amended to read as follows:  
2     360.417 Except as otherwise provided in NRS 360.232 and  
3     360.320, and unless a different penalty or rate of interest is  
4     specifically provided by statute, any person who fails to pay any tax  
5     or franchise fee provided for in chapter 362, 364A, 369, 370, 372,  
6     374, 377, 377A, 444A or 585 of NRS, *or sections 2 to 24, inclusive,*  
7     *60 to 93, inclusive, or 93.12 to 93.72, inclusive, of this act,* or the  
8     fee provided for in NRS 482.313, to the State or a county within the  
9     time required, shall pay a penalty of not more than 10 percent of the  
10    amount of the tax or fee which is owed, as determined by the  
11    Department, in addition to the tax or fee, plus interest at the rate of 1  
12    percent per month, or fraction of a month, from the last day of the  
13    month following the period for which the amount or any portion of  
14    the amount should have been reported until the date of payment.  
15    The amount of any penalty imposed must be based on a graduated  
16    schedule adopted by the Nevada Tax Commission which takes into  
17    consideration the length of time the tax or fee remained unpaid.

18    **Sec. 106.5.** NRS 360.417 is hereby amended to read as  
19    follows:  
20    360.417 Except as otherwise provided in NRS 360.232 and  
21    360.320, and unless a different penalty or rate of interest is  
22    specifically provided by statute, any person who fails to pay any tax  
23    or franchise fee provided for in chapter 362, ~~364A,~~ 369, 370, 372,  
24    374, 377, 377A, 444A or 585 of NRS, or sections 2 to 24, inclusive,  
25    60 to 93, inclusive, or 93.12 to 93.72, inclusive, of this act, or the  
26    fee provided for in NRS 482.313, to the State or a county within the  
27    time required, shall pay a penalty of not more than 10 percent of the  
28    amount of the tax or fee which is owed, as determined by the  
29    Department, in addition to the tax or fee, plus interest at the rate of 1  
30    percent per month, or fraction of a month, from the last day of the  
31    month following the period for which the amount or any portion of  
32    the amount should have been reported until the date of payment.  
33    The amount of any penalty imposed must be based on a graduated  
34    schedule adopted by the Nevada Tax Commission which takes into  
35    consideration the length of time the tax or fee remained unpaid.

36    **Sec. 107.** NRS 360.419 is hereby amended to read as follows:  
37    360.419 1. If the Executive Director or a designated hearing  
38    officer finds that the failure of a person to make a timely return or  
39    payment of a tax or franchise fee imposed pursuant to NRS 361.320  
40    or ~~chapter 361A, 376A, 377 or 377A of NRS, or by~~ chapter 361A,  
41    362, 364A, 369, 370, 372, 372A, 374, 375A, ~~or~~ 375B, 376A, 377  
42    or 377A of NRS, *or sections 2 to 24, inclusive, 60 to 93, inclusive,*  
43    *or 93.12 to 93.72, inclusive, of this act* is the result of circumstances  
44    beyond his control and occurred despite the exercise of ordinary



1 care and without intent, the Department may relieve him of all or  
2 part of any interest or penalty or both.

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

6 3. The Department shall disclose, upon the request of any  
7 person:

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

10 4. The Executive Director or a designated hearing officer shall  
11 act upon the request of a taxpayer seeking relief pursuant to NRS  
12 361.4835 which is deferred by a county treasurer or county assessor.

13 **Sec. 107.5.** NRS 360.419 is hereby amended to read as  
14 follows:

15 360.419 1. If the Executive Director or a designated hearing  
16 officer finds that the failure of a person to make a timely return or  
17 payment of a tax or franchise fee imposed pursuant to NRS 361.320  
18 or chapter 361A, 362, ~~364A,~~ 369, 370, 372, 372A, 374, 375A,  
19 375B, 376A, 377 or 377A of NRS, or sections 2 to 24, inclusive, 60  
20 to 93, inclusive, or 93.12 to 93.72, inclusive, of this act is the result  
21 of circumstances beyond his control and occurred despite the  
22 exercise of ordinary care and without intent, the Department may  
23 relieve him of all or part of any interest or penalty or both.

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

27 3. The Department shall disclose, upon the request of any  
28 person:

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

31 4. The Executive Director or a designated hearing officer shall  
32 act upon the request of a taxpayer seeking relief pursuant to NRS  
33 361.4835 which is deferred by a county treasurer or county assessor.

34 **Sec. 108.** NRS 360.510 is hereby amended to read as follows:

35 360.510 1. If any person is delinquent in the payment of any  
36 tax or fee administered by the Department or if a determination has  
37 been made against him which remains unpaid, the Department may:

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



40 (b) Not later than 6 years after the last recording of an abstract  
41 of judgment or of a certificate constituting a lien for tax owed,  
42 give a notice of the delinquency and a demand to transmit  
43 personally or by registered or certified mail to any person,  
44 including, without limitation, any officer or department of this state  
45 or any political subdivision or agency of this state, who has in his



1 possession or under his control any credits or other personal  
2 property belonging to the delinquent, or owing any debts to the  
3 delinquent or person against whom a determination has been made  
4 which remains unpaid, or owing any debts to the delinquent or that  
5 person. In the case of any state officer, department or agency, the  
6 notice must be given to the officer, department or agency before  
7 the Department presents the claim of the delinquent taxpayer to the  
8 State Controller.

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

12 3. After receiving the demand to transmit, the person notified  
13 by the demand may not transfer or otherwise dispose of the credits,  
14 other personal property, or debts in his possession or under his  
15 control at the time he received the notice until the Department  
16 consents to a transfer or other disposition.

17 4. Every person notified by a demand to transmit shall, within  
18 10 days after receipt of the demand to transmit, inform the  
19 Department of  and transmit to the Department all such credits,  
20 other personal property  or debts in his possession, under his  
21 control or owing by him within the time and in the manner  
22 requested by the Department. Except as otherwise provided in  
23 subsection 5, no further notice is required to be served to that  
24 person.

25 5. If the property of the delinquent taxpayer consists of a series  
26 of payments owed to him, the person who owes or controls the  
27 payments shall transmit the payments to the Department until  
28 otherwise notified by the Department. If the debt of the delinquent  
29 taxpayer is not paid within 1 year after the Department issued the  
30 original demand to transmit, the Department shall issue another  
31 demand to transmit to the person responsible for making the  
32 payments informing him to continue to transmit payments to  
33 the Department or that his duty to transmit the payments to the  
34 Department has ceased.

35 6. If the notice of the delinquency seeks to prevent the transfer  
36 or other disposition of a deposit in a bank or credit union or other  
37 credits or personal property in the possession or under the control of  
38 a bank, credit union or other depository institution, the notice must  
39 be delivered or mailed to any branch or office of the bank, credit  
40 union or other depository institution at which the deposit is carried  
41 or at which the credits or personal property is held.

42 7. If any person notified by the notice of the delinquency  
43 makes any transfer or other disposition of the property or debts  
44 required to be withheld or transmitted, to the extent of the value of  
45 the property or the amount of the debts thus transferred or paid, he is



\* A B 1 \*

1 liable to the State for any indebtedness due pursuant to this chapter,  
2 or chapter 362, 364A, 369, 370, 372, 372A, 374, 377, 377A or 444A  
3 of NRS, NRS 482.313, or chapter 585 or 680B of NRS, *or sections*  
4 *2 to 24, inclusive, 60 to 93, inclusive, or 93.12 to 93.72, inclusive,*  
5 *of this act* from the person with respect to whose obligation the  
6 notice was given if solely by reason of the transfer or other  
7 disposition the State is unable to recover the indebtedness of the  
8 person with respect to whose obligation the notice was given.

9 **Sec. 108.5.** NRS 360.510 is hereby amended to read as  
10 follows:

11 360.510 1. If any person is delinquent in the payment of any  
12 tax or fee administered by the Department or if a determination has  
13 been made against him which remains unpaid, the Department may:

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

16 (b) Not later than 6 years after the last recording of an abstract  
17 of judgment or of a certificate constituting a lien for tax owed,  
18 give a notice of the delinquency and a demand to transmit  
19 personally or by registered or certified mail to any person,  
20 including, without limitation, any officer or department of this state  
21 or any political subdivision or agency of this state, who has in his  
22 possession or under his control any credits or other personal  
23 property belonging to the delinquent, or owing any debts to the  
24 delinquent or person against whom a determination has been made  
25 which remains unpaid, or owing any debts to the delinquent or that  
26 person. In the case of any state officer, department or agency, the  
27 notice must be given to the officer, department or agency before  
28 the Department presents the claim of the delinquent taxpayer to the  
29 State Controller.

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

33 3. After receiving the demand to transmit, the person notified  
34 by the demand may not transfer or otherwise dispose of the credits,  
35 other personal property, or debts in his possession or under his  
36 control at the time he received the notice until the Department  
37 consents to a transfer or other disposition.

38 4. Every person notified by a demand to transmit shall, within  
39 10 days after receipt of the demand to transmit, inform the  
40 Department of and transmit to the Department all such credits, other  
41 personal property or debts in his possession, under his control or  
42 owing by him within the time and in the manner requested by the  
43 Department. Except as otherwise provided in subsection 5, no  
44 further notice is required to be served to that person.



1       5. If the property of the delinquent taxpayer consists of a series  
2 of payments owed to him, the person who owes or controls the  
3 payments shall transmit the payments to the Department until  
4 otherwise notified by the Department. If the debt of the delinquent  
5 taxpayer is not paid within 1 year after the Department issued the  
6 original demand to transmit, the Department shall issue another  
7 demand to transmit to the person responsible for making the  
8 payments informing him to continue to transmit payments to the  
9 Department or that his duty to transmit the payments to the  
10 Department has ceased.

11       6. If the notice of the delinquency seeks to prevent the transfer  
12 or other disposition of a deposit in a bank or credit union or other  
13 credits or personal property in the possession or under the control of  
14 a bank, credit union or other depository institution, the notice must  
15 be delivered or mailed to any branch or office of the bank, credit  
16 union or other depository institution at which the deposit is carried  
17 or at which the credits or personal property is held.

18       7. If any person notified by the notice of the delinquency  
19 makes any transfer or other disposition of the property or debts  
20 required to be withheld or transmitted, to the extent of the value of  
21 the property or the amount of the debts thus transferred or paid, he is  
22 liable to the State for any indebtedness due pursuant to this chapter,  
23 or chapter 362, ~~364A~~ 369, 370, 372, 372A, 374, 377, 377A or  
24 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS, or  
25 sections 2 to 24, inclusive, 60 to 93, inclusive, or 93.12 to 93.72,  
26 inclusive, of this act from the person with respect to whose  
27 obligation the notice was given if solely by reason of the transfer or  
28 other disposition the State is unable to recover the indebtedness of  
29 the person with respect to whose obligation the notice was given.

30       **Sec. 109.** NRS 360.750 is hereby amended to read as follows:

31       360.750 1. A person who intends to locate or expand a  
32 business in this state may apply to the Commission on Economic  
33 Development for a partial abatement of one or more of the taxes  
34 imposed on the new or expanded business pursuant to chapter 361 ~~364A~~  
35 ~~364A~~ or 374 of NRS.

36       2. The Commission on Economic Development shall approve  
37 an application for a partial abatement if the Commission makes the  
38 following determinations:

39       (a) The business is consistent with:

40       (1) The State Plan for Industrial Development and  
41 Diversification that is developed by the Commission pursuant to  
42 NRS 231.067; and

43       (2) Any guidelines adopted pursuant to the State Plan.

44       (b) The applicant has executed an agreement with the  
45 Commission which states that the business will, after the date on





1 which a certificate of eligibility for the abatement is issued pursuant  
2 to subsection 5, continue in operation in this state for a period  
3 specified by the Commission, which must be at least 5 years, and  
4 will continue to meet the eligibility requirements set forth in this  
5 subsection. The agreement must bind the successors in interest of  
6 the business for the specified period.

7 (c) The business is registered pursuant to the laws of this state or  
8 the applicant commits to obtain a valid business license and all other  
9 permits required by the county, city or town in which the business  
10 operates.

11 (d) Except as otherwise provided in NRS 361.0687, if the  
12 business is a new business in a county whose population is 100,000  
13 or more or a city whose population is 60,000 or more, the business  
14 meets at least two of the following requirements:

15 (1) The business will have 75 or more full-time employees  
16 on the payroll of the business by the fourth quarter that it is in  
17 operation.

18 (2) Establishing the business will require the business to  
19 make a capital investment of at least \$1,000,000 in this state.

20 (3) The average hourly wage that will be paid by the new  
21 business to its employees in this state is at least 100 percent of the  
22 average statewide hourly wage as established by the Employment  
23 Security Division of the Department of Employment, Training and  
24 Rehabilitation on July 1 of each fiscal year and:

25 (I) The business will provide a health insurance plan for  
26 all employees that includes an option for health insurance coverage  
27 for dependents of the employees; and

28 (II) The cost to the business for the benefits the business  
29 provides to its employees in this state will meet the minimum  
30 requirements for benefits established by the Commission by  
31 regulation pursuant to subsection 9.

32 (e) Except as otherwise provided in NRS 361.0687, if the  
33 business is a new business in a county whose population is less than  
34 100,000 or a city whose population is less than 60,000, the business  
35 meets at least two of the following requirements:

36 (1) The business will have 25 or more full-time employees  
37 on the payroll of the business by the fourth quarter that it is in  
38 operation.

39 (2) Establishing the business will require the business to  
40 make a capital investment of at least \$250,000 in this state.

41 (3) The average hourly wage that will be paid by the new  
42 business to its employees in this state is at least 100 percent of the  
43 average statewide hourly wage as established by the Employment  
44 Security Division of the Department of Employment, Training and  
45 Rehabilitation on July 1 of each fiscal year and:



1 (I) The business will provide a health insurance plan for  
2 all employees that includes an option for health insurance coverage  
3 for dependents of the employees; and

4 (II) The cost to the business for the benefits the business  
5 provides to its employees in this state will meet the minimum  
6 requirements for benefits established by the Commission by  
7 regulation pursuant to subsection 9.

8 (f) If the business is an existing business, the business meets at  
9 least two of the following requirements:

10 (1) The business will increase the number of employees on  
11 its payroll by 10 percent more than it employed in the immediately  
12 preceding fiscal year or by six employees, whichever is greater.

13 (2) The business will expand by making a capital investment  
14 in this state in an amount equal to at least 20 percent of the value of  
15 the tangible property possessed by the business in the immediately  
16 preceding fiscal year. The determination of the value of the tangible  
17 property possessed by the business in the immediately preceding  
18 fiscal year must be made by the:

19 (I) County assessor of the county in which the business  
20 will expand, if the business is locally assessed; or

21 (II) Department, if the business is centrally assessed.

22 (3) The average hourly wage that will be paid by the existing  
23 business to its new employees in this state is at least 100 percent of  
24 the average statewide hourly wage as established by the  
25 Employment Security Division of the Department of Employment,  
26 Training and Rehabilitation on July 1 of each fiscal year and:

27 (I) The business will provide a health insurance plan for  
28 all new employees that includes an option for health insurance  
29 coverage for dependents of the employees; and

30 (II) The cost to the business for the benefits the business  
31 provides to its new employees in this state will meet the minimum  
32 requirements for benefits established by the Commission by  
33 regulation pursuant to subsection 9.

34 3. Notwithstanding the provisions of subsection 2, the  
35 Commission on Economic Development may:

36 (a) Approve an application for a partial abatement by a business  
37 that does not meet the requirements set forth in paragraph (d), (e) or  
38 (f) of subsection 2;

39 (b) Make the requirements set forth in paragraph (d), (e) or (f) of  
40 subsection 2 more stringent; or

41 (c) Add additional requirements that a business must meet to  
42 qualify for a partial abatement,  
43 if the Commission determines that such action is necessary.

44 4. If a person submits an application to the Commission on  
45 Economic Development pursuant to subsection 1, the Commission



1 shall provide notice to the governing body of the county and the city  
2 or town, if any, in which the person intends to locate or expand a  
3 business. The notice required pursuant to this subsection must set  
4 forth the date, time and location of the hearing at which the  
5 Commission will consider the application.

6 5. If the Commission on Economic Development approves an  
7 application for a partial abatement, the Commission shall  
8 immediately forward a certificate of eligibility for the abatement to:

9 (a) The Department;

10 (b) The Nevada Tax Commission; and

11 (c) If the partial abatement is from the property tax imposed  
12 pursuant to chapter 361 of NRS, the county treasurer.

13 6. An applicant for a partial abatement pursuant to this section  
14 or an existing business whose partial abatement is in effect shall,  
15 upon the request of the Executive Director of the Commission on  
16 Economic Development, furnish the Executive Director with copies  
17 of all records necessary to verify that the applicant meets the  
18 requirements of subsection 2.

19 7. If a business whose partial abatement has been approved  
20 pursuant to this section and is in effect ceases:

21 (a) To meet the requirements set forth in subsection 2; or

22 (b) Operation before the time specified in the agreement  
23 described in paragraph (b) of subsection 2,

24 the business shall repay to the Department or, if the partial  
25 abatement was from the property tax imposed pursuant to chapter  
26 361 of NRS, to the county treasurer, the amount of the exemption  
27 that was allowed pursuant to this section before the failure of the  
28 business to comply unless the Nevada Tax Commission determines  
29 that the business has substantially complied with the requirements of  
30 this section. Except as otherwise provided in NRS 360.232 and  
31 360.320, the business shall, in addition to the amount of the  
32 exemption required to be paid pursuant to this subsection, pay  
33 interest on the amount due at the rate most recently established  
34 pursuant to NRS 99.040 for each month, or portion thereof, from the  
35 last day of the month following the period for which the payment  
36 would have been made had the partial abatement not been approved  
37 until the date of payment of the tax.

38 8. A county treasurer:

39 (a) Shall deposit any money that he receives pursuant to  
40 subsection 7 in one or more of the funds established by a local  
41 government of the county pursuant to NRS 354.6113 or 354.6115;  
42 and

43 (b) May use the money deposited pursuant to paragraph (a) only  
44 for the purposes authorized by NRS 354.6113 and 354.6115.

45 9. The Commission on Economic Development:



- 1 (a) Shall adopt regulations relating to:  
2 (1) The minimum level of benefits that a business must  
3 provide to its employees if the business is going to use benefits paid  
4 to employees as a basis to qualify for a partial abatement; and  
5 (2) The notice that must be provided pursuant to  
6 subsection 4.  
7 (b) May adopt such other regulations as the Commission on  
8 Economic Development determines to be necessary to carry out the  
9 provisions of this section.  
10 10. The Nevada Tax Commission:  
11 (a) Shall adopt regulations regarding:  
12 (1) The capital investment that a new business must make to  
13 meet the requirement set forth in paragraph (d) or (e) of subsection  
14 2; and  
15 (2) Any security that a business is required to post to qualify  
16 for a partial abatement pursuant to this section.  
17 (b) May adopt such other regulations as the Nevada Tax  
18 Commission determines to be necessary to carry out the provisions  
19 of this section.  
20 11. An applicant for an abatement who is aggrieved by a final  
21 decision of the Commission on Economic Development may  
22 petition for judicial review in the manner provided in chapter 233B  
23 of NRS.  
24 **Sec. 110.** NRS 360A.020 is hereby amended to read as  
25 follows:  
26 360A.020 The Department shall adopt ~~[such]~~ :  
27 1. *Such* regulations as are necessary to carry out the provisions  
28 of this chapter.  
29 2. *Regulations providing for:*  
30 (a) *The electronic submission of returns to the Department;*  
31 *and*  
32 (b) *The payment to the Department of any amount required to*  
33 *be paid pursuant to this chapter or chapter 365, 366 or 373 of*  
34 *NRS, or NRS 590.120 or 590.840 through the use of credit cards,*  
35 *debit cards and electronic transfers of money.*  
36 **Sec. 111.** NRS 364A.020 is hereby amended to read as  
37 follows:  
38 364A.020 1. "Business" includes:  
39 (a) A corporation, partnership, proprietorship, *limited-liability*  
40 *company, business association, joint venture, limited-liability*  
41 *partnership, business trust and their equivalents organized under*  
42 *the laws of this state or another jurisdiction* and any other ~~[similar]~~  
43 organization that conducts an activity for profit;  
44 (b) The activities of a natural person which are deemed to be a  
45 business pursuant to NRS 364A.120; and



1 (c) A trade show or convention held in this state in which a  
2 business described in paragraph (a) or (b) takes part, or which a  
3 person who conducts such a business attends, for a purpose related  
4 to the conduct of the business.

5 2. ~~The term includes an independent contractor.~~

6 ~~3.]~~ The term does not include:

7 (a) A nonprofit religious, charitable, fraternal or other  
8 organization that qualifies as a tax-exempt organization pursuant to  
9 26 U.S.C. § 501(c) ~~1-]~~, *unless the organization has taxable income*  
10 *for the purposes of federal income taxation from any unrelated*  
11 *trade or business, as defined in 26 U.S.C. § 513;*

12 (b) A governmental entity; ~~1-]~~

13 (c) *A person who operates a business from his home and earns*  
14 *from that business not more than 66 2/3 percent of the average*  
15 *annual wage, as computed for the preceding calendar year*  
16 *pursuant to chapter 612 of NRS and rounded to the nearest*  
17 *hundred dollars; or*

18 (d) A business that creates or produces motion pictures. As used  
19 in this paragraph, “motion pictures” has the meaning ascribed to it  
20 in NRS 231.020.

21 **Sec. 112.** NRS 364A.120 is hereby amended to read as  
22 follows:

23 364A.120 The activity or activities conducted by a natural  
24 person shall be deemed to be a business that is subject to the  
25 provisions of this chapter if the person files with the Internal  
26 Revenue Service a Schedule C (Form 1040), Profit or Loss from  
27 Business Form, or its equivalent or successor form, *a Schedule E*  
28 *(Form 1040), Supplemental Income and Loss Form, or its*  
29 *equivalent or successor form,* or a Schedule F (Form 1040), Farm  
30 Income and Expenses Form, or its equivalent or successor form, for  
31 the activity or activities.

32 **Sec. 113.** NRS 364A.130 is hereby amended to read as  
33 follows:

34 364A.130 1. Except as otherwise provided in subsection ~~6,]~~  
35 **8,** a person shall not conduct a business in this state unless he has a  
36 business license issued by the Department.

37 2. ~~The]~~ *An* application for a business license must:

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

39 (b) Set forth the name under which the applicant transacts or  
40 intends to transact business and the location of his place or places of  
41 business;

42 (c) Declare the estimated number of employees for the previous  
43 calendar quarter;

44 (d) Be accompanied by a fee of ~~[\$25;]~~ **\$75;** and



1 (e) Include any other information that the Department deems  
2 necessary.

3 3. The application must be signed by:

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

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

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

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

12 5. *A person who has been issued a business license by the*  
13 *Department shall submit a fee of \$75 to the Department on or*  
14 *before the last day of the month in which the anniversary date of*  
15 *issuance of the business license occurs in each year, unless the*  
16 *person submits a written statement to the Department, at least 10*  
17 *days before the anniversary date, indicating that the person will*  
18 *not be conducting business in this state after the anniversary date.*

19 6. *The business license required to be obtained pursuant to*  
20 *this section is in addition to any license to conduct business that*  
21 *must be obtained from the local jurisdiction in which the business*  
22 *is being conducted.*

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

26 (a) Is ~~incorporated~~ *organized* pursuant to ~~chapter 78 or 78A~~  
27 *title 7* of NRS ~~;~~ *, other than a business organized pursuant to*  
28 *chapter 82 or 84 of NRS;*

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

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

32 ~~6.1~~ 8. A person who takes part in a trade show or convention  
33 held in this state for a purpose related to the conduct of a business is  
34 not required to obtain a business license specifically for that event.

35 **Sec. 114.** NRS 369.174 is hereby amended to read as follows:

36 369.174 Each month, the State Controller shall transfer to the  
37 Tax on Liquor Program Account in the State General Fund, from the  
38 tax on liquor containing more than 22 percent of alcohol by volume,  
39 the portion of the tax which exceeds ~~[\$1.90]~~ *\$3.45* per wine gallon.

40 **Sec. 115.** NRS 369.330 is hereby amended to read as follows:

41 369.330 Except as otherwise provided in this chapter, an excise  
42 tax is hereby levied and must be collected respecting all liquor and  
43 upon the privilege of importing, possessing, storing or selling liquor,  
44 according to the following rates and classifications:



1 1. On liquor containing more than 22 percent of alcohol by  
2 volume, ~~[\$2.05]~~ \$3.60 per wine gallon or proportionate part thereof.

3 2. On liquor containing more than 14 percent up to and  
4 including 22 percent of alcohol by volume, ~~[75-cents]~~ \$1.30 per  
5 wine gallon or proportionate part thereof.

6 3. On liquor containing from one-half of 1 percent up to and  
7 including 14 percent of alcohol by volume, ~~[40]~~ 70 cents per wine  
8 gallon or proportionate part thereof.

9 4. On all malt beverage liquor brewed or fermented and bottled  
10 in or outside this state, ~~[9]~~ 16 cents per gallon.

11 **Sec. 116.** NRS 369.370 is hereby amended to read as follows:

12 369.370 1. For the privilege of importing, possessing, storing  
13 or selling liquors, all licensed importers and manufacturers of liquor  
14 in this state shall pay the excise tax imposed and established by this  
15 chapter.

16 2. If, after the tax is paid on any such liquor, satisfactory  
17 evidence is presented to the Department that the imports have been  
18 actually exported and sold outside this state in a manner not in  
19 conflict with the law of the place of sale, the Department shall direct  
20 that a refund or credit of the tax so paid be made to the taxpayer.  
21 The taxpayer shall report all such exports and imports, and pay the  
22 tax on the imports monthly, on forms and subject to regulations  
23 prescribed by the Department.

24 3. The excise tax imposed by this chapter is due on or before  
25 the 20th day of the following month. If all such taxes are paid on or  
26 before the 15th day of the following month, a discount in the  
27 amount of ~~[3]~~ 0.5 percent of the tax must be allowed to the taxpayer.  
28 The Department may, for good cause, extend for not more than 15  
29 days after the date the tax is due the time for paying the tax if a  
30 request for such an extension of time is received by the Department  
31 on or before the date the tax was due. If such an extension is  
32 granted, interest accrues from the original date the tax was due.

33 4. The Department shall allow refunds or credits on any  
34 shipments lost, stolen or damaged in transit, or damaged or spoiled  
35 on the premises, may require all claims in connection therewith to  
36 be sworn to and may make ratable tax adjustments, credits or  
37 refunds to effectuate the purposes of this chapter.

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

39 370.165 There is hereby levied a tax upon the purchase or  
40 possession of cigarettes by a consumer in the State of Nevada at the  
41 rate of ~~[17.5]~~ 40 mills per cigarette. The tax may be represented and  
42 precollected by the affixing of a revenue stamp or other approved  
43 evidence of payment to each package, packet or container in which  
44 cigarettes are sold. The tax must be precollected by the wholesale or  
45 retail dealer, and must be recovered from the consumer by adding





1 the amount of the tax to the selling price. Each person who sells  
2 cigarettes at retail shall prominently display on his premises a notice  
3 that the tax is included in the selling price and is payable under the  
4 provisions of this chapter.

5 **Sec. 117.5.** NRS 370.165 is hereby amended to read as  
6 follows:

7 370.165 There is hereby levied a tax upon the purchase or  
8 possession of cigarettes by a consumer in the State of Nevada at the  
9 rate of ~~40~~ 45 mills per cigarette. The tax may be represented and  
10 precollected by the affixing of a revenue stamp or other approved  
11 evidence of payment to each package, packet or container in which  
12 cigarettes are sold. The tax must be precollected by the wholesale or  
13 retail dealer, and must be recovered from the consumer by adding  
14 the amount of the tax to the selling price. Each person who sells  
15 cigarettes at retail shall prominently display on his premises a notice  
16 that the tax is included in the selling price and is payable under the  
17 provisions of this chapter.

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

19 370.220 In the sale of any cigarette revenue stamps or any  
20 metered machine settings to a licensed cigarette dealer, the  
21 Department and its agents shall allow the purchaser a discount of ~~3~~  
22 0.5 percent against the amount of excise tax otherwise due for the  
23 services rendered in affixing cigarette revenue stamps or metered  
24 machine impressions to the cigarette packages.

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

26 370.260 1. All taxes and license fees imposed by the  
27 provisions of NRS 370.001 to 370.430, inclusive, less any refunds  
28 granted as provided by law, must be paid to the Department in the  
29 form of remittances payable to the Department.

30 2. The Department shall:

31 (a) As compensation to the State for the costs of collecting the  
32 taxes and license fees, transmit each month the sum the Legislature  
33 specifies from the remittances made to it pursuant to subsection 1  
34 during the preceding month to the State Treasurer for deposit to the  
35 credit of the Department. The deposited money must be expended  
36 by the Department in accordance with its work program.

37 (b) From the remittances made to it pursuant to subsection 1  
38 during the preceding month, less the amount transmitted pursuant to  
39 paragraph (a), transmit each month the portion of the tax which is  
40 equivalent to ~~12.5~~ 35 mills per cigarette to the State Treasurer for  
41 deposit to the credit of the Account for the Tax on Cigarettes in the  
42 State General Fund.

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



1 (d) Report to the State Controller monthly the amount of  
2 collections.

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

8 **Sec. 119.5.** NRS 370.260 is hereby amended to read as  
9 follows:

10 370.260 1. All taxes and license fees imposed by the  
11 provisions of NRS 370.001 to 370.430, inclusive, less any refunds  
12 granted as provided by law, must be paid to the Department in the  
13 form of remittances payable to the Department.

14 2. The Department shall:

15 (a) As compensation to the State for the costs of collecting the  
16 taxes and license fees, transmit each month the sum the Legislature  
17 specifies from the remittances made to it pursuant to subsection 1  
18 during the preceding month to the State Treasurer for deposit to the  
19 credit of the Department. The deposited money must be expended  
20 by the Department in accordance with its work program.

21 (b) From the remittances made to it pursuant to subsection 1  
22 during the preceding month, less the amount transmitted pursuant to  
23 paragraph (a), transmit each month the portion of the tax which is  
24 equivalent to ~~35~~ 40 mills per cigarette to the State Treasurer for  
25 deposit to the credit of the Account for the Tax on Cigarettes in the  
26 State General Fund.

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

30 (d) Report to the State Controller monthly the amount of  
31 collections.

32 3. The money deposited pursuant to paragraph (c) of  
33 subsection 2 in the Local Government Tax Distribution Account is  
34 hereby appropriated to Carson City and to each of the counties in  
35 proportion to their respective populations and must be credited to  
36 the respective accounts of Carson City and each county.

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

38 370.350 1. Except as otherwise provided in subsection 3, a  
39 tax is hereby levied and imposed upon the use of cigarettes in this  
40 state.

41 2. The amount of the use tax is ~~17.5~~ 40 mills per cigarette.

42 3. The use tax does not apply where:

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

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



1     **Sec. 120.5.** NRS 370.350 is hereby amended to read as  
2 follows:

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

6     2. The amount of the use tax is ~~[40]~~ 45 mills per cigarette.

7     3. The use tax does not apply where:

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

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

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

12    370.450 1. Except as otherwise provided in subsection 2,  
13 there is hereby imposed upon the purchase or possession of products  
14 made from tobacco, other than cigarettes, by a customer in this state  
15 a tax of 30 percent of the wholesale price of those products.

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

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

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

22    3. This tax must be collected and paid by the wholesale dealer  
23 to the Department, in accordance with the provisions of NRS  
24 370.465, after the sale or distribution of those products by the  
25 wholesale dealer. The wholesale dealer is entitled to retain ~~[2]~~ 0.5  
26 percent of the taxes collected to cover the costs of collecting and  
27 administering the taxes ~~[ ]~~ *if the taxes are paid in accordance with*  
28 *the provisions of NRS 370.465.*

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

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

33    370.490 1. The Department shall allow a credit of 30 percent  
34 of the wholesale price, less a discount of ~~[2]~~ 0.5 percent for the  
35 services rendered in collecting the tax, for products made from  
36 tobacco, other than cigarettes, upon which the tax has been paid  
37 pursuant to NRS 370.450 and that may no longer be sold. If the  
38 products have been purchased and delivered, a credit memo of the  
39 manufacturer is required for proof of returned merchandise.

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



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

4       **Sec. 123.** NRS 372.130 is hereby amended to read as follows:  
5       372.130 At the time of making an application, the applicant  
6 must pay to the Department a permit fee of ~~[\$1]~~ \$5 for each permit.

7       **Sec. 124.** NRS 372.140 is hereby amended to read as follows:  
8       372.140 A seller whose permit has been previously suspended  
9 or revoked must pay the Department a fee of ~~[\$1]~~ \$5 for the renewal  
10 or issuance of a permit.

11       **Sec. 125.** NRS 372.220 is hereby amended to read as follows:

12       372.220 **1.** Every retailer who sells tangible personal  
13 property for storage, use or other consumption in this state shall  
14 register with the Department and give:

15       ~~14-~~ (a) The name and address of all agents operating in this  
16 state.

17       ~~12-~~ (b) The location of all distribution or sales houses or offices  
18 or other places of business in this state.

19       ~~13-~~ (c) Such other information as the Department may require.

20       **2.** *Every business that purchases tangible personal property*  
21 *for storage, use or other consumption in this state shall, at the*  
22 *time the business obtains a business license pursuant to NRS*  
23 *364A.130, register with the Department on a form prescribed by*  
24 *the Department. As used in this section, "business" has the*  
25 *meaning ascribed to it in NRS 364A.020.*

26       **Sec. 126.** NRS 372.220 is hereby amended to read as follows:

27       372.220 **1.** Every retailer who sells tangible personal  
28 property for storage, use or other consumption in this state shall  
29 register with the Department and give:

30       (a) The name and address of all agents operating in this state.

31       (b) The location of all distribution or sales houses or offices or  
32 other places of business in this state.

33       (c) Such other information as the Department may require.

34       **2.** Every business that purchases tangible personal property for  
35 storage, use or other consumption in this state shall, at the time the  
36 business obtains a business license pursuant to ~~[NRS-364A.130,]~~  
37 *section 101 of this act*, register with the Department on a form  
38 prescribed by the Department. As used in this section, "business"  
39 has the meaning ascribed to it in ~~[NRS-364A.020,]~~ *section 97 of this*  
40 *act.*

41       **Sec. 127.** NRS 372.370 is hereby amended to read as follows:

42       372.370 ~~[The taxpayer shall]~~ *If the taxes imposed by this*  
43 *chapter are paid in accordance with NRS 372.355, the taxpayer*  
44 *may* deduct and withhold from the taxes otherwise due from him



1 ~~[1.25]~~ 0.5 percent of ~~the~~ *those taxes* to reimburse himself for the  
2 cost of collecting the tax.

3 **Sec. 128.** NRS 374.135 is hereby amended to read as follows:  
4 374.135 At the time of making an application, the applicant  
5 shall pay to the Department a permit fee of ~~[\$1]~~ \$5 for each permit.

6 **Sec. 129.** NRS 374.145 is hereby amended to read as follows:  
7 374.145 A seller whose permit has been previously suspended  
8 or revoked shall pay the Department a fee of ~~[\$1]~~ \$5 for the renewal  
9 or issuance of a permit.

10 **Sec. 130.** NRS 374.375 is hereby amended to read as follows:  
11 374.375 ~~[The taxpayer shall]~~ *If the taxes imposed by this*  
12 *chapter are paid in accordance with NRS 374.360, the taxpayer*  
13 *may* deduct and withhold from the taxes otherwise due from him  
14 ~~[1.25]~~ 0.5 percent thereof to reimburse himself for the cost of  
15 collecting the tax.

16 **Sec. 131.** Chapter 375 of NRS is hereby amended by adding  
17 thereto the provisions set forth as sections 132 and 133 of this act.

18 **Sec. 132. 1.** *In addition to all other taxes imposed on*  
19 *transfers of real property, a tax, at the rate of \$1.30 on each \$500*  
20 *of value, or fraction thereof, is hereby imposed on each deed by*  
21 *which any lands, tenements or other realty is granted, assigned,*  
22 *transferred or otherwise conveyed to, or vested in, another person,*  
23 *if the consideration or value of the interest or property conveyed*  
24 *exceeds \$100.*

25 **2.** *The amount of the tax must be computed on the basis of*  
26 *the value of the transferred property as declared pursuant to*  
27 *NRS 375.060.*

28 **3.** *The county recorder of each county shall collect the tax in*  
29 *the manner provided in NRS 375.030, except that the amount*  
30 *collected must be transmitted to the State Controller for deposit in*  
31 *the State General Fund within 30 days after the end of calendar*  
32 *quarter during which the tax was collected.*

33 **4.** *The county recorder of a county may deduct and withhold*  
34 *from the taxes collected 0.2 percent of those taxes to reimburse the*  
35 *county for the cost of collecting the tax.*

36 **Sec. 133. 1.** *The Department shall, to ensure that the tax*  
37 *imposed by section 132 of this act is collected fairly and equitably*  
38 *in all counties, coordinate the collection and administration of*  
39 *that tax. For this purpose, the Department may conduct such*  
40 *audits of the records of the various counties as are necessary to*  
41 *carry out the provisions of section 132 of this act.*

42 **2.** *When requested, the Department shall render assistance to*  
43 *the county recorder of a county whose population is less than*  
44 *30,000 relating to the imposition and collection of the tax imposed*  
45 *by section 132 of this act.*



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

3     **Sec. 134.** NRS 375.018 is hereby amended to read as follows:  
4     375.018 With regard to the administration of ~~{the real property~~  
5     ~~transfer tax,}~~ **any tax imposed by this chapter,** the county recorder  
6     shall apply the following principles:

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

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

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

19    4. Exemptions or waivers, where permitted by statute, must be  
20    granted:

21    (a) Equitably among eligible taxpayers; and

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

24    **Sec. 135.** NRS 375.030 is hereby amended to read as follows:

25    375.030 1. If any deed evidencing a transfer of title subject to  
26    the tax imposed by NRS 375.020 ~~{and, if applicable, NRS 375.025,}~~  
27    is offered for recordation, the county recorder shall compute the  
28    amount of the tax due and shall collect that amount before  
29    acceptance of the deed for recordation.

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

36    3. If after recordation of the deed, the county recorder  
37    disallows an exemption that was claimed at the time the deed was  
38    recorded or through audit or otherwise determines that an additional  
39    amount of tax is due, the county recorder shall promptly notify the  
40    person who requested the recording of the deed and the buyer and  
41    seller of the additional amount of tax due. If the additional amount  
42    of tax is not paid within 30 days after the date the buyer and seller  
43    are notified, the county recorder shall impose a penalty of 10  
44    percent of the additional amount due in addition to interest at the  
45    rate of 1 percent per month, or portion thereof, of the additional



1 amount due calculated from the date of the original recordation of  
2 the deed on which the additional amount is due through the date on  
3 which the additional amount due, penalty and interest are paid to the  
4 county recorder.

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

11 **Sec. 136.** NRS 375.030 is hereby amended to read as follows:

12 375.030 1. If any deed evidencing a transfer of title subject to  
13 the tax imposed by NRS 375.020 *and section 132 of this act* is  
14 offered for recordation, the county recorder shall compute the  
15 amount of the tax due and shall collect that amount before  
16 acceptance of the deed for recordation.

17 2. The buyer and seller are jointly and severally liable for the  
18 payment of the taxes imposed by NRS 375.020 *and section 132 of*  
19 *this act* and any penalties and interest imposed pursuant to  
20 subsection 3. The escrow holder is not liable for the payment of the  
21 taxes imposed by NRS 375.020 *and section 132 of this act* or any  
22 penalties or interest imposed pursuant to subsection 3.

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

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



\* A B 1 \*



1     **Sec. 137.** 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. 138.** 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. 139.** 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 132 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.}~~ **11.** A transfer to an educational foundation. As used in  
2 this subsection, "educational foundation" has the meaning ascribed  
3 to it in subsection 3 of NRS 388.750.

4 ~~{15.}~~ **12.** 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  
8 property to a corporation sole from another corporation sole. As  
9 used in this subsection, "corporation sole" means a corporation  
10 which is organized pursuant to the provisions of chapter 84 of  
11 NRS.}~~

12 **Sec. 140.** NRS 375.120 is hereby amended to read as follows:

13 375.120 The county recorder shall:

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

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

19 **Sec. 141.** NRS 375.130 is hereby amended to read as follows:

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

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

35 **Sec. 142.** NRS 375.160 is hereby amended to read as follows:

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

40 (a) The amount of the ~~{real property transfer}~~ tax and any  
41 interest or penalties due;

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

44 (c) That the county recorder has complied with all procedures  
45 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. 143.** 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. 144.** 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. 145.** 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. 146.** 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. 147.** 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. 148.** 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 132 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. 149.** 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. 150.** 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. 151.** 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. 152.** 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. 153.** 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~~



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. 154.** 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. 155.** NRS 78.150 is hereby amended to read as follows:

35 78.150 1. A corporation organized pursuant to the laws of  
36 this state shall, on or before the first day of the second month after  
37 the filing of its articles of incorporation with the Secretary of State,  
38 file with the Secretary of State a list, on a form furnished by him,  
39 containing:

- 40 (a) The name of the corporation;  
41 (b) The file number of the corporation, if known;  
42 (c) The names and titles of the president, secretary, treasurer and  
43 of all the directors of the corporation;





1 (d) The mailing or street address, either residence or business, of  
2 each officer and director listed, following the name of the officer or  
3 director;

4 (e) The name and street address of the resident agent of the  
5 corporation; and

6 (f) The signature of an officer of the corporation certifying that  
7 the list is true, complete and accurate.

8 2. The corporation shall annually thereafter, on or before the  
9 last day of the month in which the anniversary date of incorporation  
10 occurs in each year, file with the Secretary of State, on a form  
11 furnished by him, an annual list containing all of the information  
12 required in subsection 1.

13 3. Each list required by subsection 1 or 2 must be accompanied  
14 by a declaration under penalty of perjury that the corporation has  
15 complied with the provisions of ~~chapter 364A of NRS.~~ *section 101*  
16 *of this act.*

17 4. Upon filing the list required by:

18 (a) Subsection 1, the corporation shall pay to the Secretary of  
19 State a fee of \$165.

20 (b) Subsection 2, the corporation shall pay to the Secretary of  
21 State a fee of \$85.

22 5. The Secretary of State shall, 60 days before the last day for  
23 filing each annual list required by subsection 2, cause to be mailed  
24 to each corporation which is required to comply with the provisions  
25 of NRS 78.150 to 78.185, inclusive, and which has not become  
26 delinquent, a notice of the fee due pursuant to subsection 4 and a  
27 reminder to file the annual list required by subsection 2. Failure of  
28 any corporation to receive a notice or form does not excuse it from  
29 the penalty imposed by law.

30 6. If the list to be filed pursuant to the provisions of subsection  
31 1 or 2 is defective in any respect or the fee required by subsection 4  
32 or 8 is not paid, the Secretary of State may return the list for  
33 correction or payment.

34 7. An annual list for a corporation not in default which is  
35 received by the Secretary of State more than 60 days before its due  
36 date shall be deemed an amended list for the previous year and must  
37 be accompanied by a fee of \$85 for filing. A payment submitted  
38 pursuant to this subsection does not satisfy the requirements of  
39 subsection 2 for the year to which the due date is applicable.

40 8. If the corporation is an association as defined in NRS  
41 116.110315, the Secretary of State shall not accept the filing  
42 required by this section unless it is accompanied by evidence of the  
43 payment of the fee required to be paid pursuant to NRS 116.31155  
44 that is provided to the association pursuant to subsection 4 of that  
45 section.



1     **Sec. 156.** NRS 80.110 is hereby amended to read as follows:

2     80.110 1. Each foreign corporation doing business in this  
3 state shall, on or before the first day of the second month after the  
4 filing of its certificate of corporate existence with the Secretary of  
5 State, and annually thereafter on or before the last day of the month  
6 in which the anniversary date of its qualification to do business in  
7 this state occurs in each year, file with the Secretary of State a list,  
8 on a form furnished by him, that contains:

9       (a) The names of its president, secretary and treasurer or their  
10 equivalent, and all of its directors;

11       (b) A designation of its resident agent in this state; and

12       (c) The signature of an officer of the corporation.

13 Each list filed pursuant to this subsection must be accompanied by a  
14 declaration under penalty of perjury that the foreign corporation has  
15 complied with the provisions of ~~chapter 364A of NRS.~~ *section 101*  
16 *of this act.*

17     2. Upon filing:

18       (a) The initial list required by subsection 1, the corporation shall  
19 pay to the Secretary of State a fee of \$165.

20       (b) Each annual list required by subsection 1, the corporation  
21 shall pay to the Secretary of State a fee of \$85.

22     3. The Secretary of State shall, 60 days before the last day for  
23 filing each annual list required by subsection 1, cause to be mailed  
24 to each corporation required to comply with the provisions of NRS  
25 80.110 to 80.170, inclusive, which has not become delinquent, the  
26 blank forms to be completed and filed with him. Failure of any  
27 corporation to receive the forms does not excuse it from the penalty  
28 imposed by the provisions of NRS 80.110 to 80.170, inclusive.

29     4. An annual list for a corporation not in default which is  
30 received by the Secretary of State more than 60 days before its due  
31 date shall be deemed an amended list for the previous year and does  
32 not satisfy the requirements of subsection 1 for the year to which the  
33 due date is applicable.

34     **Sec. 157.** NRS 86.263 is hereby amended to read as follows:

35     86.263 1. A limited-liability company shall, on or before the  
36 first day of the second month after the filing of its articles of  
37 organization with the Secretary of State, file with the Secretary of  
38 State, on a form furnished by him, a list that contains:

39       (a) The name of the limited-liability company;

40       (b) The file number of the limited-liability company, if known;

41       (c) The names and titles of all of its managers or, if there is no  
42 manager, all of its managing members;

43       (d) The mailing or street address, either residence or business, of  
44 each manager or managing member listed, following the name of  
45 the manager or managing member;



1 (e) The name and street address of the resident agent of the  
2 limited-liability company; and

3 (f) The signature of a manager or managing member of the  
4 limited-liability company certifying that the list is true, complete  
5 and accurate.

6 2. The limited-liability company shall annually thereafter, on  
7 or before the last day of the month in which the anniversary date of  
8 its organization occurs, file with the Secretary of State, on a form  
9 furnished by him, an amended list containing all of the information  
10 required in subsection 1. If the limited-liability company has had no  
11 changes in its managers or, if there is no manager, its managing  
12 members, since its previous list was filed, no amended list need be  
13 filed if a manager or managing member of the limited-liability  
14 company certifies to the Secretary of State as a true and accurate  
15 statement that no changes in the managers or managing members  
16 have occurred.

17 3. Each list required by subsection 1 and each list or  
18 certification required by subsection 2 must be accompanied by a  
19 declaration under penalty of perjury that the limited-liability  
20 company has complied with the provisions of ~~chapter 364A of~~  
21 ~~NRS.]~~ *section 101 of this act.*

22 4. Upon filing:

23 (a) The initial list required by subsection 1, the limited-liability  
24 company shall pay to the Secretary of State a fee of \$165.

25 (b) Each annual list required by subsection 2 or certifying that  
26 no changes have occurred, the limited-liability company shall pay to  
27 the Secretary of State a fee of \$85.

28 5. The Secretary of State shall, 60 days before the last day for  
29 filing each list required by subsection 2, cause to be mailed to each  
30 limited-liability company required to comply with the provisions of  
31 this section, which has not become delinquent, a notice of the fee  
32 due under subsection 4 and a reminder to file a list required by  
33 subsection 2 or a certification of no change. Failure of any company  
34 to receive a notice or form does not excuse it from the penalty  
35 imposed by law.

36 6. If the list to be filed pursuant to the provisions of subsection  
37 1 or 2 is defective or the fee required by subsection 4 is not paid, the  
38 Secretary of State may return the list for correction or payment.

39 7. An annual list for a limited-liability company not in default  
40 received by the Secretary of State more than 60 days before its due  
41 date shall be deemed an amended list for the previous year.

42 **Sec. 158.** NRS 87.510 is hereby amended to read as follows:

43 87.510 1. A registered limited-liability partnership shall, on  
44 or before the first day of the second month after the filing of its  
45 certificate of registration with the Secretary of State, and annually



1 thereafter on or before the last day of the month in which the  
2 anniversary date of the filing of its certificate of registration with the  
3 Secretary of State occurs, file with the Secretary of State, on a form  
4 furnished by him, a list that contains:

- 5 (a) The name of the registered limited-liability partnership;
- 6 (b) The file number of the registered limited-liability  
7 partnership, if known;
- 8 (c) The names of all of its managing partners;
- 9 (d) The mailing or street address, either residence or business, of  
10 each managing partner;
- 11 (e) The name and street address of the resident agent of the  
12 registered limited-liability partnership; and
- 13 (f) The signature of a managing partner of the registered limited-  
14 liability partnership certifying that the list is true, complete and  
15 accurate.

16 Each list filed pursuant to this subsection must be accompanied by a  
17 declaration under penalty of perjury that the registered limited-  
18 liability partnership has complied with the provisions of ~~chapter~~  
19 ~~364A of NRS.]~~ *section 101 of this act.*

20 2. Upon filing:

21 (a) The initial list required by subsection 1, the registered  
22 limited-liability partnership shall pay to the Secretary of State a fee  
23 of \$165.

24 (b) Each annual list required by subsection 1, the registered  
25 limited-liability partnership shall pay to the Secretary of State a fee  
26 of \$85.

27 3. The Secretary of State shall, at least 60 days before the last  
28 day for filing each annual list required by subsection 1, cause to be  
29 mailed to the registered limited-liability partnership a notice of the  
30 fee due pursuant to subsection 2 and a reminder to file the annual  
31 list required by subsection 1. The failure of any registered limited-  
32 liability partnership to receive a notice or form does not excuse it  
33 from complying with the provisions of this section.

34 4. If the list to be filed pursuant to the provisions of subsection  
35 1 is defective, or the fee required by subsection 2 is not paid, the  
36 Secretary of State may return the list for correction or payment.

37 5. An annual list that is filed by a registered limited-liability  
38 partnership which is not in default more than 60 days before it is due  
39 shall be deemed an amended list for the previous year and does not  
40 satisfy the requirements of subsection 1 for the year to which the  
41 due date is applicable.

42 **Sec. 159.** NRS 88.395 is hereby amended to read as follows:

43 88.395 1. A limited partnership shall, on or before the first  
44 day of the second month after the filing of its certificate of limited  
45 partnership with the Secretary of State, and annually thereafter on or



1 before the last day of the month in which the anniversary date of the  
2 filing of its certificate of limited partnership occurs, file with the  
3 Secretary of State, on a form furnished by him, a list that contains:  
4 (a) The name of the limited partnership;  
5 (b) The file number of the limited partnership, if known;  
6 (c) The names of all of its general partners;  
7 (d) The mailing or street address, either residence or business, of  
8 each general partner;  
9 (e) The name and street address of the resident agent of the  
10 limited partnership; and  
11 (f) The signature of a general partner of the limited partnership  
12 certifying that the list is true, complete and accurate.  
13 Each list filed pursuant to this subsection must be accompanied by a  
14 declaration under penalty of perjury that the limited partnership has  
15 complied with the provisions of ~~chapter 364A of NRS.~~ *section 101*  
16 *of this act.*  
17 2. Upon filing:  
18 (a) The initial list required by subsection 1, the limited  
19 partnership shall pay to the Secretary of State a fee of \$165.  
20 (b) Each annual list required by subsection 1, the limited  
21 partnership shall pay to the Secretary of State a fee of \$85.  
22 3. The Secretary of State shall, 60 days before the last day for  
23 filing each annual list required by subsection 1, cause to be mailed  
24 to each limited partnership required to comply with the provisions  
25 of this section which has not become delinquent a notice of the fee  
26 due pursuant to the provisions of subsection 2 and a reminder to file  
27 the annual list. Failure of any limited partnership to receive a notice  
28 or form does not excuse it from the penalty imposed by  
29 NRS 88.400.  
30 4. If the list to be filed pursuant to the provisions of subsection  
31 1 is defective or the fee required by subsection 2 is not paid, the  
32 Secretary of State may return the list for correction or payment.  
33 5. An annual list for a limited partnership not in default that is  
34 received by the Secretary of State more than 60 days before its due  
35 date shall be deemed an amended list for the previous year and does  
36 not satisfy the requirements of subsection 1 for the year to which the  
37 due date is applicable.  
38 6. A filing made pursuant to this section does not satisfy the  
39 provisions of NRS 88.355 and may not be substituted for filings  
40 submitted pursuant to NRS 88.355.  
41 **Sec. 160.** NRS 88A.600 is hereby amended to read as follows:  
42 88A.600 1. A business trust formed pursuant to this chapter  
43 shall, on or before the first day of the second month after the filing  
44 of its certificate of trust with the Secretary of State, and annually  
45 thereafter on or before the last day of the month in which the



1 anniversary date of the filing of its certificate of trust with the  
2 Secretary of State occurs, file with the Secretary of State, on a form  
3 furnished by him, a list signed by at least one trustee that contains  
4 the name and mailing address of its resident agent and at least one  
5 trustee. Each list filed pursuant to this subsection must be  
6 accompanied by a declaration under penalty of perjury that the  
7 business trust has complied with the provisions of ~~chapter 364A of~~  
8 ~~NRS.]~~ *section 101 of this act.*

9 2. Upon filing:

10 (a) The initial list required by subsection 1, the business trust  
11 shall pay to the Secretary of State a fee of \$165.

12 (b) Each annual list required by subsection 1, the business trust  
13 shall pay to the Secretary of State a fee of \$85.

14 3. The Secretary of State shall, 60 days before the last day for  
15 filing each annual list required by subsection 1, cause to be mailed  
16 to each business trust which is required to comply with the  
17 provisions of NRS 88A.600 to 88A.660, inclusive, and which has  
18 not become delinquent, the blank forms to be completed and filed  
19 with him. Failure of a business trust to receive the forms does not  
20 excuse it from the penalty imposed by law.

21 4. An annual list for a business trust not in default which is  
22 received by the Secretary of State more than 60 days before its due  
23 date shall be deemed an amended list for the previous year.

24 **Sec. 161.** NRS 89.250 is hereby amended to read as follows:

25 89.250 1. Except as otherwise provided in subsection 2, a  
26 professional association shall, on or before the first day of the  
27 second month after the filing of its articles of association with the  
28 Secretary of State, and annually thereafter on or before the last day  
29 of the month in which the anniversary date of its organization occurs  
30 in each year, furnish a statement to the Secretary of State showing  
31 the names and residence addresses of all members and employees in  
32 the association and certifying that all members and employees are  
33 licensed to render professional service in this state.

34 2. A professional association organized and practicing pursuant  
35 to the provisions of this chapter and NRS 623.349 shall, on or  
36 before the first day of the second month after the filing of its articles  
37 of association with the Secretary of State, and annually thereafter on  
38 or before the last day of the month in which the anniversary date of  
39 its organization occurs in each year, furnish a statement to the  
40 Secretary of State:

41 (a) Showing the names and residence addresses of all members  
42 and employees of the association who are licensed or otherwise  
43 authorized by law to render professional service in this state;



1 (b) Certifying that all members and employees who render  
2 professional service are licensed or otherwise authorized by law to  
3 render professional service in this state; and

4 (c) Certifying that all members who are not licensed to render  
5 professional service in this state do not render professional service  
6 on behalf of the association except as authorized by law.

7 3. Each statement filed pursuant to this section must be:

8 (a) Made on a form prescribed by the Secretary of State and  
9 must not contain any fiscal or other information except that  
10 expressly called for by this section.

11 (b) Signed by the chief executive officer of the association.

12 (c) Accompanied by a declaration under penalty of perjury that  
13 the professional association has complied with the provisions of  
14 ~~chapter 364A of NRS.~~ *section 101 of this act.*

15 4. Upon filing:

16 (a) The initial statement required by this section, the association  
17 shall pay to the Secretary of State a fee of \$165.

18 (b) Each annual statement required by this section, the  
19 association shall pay to the Secretary of State a fee of \$85.

20 5. As used in this section, "signed" means to have executed or  
21 adopted a name, word or mark, including, without limitation, an  
22 electronic signature as defined in NRS 719.100, with the present  
23 intention to authenticate a document.

24 **Sec. 162.** Chapter 218 of NRS is hereby amended by adding  
25 thereto the provisions set forth as sections 163 to 168, inclusive, of  
26 this act.

27 **Sec. 163.** *As used in sections 163 to 168, inclusive, of this*  
28 *act, "Committee" means the Legislative Committee on Taxation,*  
29 *Public Revenue and Tax Policy.*

30 **Sec. 164.** *1. There is hereby established a Legislative*  
31 *Committee on Taxation, Public Revenue and Tax Policy*  
32 *consisting of:*

33 *(a) The Speaker of the Assembly, or a member of the Assembly*  
34 *designated by the Speaker of the Assembly;*

35 *(b) The Minority Leader of the Assembly, or a member of the*  
36 *Assembly designated by the Minority Leader of the Assembly;*

37 *(c) The Majority Leader of the Senate, or a member of the*  
38 *Senate designated by the Majority Leader of the Senate;*

39 *(d) The Minority Leader of the Senate, or a member of the*  
40 *Senate designated by the Minority Leader of the Senate;*

41 *(e) Two members appointed by the Speaker of the Assembly*  
42 *who were members of the Assembly Committee on Taxation*  
43 *during the immediately preceding legislative session; and*





1       (f) *Two members appointed by the Majority Leader of the*  
2 *Senate who were members of the Senate Committee on Taxation*  
3 *during the immediately preceding legislative session.*

4       2. *The members of the Committee shall elect a Chairman and*  
5 *Vice Chairman from among their members. The Chairman must*  
6 *be elected from one house of the Legislature and the Vice*  
7 *Chairman from the other house. After the initial election of a*  
8 *Chairman and Vice Chairman, each of those officers holds office*  
9 *for a term of 2 years commencing on July 1 of each odd-numbered*  
10 *year. If a vacancy occurs in the Chairmanship or Vice*  
11 *Chairmanship, the members of the Committee shall elect a*  
12 *replacement for the remainder of the unexpired term.*

13       3. *Any member of the Committee who is not a candidate for*  
14 *reelection or who is defeated for reelection continues to serve until*  
15 *the convening of the next session of the Legislature.*

16       4. *Vacancies on the Committee must be filled in the same*  
17 *manner as the original appointments.*

18       **Sec. 165.** 1. *The members of the Committee shall meet*  
19 *throughout each year at the times and places specified by a call of*  
20 *the Chairman or a majority of the Committee.*

21       2. *The Director of the Legislative Counsel Bureau or his*  
22 *designee shall act as the nonvoting recording Secretary.*

23       3. *The Committee shall prescribe regulations for its own*  
24 *management and government.*

25       4. *Except as otherwise provided in subsection 5, five voting*  
26 *members of the Committee constitute a quorum.*

27       5. *Any recommended legislation proposed by the Committee*  
28 *must be approved by a majority of the members of the Senate and*  
29 *by a majority of the members of the Assembly serving on the*  
30 *Committee.*

31       6. *Except during a regular or special session of the*  
32 *Legislature, the members of the Committee are entitled to receive*  
33 *the compensation provided for a majority of the members of the*  
34 *Legislature during the first 60 days of the preceding regular*  
35 *session, the per diem allowance provided for state officers and*  
36 *employees generally and the travel expenses provided pursuant to*  
37 *NRS 218.2207 for each day or portion of a day of attendance at a*  
38 *meeting of the Committee and while engaged in the business of*  
39 *the Committee. The salaries and expenses paid pursuant to this*  
40 *subsection and the expenses of the Committee must be paid from*  
41 *the Legislative Fund.*

42       **Sec. 166.** *The Committee may:*

43       1. *Review and study:*

44       (a) *The specific taxes collected in this state;*



- 1     **(b) The implementation of any taxes, fees and other methods**
- 2     **for generating public revenue in this state;**
- 3     **(c) The impact of any changes to taxes, fees and other methods**
- 4     **for generating public revenue that result from legislation enacted**
- 5     **by the Legislature on the residents of this state and on the**
- 6     **businesses located in this state, doing business in this state or**
- 7     **considering locating in this state;**
- 8     **(d) The fiscal effects of any taxes, fees and other methods for**
- 9     **generating public revenue;**
- 10    **(e) Broad issues of tax policy and fiscal policy relevant to the**
- 11    **future of the State of Nevada; and**
- 12    **(f) Any other issues related to taxation, the generation of**
- 13    **public revenue, tax policy or fiscal policy which affect this state.**
- 14    **2. Conduct investigations and hold hearings in connection**
- 15    **with its powers pursuant to this section.**
- 16    **3. Contract with one or more consultants to obtain technical**
- 17    **advice concerning its review and study.**
- 18    **4. Apply for any available grants and accept any gifts, grants**
- 19    **or donations and use any such gifts, grants or donations to aid the**
- 20    **Committee in exercising its powers pursuant to this section.**
- 21    **5. Request that the Legislative Counsel Bureau assist in the**
- 22    **research, investigations, hearings, studies and reviews of the**
- 23    **Committee.**
- 24    **6. Recommend to the Legislature, as a result of its review and**
- 25    **study, any appropriate legislation.**
- 26    **Sec. 167. 1. If the Committee conducts investigations or**
- 27    **holds hearings pursuant to subsection 2 of section 166 of this act:**
- 28    **(a) The Secretary of the Committee or, in his absence, a**
- 29    **member designated by the Committee may administer oaths;**
- 30    **(b) The Secretary or Chairman of the Committee may cause**
- 31    **the deposition of witnesses, residing either within or outside of this**
- 32    **state, to be taken in the manner prescribed by rule of court for**
- 33    **taking depositions in civil actions in the district courts; and**
- 34    **(c) The Chairman of the Committee may issue subpoenas to**
- 35    **compel the attendance of witnesses and the production of books**
- 36    **and papers.**
- 37    **2. If a witness refuses to attend or testify or produce books or**
- 38    **papers as required by the subpoena, the Chairman of the**
- 39    **Committee may report to the district court by a petition which sets**
- 40    **forth that:**
- 41    **(a) Due notice has been given of the time and place of**
- 42    **attendance of the witness or the production of the books or papers;**
- 43    **(b) The witness has been subpoenaed by the Committee**
- 44    **pursuant to this section; and**



1       (c) *The witness has failed or refused to attend or produce the*  
2 *books or papers required by the subpoena before the Committee*  
3 *that is named in the subpoena, or has refused to answer questions*  
4 *propounded to him.*

5 *The petition may request an order of the court compelling the*  
6 *witness to attend and testify or produce the books and papers*  
7 *before the Committee.*

8       3. *Upon such a petition, the court shall enter an order*  
9 *directing the witness to appear before the court at a time and place*  
10 *to be fixed by the court in its order, the time to be not more than*  
11 *10 days after the date of the order, and to show cause why he has*  
12 *not attended or testified or produced the books or papers before*  
13 *the Committee. A certified copy of the order must be served upon*  
14 *the witness.*

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

20       **Sec. 168.** *Each witness who appears before the Committee by*  
21 *its order, except a state officer or employee, is entitled to receive*  
22 *for his attendance the fees and mileage provided for witnesses in*  
23 *civil cases in the courts of record of this state. The fees and*  
24 *mileage must be audited and paid upon the presentation of proper*  
25 *claims sworn to by the witness and approved by the Secretary and*  
26 *Chairman of the Committee.*

27       **Sec. 169.** NRS 218.53883 is hereby amended to read as  
28 follows:

29       218.53883 1. The Committee shall:

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

33       (1) *May* consider the purposes for which the various state  
34 and local taxes were imposed, the actual use of the revenue  
35 collected from the various state and local taxes, and any relief to the  
36 taxpayers from the burden of the various state and local taxes that  
37 may result from any possible recommendations of the Committee.

38       (2) *Shall consider the purposes for which various*  
39 *exemptions from those taxes were adopted, whether any of those*  
40 *exemptions have become obsolete or no longer serve their*  
41 *intended purpose, and whether any of those exemptions should be*  
42 *repealed.*

43       (b) Study whether removing the authority of the Board of  
44 County Commissioners of Washoe County to impose a certain



1 additional governmental services tax is a prudent act which is in the  
2 best interests of this state.

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

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

7 (1) The local school support tax imposed by chapter 374 of  
8 NRS;

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

11 (3) The tax on intoxicating liquor imposed by chapter 369 of  
12 NRS;

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

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

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

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

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

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

22 (10) Any other state or local tax.

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

25 3. The Committee may:

26 (a) Conduct investigations and hold hearings in connection with  
27 its review and study;

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

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

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

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

37 **Sec. 170.** NRS 233B.039 is hereby amended to read as  
38 follows:

39 233B.039 1. The following agencies are entirely exempted  
40 from the requirements of this chapter:

41 (a) The Governor.

42 (b) The Department of Corrections.

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

44 (d) The Office of the Military.



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- 1 (e) ~~[The]~~ *Except as otherwise provided in section 38 of this act,*  
2 *the* State Gaming Control Board.
- 3 (f) The Nevada Gaming Commission.
- 4 (g) The Welfare Division of the Department of Human  
5 Resources.
- 6 (h) The Division of Health Care Financing and Policy of the  
7 Department of Human Resources.
- 8 (i) The State Board of Examiners acting pursuant to chapter 217  
9 of NRS.
- 10 (j) Except as otherwise provided in NRS 533.365, the Office of  
11 the State Engineer.
- 12 (k) The Division of Industrial Relations of the Department of  
13 Business and Industry acting to enforce the provisions of NRS  
14 618.375.
- 15 (l) The Administrator of the Division of Industrial Relations of  
16 the Department of Business and Industry in establishing and  
17 adjusting the schedule of fees and charges for accident benefits  
18 pursuant to subsection 2 of NRS 616C.260.
- 19 (m) The Board to Review Claims in adopting resolutions to  
20 carry out its duties pursuant to NRS 590.830.
- 21 2. Except as otherwise provided in subsection 5 and NRS  
22 391.323, the Department of Education, the Board of the Public  
23 Employees' Benefits Program and the Commission on Professional  
24 Standards in Education are subject to the provisions of this chapter  
25 for the purpose of adopting regulations but not with respect to any  
26 contested case.
- 27 3. The special provisions of:
- 28 (a) Chapter 612 of NRS for the distribution of regulations by  
29 and the judicial review of decisions of the Employment Security  
30 Division of the Department of Employment, Training and  
31 Rehabilitation;
- 32 (b) Chapters 616A to 617, inclusive, of NRS for the  
33 determination of contested claims;
- 34 (c) Chapter 703 of NRS for the judicial review of decisions of  
35 the Public Utilities Commission of Nevada;
- 36 (d) Chapter 91 of NRS for the judicial review of decisions of the  
37 Administrator of the Securities Division of the Office of the  
38 Secretary of State; and
- 39 (e) NRS 90.800 for the use of summary orders in contested  
40 cases,  
41 prevail over the general provisions of this chapter.
- 42 4. The provisions of NRS 233B.122, 233B.124, 233B.125 and  
43 233B.126 do not apply to the Department of Human Resources in  
44 the adjudication of contested cases involving the issuance of letters  
45 of approval for health facilities and agencies.



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1       5. The provisions of this chapter do not apply to:  
2       (a) Any order for immediate action, including, but not limited  
3       to, quarantine and the treatment or cleansing of infected or infested  
4       animals, objects or premises, made under the authority of the State  
5       Board of Agriculture, the State Board of Health or any other agency  
6       of this state in the discharge of a responsibility for the preservation  
7       of human or animal health or for insect or pest control;

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

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

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

15       **Sec. 171.** NRS 244.335 is hereby amended to read as follows:

16       244.335 1. Except as otherwise provided in subsection 2, the  
17       board of county commissioners may:

18       (a) Regulate all character of lawful trades, callings, industries,  
19       occupations, professions and business conducted in its county  
20       outside of the limits of incorporated cities and towns.

21       (b) Except as otherwise provided in NRS 244.3359 and 576.128,  
22       fix, impose and collect a license tax for revenue or for regulation, or  
23       for both revenue and regulation, on such trades, callings, industries,  
24       occupations, professions and business.

25       2. The county license boards have the exclusive power in their  
26       respective counties to regulate entertainers employed by an  
27       entertainment by referral service and the business of conducting a  
28       dancing hall, escort service, entertainment by referral service or  
29       gambling game or device permitted by law, outside of an  
30       incorporated city. The county license boards may fix, impose and  
31       collect license taxes for revenue or for regulation, or for both  
32       revenue and regulation, on such employment and businesses.

33       3. No license to engage in any type of business may be granted  
34       unless the applicant for the license signs an affidavit affirming that  
35       the business has complied with the provisions of ~~chapter 364A of~~  
36       ~~NRS.~~ *section 101 of this act.* The county license board shall  
37       provide upon request an application for a business license pursuant  
38       to ~~chapter 364A of NRS.~~ *section 101 of this act.*

39       4. No license to engage in business as a seller of tangible  
40       personal property may be granted unless the applicant for the license  
41       presents written evidence that:

42       (a) The Department of Taxation has issued or will issue a permit  
43       for this activity, and this evidence clearly identifies the business by  
44       name; or



1 (b) Another regulatory agency of the State has issued or will  
2 issue a license required for this activity.

3 5. Any license tax levied for the purposes of NRS 244.3358 or  
4 244A.597 to 244A.655, inclusive, constitutes a lien upon the real  
5 and personal property of the business upon which the tax was levied  
6 until the tax is paid. The lien has the same priority as a lien for  
7 general taxes. The lien must be enforced in the following manner:

8 (a) By recording in the office of the county recorder, within 6  
9 months after the date on which the tax became delinquent or was  
10 otherwise determined to be due and owing, a notice of the tax lien  
11 containing the following:

12 (1) The amount of tax due and the appropriate year;  
13 (2) The name of the record owner of the property;  
14 (3) A description of the property sufficient for identification;  
15 and

16 (4) A verification by the oath of any member of the board of  
17 county commissioners or the county fair and recreation board; and

18 (b) By an action for foreclosure against the property in the same  
19 manner as an action for foreclosure of any other lien, commenced  
20 within 2 years after the date of recording of the notice of the tax  
21 lien, and accompanied by appropriate notice to other lienholders.

22 6. The board of county commissioners may delegate the  
23 authority to enforce liens from taxes levied for the purposes of NRS  
24 244A.597 to 244A.655, inclusive, to the county fair and recreation  
25 board. If the authority is so delegated, the board of county  
26 commissioners shall revoke or suspend the license of a business  
27 upon certification by the county fair and recreation board that the  
28 license tax has become delinquent, and shall not reinstate the license  
29 until the tax is paid. Except as otherwise provided in NRS 244.3357,  
30 all information concerning license taxes levied by an ordinance  
31 authorized by this section or other information concerning the  
32 business affairs or operation of any licensee obtained as a result of  
33 the payment of such license taxes or as the result of any audit or  
34 examination of the books by any authorized employee of a county  
35 fair and recreation board of the county for any license tax levied for  
36 the purpose of NRS 244A.597 to 244A.655, inclusive, is  
37 confidential and must not be disclosed by any member, officer or  
38 employee of the county fair and recreation board or the county  
39 imposing the license tax unless the disclosure is authorized by the  
40 affirmative action of a majority of the members of the appropriate  
41 county fair and recreation board. Continuing disclosure may be so  
42 authorized under an agreement with the Department of Taxation for  
43 the exchange of information concerning taxpayers.



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1     **Sec. 172.** NRS 268.095 is hereby amended to read as follows:  
2     268.095 1. The city council or other governing body of each  
3     incorporated city in this state, whether organized under general law  
4     or special charter, may:  
5         (a) Except as otherwise provided in NRS 268.0968 and 576.128,  
6         fix, impose and collect for revenues or for regulation, or both, a  
7         license tax on all character of lawful trades, callings, industries,  
8         occupations, professions and businesses conducted within its  
9         corporate limits.  
10        (b) Assign the proceeds of any one or more of such license taxes  
11        to the county within which the city is situated for the purpose or  
12        purposes of making the proceeds available to the county:  
13            (1) As a pledge as additional security for the payment of any  
14            general obligation bonds issued pursuant to NRS 244A.597 to  
15            244A.655, inclusive;  
16            (2) For redeeming any general obligation bonds issued  
17            pursuant to NRS 244A.597 to 244A.655, inclusive;  
18            (3) For defraying the costs of collecting or otherwise  
19            administering any such license tax so assigned, of the county fair  
20            and recreation board and of officers, agents and employees hired  
21            thereby, and of incidentals incurred thereby;  
22            (4) For operating and maintaining recreational facilities  
23            under the jurisdiction of the county fair and recreation board;  
24            (5) For improving, extending and bettering recreational  
25            facilities authorized by NRS 244A.597 to 244A.655, inclusive; and  
26            (6) For constructing, purchasing or otherwise acquiring such  
27            recreational facilities.  
28        (c) Pledge the proceeds of any tax imposed on the revenues from  
29        the rental of transient lodging pursuant to this section for the  
30        payment of any general or special obligations issued by the city for  
31        a purpose authorized by the laws of this state.  
32        (d) Use the proceeds of any tax imposed pursuant to this section  
33        on the revenues from the rental of transient lodging:  
34            (1) To pay the principal, interest or any other indebtedness  
35            on any general or special obligations issued by the city pursuant to  
36            the laws of this state;  
37            (2) For the expense of operating or maintaining, or both, any  
38            facilities of the city; and  
39            (3) For any other purpose for which other money of the city  
40            may be used.  
41        2. The proceeds of any tax imposed pursuant to this section  
42        that are pledged for the repayment of general obligations may be  
43        treated as “pledged revenues” for the purposes of NRS 350.020.  
44        3. No license to engage in any type of business may be granted  
45        unless the applicant for the license signs an affidavit affirming that



1 the business has complied with the provisions of ~~chapter 364A of~~  
2 ~~NRS.]~~ *section 101 of this act.* The city licensing agency shall  
3 provide upon request an application for a business license pursuant  
4 to ~~chapter 364A of NRS.]~~ *section 101 of this act.*

5 4. No license to engage in business as a seller of tangible  
6 personal property may be granted unless the applicant for the license  
7 presents written evidence that:

8 (a) The Department of Taxation has issued or will issue a permit  
9 for this activity, and this evidence clearly identifies the business by  
10 name; or

11 (b) Another regulatory agency of the State has issued or will  
12 issue a license required for this activity.

13 5. Any license tax levied under the provisions of this section  
14 constitutes a lien upon the real and personal property of the business  
15 upon which the tax was levied until the tax is paid. The lien has the  
16 same priority as a lien for general taxes. The lien must be enforced  
17 in the following manner:

18 (a) By recording in the office of the county recorder, within 6  
19 months following the date on which the tax became delinquent or  
20 was otherwise determined to be due and owing, a notice of the tax  
21 lien containing the following:

- 22 (1) The amount of tax due and the appropriate year;  
23 (2) The name of the record owner of the property;  
24 (3) A description of the property sufficient for identification;  
25 and

26 (4) A verification by the oath of any member of the board of  
27 county commissioners or the county fair and recreation board; and

28 (b) By an action for foreclosure against such property in the  
29 same manner as an action for foreclosure of any other lien,  
30 commenced within 2 years after the date of recording of the notice  
31 of the tax lien, and accompanied by appropriate notice to other  
32 lienholders.

33 6. The city council or other governing body of each  
34 incorporated city may delegate the power and authority to enforce  
35 such liens to the county fair and recreation board. If the authority is  
36 so delegated, the governing body shall revoke or suspend the license  
37 of a business upon certification by the board that the license tax has  
38 become delinquent, and shall not reinstate the license until the tax is  
39 paid. Except as otherwise provided in NRS 268.0966, all  
40 information concerning license taxes levied by an ordinance  
41 authorized by this section or other information concerning the  
42 business affairs or operation of any licensee obtained as a result of  
43 the payment of those license taxes or as the result of any audit or  
44 examination of the books of the city by any authorized employee of  
45 a county fair and recreation board for any license tax levied for the



1 purpose of NRS 244A.597 to 244A.655, inclusive, is confidential  
2 and must not be disclosed by any member, official or employee of  
3 the county fair and recreation board or the city imposing the license  
4 tax unless the disclosure is authorized by the affirmative action of a  
5 majority of the members of the appropriate county fair and  
6 recreation board. Continuing disclosure may be so authorized under  
7 an agreement with the Department of Taxation for the exchange of  
8 information concerning taxpayers.

9 7. The powers conferred by this section are in addition and  
10 supplemental to, and not in substitution for, and the limitations  
11 imposed by this section do not affect the powers conferred by, any  
12 other law. No part of this section repeals or affects any other law or  
13 any part thereof, it being intended that this section provide a  
14 separate method of accomplishing its objectives, and not an  
15 exclusive one.

16 **Sec. 173.** Chapter 338 of NRS is hereby amended by adding  
17 thereto a new section to read as follows:

18 *A public body shall include in each contract for the*  
19 *construction, alteration or repair of any public work a clause*  
20 *requiring each contractor, subcontractor and other person who*  
21 *provides labor, equipment, materials, supplies or services for the*  
22 *public work to comply with the requirements of all applicable state*  
23 *and local laws, including, without limitation, any applicable*  
24 *licensing requirements and requirements for the payment of sales*  
25 *and use taxes on equipment, materials and supplies provided for*  
26 *the public work.*

27 **Sec. 174.** Chapter 353 of NRS is hereby amended by adding  
28 thereto a new section to read as follows:

29 *“Account” means the Disaster Relief Account created by NRS*  
30 *353.2735.*

31 **Sec. 175.** NRS 353.1465 is hereby amended to read as  
32 follows:

33 353.1465 1. Upon approval of the State Board of Finance, a  
34 state agency may enter into contracts with issuers of credit cards or  
35 debit cards or operators of systems that provide for the electronic  
36 transfer of money to provide for the acceptance of credit cards, debit  
37 cards or electronic transfers of money by the agency:

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

40 (b) In payment for goods or services.

41 2. Before a state agency may enter into a contract pursuant to  
42 subsection 1, the agency must submit the proposed contract to the  
43 State Treasurer for his review and transmittal to the State Board of  
44 Finance.



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

7       4. A state agency that is required to pay a fee charged by the  
8 issuer or operator for the use of a credit card or debit card or for an  
9 electronic transfer of money may, pursuant to NRS 353.148, file a  
10 claim with the Director of the Department of Administration for  
11 reimbursement of the fees paid to the issuer or operator during the  
12 immediately preceding quarter.

13       5. *The Director of the Department of Administration shall*  
14 *adopt regulations providing for the submission of payments to*  
15 *state agencies pursuant to contracts authorized by this section.*  
16 *The regulations must not conflict with a regulation adopted*  
17 *pursuant to NRS 360A.020 or section 95 of this act.*

18       6. As used in this section:

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

22       (b) “Credit card” means any instrument or device, whether  
23 known as a credit card or credit plate ~~to~~ or by any other name,  
24 issued with or without a fee by an issuer for the use of the  
25 cardholder in obtaining money, property, goods, services or  
26 anything else of value on credit.

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

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

33       (e) “Issuer” means a business organization, financial institution  
34 or authorized agent of a business organization or financial institution  
35 that issues a credit card or debit card.

36       **Sec. 176.** NRS 353.210 is hereby amended to read as follows:

37       353.210 1. Except as otherwise provided in subsection 6, on  
38 or before September 1 of each even-numbered year, all departments,  
39 institutions and other agencies of the Executive Department of the  
40 State Government, and all agencies of the Executive Department of  
41 the State Government receiving state money, fees or other money  
42 under the authority of the State, including those operating on money  
43 designated for specific purposes by the *Nevada* Constitution or  
44 otherwise, shall prepare, on blanks furnished them by the Chief, and  
45 submit to the Chief ~~estimates~~:



1       (a) *The number of positions within the department, institution*  
2 *or agency that have been vacant for at least 12 months, the*  
3 *number of months each such position has been vacant and the*  
4 *reasons for each such vacancy; and*

5       (b) *Estimates* of their expenditure requirements, together with  
6 all anticipated income from fees and all other sources, for the next 2  
7 fiscal years compared with the corresponding figures of the last  
8 completed fiscal year and the estimated figures for the current fiscal  
9 year.

10       2. The Chief shall direct that one copy of the forms submitted  
11 pursuant to subsection 1, accompanied by every supporting schedule  
12 and any other related material, be delivered directly to the Fiscal  
13 Analysis Division of the Legislative Counsel Bureau on or before  
14 September 1 of each even-numbered year.

15       3. The Budget Division of the Department of Administration  
16 shall give advance notice to the Fiscal Analysis Division of the  
17 Legislative Counsel Bureau of any conference between the Budget  
18 Division of the Department of Administration and personnel of  
19 other state agencies regarding budget estimates. A fiscal analyst of  
20 the Legislative Counsel Bureau or his designated representative may  
21 attend any such conference.

22       4. The estimates of expenditure requirements submitted  
23 pursuant to subsection 1 must be classified to set forth the data of  
24 funds, organizational units, and the character and objects of  
25 expenditures, and must include a mission statement and  
26 measurement indicators for each program. The organizational units  
27 may be subclassified by functions and activities, or in any other  
28 manner at the discretion of the Chief.

29       5. If any department, institution or other agency of the  
30 Executive Department of the State Government, whether its money  
31 is derived from state money or from other money collected under  
32 the authority of the State, fails or neglects to submit estimates of its  
33 expenditure requirements as provided in this section, the Chief may,  
34 from any data at hand in his office or which he may examine or  
35 obtain elsewhere, make and enter a proposed budget for the  
36 department, institution or agency in accordance with the data.

37       6. Agencies, bureaus, commissions and officers of the  
38 Legislative Department, the Public Employees' Retirement System  
39 and the Judicial Department of the State Government shall submit to  
40 the Chief for his information in preparing the proposed executive  
41 budget the budgets which they propose to submit to the Legislature.

42       **Sec. 177.** (Deleted.)



1     **Sec. 178.** NRS 353.2705 is hereby amended to read as  
2 follows:

3     353.2705 As used in NRS 353.2705 to 353.2771, inclusive,  
4 *and section 174 of this act*, unless the context otherwise requires,  
5 the words and terms defined in NRS 353.271 to 353.2731, inclusive,  
6 *and section 174 of this act* have the meanings ascribed to them in  
7 those sections.

8     **Sec. 179.** NRS 353.2735 is hereby amended to read as  
9 follows:

10     353.2735 1. The Disaster Relief ~~[Fund]~~ *Account* is hereby  
11 created as a special ~~[revenue-fund]~~ *account in the Fund to*  
12 *Stabilize the Operation of the State Government*. The Interim  
13 Finance Committee shall administer the ~~[Fund]~~ *Account*.

14     2. The Division may accept grants, gifts or donations for  
15 deposit in the ~~[Fund]~~ *Account*. Except as otherwise provided in  
16 subsection 3, money received from:

17     (a) A direct legislative appropriation to the ~~[Fund]~~ *Account*;

18     (b) A transfer of ~~[one-half of the interest earned on money]~~ *not*  
19 *more than 10 percent of the aggregate balance* in the Fund to  
20 Stabilize the Operation of *the* State Government made pursuant to  
21 NRS 353.288; and

22     (c) A grant, gift or donation to the ~~[Fund]~~ *Account*,  
23 must be deposited in the ~~[Fund]~~ *Account*. Except as otherwise  
24 provided in NRS 414.135, the interest and income earned on the  
25 money in the ~~[Fund]~~ *Account* must, after deducting any applicable  
26 charges, be credited to the ~~[Fund]~~ *Account*.

27     3. If, at the end of each quarter of a fiscal year, the balance in  
28 the ~~[Fund]~~ *Account* exceeds 0.75 percent of the total amount of all  
29 appropriations from the State General Fund for the operation of all  
30 departments, institutions and agencies of State Government and  
31 authorized expenditures from the State General Fund for the  
32 regulation of gaming for that fiscal year, the State Controller shall  
33 not, until the balance in the ~~[Fund]~~ *Account* is 0.75 percent or less  
34 of that amount, transfer any ~~[interest earned on]~~ money in the Fund  
35 to Stabilize the Operation of *the* State Government from the State  
36 General Fund to the ~~[Fund]~~ *Account* pursuant to the provisions of  
37 NRS 353.288.

38     4. Money in the ~~[Fund]~~ *Account* may be distributed through  
39 grants and loans to state agencies and local governments as provided  
40 in NRS 353.2705 to 353.2771, inclusive ~~[,]~~ *and section 174 of this*  
41 *act*. Except as otherwise provided in NRS 353.276, such grants will  
42 be disbursed on the basis of reimbursement of costs authorized  
43 pursuant to NRS 353.274 and 353.2745.

44     5. If the Governor declares a disaster, the State Board of  
45 Examiners shall estimate:



1 (a) The money in the ~~Fund~~ *Account* that is available for grants  
2 and loans for the disaster pursuant to the provisions of NRS  
3 353.2705 to 353.2771, inclusive ~~§~~ , and *section 174 of this act*;  
4 and

5 (b) The anticipated amount of those grants and loans for the  
6 disaster.

7 Except as otherwise provided in this subsection, if the anticipated  
8 amount determined pursuant to paragraph (b) exceeds the available  
9 money in the ~~Fund~~ *Account* for such grants and loans, all grants  
10 and loans from the ~~Fund~~ *Account* for the disaster must be reduced  
11 in the same proportion that the anticipated amount of the grants and  
12 loans exceeds the money in the ~~Fund~~ *Account* that is available for  
13 grants and loans for the disaster. If the reduction of a grant or loan  
14 from the ~~Fund~~ *Account* would result in a reduction in the amount  
15 of money that may be received by a state agency or local  
16 government from the Federal Government, the reduction in the grant  
17 or loan must not be made.

18 **Sec. 180.** NRS 353.274 is hereby amended to read as follows:

19 353.274 Money in the ~~Fund~~ *Account* may be distributed as a  
20 grant to a state agency because of a disaster for the payment of  
21 expenses incurred by the state agency for:

22 1. The repair or replacement of public roads, public streets,  
23 bridges, water control facilities, public buildings, public utilities,  
24 recreational facilities and parks owned by the State and damaged by  
25 the disaster;

26 2. Any emergency measures undertaken to save lives, protect  
27 public health and safety or protect public property, including,  
28 without limitation, an emergency measure undertaken in response to  
29 a crisis involving violence on school property, at a school activity or  
30 on a school bus, in the jurisdiction in which the disaster occurred;

31 3. The removal of debris from publicly or privately owned land  
32 and waterways undertaken because of the disaster; and

33 4. The administration of a disaster assistance program.

34 **Sec. 181.** NRS 353.2745 is hereby amended to read as  
35 follows:

36 353.2745 Money in the ~~Fund~~ *Account* may be distributed as  
37 a grant to a local government because of a disaster for:

38 1. The payment of not more than 50 percent of the expenses  
39 incurred by the local government for:

40 (a) The repair or replacement of public roads, public streets,  
41 bridges, water control facilities, public buildings, public utilities,  
42 recreational facilities and parks owned by the local government and  
43 damaged by the disaster; and

44 (b) Any emergency measures undertaken to save lives, protect  
45 public health and safety or protect public property, including,





1 without limitation, an emergency measure undertaken in response to  
2 a crisis involving violence on school property, at a school activity or  
3 on a school bus, in the jurisdiction in which the disaster occurred;  
4 and

5 2. The payment of not more than 50 percent of any grant match  
6 the local government must provide to obtain a grant from a federal  
7 disaster assistance agency for an eligible project to repair damage  
8 caused by the disaster within the jurisdiction of the local  
9 government.

10 **Sec. 182.** NRS 353.2751 is hereby amended to read as  
11 follows:

12 353.2751 Money in the ~~Fund~~ **Account** may be distributed as  
13 a loan to a local government because of a disaster for:

14 1. The payment of expenses incurred by the local government  
15 for:

16 (a) The repair or replacement of public roads, public streets,  
17 bridges, water control facilities, public buildings, public utilities,  
18 recreational facilities and parks owned by the local government and  
19 damaged by the disaster;

20 (b) Any overtime worked by an employee of the local  
21 government because of the disaster or any other extraordinary  
22 expenses incurred by the local government because of the disaster;  
23 and

24 (c) Any projects to reduce or prevent the possibility of damage  
25 to persons or property from similar disasters in the future; and

26 2. The payment of not more than 50 percent of any grant match  
27 the local government must provide to obtain a grant from a federal  
28 disaster assistance agency for an eligible project to repair damage  
29 caused by the disaster within the jurisdiction of the local  
30 government. Before a loan may be distributed to a local government  
31 pursuant to this subsection:

32 (a) The Interim Finance Committee must make a determination  
33 that the local government is currently unable to meet its financial  
34 obligations; and

35 (b) The local government must execute a loan agreement in  
36 which the local government agrees to:

37 (1) Use the money only for the purpose of paying the grant  
38 match; and

39 (2) Repay the entire amount of the loan, without any interest  
40 or other charges, to the ~~Disaster Relief Fund~~ **Account** not later  
41 than 10 years after the date on which the agreement is executed.

42 **Sec. 183.** NRS 353.2753 is hereby amended to read as  
43 follows:

44 353.2753 1. A state agency or local government may request  
45 the Division to conduct a preliminary assessment of the damages



1 related to an event for which the state agency or local government  
2 seeks a grant or loan from the ~~Fund~~ *Account*.

3 2. Upon receipt of such a request, the Division shall investigate  
4 the event or cause the event to be investigated to make a preliminary  
5 assessment of the damages related to the event and shall make or  
6 cause to be made a written report of the damages related to the  
7 event.

8 3. As soon as practicable after completion of the investigation  
9 and preparation of the report of damages, the Division shall:

10 (a) Determine whether the event constitutes a disaster for which  
11 the state agency or local government may seek a grant or loan from  
12 the ~~Fund~~ *Account*; and

13 (b) Submit the report prepared pursuant to this section and its  
14 written determination regarding whether the event constitutes a  
15 disaster to the state agency or local government.

16 4. The Division shall prescribe by regulation the information  
17 that must be included in a report of damages, including, without  
18 limitation, a description of the damage caused by the event, an  
19 estimate of the costs to repair such damage and a specification of  
20 whether the purpose of the project is for repair or replacement,  
21 emergency response or mitigation.

22 **Sec. 184.** NRS 353.2754 is hereby amended to read as  
23 follows:

24 353.2754 A local government may request a grant or loan from  
25 the ~~Fund~~ *Account* if:

26 1. Pursuant to NRS 414.090, the governing body of the local  
27 government determines that an event which has occurred constitutes  
28 a disaster; and

29 2. After the Division conducts a preliminary assessment of the  
30 damages pursuant to NRS 353.2753, the Division determines that an  
31 event has occurred that constitutes a disaster.

32 **Sec. 185.** NRS 353.2755 is hereby amended to read as  
33 follows:

34 353.2755 1. A state agency or local government may submit  
35 a request to the State Board of Examiners for a grant or loan from  
36 the ~~Fund~~ *Account* as provided in NRS 353.2705 to 353.2771,  
37 inclusive, *and section 174 of this act* if:

38 (a) The agency or local government finds that, because of a  
39 disaster, it is unable to pay for an expense or grant match specified  
40 in NRS 353.274, 353.2745 or 353.2751 from money appropriated or  
41 otherwise available to the agency or local government;

42 (b) The request has been approved by the chief administrative  
43 officer of the state agency or the governing body of the local  
44 government; and



1 (c) If the requester is an incorporated city, the city has requested  
2 financial assistance from the county and was denied all or a portion  
3 of the requested assistance.

4 2. A request for a grant or loan submitted pursuant to  
5 subsection 1 must be made within 60 days after the disaster and  
6 must include:

7 (a) A statement setting forth the amount of money requested by  
8 the state agency or local government;

9 (b) An assessment of the need of the state agency or local  
10 government for the money requested;

11 (c) If the request is submitted by a local government that has  
12 established a fund pursuant to NRS 354.6115 to mitigate the effects  
13 of a natural disaster, a statement of the amount of money that is  
14 available in that fund, if any, for the payment of expenses incurred  
15 by the local government as a result of a disaster;

16 (d) A determination of the type, value and amount of resources  
17 the state agency or local government may be required to provide as  
18 a condition for the receipt of a grant or loan from the ~~Fund;~~  
19 ~~Account;~~

20 (e) A written report of damages prepared by the Division and the  
21 written determination made by the Division that the event  
22 constitutes a disaster pursuant to NRS 353.2753; and

23 (f) If the requester is an incorporated city, all documents which  
24 relate to a request for assistance submitted to the board of county  
25 commissioners of the county in which the city is located.

26 Any additional documentation relating to the request that is  
27 requested by the State Board of Examiners must be submitted within  
28 6 months after the disaster unless the State Board of Examiners and  
29 the Interim Finance Committee ~~grants~~ *grant* an extension.

30 3. Upon the receipt of a complete request for a grant or loan  
31 submitted pursuant to subsection 1, the State Board of Examiners:

32 (a) Shall consider the request; and

33 (b) May require any additional information that it determines is  
34 necessary to make a recommendation.

35 4. If the State Board of Examiners finds that a grant or loan is  
36 appropriate, it shall include in its recommendation to the Interim  
37 Finance Committee the proposed amount of the grant or loan. If the  
38 State Board of Examiners recommends a grant, it shall include a  
39 recommendation regarding whether or not the state agency or local  
40 government requires an advance to avoid severe financial hardship.  
41 If the State Board of Examiners recommends a loan for a local  
42 government, it shall include the information required pursuant to  
43 subsection 1 of NRS 353.2765. If the State Board of Examiners  
44 finds that a grant or loan is not appropriate, it shall include in its  
45 recommendation the reason for its determination.



1       5. The provisions of this section do not prohibit a state agency  
2 or local government from submitting more than one request for a  
3 grant or loan from the ~~Fund~~ Account.

4       6. As used in this section, the term "natural disaster" has the  
5 meaning ascribed to it in NRS 354.6115.

6       **Sec. 186.** NRS 353.276 is hereby amended to read as follows:

7       353.276 1. The State Board of Examiners shall submit a  
8 recommendation for each request for a grant or loan made pursuant  
9 to NRS 353.2755 to the Director of the Legislative Counsel Bureau.  
10 Upon receipt of the recommendation, the Director shall notify the  
11 Chairman of the Interim Finance Committee of that  
12 recommendation. The Chairman shall call a meeting of the  
13 Committee to consider the recommendation.

14       2. The Interim Finance Committee may reject any  
15 recommendation of the State Board of Examiners and independently  
16 evaluate and act upon any request submitted pursuant to NRS  
17 353.2755.

18       3. If the Interim Finance Committee finds that a grant or loan  
19 from the ~~Fund~~ Account is appropriate and may be made in  
20 accordance with the provisions of NRS 353.2705 to 353.2771,  
21 inclusive, *and section 174 of this act*, it shall, by resolution:

22       (a) Establish the amount and purpose of the grant or loan.

23       (b) Except as otherwise provided in this paragraph, provide for  
24 the transfer of that amount from the ~~Fund~~ Account to the  
25 appropriate state agency or local government. If the request is for a  
26 grant, the Interim Finance Committee shall authorize disbursement  
27 of the grant from the ~~Fund~~ Account on the basis of reimbursement  
28 for costs unless it determines that disbursement in that manner  
29 would cause severe financial hardship to the state agency or local  
30 government. If the Interim Finance Committee determines that  
31 disbursement on the basis of reimbursement of costs would cause  
32 severe financial hardship, the Interim Finance Committee may  
33 authorize an advance of money to the state agency or local  
34 government in an amount not to exceed 25 percent of the total  
35 estimated cost of the projects for which the grant is requested.

36       4. No grant or loan from the ~~Fund~~ Account may be made by  
37 the Interim Finance Committee to increase the salaries of any  
38 officers or employees of the State or a local government.

39       **Sec. 187.** NRS 353.2765 is hereby amended to read as  
40 follows:

41       353.2765 1. In addition to any applicable requirements set  
42 forth in NRS 353.2751, if the Interim Finance Committee approves  
43 a loan to a local government pursuant to the provisions of NRS  
44 353.2705 to 353.2771, inclusive, *and section 174 of this act*, the



1 approval must include a schedule for the repayment of the loan. The  
2 schedule must specify:

3 (a) A period of not more than 10 years for the repayment of the  
4 loan; and

5 (b) The rate of interest, if any, for the loan.

6 2. Except as otherwise provided in subsection 3, if a local  
7 government receives a loan from the ~~Fund~~ *Account* and, before the  
8 loan is repaid, the local government receives money from the  
9 Federal Government for a grant match or any of the expenses set  
10 forth in subsection 1 of NRS 353.2751 for which the local  
11 government received the loan, the local government shall deposit  
12 with the State Treasurer for credit to the ~~Fund~~ *Account* an amount  
13 of money equal to the money it received from the Federal  
14 Government for the grant match or the expenses.

15 3. Any money deposited with the State Treasurer for credit to  
16 the ~~Fund~~ *Account* pursuant to subsection 2 must be used to pay the  
17 unpaid balance of the loan specified in subsection 2. If any money  
18 remains after that payment is made, the remaining money must be  
19 paid to the local government to whom the loan was made.

20 **Sec. 188.** NRS 353.2771 is hereby amended to read as  
21 follows:

22 353.2771 1. Except as otherwise provided in this section, no  
23 grant or loan may be made from the ~~Fund~~ *Account* to a state  
24 agency or local government unless, as a condition of making the  
25 grant or loan, the state agency or local government agrees to provide  
26 an amount of its resources equal to at least 25 percent of the grant or  
27 loan. The State Board of Examiners shall determine the type, value  
28 and amount of the resources, including money, labor, materials,  
29 supplies and equipment, that is required to be provided by the state  
30 agency or local government.

31 2. If a state agency or local government submits a request for a  
32 grant or loan pursuant to NRS 353.2755 and:

33 (a) It maintains a policy of insurance providing coverage for  
34 damages, injuries or other losses incurred because of a disaster; or

35 (b) If the request is submitted by a local government, it has  
36 established a district for the control of floods pursuant to NRS  
37 543.170 to 543.830, inclusive,  
38 the State Board of Examiners may recommend that the state agency  
39 or local government provide a portion of its resources in an amount  
40 that is less than the amount required pursuant to subsection 1.

41 3. The State Board of Examiners may, if it determines that the  
42 state agency or local government is unable to provide any portion of  
43 its resources as its contribution for the receipt of a grant or loan,  
44 recommend that the state agency or local government not be



1 required to provide any portion of its resources as a condition for the  
2 receipt of the grant or loan.

3 **Sec. 189.** NRS 353.288 is hereby amended to read as follows:

4 353.288 1. The Fund to Stabilize the Operation of the State  
5 Government is hereby created as a special revenue fund. Except as  
6 otherwise provided in subsections 2 and 3, ~~each year after the close~~  
7 ~~of the fiscal year and before the issuance of the Controller's annual~~  
8 ~~report the State Controller shall deposit to the credit of the Fund 40~~  
9 ~~percent of]~~ if the unrestricted balance of the State General Fund, as  
10 of the close of the fiscal year, ~~which remains after subtracting an~~  
11 ~~amount]~~ is equal to ~~[10]~~ 5 percent *or more* of all appropriations  
12 made from the State General Fund during that year for the operation  
13 of all departments, institutions and agencies of State Government  
14 and for the funding of schools ~~[-]~~, *the Chief of the Budget Division*  
15 *of the Department of Administration shall recommend to the State*  
16 *Board of Examiners an amount of money that should be*  
17 *transferred from the State General Fund to the Fund to Stabilize*  
18 *the Operation of the State Government. The State Board of*  
19 *Examiners shall consider the recommendation and shall, if it finds*  
20 *that such a transfer should be made, recommend an amount to be*  
21 *transferred to the Interim Finance Committee. If the Interim*  
22 *Finance Committee, after independent determination, finds that*  
23 *such a transfer should and may lawfully be made, the Committee*  
24 *shall by resolution establish the amount and direct the State*  
25 *Controller to transfer that amount from the State General Fund to*  
26 *the Fund to Stabilize the Operation of the State Government. The*  
27 *State Controller shall thereupon make the transfer.*

28 2. The balance in the Fund must not exceed ~~[10]~~ 15 percent of  
29 the total of all appropriations from the State General Fund for the  
30 operation of all departments, institutions and agencies of the State  
31 Government and for the funding of schools and authorized  
32 expenditures from the State General Fund for the regulation of  
33 gaming for the fiscal year in which that revenue will be deposited in  
34 the Fund.

35 3. Except as otherwise provided in this subsection and NRS  
36 353.2735, beginning with the fiscal year that begins on July 1,  
37 ~~[1999.]~~ 2003, the State Controller shall, at the end of each quarter of  
38 a fiscal year, transfer from the State General Fund to the Disaster  
39 Relief ~~[Fund]~~ *Account* created pursuant to NRS 353.2735 an  
40 amount equal to ~~[one half of the interest earned on money]~~ *not more*  
41 *than 10 percent of the aggregate balance* in the Fund to Stabilize  
42 the Operation of *the* State Government during the previous quarter.  
43 The State Controller shall not transfer more than \$500,000 for any  
44 quarter pursuant to this subsection.



1       4. Money from the Fund to Stabilize the Operation of the State  
2 Government may be appropriated only:

3       (a) If the total actual revenue of the State falls short by 5 percent  
4 or more of the total anticipated revenue for the biennium in which  
5 the appropriation is made; or

6       (b) If the Legislature and the Governor declare that a fiscal  
7 emergency exists.

8       **Sec. 190.** (Deleted.)

9       **Sec. 191.** (Deleted.)

10       **Sec. 192.** (Deleted.)

11       **Sec. 193.** (Deleted.)

12       **Sec. 194.** (Deleted.)

13       **Sec. 194.2.** Chapter 387 of NRS is hereby amended by adding  
14 thereto a new section to read as follows:

15       1. *On or before July 1 of each year, the Department, in*  
16 *consultation with the Budget Division of the Department of*  
17 *Administration and the Fiscal Analysis Division of the Legislative*  
18 *Counsel Bureau, shall develop or revise, as applicable, a formula*  
19 *for determining the minimum amount of money that each school*  
20 *district is required to expend each fiscal year for textbooks,*  
21 *instructional supplies and instructional hardware. The formula*  
22 *must be used only to develop expenditure requirements and must*  
23 *not be used to alter the distribution of money for basic support to*  
24 *school districts.*

25       2. *Upon approval of the formula pursuant to subsection 1, the*  
26 *Department shall provide written notice to each school district*  
27 *within the first 30 days of each fiscal year that sets forth the*  
28 *required minimum combined amount of money that the school*  
29 *district must expend for textbooks, instructional supplies and*  
30 *instructional hardware for that fiscal year.*

31       3. *On or before January 1 of each year, the Department shall*  
32 *determine whether each school district has expended, during the*  
33 *immediately preceding fiscal year, the required minimum amount*  
34 *of money set forth in the notice provided pursuant to subsection 2.*  
35 *In making this determination, the Department shall use the report*  
36 *submitted by the school district pursuant to NRS 387.303.*

37       4. *Except as otherwise provided in subsection 5, if the*  
38 *Department determines that a school district has not expended the*  
39 *required minimum amount of money set forth in the notice*  
40 *provided pursuant to subsection 2, a reduction must be made from*  
41 *the basic support allocation otherwise payable to that school*  
42 *district in an amount that is equal to the difference between the*  
43 *actual combined expenditure for textbooks, instructional supplies*  
44 *and instructional hardware and the minimum required combined*  
45 *expenditure set forth in the notice provided pursuant to subsection*





1 *2. A reduction in the amount of the basic support allocation*  
2 *pursuant to this subsection:*

3 *(a) Does not reduce the amount that the school district is*  
4 *required to expend on textbooks, instructional supplies and*  
5 *instructional hardware in the current fiscal year; and*

6 *(b) Must not exceed the amount of basic support that was*  
7 *provided to the school district for the fiscal year in which the*  
8 *minimum expenditure amount was not satisfied.*

9 *5. If the actual enrollment of pupils in a school district is less*  
10 *than the enrollment included in the projections used in the school*  
11 *district's biennial budget submitted pursuant to NRS 387.303, the*  
12 *required expenditure for textbooks, instructional supplies and*  
13 *instructional hardware pursuant to this section must be reduced*  
14 *proportionately.*

15 **Sec. 194.4.** NRS 387.205 is hereby amended to read as  
16 follows:

17 387.205 1. Subject to the limitations set forth in NRS  
18 387.207 **[H]** *and section 194.2 of this act*, money on deposit in the  
19 county school district fund or in a separate account, if the board of  
20 trustees of a school district has elected to establish such an account  
21 pursuant to the provisions of NRS 354.603, must be used for:

22 (a) Maintenance and operation of the public schools controlled  
23 by the county school district.

24 (b) Payment of premiums for Nevada industrial insurance.

25 (c) Rent of schoolhouses.

26 (d) Construction, furnishing or rental of teacherages, when  
27 approved by the Superintendent of Public Instruction.

28 (e) Transportation of pupils, including the purchase of new  
29 buses.

30 (f) Programs of nutrition, if such expenditures do not curtail the  
31 established school program or make it necessary to shorten the  
32 school term, and each pupil furnished lunch whose parent or  
33 guardian is financially able so to do pays at least the actual cost of  
34 the lunch.

35 (g) Membership fees, dues and contributions to an  
36 interscholastic activities association.

37 (h) Repayment of a loan made from the State Permanent School  
38 Fund pursuant to NRS 387.526.

39 2. Subject to the limitations set forth in NRS 387.207 **[H]** *and*  
40 *section 194.2 of this act*, money on deposit in the county school  
41 district fund, or in a separate account, if the board of trustees of a  
42 school district has elected to establish such an account pursuant to  
43 the provisions of NRS 354.603, when available, may be used for:

44 (a) Purchase of sites for school facilities.

45 (b) Purchase of buildings for school use.



\* A B 1 \*

1 (c) Repair and construction of buildings for school use.

2 **Sec. 194.6.** NRS 387.207 is hereby amended to read as  
3 follows:

4 387.207 1. Except as otherwise provided in this section, in  
5 each school year a school district shall spend for ~~{textbooks,}~~ library  
6 books and ~~{supplies and materials relating to instruction, including,~~  
7 ~~without limitation,}~~ software for computers ~~{,}~~ an amount of money,  
8 expressed as an amount per pupil, that is at least equal to the  
9 average of the total amount of money that was expended per year by  
10 the school district for those items in the immediately preceding 3  
11 years.

12 2. Except as otherwise provided in this section, in each school  
13 year a school district shall spend for the purchase of equipment  
14 relating to instruction, including, without limitation, equipment for  
15 telecommunications and for the purchase of equipment relating to  
16 the transportation of pupils, an amount of money, expressed as an  
17 amount per pupil, that is at least equal to the average of the total  
18 amount of money that was expended per year by the school district  
19 for those items in the immediately preceding 3 years.

20 3. Except as otherwise provided in this section, in each school  
21 year a school district shall spend for the maintenance and repair of  
22 equipment, vehicles, and buildings and facilities an amount of  
23 money, expressed as an amount per pupil, that is at least equal to the  
24 average of the total amount of money that was expended per year by  
25 the school district for those items in the immediately preceding 3  
26 years, excluding any amount of money derived from the proceeds of  
27 bonds.

28 4. A school district may satisfy the expenditures required by  
29 subsections 1, 2 and 3 if the school district spends an aggregate  
30 amount of money for all the items identified in those subsections  
31 that is at least equal to the average of the total amount of money  
32 expended by the school district per year for all those items in the  
33 immediately preceding 3 years.

34 5. A school district is not required to satisfy the expenditures  
35 required by this section for a school year in which:

36 (a) The total number of pupils who are enrolled in public  
37 schools within the school district has declined from the immediately  
38 preceding school year; or

39 (b) The total revenue available in the general fund of the school  
40 district has declined from the immediately preceding school year.

41 **Sec. 195.** NRS 388.750 is hereby amended to read as follows:

42 388.750 1. An educational foundation:

43 (a) Shall comply with the provisions of chapter 241 of NRS;

44 (b) Except as otherwise provided in subsection 2, shall make its  
45 records public and open to inspection pursuant to NRS 239.010; and



1 (c) Is exempt from the tax on transfers of real property pursuant  
2 to subsection ~~44~~ *11* of NRS 375.090.

3 2. An educational foundation is not required to disclose the  
4 names of the contributors to the foundation or the amount of their  
5 contributions. The educational foundation shall, upon request, allow  
6 a contributor to examine, during regular business hours, any record,  
7 document or other information of the foundation relating to that  
8 contributor.

9 3. As used in this section, "educational foundation" means a  
10 nonprofit corporation, association or institution or a charitable  
11 organization that is:

12 (a) Organized and operated exclusively for the purpose of  
13 supporting one or more kindergartens, elementary schools, junior  
14 high or middle schools or high schools, or any combination thereof;

15 (b) Formed pursuant to the laws of this state; and

16 (c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

17 **Sec. 195.2.** NRS 391.165 is hereby amended to read as  
18 follows:

19 391.165 1. Except as otherwise provided in subsection 3 ~~of~~  
20 ~~this section~~ and except as otherwise required as a result of NRS  
21 286.537, the board of trustees of a school district shall pay the cost  
22 for a licensed teacher to purchase one-fifth of a year of service  
23 pursuant to subsection 2 of NRS 286.300 if:

24 (a) The teacher is a member of the Public Employees'  
25 Retirement System and has at least 5 years of service;

26 (b) The teacher has been employed as a licensed teacher in this  
27 state for at least 5 consecutive school years, regardless of whether  
28 the employment was with one or more school districts in this state;

29 (c) Each evaluation of the teacher conducted pursuant to NRS  
30 391.3125 is at least satisfactory for the years of employment  
31 required by paragraph (b); and

32 (d) In addition to the years of employment required by  
33 paragraph (b), the teacher has been employed as a licensed teacher  
34 for ~~1 school year~~ *2 school years* at a school within the school  
35 district which, ~~for that school year, carries~~ *during his employment*  
36 *at the school:*

37 *(1) Carried* the designation of demonstrating need for  
38 improvement ~~pursuant to NRS 385.367.1~~; *or*

39 *(2) At least 65 percent of the pupils who are enrolled in the*  
40 *school are children who are at risk.*

41 *The provisions of this paragraph do not require consecutive years*  
42 *of employment or employment at the same school within the*  
43 *school district.*

44 2. Except as otherwise provided in subsection 3, the board of  
45 trustees of a school district shall pay the cost for a licensed teacher



1 to purchase one-fifth of a year of service for each year that a teacher  
2 ~~[is employed as a teacher at a school within the school district that is~~  
3 ~~described in paragraph (d)]~~ *satisfies the requirements* of  
4 subsection 1.

5 3. In no event may the years of service purchased by a licensed  
6 teacher as a result of subsection 2 of NRS 286.300 exceed 5 years.

7 4. The board of trustees of a school district shall not:

8 (a) Assign or reassign a licensed teacher to circumvent the  
9 requirements of this section.

10 (b) Include ~~[ ]~~ as part of a teacher's salary ~~[ ]~~ the costs of paying  
11 the teacher to purchase service pursuant to this section.

12 5. As used in this section ~~[ "service" ]~~:

13 (a) *A child is "at risk" if he is eligible for free or reduced-price*  
14 *lunches pursuant to 42 U.S.C. §§ 1751 et. seq.*

15 (b) *"Service"* has the meaning ascribed to it in NRS 286.078.

16 **Sec. 195.4.** NRS 391.165 is hereby amended to read as  
17 follows:

18 391.165 1. Except as otherwise provided in subsection 3 and  
19 except as otherwise required as a result of NRS 286.537, the board  
20 of trustees of a school district shall pay the cost for a licensed  
21 teacher *or licensed school psychologist* to purchase one-fifth of a  
22 year of service pursuant to subsection 2 of NRS 286.300 if:

23 (a) The teacher *or school psychologist* is a member of the Public  
24 Employees' Retirement System and has at least 5 years of service;

25 (b) The teacher *or school psychologist* has been employed as a  
26 licensed teacher *or licensed school psychologist* in this state for at  
27 least 5 consecutive school years, regardless of whether the  
28 employment was with one or more school districts in this state;

29 (c) Each evaluation of the teacher *or school psychologist*  
30 conducted pursuant to NRS 391.3125 is at least satisfactory for the  
31 years of employment required by paragraph (b); and

32 (d) In addition to the years of employment required by  
33 paragraph (b) ~~[, the ]~~:

34 (1) *The* teacher has been employed as a licensed teacher for  
35 2 school years at a school within the school district which, during  
36 his employment at the school:

37 ~~[(1)]~~ (I) Carried the designation of demonstrating need for  
38 improvement; or

39 ~~[(2)]~~ (II) At least 65 percent of the pupils who are enrolled  
40 in the school are children who are at risk ~~[ ]~~;

41 (2) *The teacher holds an endorsement in the field of*  
42 *mathematics, science, special education or English as a second*  
43 *language and has been employed for at least 1 school year to teach*  
44 *in the subject area for which he holds an endorsement; or*



1           (3) *The school psychologist has been employed as a*  
2 *licensed school psychologist for at least 1 school year.*

3 The provisions of this paragraph do not require consecutive years of  
4 employment or employment at the same school within the school  
5 district.

6       2. Except as otherwise provided in subsection 3, the board of  
7 trustees of a school district shall pay the cost for a licensed teacher  
8 *or school psychologist* to purchase one-fifth of a year of service for  
9 each year that a teacher *or school psychologist* satisfies the  
10 requirements of subsection 1. *If, in 1 school year, a teacher*  
11 *satisfies the criteria set forth in both subparagraphs (1) and (2) of*  
12 *paragraph (d) of subsection 1, the school district in which the*  
13 *teacher is employed is not required to pay for more than one-fifth*  
14 *of a year of service pursuant to subsection 2 of NRS 286.300 for*  
15 *that school year.*

16       3. In no event may the years of service purchased by a licensed  
17 teacher *or school psychologist* as a result of subsection 2 of NRS  
18 286.300 exceed 5 years.

19       4. The board of trustees of a school district shall not:

20       (a) Assign or reassign a licensed teacher *or school psychologist*  
21 to circumvent the requirements of this section.

22       (b) Include ~~§~~ as part of a teacher's *or school psychologist's*  
23 salary ~~§~~ the costs of paying the teacher *or school psychologist* to  
24 purchase service pursuant to this section.

25       5. As used in this section:

26       (a) A child is "at risk" if he is eligible for free or reduced-price  
27 lunches pursuant to 42 U.S.C. §§ 1751 et. seq.

28       (b) "Service" has the meaning ascribed to it in NRS 286.078.

29       **Sec. 196.** NRS 396.405 is hereby amended to read as follows:

30       396.405 1. A university foundation:

31       (a) Shall comply with the provisions of chapter 241 of NRS;

32       (b) Except as otherwise provided in subsection 2, shall make its  
33 records public and open to inspection pursuant to NRS 239.010;

34       (c) Is exempt from the tax on transfers of real property pursuant  
35 to subsection ~~§4~~ 12 of NRS 375.090; and

36       (d) May allow a president or an administrator of the university  
37 or community college which it supports to serve as a member of its  
38 governing body.

39       2. A university foundation is not required to disclose the name  
40 of any contributor or potential contributor to the university  
41 foundation, the amount of his contribution or any information which  
42 may reveal or lead to the discovery of his identity. The university  
43 foundation shall, upon request, allow a contributor to examine,  
44 during regular business hours, any record, document or other  
45 information of the foundation relating to that contributor.



1       3. As used in this section, "university foundation" means a  
2 nonprofit corporation, association or institution or a charitable  
3 organization that is:

4       (a) Organized and operated exclusively for the purpose of  
5 supporting a university or a community college;

6       (b) Formed pursuant to the laws of this state; and

7       (c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

8       **Sec. 197.** NRS 414.135 is hereby amended to read as follows:

9       414.135 1. There is hereby created the Emergency Assistance  
10 ~~[Account]~~ *Subaccount* within the Disaster Relief ~~[Fund]~~ *Account*  
11 created pursuant to NRS 353.2735. Beginning with the fiscal year  
12 that begins on July 1, 1999, the State Controller shall, at the end of  
13 each fiscal year, transfer the interest earned during the previous  
14 fiscal year on the money in the Disaster Relief ~~[Fund]~~ *Account* to  
15 the ~~[Account]~~ *Subaccount* in an amount not to exceed \$500,000.

16       2. The Division of Emergency Management of the Department  
17 of Public Safety shall administer the ~~[Account]~~ *Subaccount*. The  
18 Division may adopt regulations authorized by this section before, on  
19 or after July 1, 1999.

20       3. All expenditures from the ~~[Account]~~ *Subaccount* must be  
21 approved in advance by the Division. Except as otherwise provided  
22 in subsection 4, all money in the ~~[Account]~~ *Subaccount* must be  
23 expended solely to:

24       (a) Provide supplemental emergency assistance to this state or to  
25 local governments in this state that are severely and adversely  
26 affected by a natural, technological or man-made emergency or  
27 disaster for which available resources of this state or the local  
28 government are inadequate to provide a satisfactory remedy; and

29       (b) Pay any actual expenses incurred by the Division for  
30 administration during a natural, technological or man-made  
31 emergency or disaster.

32       4. Beginning with the fiscal year that begins on July 1, 1999, if  
33 any balance remains in the ~~[Account]~~ *Subaccount* at the end of a  
34 fiscal year and the balance has not otherwise been committed for  
35 expenditure, the Division may, with the approval of the Interim  
36 Finance Committee, allocate all or any portion of the remaining  
37 balance, not to exceed \$250,000, to this state or to a local  
38 government to:

39       (a) Purchase equipment or supplies required for emergency  
40 management;

41       (b) Provide training to personnel related to emergency  
42 management; and

43       (c) Carry out the provisions of NRS 392.600 to 392.656,  
44 inclusive.



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1       5. Beginning with the fiscal year that begins on July 1, 1999,  
2 the Division shall, at the end of each quarter of a fiscal year, submit  
3 to the Interim Finance Committee a report of the expenditures made  
4 from the ~~{Account}~~ *Subaccount* for the previous quarter.

5       6. The Division shall adopt such regulations as are necessary to  
6 administer the ~~{Account}~~ *Subaccount*.

7       7. The Division may adopt regulations to provide for  
8 reimbursement of expenditures made from the ~~{Account}~~  
9 *Subaccount*. If the Division requires such reimbursement, the  
10 Attorney General shall take such action as is necessary to recover  
11 the amount of any unpaid reimbursement plus interest at a rate  
12 determined pursuant to NRS 17.130, computed from the date on  
13 which the money was removed from the ~~{Fund}~~ *Account*, upon  
14 request by the Division.

15       **Sec. 198.** NRS 459.3824 is hereby amended to read as  
16 follows:

17       459.3824 1. The owner of a regulated facility shall pay to the  
18 Division an annual fee based on the fiscal year. The annual fee for  
19 each facility is the sum of a base fee set by the State Environmental  
20 Commission and any additional fee imposed by the Commission  
21 pursuant to subsection 2. The annual fee must be prorated and may  
22 not be refunded.

23       2. The State Environmental Commission may impose an  
24 additional fee upon the owner of a regulated facility in an amount  
25 determined by the Commission to be necessary to enable the  
26 Division to carry out its duties pursuant to NRS 459.380 to  
27 459.3874, inclusive. The additional fee must be based on a  
28 graduated schedule adopted by the Commission which takes into  
29 consideration the quantity of hazardous substances located at each  
30 facility.

31       3. After the payment of the initial annual fee, the Division shall  
32 send the owner of a regulated facility a bill in July for the annual fee  
33 for the fiscal year then beginning which is based on the applicable  
34 reports for the preceding year.

35       4. The owner of a regulated facility shall submit, with any  
36 payment required by this section, the *business license* number  
37 assigned by the Department of Taxation ~~[, for the imposition and~~  
38 ~~collection of taxes pursuant to chapter 364A of NRS, to the business~~  
39 ~~for which the payment is made.]~~ *upon compliance by the owner*  
40 *with section 101 of this act.*

41       5. All fees collected pursuant to this section and penalties  
42 collected pursuant to NRS 459.3833, 459.3834 and 459.3874, and  
43 any interest earned thereon, must be deposited with the State  
44 Treasurer for credit to the Fund for Precaution Against Chemical  
45 Accidents, which is hereby created as a special revenue fund.





1     **Sec. 199.** NRS 463.0136 is hereby amended to read as  
2 follows:

3     463.0136 “Associated equipment” means:

4     1. Any equipment or mechanical, electromechanical or  
5 electronic contrivance, component or machine used remotely or  
6 directly in connection with gaming, any game, race book or sports  
7 pool that would not otherwise be classified as a gaming device,  
8 including dice, playing cards, links which connect to progressive  
9 slot machines, equipment which affects the proper reporting of gross  
10 revenue, computerized systems of betting at a race book or sports  
11 pool, computerized systems for monitoring slot machines and  
12 devices for weighing or counting money; or

13     2. A computerized system for recordation of sales for use in an  
14 area subject to the ~~casino-entertainment~~ tax *imposed* pursuant to  
15 ~~[NRS 463.401.]~~ *section 36 of this act.*

16     **Sec. 200.** NRS 463.270 is hereby amended to read as follows:

17     463.270 1. Subject to the power of the Board to deny, revoke,  
18 suspend, condition or limit licenses, any state license in force may  
19 be renewed by the Board for the next succeeding license period  
20 upon proper application for renewal and payment of state license  
21 fees and taxes as required by law and the regulations of the Board.

22     2. All state gaming licenses are subject to renewal on the ~~[1st]~~  
23 *first* day of each January and all quarterly state gaming licenses on  
24 the ~~[1st]~~ *first* day of each calendar quarter thereafter.

25     3. Application for renewal must be filed with the Board , and  
26 all state license fees and taxes required by law, including , without  
27 limitation , NRS 463.370, 463.373 to 463.3855, inclusive,  
28 ~~[463.401.]~~ 463.660, 464.015 and 464.040, *and section 36 of this*  
29 *act*, must be paid to the Board on or before the dates respectively  
30 provided by law for each fee or tax.

31     4. Application for renewal of licenses for slot machines only  
32 must be made by the operators of the locations where such machines  
33 are situated.

34     5. Any person failing to pay any state license fees or taxes due  
35 at the times respectively provided shall pay in addition to such  
36 license fees or taxes a penalty of not less than \$50 or 25 percent of  
37 the amount due, whichever is the greater, but not more than \$1,000  
38 if the fees or taxes are less than 10 days late and in no case in excess  
39 of \$5,000. The penalty must be collected as are other charges,  
40 license fees and penalties under this chapter.

41     6. Any person who operates, carries on or exposes for play any  
42 gambling game, gaming device or slot machine or who  
43 manufactures, sells or distributes any gaming device, equipment,  
44 material or machine used in gaming ~~[ ]~~ after his license becomes  
45 subject to renewal, and thereafter fails to apply for renewal as



1 provided in this section, is guilty of a misdemeanor and, in addition  
2 to the penalties provided by law, is liable to the State of Nevada for  
3 all license fees, taxes and penalties which would have been due  
4 upon application for renewal.

5 7. If any licensee or other person fails to renew his license as  
6 provided in this section, the Board may order the immediate closure  
7 of all his gaming activity until the license is renewed by the  
8 payment of the necessary fees, taxes, interest and any penalties.  
9 Except for a license for which fees are based on the gross revenue of  
10 the licensee, failure to renew a license within 30 days after the date  
11 required by this chapter shall be deemed a surrender of the license.

12 8. The voluntary surrender of a license by a licensee does not  
13 become effective until accepted in the manner provided in the  
14 regulations of the Board. The surrender of a license does not relieve  
15 the former licensee of any penalties, fines, fees, taxes or interest  
16 due.

17 **Sec. 201.** NRS 463.370 is hereby amended to read as follows:

18 463.370 1. Except as otherwise provided in NRS 463.373,  
19 the Commission shall charge and collect from each licensee a  
20 license fee based upon all the gross revenue of the licensee as  
21 follows:

22 (a) Three *and one-half* percent of all the gross revenue of the  
23 licensee which does not exceed \$50,000 per calendar month;

24 (b) Four *and one-half* percent of all the gross revenue of the  
25 licensee which exceeds \$50,000 per calendar month and does not  
26 exceed \$134,000 per calendar month; and

27 (c) Six and ~~one-quarter~~ *three-quarters* percent of all the gross  
28 revenue of the licensee which exceeds \$134,000 per calendar month.

29 2. Unless the licensee has been operating for less than a full  
30 calendar month, the Commission shall charge and collect the fee  
31 prescribed in subsection 1, based upon the gross revenue for the  
32 preceding calendar month, on or before the 24th day of the  
33 following month. Except for the fee based on the first full month of  
34 operation, the fee is an estimated payment of the license fee for the  
35 third month following the month whose gross revenue is used as its  
36 basis.

37 3. When a licensee has been operating for less than a full  
38 calendar month, the Commission shall charge and collect the fee  
39 prescribed in subsection 1, based on the gross revenue received  
40 during that month, on or before the 24th day of the following  
41 calendar month of operation. After the first full calendar month of  
42 operation, the Commission shall charge and collect the fee based on  
43 the gross revenue received during that month, on or before the 24th  
44 day of the following calendar month. The payment of the fee due for  
45 the first full calendar month of operation must be accompanied by



1 the payment of a fee equal to three times the fee for the first full  
2 calendar month. This additional amount is an estimated payment of  
3 the license fees for the next 3 calendar months. Thereafter, each  
4 license fee must be paid in the manner described in subsection 2.  
5 Any deposit held by the Commission on July 1, 1969, must be  
6 treated as an advance estimated payment.

7 4. All revenue received from any game or gaming device  
8 which is operated on the premises of a licensee, regardless of  
9 whether any portion of the revenue is shared with any other person,  
10 must be attributed to the licensee for the purposes of this section and  
11 counted as part of the gross revenue of the licensee. Any other  
12 person, including, without limitation, an operator of an inter-casino  
13 linked system, who is authorized to receive a share of the revenue  
14 from any game, gaming device or inter-casino linked system that is  
15 operated on the premises of a licensee is liable to the licensee for  
16 that person's proportionate share of the license fees paid by the  
17 licensee pursuant to this section and shall remit or credit the full  
18 proportionate share to the licensee on or before the 24th day of each  
19 calendar month. The proportionate share of an operator of an inter-  
20 casino linked system must be based on all compensation and other  
21 consideration received by the operator of the inter-casino linked  
22 system, including, without limitation, amounts that accrue to the  
23 meter of the primary progressive jackpot of the inter-casino linked  
24 system and amounts that fund the reserves of such a jackpot, subject  
25 to all appropriate adjustments for deductions, credits, offsets and  
26 exclusions that the licensee is entitled to take or receive pursuant to  
27 the provisions of this chapter. A licensee is not liable to any other  
28 person authorized to receive a share of the licensee's revenue from  
29 any game, gaming device or inter-casino linked system that is  
30 operated on the premises of the licensee for that person's  
31 proportionate share of the license fees to be remitted or credited to  
32 the licensee by that person pursuant to this section.

33 5. An operator of an inter-casino linked system shall not enter  
34 into any agreement or arrangement with a licensee that provides for  
35 the operator of the inter-casino linked system to be liable to the  
36 licensee for less than its full proportionate share of the license fees  
37 paid by the licensee pursuant to this section, whether accomplished  
38 through a rebate, refund, charge-back or otherwise.

39 6. Any person required to pay a fee pursuant to this section  
40 shall file with the Commission, on or before the 24th day of each  
41 calendar month, a report showing the amount of all gross revenue  
42 received during the preceding calendar month. Each report must be  
43 accompanied by:

44 (a) The fee due based on the revenue of the month covered by  
45 the report; and



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1 (b) An adjustment for the difference between the estimated fee  
2 previously paid for the month covered by the report, if any, and the  
3 fee due for the actual gross revenue earned in that month. If  
4 the adjustment is less than zero, a credit must be applied to the  
5 estimated fee due with that report.

6 7. If the amount of license fees required to be reported and paid  
7 pursuant to this section is later determined to be greater or less than  
8 the amount actually reported and paid, the Commission shall:

9 (a) Charge and collect the additional license fees determined to  
10 be due, with interest thereon until paid; or

11 (b) Refund any overpayment to the person entitled thereto  
12 pursuant to this chapter, with interest thereon.

13 Interest pursuant to paragraph (a) must be computed at the rate  
14 prescribed in NRS 17.130 from the first day of the first month  
15 following the due date of the additional license fees until paid.

16 Interest pursuant to paragraph (b) must be computed at one-half the  
17 rate prescribed in NRS 17.130 from the first day of the first month  
18 following the date of overpayment until paid.

19 8. Failure to pay the fees provided for in this section shall be  
20 deemed a surrender of the license at the expiration of the period for  
21 which the estimated payment of fees has been made, as established  
22 in subsection 2.

23 9. Except as otherwise provided in NRS 463.386, the amount  
24 of the fee prescribed in subsection 1 must not be prorated.

25 10. Except as otherwise provided in NRS 463.386, if a licensee  
26 ceases operation, the Commission shall:

27 (a) Charge and collect the additional license fees determined to  
28 be due with interest computed pursuant to paragraph (a) of  
29 subsection 7; or

30 (b) Refund any overpayment to the licensee with interest  
31 computed pursuant to paragraph (b) of subsection 7,  
32 based upon the gross revenue of the licensee during the last 3  
33 months immediately preceding the cessation of operation, or  
34 portions of those last 3 months.

35 11. If in any month ~~the~~ the amount of gross revenue is less than  
36 zero, the licensee may offset the loss against gross revenue in  
37 succeeding months until the loss has been fully offset.

38 12. If in any month ~~the~~ the amount of the license fee due is less  
39 than zero, the licensee is entitled to receive a credit against any  
40 license fees due in succeeding months until the credit has been fully  
41 offset.

42 **Sec. 202.** NRS 463.373 is hereby amended to read as follows:

43 463.373 1. Before issuing a state gaming license to an  
44 applicant for a restricted operation, the Commission shall charge  
45 and collect from him for each slot machine for each quarter year:



1 (a) A license fee of ~~[\$61]~~ *\$81* for each slot machine if he will  
2 have at least one but not more than five slot machines.

3 (b) A license fee of ~~[\$305 plus \$106]~~ *\$405 plus \$141* for each  
4 slot machine in excess of five if he will have at least six but not  
5 more than 15 slot machines.

6 2. The Commission shall charge and collect the fee prescribed  
7 in subsection 1:

8 (a) On or before the last day of the last month in a calendar  
9 quarter, for the ensuing calendar quarter, from a licensee whose  
10 operation is continuing.

11 (b) In advance from a licensee who begins operation or puts  
12 additional slot machines into play during a calendar quarter.

13 3. Except as otherwise provided in NRS 463.386, no proration  
14 of the fee prescribed in subsection 1 may be allowed for any reason.

15 4. The operator of the location where slot machines are situated  
16 shall pay the fee prescribed in subsection 1 upon the total number of  
17 slot machines situated in that location, whether or not the machines  
18 are owned by one or more licensee-owners.

19 **Sec. 203.** NRS 463.401 is hereby amended to read as follows:

20 463.401 1. In addition to any other license fees and taxes  
21 imposed by this chapter, a casino entertainment tax equivalent to 10  
22 percent of all amounts paid for admission, food, refreshments and  
23 merchandise is hereby levied, except as *otherwise* provided in  
24 subsection 2, upon each licensed gaming establishment in this state  
25 where ~~[music and dancing privileges or any other]~~ *live*  
26 entertainment is provided to the patrons ~~[in a cabaret, nightclub,~~  
27 ~~cocktail lounge or casino showroom in connection with the serving~~  
28 ~~or selling of food or refreshments or the selling of any~~  
29 ~~merchandise.]~~ *of the licensed gaming establishment.* Amounts paid  
30 for gratuities directly or indirectly remitted to employees of the  
31 licensee or for service charges, including those imposed in  
32 connection with use of credit cards or debit cards, that are collected  
33 and retained by persons other than the licensee are not taxable  
34 pursuant to this section.

35 2. ~~[A licensed gaming establishment is not subject to tax~~  
36 ~~pursuant to this section if:~~

37 ~~—(a) The establishment is licensed for less than 51 slot machines,~~  
38 ~~less than six games, or any combination of slot machines and games~~  
39 ~~within those respective limits;~~

40 ~~—(b) The entertainment is presented in a facility that would not~~  
41 ~~have been subject to taxation pursuant to 26 U.S.C. § 4231(6) as that~~  
42 ~~provision existed in 1965;~~

43 ~~—(c) The entertainment is presented in a facility that would have~~  
44 ~~been subject to taxation pursuant to 26 U.S.C. § 4231(1), (2), (3),~~  
45 ~~(4) or (5) as those provisions existed in 1965; or~~



1 ~~—(d) In other cases, if:~~  
2 ~~—(1) No distilled spirits, wine or beer is served or permitted to~~  
3 ~~be consumed;~~  
4 ~~—(2) Only light refreshments are served;~~  
5 ~~—(3) Where space is provided for dancing, no charge is made~~  
6 ~~for dancing; and~~  
7 ~~—(4) Where music is provided or permitted, the music is~~  
8 ~~provided without any charge to the owner, lessee or operator of the~~  
9 ~~establishment or to any concessionaire.~~

10 ~~—3.]~~ The tax imposed by this section does not apply to  
11 ~~[merchandise] :~~

12 *(a) Live entertainment that this state is prohibited from taxing*  
13 *under the Constitution, laws or treaties of the United States or the*  
14 *Nevada Constitution.*

15 *(b) Merchandise* sold outside the facility in which the *live*  
16 entertainment is presented, unless the purchase of the merchandise  
17 entitles the purchaser to admission to the entertainment.

18 ~~[4.]~~ *(c) Any live entertainment that is provided by or entirely*  
19 *for the benefit of a nonprofit organization that is recognized as*  
20 *exempt from taxation pursuant to 26 U.S.C. § 501(c).*

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

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

25 *(f) Any boxing contest or exhibition governed by the provisions*  
26 *of chapter 467 of NRS.*

27 3. The tax imposed by this section must be paid by the licensee  
28 of the establishment.

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

34 **Sec. 204.** NRS 463.4055 is hereby amended to read as  
35 follows:

36 463.4055 Any ticket for admission to ~~[a cabaret, nightclub,~~  
37 ~~cocktail lounge or casino showroom]~~ *an activity subject to the tax*  
38 *imposed by NRS 463.401* must state whether the casino  
39 entertainment tax is included in the price of the ticket. If the ticket  
40 does not include such a statement, the licensed gaming  
41 establishment shall pay the casino entertainment tax on the face  
42 amount of the ticket.

43 **Sec. 205.** NRS 463.408 is hereby amended to read as follows:

44 463.408 1. As used in this section, “holidays or special  
45 events” refers to periods during which the influx of tourist activity



1 in this state or any area thereof may require additional or alternative  
2 industry accommodation as determined by the Board.

3 2. Any licensee holding a valid license under this chapter may  
4 apply to the Board, on application forms prescribed by the Board,  
5 for a holiday or special event permit to:

6 (a) Increase the licensee's game operations during holidays or  
7 special events; or

8 (b) Provide persons who are attending a special event with  
9 gaming in an area of the licensee's establishment to which access by  
10 the general public may be restricted.

11 3. The application must be filed with the Board at least 15 days  
12 before the date of the holiday or special event.

13 4. If the Board approves the application, it shall issue to the  
14 licensee a permit to operate presently existing games or any  
15 additional games in designated areas of the licensee's establishment.  
16 The number of additional games must not exceed 50 percent of the  
17 number of games operated by the licensee at the time the application  
18 is filed. The permit must state the period for which it is issued and  
19 the number, if any, of additional games allowed. For purposes of  
20 computation, any fractional game must be counted as one full game.  
21 The licensee shall present any such permit on the demand of any  
22 inspecting agent of the Board or Board.

23 5. Before issuing any permit, the Board shall charge and collect  
24 from the licensee a fee of \$14 per game per day for each day the  
25 permit is effective. The fees are in lieu of the fees required under  
26 NRS 463.380, 463.383 and 463.390.

27 6. The additional games allowed under a permit must not be  
28 counted in computing the ~~casino entertainment tax under NRS~~  
29 ~~463.401.] tax imposed by section 36 of this act.~~

30 7. If any such additional games are not removed at the time the  
31 permit expires, the licensee is immediately subject to the fees  
32 provided for in this chapter.

33 **Sec. 206.** NRS 463.770 is hereby amended to read as follows:

34 463.770 1. All gross revenue from operating interactive  
35 gaming received by an establishment licensed to operate interactive  
36 gaming, regardless of whether any portion of the revenue is shared  
37 with another person, must be attributed to the licensee and counted  
38 as part of the gross revenue of the licensee for the purpose of  
39 computing the license fee required by NRS 463.370.

40 2. A manufacturer of interactive gaming systems who is  
41 authorized by an agreement to receive a share of the revenue from  
42 an interactive gaming system from an establishment licensed to  
43 operate interactive gaming is liable to the establishment for a  
44 portion of the license fee paid pursuant to subsection 1. The portion  
45 for which the manufacturer of interactive gaming systems is liable is





1 ~~{6.25}~~ **6.75** percent of the amount of revenue to which the  
2 manufacturer of interactive gaming systems is entitled pursuant to  
3 the agreement.

4 3. For the purposes of subsection 2, the amount of revenue to  
5 which the manufacturer of interactive gaming systems is entitled  
6 pursuant to an agreement to share the revenue from an interactive  
7 gaming system:

8 (a) Includes all revenue of the manufacturer of interactive  
9 gaming systems that is his share of the revenue from the interactive  
10 gaming system pursuant to the agreement; and

11 (b) Does not include revenue that is the fixed purchase price for  
12 the sale of a component of the interactive gaming system.

13 **Sec. 207.** (Deleted.)

14 **Sec. 208.** NRS 612.265 is hereby amended to read as follows:

15 612.265 1. Except as otherwise provided in this section,  
16 information obtained from any employing unit or person pursuant to  
17 the administration of this chapter and any determination as to the  
18 benefit rights of any person is confidential and may not be disclosed  
19 or be open to public inspection in any manner which would reveal  
20 the person's or employing unit's identity.

21 2. Any claimant or his legal representative is entitled to  
22 information from the records of the Division, to the extent necessary  
23 for the proper presentation of his claim in any proceeding pursuant  
24 to this chapter. A claimant or an employing unit is not entitled to  
25 information from the records of the Division for any other purpose.

26 3. Subject to such restrictions as the Administrator may by  
27 regulation prescribe, the information obtained by the Division may  
28 be made available to:

29 (a) Any agency of this or any other state or any federal agency  
30 charged with the administration or enforcement of laws relating to  
31 unemployment compensation, public assistance, workers'  
32 compensation or labor and industrial relations, or the maintenance  
33 of a system of public employment offices;

34 (b) Any state or local agency for the enforcement of child  
35 support;

36 (c) The Internal Revenue Service of the Department of the  
37 Treasury;

38 (d) The Department of Taxation; and

39 (e) The State Contractors' Board in the performance of its duties  
40 to enforce the provisions of chapter 624 of NRS.

41 Information obtained in connection with the administration of the  
42 Employment Service may be made available to persons or agencies  
43 for purposes appropriate to the operation of a public employment  
44 service or a public assistance program.



1       4. Upon written request made by a public officer of a local  
2 government, the Administrator shall furnish from the records of the  
3 Division the name, address and place of employment of any person  
4 listed in the records of employment of the Division. The request  
5 must set forth the social security number of the person about whom  
6 the request is made and contain a statement signed by proper  
7 authority of the local government certifying that the request is made  
8 to allow the proper authority to enforce a law to recover a debt or  
9 obligation owed to the local government. The information obtained  
10 by the local government is confidential and may not be used or  
11 disclosed for any purpose other than the collection of a debt or  
12 obligation owed to that local government. The Administrator may  
13 charge a reasonable fee for the cost of providing the requested  
14 information.

15       5. The Administrator may publish or otherwise provide  
16 information on the names of employers, their addresses, their type  
17 or class of business or industry, and the approximate number of  
18 employees employed by each such employer, if the information  
19 released will assist unemployed persons to obtain employment or  
20 will be generally useful in developing and diversifying the economic  
21 interests of this state. Upon request by a state agency which is able  
22 to demonstrate that its intended use of the information will benefit  
23 the residents of this state, the Administrator may, in addition to the  
24 information listed in this subsection, disclose the number of  
25 employees employed by each employer and the total wages paid by  
26 each employer. The Administrator may charge a fee to cover the  
27 actual costs of any administrative expenses relating to the disclosure  
28 of this information to a state agency. The Administrator may require  
29 the state agency to certify in writing that the agency will take all  
30 actions necessary to maintain the confidentiality of the information  
31 and prevent its unauthorized disclosure.

32       6. Upon request therefor the Administrator shall furnish to any  
33 agency of the United States charged with the administration of  
34 public works or assistance through public employment, and may  
35 furnish to any state agency similarly charged, the name, address,  
36 ordinary occupation and employment status of each recipient of  
37 benefits and the recipient's rights to further benefits pursuant to this  
38 chapter.

39       7. To further a current criminal investigation, the chief  
40 executive officer of any law enforcement agency of this state may  
41 submit a written request to the Administrator that he furnish, from  
42 the records of the Division, the name, address and place of  
43 employment of any person listed in the records of employment of  
44 the Division. The request must set forth the social security number  
45 of the person about whom the request is made and contain a



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1 statement signed by the chief executive officer certifying that the  
2 request is made to further a criminal investigation currently being  
3 conducted by the agency. Upon receipt of such a request, the  
4 Administrator shall furnish the information requested. He may  
5 charge a fee to cover the actual costs of any related administrative  
6 expenses.

7 8. In addition to the provisions of subsection 5, the  
8 Administrator shall provide lists containing the names and addresses  
9 of employers, ~~[the number of employees employed by each~~  
10 ~~employer]~~ and *information regarding* the ~~[total]~~ wages paid by each  
11 employer to the Department of Taxation, upon request, for use in  
12 verifying returns for the ~~[business tax]~~ *tax imposed pursuant to*  
13 *sections 2 to 24, inclusive, of this act.* The Administrator may  
14 charge a fee to cover the actual costs of any related administrative  
15 expenses.

16 9. A private carrier that provides industrial insurance in this  
17 state shall submit to the Administrator a list containing the name of  
18 each person who received benefits pursuant to chapters 616A to  
19 616D, inclusive, or 617 of NRS during the preceding month and  
20 request that he compare the information so provided with the  
21 records of the Division regarding persons claiming benefits pursuant  
22 to chapter 612 of NRS for the same period. The information  
23 submitted by the private carrier must be in a form determined by the  
24 Administrator and must contain the social security number of each  
25 such person. Upon receipt of the request, the Administrator shall  
26 make such a comparison and, if it appears from the information  
27 submitted that a person is simultaneously claiming benefits under  
28 chapter 612 of NRS and under chapters 616A to 616D, inclusive, or  
29 617 of NRS, the Administrator shall notify the Attorney General or  
30 any other appropriate law enforcement agency. The Administrator  
31 shall charge a fee to cover the actual costs of any related  
32 administrative expenses.

33 10. The Administrator may request the Comptroller of the  
34 Currency of the United States to cause an examination of the  
35 correctness of any return or report of any national banking  
36 association rendered pursuant to the provisions of this chapter, and  
37 may in connection with the request transmit any such report or  
38 return to the Comptroller of the Currency of the United States as  
39 provided in Section 3305(c) of the Internal Revenue Code of 1954.

40 11. If any employee or member of the Board of Review, the  
41 Administrator or any employee of the Administrator, in violation of  
42 the provisions of this section, discloses information obtained from  
43 any employing unit or person in the administration of this chapter,  
44 or if any person who has obtained a list of applicants for work, or of  
45 claimants or recipients of benefits pursuant to this chapter uses or



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1 permits the use of the list for any political purpose, he is guilty of a  
2 gross misdemeanor.

3 12. All letters, reports or communications of any kind, oral or  
4 written, from the employer or employee to each other or to the  
5 Division or any of its agents, representatives or employees are  
6 privileged and must not be the subject matter or basis for any  
7 lawsuit if the letter, report or communication is written, sent,  
8 delivered or prepared pursuant to the requirements of this chapter.

9 **Sec. 209.** (Deleted.)

10 **Sec. 210.** NRS 616B.012 is hereby amended to read as  
11 follows:

12 616B.012 1. Except as otherwise provided in this section and  
13 in NRS 616B.015, 616B.021 and 616C.205, information obtained  
14 from any insurer, employer or employee is confidential and may not  
15 be disclosed or be open to public inspection in any manner which  
16 would reveal the person's identity.

17 2. Any claimant or his legal representative is entitled to  
18 information from the records of the insurer, to the extent necessary  
19 for the proper presentation of a claim in any proceeding under  
20 chapters 616A to 616D, inclusive, or chapter 617 of NRS.

21 3. The Division and Administrator are entitled to information  
22 from the records of the insurer which is necessary for the  
23 performance of their duties. The Administrator may, by regulation,  
24 prescribe the manner in which otherwise confidential information  
25 may be made available to:

26 (a) Any agency of this or any other state charged with the  
27 administration or enforcement of laws relating to industrial  
28 insurance, unemployment compensation, public assistance or labor  
29 law and industrial relations;

30 (b) Any state or local agency for the enforcement of child  
31 support;

32 (c) The Internal Revenue Service of the Department of the  
33 Treasury;

34 (d) The Department of Taxation; and

35 (e) The State Contractors' Board in the performance of its duties  
36 to enforce the provisions of chapter 624 of NRS.

37 Information obtained in connection with the administration of a  
38 program of industrial insurance may be made available to persons or  
39 agencies for purposes appropriate to the operation of a program of  
40 industrial insurance.

41 4. Upon written request made by a public officer of a local  
42 government, an insurer shall furnish from its records the name,  
43 address and place of employment of any person listed in its records.  
44 The request must set forth the social security number of the person  
45 about whom the request is made and contain a statement signed by



1 proper authority of the local government certifying that the request  
2 is made to allow the proper authority to enforce a law to recover a  
3 debt or obligation owed to the local government. The information  
4 obtained by the local government is confidential and may not be  
5 used or disclosed for any purpose other than the collection of a debt  
6 or obligation owed to that local government. The insurer may charge  
7 a reasonable fee for the cost of providing the requested information.

8 5. To further a current criminal investigation, the chief  
9 executive officer of any law enforcement agency of this state may  
10 submit to the administrator a written request for the name, address  
11 and place of employment of any person listed in the records of an  
12 insurer. The request must set forth the social security number of the  
13 person about whom the request is made and contain a statement  
14 signed by the chief executive officer certifying that the request is  
15 made to further a criminal investigation currently being conducted  
16 by the agency. Upon receipt of a request, the Administrator shall  
17 instruct the insurer to furnish the information requested. Upon  
18 receipt of such an instruction, the insurer shall furnish the  
19 information requested. The insurer may charge a reasonable fee to  
20 cover any related administrative expenses.

21 6. Upon request by the Department of Taxation, the  
22 Administrator shall provide:

- 23 (a) Lists containing the names and addresses of employers; and  
24 (b) Other information concerning employers collected and  
25 maintained by the Administrator or the Division to carry out the  
26 purposes of chapters 616A to 616D, inclusive, or chapter 617 of  
27 NRS,

28 to the Department for its use in verifying returns for the ~~business~~  
29 ~~tax.] tax imposed pursuant to sections 2 to 24, inclusive, of this act.~~  
30 The Administrator may charge a reasonable fee to cover any related  
31 administrative expenses.

32 7. Any person who, in violation of this section, discloses  
33 information obtained from files of claimants or policyholders or  
34 obtains a list of claimants or policyholders under chapters 616A to  
35 616D, inclusive, or chapter 617 of NRS and uses or permits the use  
36 of the list for any political purposes, is guilty of a gross  
37 misdemeanor.

38 8. All letters, reports or communications of any kind, oral or  
39 written, from the insurer, or any of its agents, representatives or  
40 employees are privileged and must not be the subject matter or basis  
41 for any lawsuit if the letter, report or communication is written, sent,  
42 delivered or prepared pursuant to the requirements of chapters 616A  
43 to 616D, inclusive, or chapter 617 of NRS.



1     **Sec. 211.** NRS 616B.679 is hereby amended to read as  
2 follows:  
3     616B.679 1. Each application must include:  
4       (a) The applicant's name and title of his position with the  
5 employee leasing company.  
6       (b) The applicant's age, place of birth and social security  
7 number.  
8       (c) The applicant's address.  
9       (d) The business address of the employee leasing company.  
10       (e) The business address of the resident agent of the employee  
11 leasing company, if the applicant is not the resident agent.  
12       (f) If the applicant is a:  
13           (1) Partnership, the name of the partnership and the name,  
14 address, age, social security number and title of each partner.  
15           (2) Corporation, the name of the corporation and the name,  
16 address, age, social security number and title of each officer of the  
17 corporation.  
18       (g) Proof of:  
19           (1) ~~The payment of any taxes required by chapter 364A of~~  
20 ~~NRS.]~~ *Compliance with the provisions of section 101 of this act.*  
21           (2) The payment of any premiums for industrial insurance  
22 required by chapters 616A to 617, inclusive, of NRS.  
23           (3) The payment of contributions or payments in lieu of  
24 contributions required by chapter 612 of NRS.  
25           (4) Insurance coverage for any benefit plan from an insurer  
26 authorized pursuant to title 57 of NRS that is offered by the  
27 employee leasing company to its employees.  
28       (h) Any other information the Administrator requires.  
29     2. Each application must be notarized and signed under penalty  
30 of perjury:  
31       (a) If the applicant is a sole proprietorship, by the sole  
32 proprietor.  
33       (b) If the applicant is a partnership, by each partner.  
34       (c) If the applicant is a corporation, by each officer of the  
35 corporation.  
36     3. An applicant shall submit to the Administrator any change in  
37 the information required by this section within 30 days after the  
38 change occurs. The Administrator may revoke the certificate of  
39 registration of an employee leasing company which fails to comply  
40 with the provisions of NRS 616B.670 to 616B.697, inclusive.  
41     4. If an insurer cancels an employee leasing company's policy,  
42 the insurer shall immediately notify the Administrator in writing.  
43 The notice must comply with the provisions of NRS 687B.310 to  
44 687B.355, inclusive, and must be served personally on or sent by  
45 first-class mail or electronic transmission to the Administrator.



1     **Sec. 212.** NRS 616B.691 is hereby amended to read as  
2 follows:

3     616B.691 1. For the purposes of chapters ~~[364A,]~~ 612 and  
4 616A to 617, inclusive, of NRS, *and sections 2 to 24, inclusive, of*  
5 *this act*, an employee leasing company which complies with the  
6 provisions of NRS 616B.670 to 616B.697, inclusive, shall be  
7 deemed to be the employer of the employees it leases to a client  
8 company.

9     2. An employee leasing company shall be deemed to be the  
10 employer of its leased employees for the purposes of sponsoring and  
11 maintaining any benefit plans.

12     3. An employee leasing company shall not offer its employees  
13 any self-funded insurance program. An employee leasing company  
14 shall not act as a self-insured employer or be a member of an  
15 association of self-insured public or private employers pursuant to  
16 chapters 616A to 616D, inclusive, or chapter 617 of NRS or  
17 pursuant to title 57 of NRS.

18     4. If an employee leasing company fails to:

19         (a) Pay any contributions, premiums, forfeits or interest due; or

20         (b) Submit any reports or other information required,  
21 pursuant to this chapter or chapter 612, 616A, 616C, 616D or 617 of  
22 NRS, the client company is jointly and severally liable for the  
23 contributions, premiums, forfeits or interest attributable to the wages  
24 of the employees leased to it by the employee leasing company.

25     **Sec. 213.** (Deleted.)

26     **Sec. 214.** (Deleted.)

27     **Sec. 215.** NRS 645B.060 is hereby amended to read as  
28 follows:

29     645B.060 1. Subject to the administrative control of the  
30 Director of the Department of Business and Industry, the  
31 Commissioner shall exercise general supervision and control over  
32 mortgage brokers doing business in this state.

33     2. In addition to the other duties imposed upon him by law, the  
34 Commissioner shall:

35         (a) Adopt any regulations that are necessary to carry out the  
36 provisions of this chapter, except as to loan brokerage fees.

37         (b) Conduct such investigations as may be necessary to  
38 determine whether any person has violated any provision of this  
39 chapter, a regulation adopted pursuant to this chapter or an order of  
40 the Commissioner.

41         (c) Conduct an annual examination of each mortgage broker  
42 doing business in this state. The annual examination must include,  
43 without limitation, a formal exit review with the mortgage broker.  
44 The Commissioner shall adopt regulations prescribing:





1 (1) Standards for determining the rating of each mortgage  
2 broker based upon the results of the annual examination; and

3 (2) Procedures for resolving any objections made by the  
4 mortgage broker to the results of the annual examination. The  
5 results of the annual examination may not be opened to public  
6 inspection pursuant to NRS 645B.090 until any objections made by  
7 the mortgage broker have been decided by the Commissioner.

8 (d) Conduct such other examinations, periodic or special audits,  
9 investigations and hearings as may be necessary and proper for the  
10 efficient administration of the laws of this state regarding mortgage  
11 brokers and mortgage agents. The Commissioner shall adopt  
12 regulations specifying the general guidelines that will be followed  
13 when a periodic or special audit of a mortgage broker is conducted  
14 pursuant to this chapter.

15 (e) Classify as confidential certain records and information  
16 obtained by the Division when those matters are obtained from a  
17 governmental agency upon the express condition that they remain  
18 confidential. This paragraph does not limit examination by ~~the~~ :

19 (1) *The* Legislative Auditor ~~+~~; or

20 (2) *The Department of Taxation if necessary to carry out*  
21 *the provisions of sections 93.12 to 93.72, inclusive, of this act.*

22 (f) Conduct such examinations and investigations as are  
23 necessary to ensure that mortgage brokers meet the requirements of  
24 this chapter for obtaining a license, both at the time of the  
25 application for a license and thereafter on a continuing basis.

26 3. For each special audit, investigation or examination, a  
27 mortgage broker shall pay a fee based on the rate established  
28 pursuant to NRS 658.101.

29 **Sec. 216.** NRS 645B.670 is hereby amended to read as  
30 follows:

31 645B.670 Except as otherwise provided in NRS 645B.690:

32 1. For each violation committed by an applicant, whether or  
33 not he is issued a license, the Commissioner may impose upon the  
34 applicant an administrative fine of not more than \$10,000, if the  
35 applicant:

36 (a) Has knowingly made or caused to be made to the  
37 Commissioner any false representation of material fact;

38 (b) Has suppressed or withheld from the Commissioner any  
39 information which the applicant possesses and which, if submitted  
40 by him, would have rendered the applicant ineligible to be licensed  
41 pursuant to the provisions of this chapter; or

42 (c) Has violated any provision of this chapter, a regulation  
43 adopted pursuant to this chapter or an order of the Commissioner in  
44 completing and filing his application for a license or during the  
45 course of the investigation of his application for a license.



- 1       2. For each violation committed by a licensee, the  
2 Commissioner may impose upon the licensee an administrative fine  
3 of not more than \$10,000, may suspend, revoke or place conditions  
4 upon his license, or may do both, if the licensee, whether or not  
5 acting as such:
- 6       (a) Is insolvent;
- 7       (b) Is grossly negligent or incompetent in performing any act for  
8 which he is required to be licensed pursuant to the provisions of this  
9 chapter;
- 10       (c) Does not conduct his business in accordance with law or has  
11 violated any provision of this chapter, a regulation adopted pursuant  
12 to this chapter or an order of the Commissioner;
- 13       (d) Is in such financial condition that he cannot continue in  
14 business with safety to his customers;
- 15       (e) Has made a material misrepresentation in connection with  
16 any transaction governed by this chapter;
- 17       (f) Has suppressed or withheld from a client any material facts,  
18 data or other information relating to any transaction governed by the  
19 provisions of this chapter which the licensee knew or, by the  
20 exercise of reasonable diligence, should have known;
- 21       (g) Has knowingly made or caused to be made to the  
22 Commissioner any false representation of material fact or has  
23 suppressed or withheld from the Commissioner any information  
24 which the licensee possesses and which, if submitted by him, would  
25 have rendered the licensee ineligible to be licensed pursuant to the  
26 provisions of this chapter;
- 27       (h) Has failed to account to persons interested for all money  
28 received for a trust account;
- 29       (i) Has refused to permit an examination by the Commissioner  
30 of his books and affairs or has refused or failed, within a reasonable  
31 time, to furnish any information or make any report that may be  
32 required by the Commissioner pursuant to the provisions of this  
33 chapter or a regulation adopted pursuant to this chapter;
- 34       (j) Has been convicted of, or entered a plea of nolo contendere  
35 to, a felony or any crime involving fraud, misrepresentation or  
36 moral turpitude;
- 37       (k) Has refused or failed to pay, within a reasonable time, any  
38 fees, assessments, costs or expenses that the licensee is required to  
39 pay pursuant to this chapter or a regulation adopted pursuant to this  
40 chapter;
- 41       (l) Has failed to satisfy a claim made by a client which has been  
42 reduced to judgment;
- 43       (m) Has failed to account for or to remit any money of a client  
44 within a reasonable time after a request for an accounting or  
45 remittal;



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1 (n) Has commingled the money or other property of a client  
2 with his own or has converted the money or property of others to his  
3 own use;

4 (o) Has engaged in any other conduct constituting a deceitful,  
5 fraudulent or dishonest business practice;

6 (p) Has repeatedly violated the policies and procedures of the  
7 mortgage broker;

8 (q) Has failed to exercise reasonable supervision over the  
9 activities of a mortgage agent as required by NRS 645B.460;

10 (r) Has instructed a mortgage agent to commit an act that would  
11 be cause for the revocation of the license of the mortgage broker,  
12 whether or not the mortgage agent commits the act;

13 (s) Has employed a person as a mortgage agent or authorized a  
14 person to be associated with the licensee as a mortgage agent at a  
15 time when the licensee knew or, in light of all the surrounding facts  
16 and circumstances, reasonably should have known that the person:

17 (1) Had been convicted of, or entered a plea of nolo  
18 contendere to, a felony or any crime involving fraud,  
19 misrepresentation or moral turpitude; or

20 (2) Had a financial services license or registration suspended  
21 or revoked within the immediately preceding 10 years; ~~for~~

22 (t) *Has failed to pay the franchise tax imposed pursuant to the*  
23 *provisions of sections 93.12 to 93.72, inclusive, of this act; or*

24 (u) Has not conducted verifiable business as a mortgage broker  
25 for 12 consecutive months, except in the case of a new applicant.  
26 The Commissioner shall determine whether a mortgage broker is  
27 conducting business by examining the monthly reports of activity  
28 submitted by the licensee or by conducting an examination of the  
29 licensee.

30 **Sec. 217.** NRS 645E.300 is hereby amended to read as  
31 follows:

32 645E.300 1. Subject to the administrative control of the  
33 Director of the Department of Business and Industry, the  
34 Commissioner shall exercise general supervision and control over  
35 mortgage companies doing business in this state.

36 2. In addition to the other duties imposed upon him by law, the  
37 Commissioner shall:

38 (a) Adopt any regulations that are necessary to carry out the  
39 provisions of this chapter, except as to loan fees.

40 (b) Conduct such investigations as may be necessary to  
41 determine whether any person has violated any provision of this  
42 chapter, a regulation adopted pursuant to this chapter or an order of  
43 the Commissioner.

44 (c) Conduct an annual examination of each mortgage company  
45 doing business in this state.



1 (d) Conduct such other examinations, periodic or special audits,  
2 investigations and hearings as may be necessary and proper for the  
3 efficient administration of the laws of this state regarding mortgage  
4 companies.

5 (e) Classify as confidential certain records and information  
6 obtained by the Division when those matters are obtained from a  
7 governmental agency upon the express condition that they remain  
8 confidential. This paragraph does not limit examination by ~~the~~ :

9 (1) *The* Legislative Auditor ~~[-]~~; or

10 (2) *The Department of Taxation if necessary to carry out*  
11 *the provisions of sections 93.12 to 93.72, inclusive, of this act.*

12 (f) Conduct such examinations and investigations as are  
13 necessary to ensure that mortgage companies meet the requirements  
14 of this chapter for obtaining a license, both at the time of the  
15 application for a license and thereafter on a continuing basis.

16 3. For each special audit, investigation or examination, a  
17 mortgage company shall pay a fee based on the rate established  
18 pursuant to NRS 658.101.

19 **Sec. 218.** NRS 645E.670 is hereby amended to read as  
20 follows:

21 645E.670 1. For each violation committed by an applicant,  
22 whether or not he is issued a license, the Commissioner may impose  
23 upon the applicant an administrative fine of not more than \$10,000,  
24 if the applicant:

25 (a) Has knowingly made or caused to be made to the  
26 Commissioner any false representation of material fact;

27 (b) Has suppressed or withheld from the Commissioner any  
28 information which the applicant possesses and which, if submitted  
29 by him, would have rendered the applicant ineligible to be licensed  
30 pursuant to the provisions of this chapter; or

31 (c) Has violated any provision of this chapter, a regulation  
32 adopted pursuant to this chapter or an order of the Commissioner in  
33 completing and filing his application for a license or during the  
34 course of the investigation of his application for a license.

35 2. For each violation committed by a licensee, the  
36 Commissioner may impose upon the licensee an administrative fine  
37 of not more than \$10,000, may suspend, revoke or place conditions  
38 upon his license, or may do both, if the licensee, whether or not  
39 acting as such:

40 (a) Is insolvent;

41 (b) Is grossly negligent or incompetent in performing any act for  
42 which he is required to be licensed pursuant to the provisions of this  
43 chapter;



- 1 (c) Does not conduct his business in accordance with law or has  
2 violated any provision of this chapter, a regulation adopted pursuant  
3 to this chapter or an order of the Commissioner;
- 4 (d) Is in such financial condition that he cannot continue in  
5 business with safety to his customers;
- 6 (e) Has made a material misrepresentation in connection with  
7 any transaction governed by this chapter;
- 8 (f) Has suppressed or withheld from a client any material facts,  
9 data or other information relating to any transaction governed by the  
10 provisions of this chapter which the licensee knew or, by the  
11 exercise of reasonable diligence, should have known;
- 12 (g) Has knowingly made or caused to be made to the  
13 Commissioner any false representation of material fact or has  
14 suppressed or withheld from the Commissioner any information  
15 which the licensee possesses and which, if submitted by him, would  
16 have rendered the licensee ineligible to be licensed pursuant to the  
17 provisions of this chapter;
- 18 (h) Has failed to account to persons interested for all money  
19 received for a trust account;
- 20 (i) Has refused to permit an examination by the Commissioner  
21 of his books and affairs or has refused or failed, within a reasonable  
22 time, to furnish any information or make any report that may be  
23 required by the Commissioner pursuant to the provisions of this  
24 chapter or a regulation adopted pursuant to this chapter;
- 25 (j) Has been convicted of, or entered a plea of nolo contendere  
26 to, a felony or any crime involving fraud, misrepresentation or  
27 moral turpitude;
- 28 (k) Has refused or failed to pay, within a reasonable time, any  
29 fees, assessments, costs or expenses that the licensee is required to  
30 pay pursuant to this chapter or a regulation adopted pursuant to this  
31 chapter;
- 32 (l) *Has failed to pay the franchise tax imposed pursuant to the*  
33 *provisions of sections 93.12 to 93.72, inclusive, of this act;*
- 34 (m) Has failed to satisfy a claim made by a client which has  
35 been reduced to judgment;
- 36 ~~(m)~~ (n) Has failed to account for or to remit any money of a  
37 client within a reasonable time after a request for an accounting or  
38 remittal;
- 39 ~~(n)~~ (o) Has commingled the money or other property of a  
40 client with his own or has converted the money or property of others  
41 to his own use; or
- 42 ~~(o)~~ (p) Has engaged in any other conduct constituting a  
43 deceitful, fraudulent or dishonest business practice.



- 1     **Sec. 219.** NRS 649.395 is hereby amended to read as follows:  
2     649.395 1. The Commissioner may impose an administrative  
3 fine, not to exceed \$500 for each violation, or suspend or revoke the  
4 license of a collection agency, or both impose a fine and suspend or  
5 revoke the license, by an order made in writing and filed in his  
6 office and served on the licensee by registered or certified mail at  
7 the address shown in the records of the Commissioner, if:  
8     (a) The licensee is adjudged liable in any court of law for breach  
9 of any bond given under the provisions of this chapter; ~~for~~  
10    (b) After notice and hearing, the licensee is found guilty of:  
11       (1) Fraud or misrepresentation;  
12       (2) An act or omission inconsistent with the faithful  
13 discharge of his duties and obligations; or  
14       (3) A violation of any provision of this chapter ~~or~~; *or*  
15    (c) *The Commissioner determines that the licensee has failed*  
16 *to pay the franchise tax imposed pursuant to the provisions of*  
17 *sections 93.12 to 93.72, inclusive, of this act.*  
18    2. The Commissioner may suspend or revoke the license of a  
19 collection agency without notice and hearing if:  
20    (a) The suspension or revocation is necessary for the immediate  
21 protection of the public; and  
22    (b) The licensee is afforded a hearing to contest the suspension  
23 or revocation within 20 days after the written order of suspension or  
24 revocation is served upon the licensee.  
25    3. Upon revocation of his license, all rights of the licensee  
26 under this chapter terminate, and no application may be received  
27 from any person whose license has once been revoked.  
28    **Sec. 220.** NRS 658.151 is hereby amended to read as follows:  
29    658.151 1. The Commissioner may forthwith take possession  
30 of the business and property of any depository institution to which  
31 this title or title 56 of NRS applies when it appears that the  
32 depository institution:  
33    (a) Has violated its charter or any laws applicable thereto.  
34    (b) Is conducting its business in an unauthorized or unsafe  
35 manner.  
36    (c) Is in an unsafe or unsound condition to transact its business.  
37    (d) Has an impairment of its stockholders' or members' equity.  
38    (e) Has refused to pay its depositors in accordance with the  
39 terms on which such deposits were received, or has refused to pay  
40 its holders of certificates of indebtedness or investment in  
41 accordance with the terms upon which those certificates of  
42 indebtedness or investment were sold.  
43    (f) Has become otherwise insolvent.  
44    (g) Has neglected or refused to comply with the terms of a  
45 lawful order of the Commissioner.



1 (h) Has refused, upon proper demand, to submit its records,  
2 affairs and concerns for inspection and examination of an appointed  
3 or authorized examiner of the Commissioner.

4 (i) Has made a voluntary assignment of its assets to trustees.

5 *(j) Has failed to pay the franchise tax imposed pursuant to the*  
6 *provisions of sections 93.12 to 93.72, inclusive, of this act.*

7 2. The Commissioner also may forthwith take possession of the  
8 business and property of any depository institution to which this title  
9 or title 56 of NRS applies when it appears that the officers of the  
10 depository institution have refused to be examined upon oath  
11 regarding its affairs.

12 **Sec. 221.** NRS 665.133 is hereby amended to read as follows:

13 665.133 1. The records and information described in NRS  
14 665.130 may be disclosed to:

15 (a) An agency of the Federal Government or of another state  
16 which regulates the financial institution which is the subject of the  
17 records or information;

18 (b) The Director of the Department of Business and Industry for  
19 his confidential use;

20 (c) The State Board of Finance for its confidential use, if the  
21 report or other information is necessary for the State Board of  
22 Finance to perform its duties under this title;

23 *(d) The Department of Taxation for its use in carrying out the*  
24 *provisions of sections 93.12 to 93.72, inclusive, of this act;*

25 *(e)* An entity which insures or guarantees deposits;

26 ~~[(e)]~~ *(f)* A public officer authorized to investigate criminal  
27 charges in connection with the affairs of the depository institution;

28 ~~[(f)]~~ *(g)* A person preparing a proposal for merging with or  
29 acquiring an institution or holding company, but only after notice of  
30 the disclosure has been given to the institution or holding company;

31 ~~[(g)]~~ *(h)* Any person to whom the subject of the report has  
32 authorized the disclosure;

33 ~~[(h)]~~ *(i)* Any other person if the Commissioner determines, after  
34 notice and opportunity for hearing, that disclosure is in the public  
35 interest and outweighs any potential harm to the depository  
36 institution and its stockholders, members, depositors and creditors;  
37 and

38 ~~[(i)]~~ *(j)* Any court in a proceeding initiated by the  
39 Commissioner concerning the financial institution.

40 2. All the reports made available pursuant to this section  
41 remain the property of the Division of Financial Institutions, and no  
42 person, agency or authority to whom the reports are made available,  
43 or any officer, director or employee thereof, may disclose any of the  
44 reports or any information contained therein, except in published





1 statistical material that does not disclose the affairs of any natural  
2 person or corporation.

3 **Sec. 222.** NRS 673.484 is hereby amended to read as follows:  
4 673.484 The Commissioner may after notice and hearing  
5 suspend or revoke the charter of any association for ~~repeated~~ :

6 *1. Repeated* failure to abide by the provisions of this chapter or  
7 the regulations adopted thereunder.

8 *2. Failure to pay the franchise tax imposed pursuant to the*  
9 *provisions of sections 93.12 to 93.72, inclusive, of this act.*

10 **Sec. 223.** NRS 675.440 is hereby amended to read as follows:

11 675.440 1. If the Commissioner has reason to believe that  
12 grounds for revocation or suspension of a license exist, he shall give  
13 20 days' written notice to the licensee stating the contemplated  
14 action and, in general, the grounds therefor and set a date for a  
15 hearing.

16 2. At the conclusion of a hearing, the Commissioner shall:

17 (a) Enter a written order either dismissing the charges, revoking  
18 the license, or suspending the license for a period of not more than  
19 60 days, which period must include any prior temporary suspension.  
20 A copy of the order must be sent by registered or certified mail to  
21 the licensee.

22 (b) Impose upon the licensee a fine of \$500 for each violation by  
23 the licensee of any provision of this chapter or any lawful regulation  
24 adopted under it.

25 (c) If a fine is imposed pursuant to this section, enter such order  
26 as is necessary to recover the costs of the proceeding, including his  
27 investigative costs and attorney's fees.

28 3. The grounds for revocation or suspension of a license are  
29 that:

30 (a) The licensee has failed to pay the annual license fee;

31 (b) The licensee, either knowingly or without any exercise of  
32 due care to prevent it, has violated any provision of this chapter or  
33 any lawful regulation adopted under it;

34 (c) *The licensee has failed to pay the franchise tax imposed*  
35 *pursuant to the provisions of sections 93.12 to 93.72, inclusive, of*  
36 *this act;*

37 (d) Any fact or condition exists which would have justified the  
38 Commissioner in denying the licensee's original application for a  
39 license hereunder; or

40 ~~[(d)]~~ (e) The applicant failed to open an office for the conduct  
41 of the business authorized under this chapter within 120 days from  
42 the date the license was issued, or has failed to remain open for the  
43 conduct of the business for a period of 120 days without good cause  
44 therefor.



1 4. Any revocation or suspension applies only to the license  
2 granted to a person for the particular office for which grounds for  
3 revocation or suspension exist.

4 5. An order suspending or revoking a license becomes effective  
5 5 days after being entered unless the order specifies otherwise or a  
6 stay is granted.

7 **Sec. 224.** NRS 676.290 is hereby amended to read as follows:

8 676.290 1. The Commissioner may, pursuant to the  
9 procedure provided in this chapter, deny, suspend or revoke any  
10 license for which application has been made or which has been  
11 issued under the provisions of this chapter if he finds, as to the  
12 licensee, its associates, directors or officers, grounds for action.

13 2. Any one of the following grounds may provide the requisite  
14 grounds for denial, suspension or revocation:

15 (a) Conviction of a felony or of a misdemeanor involving moral  
16 turpitude.

17 (b) Violation of any of the provisions of this chapter or  
18 regulations of the Commissioner.

19 (c) Fraud or deceit in procuring the issuance of the license.

20 (d) Continuous course of unfair conduct.

21 (e) Insolvency, filing in bankruptcy, receivership or assigning  
22 for the benefit of creditors by any licensee or applicant for a license  
23 under this chapter.

24 (f) *Failure to pay the franchise tax imposed pursuant to the*  
25 *provisions of sections 93.12 to 93.72, inclusive, of this act.*

26 (g) Failure to pay the fee for renewal or reinstatement of a  
27 license.

28 3. The Commissioner shall, after notice and hearing, impose  
29 upon the licensee a fine of \$500 for each violation by the licensee of  
30 any of the provisions of this chapter or regulations of the  
31 Commissioner. If a fine is imposed pursuant to this section, the  
32 costs of the proceeding, including investigative costs and attorney's  
33 fees, may be recovered by the Commissioner.

34 **Sec. 225.** NRS 677.510 is hereby amended to read as follows:

35 677.510 1. If the Commissioner has reason to believe that  
36 grounds for revocation or suspension of a license exist, he shall give  
37 20 days' written notice to the licensee stating the contemplated  
38 action and, in general, the grounds therefor and set a date for a  
39 hearing.

40 2. At the conclusion of a hearing, the Commissioner shall:

41 (a) Enter a written order either dismissing the charges, or  
42 revoking the license, or suspending the license for a period of not  
43 more than 60 days, which period must include any prior temporary  
44 suspension. A copy of the order must be sent by registered or  
45 certified mail to the licensee.



1 (b) Impose upon the licensee a fine of \$500 for each violation by  
2 the licensee of any provision of this chapter or any lawful regulation  
3 adopted pursuant thereto.

4 (c) If a fine is imposed pursuant to this section, enter such order  
5 as is necessary to recover the costs of the proceeding, including his  
6 investigative costs and attorney's fees.

7 3. The grounds for revocation or suspension of a license are  
8 that:

9 (a) The licensee has failed to pay the annual license fee;

10 (b) The licensee, either knowingly or without any exercise of  
11 due care to prevent it, has violated any provision of this chapter, or  
12 any lawful regulation adopted pursuant thereto;

13 (c) *The licensee has failed to pay the franchise tax imposed*  
14 *pursuant to the provisions of sections 93.12 to 93.72, inclusive, of*  
15 *this act;*

16 (d) Any fact or condition exists which would have justified the  
17 Commissioner in denying the licensee's original application for a  
18 license hereunder; or

19 ~~[(d)]~~ (e) The applicant failed to open an office for the conduct  
20 of the business authorized under this chapter within 120 days from  
21 the date the license was issued, or has failed to remain open for the  
22 conduct of the business for a period of 120 days without good cause  
23 therefor.

24 4. Any revocation or suspension applies only to the license  
25 granted to a person for the particular office for which grounds for  
26 revocation or suspension exist.

27 5. An order suspending or revoking a license becomes effective  
28 5 days after being entered unless the order specifies otherwise or a  
29 stay is granted.

30 **Sec. 226.** (Deleted.)

31 **Sec. 227.** NRS 680B.037 is hereby amended to read as  
32 follows:

33 680B.037 ~~[Payment]~~

34 *1. Except as otherwise provided in subsection 2, payment* by  
35 an insurer of the tax imposed by NRS 680B.027 is in lieu of all  
36 taxes imposed by the State or any city, town or county upon  
37 premiums or upon income of insurers and of franchise, privilege or  
38 other taxes measured by income of the insurer.

39 *2. The provisions of subsection 1 do not apply to a franchise*  
40 *fee imposed pursuant to the provisions of sections 60 to 93,*  
41 *inclusive, of this act.*

42 **Sec. 227.5.** NRS 680B.037 is hereby amended to read as  
43 follows:

44 680B.037 1. Except as otherwise provided in subsection 2,  
45 payment by an insurer of the tax imposed by NRS 680B.027 is in



1 lieu of all taxes imposed by the State or any city, town or county  
2 upon premiums or upon income of insurers and of franchise,  
3 privilege or other taxes measured by income of the insurer.

4 2. The provisions of subsection 1 do not apply to a franchise  
5 fee *or franchise tax* imposed pursuant to the provisions of sections  
6 60 to 93, inclusive, *or 93.12 to 93.72, inclusive*, of this act.

7 **Sec. 228.** NRS 687A.130 is hereby amended to read as  
8 follows:

9 687A.130 The Association is exempt from payment of all fees  
10 and all taxes levied by this state or any of its subdivisions, except  
11 ~~{taxes}~~ :

12 1. *Taxes* levied on real or personal property.

13 2. *A franchise fee imposed pursuant to sections 60 to 93,*  
14 *inclusive, of this act.*

15 **Sec. 228.5.** NRS 687A.130 is hereby amended to read as  
16 follows:

17 687A.130 The Association is exempt from payment of all fees  
18 and all taxes levied by this state or any of its subdivisions, except:

19 1. Taxes levied on real or personal property.

20 2. A franchise fee *or franchise tax* imposed pursuant to  
21 sections 60 to 93, inclusive, *or 93.12 to 93.72, inclusive*, of this act.

22 **Sec. 229.** 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



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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 *a franchise fee imposed pursuant to the provisions of sections*  
21 *60 to 93, inclusive, of this act and* ad valorem taxes on real or  
22 personal property located in this state used in the production of  
23 income by the 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. 229.3.** 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 a  
44 franchise fee *or franchise tax* imposed pursuant to the provisions of  
45 sections 60 to 93, inclusive, *or 93.12 to 93.72, inclusive*, of this act



1 and ad valorem taxes on real or personal property located in this  
2 state used 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. 229.7.** Section 62 of this act is hereby amended to read as  
25 follows:

26 Sec. 62. 1. "Business entity" includes:

27 (a) A corporation, partnership, proprietorship, limited-  
28 liability company, business association, joint venture, limited-  
29 liability partnership, business trust and their equivalents  
30 organized under the laws of this state or another jurisdiction  
31 and any other type of entity that engages in business; and

32 (b) A natural person engaging in a business if he is  
33 deemed to be a business entity pursuant to section 74 of this  
34 act.

35 2. The term does not include:

36 (a) A governmental entity;

37 (b) A nonprofit religious, charitable, fraternal or other  
38 organization that qualifies as a tax-exempt organization  
39 pursuant to 26 U.S.C. § 501(c), unless the organization has  
40 taxable income for the purposes of federal income taxation  
41 from any unrelated trade or business, as defined in 26 U.S.C.  
42 § 513; ~~for~~

43 (c) A person who operates a business from his home and  
44 earns from that business not more than 66 2/3 percent of the  
45 average annual wage, as computed for the preceding calendar





year pursuant to chapter 612 of NRS and rounded to the nearest hundred dollars ~~H~~; or

*(d) A financial institution that is required to pay a franchise tax pursuant to section 93.36 of this act.*

**Sec. 230.** Section 101 of this act is hereby amended to read as follows:

Sec. 101. 1. Except as otherwise provided in subsection 8, a person shall not conduct a business in this state unless he has a business license issued by the Department.

2. An application for a business license must:

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

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

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

(d) Be accompanied by a fee of \$75; and

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

3. The application must be signed by:

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

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

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

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

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

6. The business license required to be obtained pursuant to this section is in addition to any license to conduct business



1 that must be obtained from the local jurisdiction in which the  
2 business is being conducted.

3 7. For the purposes of sections 96 to 101, inclusive, of  
4 this act, a person shall be deemed to conduct a business in  
5 this state if a business for which the person is responsible:

6 (a) Is organized pursuant to title 7 of NRS, other than a  
7 business organized pursuant to chapter 82 or 84 of NRS;

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

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

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

17 **Sec. 231.** Section 6 of chapter 458, Statutes of Nevada 1999,  
18 at page 2133, is hereby amended to read as follows:

19 Sec. 6. The amendatory provisions of *sections 2 to 5,*  
20 *inclusive, of* this act expire by limitation on October 1, 2029.

21 **Sec. 232.** 1. NRS 353.272, 364A.160, 375.025, 375.075,  
22 463.4001, 463.4002, 463.4004, 463.4006, 463.4008, 463.4009 and  
23 463.4015 are hereby repealed.

24 2. NRS 364A.010, 364A.020, 364A.030, 364A.040, 364A.050,  
25 364A.060, 364A.070, 364A.080, 364A.090, 364A.100, 364A.110,  
26 364A.120, 364A.130, 364A.135, 364A.140, 364A.150, 364A.151,  
27 364A.152, 364A.1525, 364A.170, 364A.175, 364A.180, 364A.190,  
28 364A.230, 364A.240, 364A.250, 364A.260, 364A.270, 364A.280,  
29 364A.290, 364A.300, 364A.310, 364A.320, 364A.330, 364A.340,  
30 364A.350, 463.401, 463.402, 463.403, 463.404, 463.4045, 463.405,  
31 463.4055 and 463.406 are hereby repealed.

32 **Sec. 233.** Except as otherwise provided by specific statute:

33 1. After the close of the 2003-2004 Fiscal Year and after the  
34 close of the 2004-2005 Fiscal Year, the Interim Finance Committee  
35 shall determine the amount, if any, by which the total revenue from  
36 all sources to the State General Fund, excluding reversions to the  
37 State General Fund, exceeds:

38 (a) One hundred seven percent of the total revenue from all  
39 sources to the State General Fund as projected by the 2003  
40 Legislature for the applicable fiscal year; and

41 (b) The total amount of all applicable contingent appropriations  
42 enacted by the 2003 Legislature for which the conditions for the  
43 contingent appropriations were satisfied.

44 2. If the amount determined pursuant to subsection 1 is greater  
45 than \$0, the Interim Finance Committee, upon making the



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1 determination, shall cause to be transferred from the State General  
2 Fund to the Fund to Stabilize the Operation of the State Government  
3 created by NRS 353.288 the portion of the amount determined  
4 pursuant to subsection 1 that may be transferred without exceeding  
5 the permissible balance of the Fund to Stabilize the Operation of the  
6 State Government as set forth in NRS 353.288.

7 3. If less than the full amount determined pursuant to  
8 subsection 1 is transferred to the Fund to Stabilize the Operation of  
9 the State Government pursuant to subsection 2, the Interim Finance  
10 Committee shall cause to be transferred from the State General Fund  
11 to the Fund for Tax Accountability created by section 234 of this act  
12 the remainder of the amount determined pursuant to subsection 1.

13 **Sec. 234.** 1. The Fund for Tax Accountability is hereby  
14 created as a special revenue fund.

15 2. Money from the Fund may be appropriated only for the  
16 purpose of supplementing future revenue of this state to allow the  
17 reduction of the rate or amount of a tax or fee.

18 3. This section does not authorize a refund or other return of  
19 any tax or fee paid to this state pursuant to any statute or regulation  
20 in effect at the time the tax or fee was paid.

21 **Sec. 235.** 1. Notwithstanding the provisions of this act and  
22 any other provision of law to the contrary, a public utility or local  
23 government franchisee may increase its previously approved rates  
24 by an amount which is reasonably estimated to produce an amount  
25 of revenue equal to the amount of any tax liability incurred by the  
26 public utility or local government franchisee before January 1, 2005,  
27 as a result of the provisions of this act.

28 2. For the purposes of this section:

29 (a) "Local government franchisee" means a person to whom a  
30 local government has granted a franchise for the provision of  
31 services who is required to obtain the approval of a governmental  
32 entity to increase any of the rates it charges for those services.

33 (b) "Public utility" means a public utility that is required to  
34 obtain the approval of a governmental entity to increase any of the  
35 rates it charges for a utility service.

36 **Sec. 236.** 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 20th  
44 Special Session of the Nevada Legislature.



1     **Sec. 237.** 1. There is hereby appropriated from the State  
2 General Fund to the Interim Finance Committee for allocation to the  
3 Legislative Committee on Taxation, Public Revenue and Tax Policy  
4 to exercise its powers pursuant to section 166 of this act, including,  
5 without limitation, to hire a consultant:

6  
7             For the Fiscal Year 2003-2004..... \$125,000  
8             For the Fiscal Year 2004-2005..... \$125,000  
9

10     2. The Interim Finance Committee may allocate to the  
11 Legislative Committee on Taxation, Public Revenue and Tax Policy  
12 all or any portion of the money appropriated by subsection 1.

13     3. The sums appropriated by subsection 1 are available for  
14 either fiscal year. Any balance of those sums must not be committed  
15 for expenditure after June 30, 2005, and reverts to the State General  
16 Fund as soon as all payments of money committed have been made.

17     **Sec. 237.10.** 1. There is hereby appropriated from the State  
18 General Fund to the State Distributive School Account the sum of  
19 \$108,937,389 for distribution by the Superintendent of Public  
20 Instruction to the county school districts for Fiscal Year 2003-2004  
21 which must, except as otherwise provided in sections 237.14 and  
22 237.18 of this act, be used to employ teachers to comply with the  
23 required ratio of pupils to teachers, as set forth in NRS 388.700, in  
24 grades 1 and 2 and in selected kindergartens with pupils who are  
25 considered at risk of failure by the Superintendent of Public  
26 Instruction and to maintain the current ratio of pupils per teacher in  
27 grade 3. Expenditures for the class-size reduction program must be  
28 accounted for in a separate category of expenditure in the State  
29 Distributive School Account.

30     2. Except as otherwise provided in sections 237.14 and 237.18  
31 of this act, the money appropriated by subsection 1 must be used to  
32 pay the salaries and benefits of not less than 1,887 teachers  
33 employed by school districts to meet the required pupil-teacher  
34 ratios in the 2003-2004 school year.

35     3. Any remaining balance of the sum appropriated by  
36 subsection 1 must not be committed for expenditure after June 30,  
37 2004, and must be transferred and added to the money appropriated  
38 to the State Distributive School Account pursuant to section 237.12  
39 of this act for the 2004-2005 Fiscal Year, and may be expended as  
40 that money is expended.

41     **Sec. 237.12.** 1. There is hereby appropriated from the State  
42 General Fund to the State Distributive School Account the sum of  
43 \$117,142,553 for distribution by the Superintendent of Public  
44 Instruction to the county school districts for Fiscal Year 2004-2005  
45 which must, except as otherwise provided in sections 237.14 and



1 237.18 of this act, be used to employ teachers to comply with the  
2 required ratio of pupils to teachers, as set forth in NRS 388.700, in  
3 grades 1 and 2 and in selected kindergartens with pupils who are  
4 considered at risk of failure by the Superintendent of Public  
5 Instruction and to maintain the current ratio of pupils per teacher in  
6 grade 3. Expenditures for the class-size reduction program must be  
7 accounted for in a separate category of expenditure in the State  
8 Distributive School Account.

9 2. Except as otherwise provided in sections 237.14 and 237.18  
10 of this act, the money appropriated by subsection 1 must be used to  
11 pay the salaries and benefits of not less than 1,953 teachers  
12 employed by school districts to meet the required pupil-teacher  
13 ratios in the 2004-2005 school year.

14 3. Any remaining balance of the sum appropriated by  
15 subsection 1, including any money added thereto pursuant to section  
16 237.10 of this act, must not be committed for expenditure after  
17 June 30, 2005, and reverts to the State General Fund as soon as all  
18 payments of money committed have been made.

19 **Sec. 237.14.** 1. Except as otherwise provided in subsection  
20 2, the board of trustees of each county school district:

21 (a) Shall file a plan with the Superintendent of Public Instruction  
22 describing how the money appropriated by sections 237.10 and  
23 237.12 of this act will be used to comply with the required ratio of  
24 pupils to teachers in kindergarten and grades 1, 2 and 3; or

25 (b) May, after receiving approval of the plan from the  
26 Superintendent of Public Instruction, use the money appropriated by  
27 sections 237.10 and 237.12 of this act to carry out an alternative  
28 program for reducing the ratio of pupils per teacher or to carry out  
29 programs of remedial education that have been found to be effective  
30 in improving pupil achievement in grades 1, 2 and 3, so long as the  
31 combined ratio of pupils per teacher in the aggregate of kindergarten  
32 and grades 1, 2 and 3 of the school district does not exceed the  
33 combined ratio of pupils per teacher in the aggregate of kindergarten  
34 and grades 1, 2 and 3 of the school district in the 2000-2001 school  
35 year. The plan approved by the Superintendent of Public Instruction  
36 must describe the method to be used by the school district to  
37 evaluate the effectiveness of the alternative program or remedial  
38 programs in improving pupil achievement.

39 2. In lieu of complying with subsection 1, the board of trustees  
40 of a school district that is located in a county whose population is  
41 less than 100,000 may, after receiving approval of the plan from the  
42 Superintendent of Public Instruction, use the money appropriated by  
43 sections 237.10 and 237.12 of this act to carry out a program in  
44 which alternative pupil-teacher ratios are carried out in grades 1  
45 through 5 or grades 1 through 6, as applicable. Alternative ratios for



1 grade 6 may only be approved for those school districts that include  
2 grade 6 in elementary school. The alternative pupil-teacher ratios  
3 shall not:

4 (a) Exceed 22 to 1 in grades 1, 2 and 3; and

5 (b) Exceed 25 to 1 in grades 4 and 5 or grades 4, 5 and 6, as  
6 applicable.

7 3. If a school district receives approval to carry out programs  
8 of remedial education pursuant to paragraph (b) of subsection 1 or to  
9 carry out alternative pupil-teacher ratios pursuant to subsection 2,  
10 the school district shall evaluate the effectiveness of the alternative  
11 program. The evaluation must include, without limitation, the effect  
12 of the alternative program on:

13 (a) Team-teaching;

14 (b) Pupil discipline; and

15 (c) The academic achievement of pupils.

16 4. A school district shall submit a written report of the results  
17 of the evaluation to the Superintendent of Public Instruction on or  
18 before December 1 of each year for the immediately preceding  
19 school year. The Superintendent of Public Instruction shall  
20 summarize the results of the evaluations and report the findings in  
21 an interim report to the Legislative Committee on Education on or  
22 before February 16, 2004.

23 5. On or before February 1, 2005, the Superintendent of Public  
24 Instruction shall submit a final written report of the results of the  
25 evaluations of alternative class-size reduction programs to the  
26 Legislative Bureau of Educational Accountability and Program  
27 Evaluation. On or before February 15, 2005, the Legislative Bureau  
28 of Educational Accountability and Program Evaluation shall submit  
29 a copy of the written report to the Director of the Legislative  
30 Counsel Bureau for transmission to the 73rd Session of the Nevada  
31 Legislature.

32 6. The interim report required pursuant to subsection 4 and the  
33 final written report required pursuant to subsection 5 must include,  
34 without limitation:

35 (a) The number of school districts for which an alternative class-  
36 size reduction program was approved;

37 (b) A description of the approved alternative class-size reduction  
38 programs; and

39 (c) The effect of the alternative class-size reduction programs  
40 on:

41 (1) Team teaching;

42 (2) Pupil discipline; and

43 (3) The academic achievement of pupils.

44 **Sec. 237.16.** 1. During the 2003-2005 biennium, a school  
45 district that is located in a county whose population is 100,000 or



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1 more shall study the current class-sizes in the school district for  
2 grades 1 to 5, inclusive, to determine whether alternative pupil-  
3 teacher ratios may:

- 4 (a) Improve the academic achievement of pupils;
- 5 (b) Decrease pupil discipline; or
- 6 (c) Decrease or eliminate team-teaching in grades 1 and 2.

7 2. In conducting the study, the school district shall consider the  
8 costs that would be associated with carrying out the alternative  
9 pupil-teacher ratios, including, without limitation, the:

- 10 (a) Number of additional classrooms needed; and
- 11 (b) Number of additional teachers needed.

12 3. On or before February 15, 2005, each school district that  
13 conducts a study of alternative pupil-teacher ratios pursuant to this  
14 section shall submit a written report of its findings concerning  
15 alternative pupil-teacher ratios to the:

- 16 (a) Director of the Legislative Counsel Bureau for transmission  
17 to the 73rd Session of the Nevada Legislature;
- 18 (b) Legislative Bureau of Educational Accountability and  
19 Program Evaluation; and
- 20 (c) State Board of Education.

21 **Sec. 237.18.** 1. The money appropriated for class-size  
22 reduction pursuant to sections 237.10 and 237.12 of this act:

23 (a) May be applied first to pupils considered most at risk of  
24 failure.

25 (b) Must not be used to settle or arbitrate disputes between a  
26 recognized organization representing employees of a school district  
27 and the school district, or to settle any negotiations.

28 (c) Must not be used to adjust the district-wide schedules of  
29 salaries and benefits of the employees of a school district.

30 2. The money appropriated for class-size reduction pursuant to  
31 sections 237.10 and 237.12 of this act must not be distributed to a  
32 school district unless that school district has:

33 (a) Filed with the Department of Education a plan for achieving  
34 the required ratio set forth in NRS 388.700; and

35 (b) Demonstrated that, from resources of the school district  
36 other than allocations received from the State Distributive School  
37 Account for class-size reduction, a sufficient number of classroom  
38 teachers have been employed to maintain the average pupil-teacher  
39 ratio that existed for each grade for grades 1, 2 and 3, in that school  
40 district for the 3 school years immediately preceding the start of the  
41 class-size reduction program in the 1990-1991 school year. In  
42 addition, if a school district uses the allocations received from the  
43 State Distributive School Account for class-size reduction to carry  
44 out an alternative class-size reduction program as set forth in  
45 subsection 2 of section 237.14 of this act, a sufficient number of





1 teachers have been employed to maintain the average pupil-teacher  
2 ratio that existed in each grade so reduced, in that school district for  
3 the 3 years immediately preceding the implementation of the  
4 alternative program.

5 **Sec. 237.20.** In no event may the alternative pupil-teacher  
6 ratios authorized pursuant to subsection 2 of section 237.14 of this  
7 act be carried out beyond the 2003-2005 biennium unless the 73rd  
8 Session of the Nevada Legislature determines that the alternative  
9 pupil-teacher ratios may be carried out after June 30, 2005.

10 **Sec. 237.22.** The basic support guarantee for school districts  
11 for operating purposes for the 2003-2004 Fiscal Year is an estimated  
12 weighted average of \$4,295 per pupil. For each respective school  
13 district, the basic support guarantee per pupil for the 2003-2004  
14 Fiscal Year is:

15

16	Carson City.....	\$4,923
17	Churchill County.....	\$5,418
18	Clark County.....	\$4,127
19	Douglas County.....	\$4,541
20	Elko County.....	\$5,307
21	Esmeralda County.....	\$9,169
22	Eureka County.....	\$3,495
23	Humboldt County.....	\$5,362
24	Lander County.....	\$4,836
25	Lincoln County.....	\$7,943
26	Lyon County.....	\$5,553
27	Mineral County.....	\$6,012
28	Nye County.....	\$5,561
29	Pershing County.....	\$6,385
30	Storey County.....	\$7,082
31	Washoe County.....	\$4,161
32	White Pine County.....	\$6,164

33 **Sec. 237.24.** 1. The basic support guarantee for school  
34 districts for operating purposes for the 2004-2005 Fiscal Year is an  
35 estimated weighted average of \$4,424 per pupil.

36 2. On or before April 1, 2004, the Department of Taxation shall  
37 provide a certified estimate of the assessed valuation for each school  
38 district for the 2004-2005 Fiscal Year. The assessed valuation for  
39 each school district must be that which is taxable for purposes of  
40 providing revenue to school districts, including any assessed  
41 valuation attributable to the net proceeds of minerals derived from  
42 within the boundaries of the district.

43 3. Pursuant to NRS 362.115, on or before April 25 of each  
44 year, the Department of Taxation shall provide an estimate of the



1 net proceeds of minerals based upon statements required of mine  
2 operators.

3 4. For purposes of establishing the basic support guarantee, the  
4 estimated basic support guarantees for each school district for the  
5 2004-2005 Fiscal Year for operating purposes are:

	Basic Support Guarantee Before Adjustment	Estimated Ad Valorem Adjustment	Estimated Basic Support Guarantee as Adjusted
11 School District			
12 Carson City	\$4,462	\$643	\$5,105
13 Churchill County	\$5,094	\$514	\$5,608
14 Clark County	\$3,328	\$921	\$4,249
15 Douglas County	\$3,196	\$1,451	\$4,647
16 Elko County	\$5,004	\$508	\$5,512
17 Esmeralda County	\$6,596	\$2,987	\$9,583
18 Eureka County	\$(5,236)	\$9,304	\$4,068
19 Humboldt County	\$5,006	\$642	\$5,648
20 Lander County	\$3,741	\$1,328	\$5,069
21 Lincoln County	\$7,519	\$664	\$8,183
22 Lyon County	\$5,149	\$593	\$5,742
23 Mineral County	\$5,792	\$473	\$6,265
24 Nye County	\$4,888	\$877	\$5,765
25 Pershing County	\$5,714	\$949	\$6,663
26 Storey County	\$5,559	\$1,848	\$7,407
27 Washoe County	\$3,393	\$908	\$4,301
28 White Pine County	\$5,915	\$482	\$6,397

29  
30 5. The ad valorem adjustment may be made only to take into  
31 account the difference in the assessed valuation and the estimated  
32 enrollment of the school district between the amount estimated as of  
33 April 1, 2003, and the amount estimated as of April 1, 2004, for the  
34 2004-2005 Fiscal Year. Estimates of net proceeds of minerals  
35 received from the Department of Taxation on or before April 25  
36 pursuant to subsection 3 must be taken into consideration in  
37 determining the adjustment.

38 6. Upon receipt of the certified estimates of assessed valuations  
39 as of April 1, 2004, from the Department of Taxation, the  
40 Department of Education shall recalculate the amount of ad valorem  
41 adjustment and the tentative basic support guarantee for operating  
42 purposes for the 2004-2005 Fiscal Year by April 15, 2004. The final  
43 basic support guarantee for each school district for the 2004-2005  
44 Fiscal Year is the amount, which is recalculated for the 2004-2005  
45 Fiscal Year pursuant to this section, taking into consideration



1 estimates of net proceeds of minerals received from the Department  
2 of Taxation on or before April 25, 2004. The basic support  
3 guarantee recalculated pursuant to this section must be calculated  
4 before May 31, 2004.

5 **Sec. 237.26.** 1. The basic support guarantee for each special  
6 education program unit that is maintained and operated for at least 9  
7 months of a school year is \$31,811 in the 2003-2004 Fiscal Year  
8 and \$32,447 in the 2004-2005 Fiscal Year, except as limited by  
9 subsection 2.

10 2. The maximum number of units and amount of basic support  
11 for special education program units within each of the school  
12 districts, before any reallocation pursuant to NRS 387.1221, for the  
13 Fiscal Years 2003-2004 and 2004-2005 are:

DISTRICT	Allocation of Special Education Units			
	2003-2004		2004-2005	
	Units	Amount	Units	Amount
Carson City	82	\$2,608,502	84	\$2,725,548
Churchill County	45	\$1,431,495	46	\$1,492,562
Clark County	1,594	\$50,706,734	1,661	\$53,894,467
Douglas County	64	\$2,035,904	65	\$2,109,055
Elko County	80	\$2,544,880	80	\$2,595,760
Esmeralda County	2	\$63,622	2	\$64,894
Eureka County	4	\$127,244	4	\$129,788
Humboldt County	30	\$954,330	30	\$973,410
Lander County	12	\$381,732	12	\$389,364
Lincoln County	17	\$540,787	17	\$551,599
Lyon County	56	\$1,781,416	57	\$1,849,479
Mineral County	12	\$381,732	12	\$389,364
Nye County	47	\$1,495,117	50	\$1,622,350
Pershing County	14	\$445,354	14	\$454,258
Storey County	8	\$254,488	8	\$259,576
Washoe County	491	\$15,619,201	510	\$16,547,970
White Pine County	17	\$540,787	16	\$519,152
Subtotal	2,575	\$81,913,325	2,668	\$86,568,596
Reserved by State				
Board of Education	40	\$1,272,440	40	\$1,297,880
TOTAL	2,615	\$83,185,765	2,708	\$87,866,476

39  
40 3. The State Board of Education shall reserve 40 special  
41 education program units in each fiscal year of the 2003-2005  
42 biennium, to be allocated to school districts by the State Board of  
43 Education to meet additional needs that cannot be met by the  
44 allocations provided in subsection 2 to school districts for that fiscal  
45 year. In addition, charter schools in this state are authorized to apply



1 directly to the Department of Education for the reserved special  
2 education program units, which may be allocated upon approval of  
3 the State Board of Education.

4 4. Notwithstanding the provisions of subsections 2 and 3, the  
5 State Board of Education is authorized to spend from the State  
6 Distributive School Account up to \$181,067 in the Fiscal Year  
7 2003-2004 for 5.69 special education program units and \$190,877 in  
8 the Fiscal Year 2004-2005 for 5.88 special education program units  
9 for instructional programs incorporating educational technology for  
10 gifted and talented pupils. Any school district may submit a written  
11 application to the Department of Education requesting one or more  
12 of the units for gifted and talented pupils. For each fiscal year of the  
13 2003-2005 biennium, the Department will award the units for gifted  
14 and talented pupils based on a review of applications received from  
15 school districts.

16 **Sec. 237.28.** 1. There is hereby appropriated from the State  
17 General Fund to the State Distributive School Account in the State  
18 General Fund created pursuant to NRS 387.030:

19  
20 For the 2003-2004 Fiscal Year..... \$637,789,627  
21 For the 2004-2005 Fiscal Year..... \$767,086,697  
22

23 2. The money appropriated by subsection 1 must be:

24 (a) Expended in accordance with NRS 353.150 to 353.245,  
25 inclusive, concerning the allotment, transfer, work program and  
26 budget; and

27 (b) Work-programmed for the 2 separate Fiscal Years  
28 2003-2004 and 2004-2005, as required by NRS 353.215. Work  
29 programs may be revised with the approval of the Governor upon  
30 the recommendation of the Chief of the Budget Division of the  
31 Department of Administration.

32 3. Transfers to and from allotments must be allowed and made  
33 in accordance with NRS 353.215 to 353.225, inclusive, after  
34 separate considerations of the merits of each request.

35 4. The sums appropriated by subsection 1 are available for  
36 either fiscal year or may be transferred to Fiscal Year 2002-2003.  
37 Money may be transferred from one fiscal year to another with the  
38 approval of the Governor upon the recommendation of the Chief of  
39 the Budget Division of the Department of Administration. If funds  
40 appropriated by subsection 1 are transferred to Fiscal Year  
41 2002-2003, any remaining funds in the State Distributive School  
42 Account after all obligations have been met that are not subject to  
43 reversion to the State General Fund must be transferred back to  
44 Fiscal Year 2003-2004. Any amount transferred back to Fiscal Year



1 2003-2004 must not exceed the amount originally transferred to  
2 Fiscal Year 2002-2003.

3 5. Any remaining balance of the appropriation made by  
4 subsection 1 for the 2003-2004 Fiscal Year must be transferred and  
5 added to the money appropriated for the 2004-2005 Fiscal Year and  
6 may be expended as that money is expended.

7 6. Any remaining balance of the appropriation made by  
8 subsection 1 for the 2004-2005 Fiscal Year, including any money  
9 added thereto pursuant to the provisions of subsections 3 and 5,  
10 must not be committed for expenditure after June 30, 2005, and  
11 reverts to the State General Fund as soon as all payments of money  
12 committed have been made.

13 **Sec. 237.30.** 1. Expenditure of \$208,890,478 by the  
14 Department of Education from money in the State Distributive  
15 School Account that was not appropriated from the State General  
16 Fund is hereby authorized during the fiscal year beginning July 1,  
17 2003.

18 2. Expenditure of \$147,771,085 by the Department of  
19 Education from money in the State Distributive School Account that  
20 was not appropriated from the State General Fund is hereby  
21 authorized during the fiscal year beginning July 1, 2004.

22 3. For purposes of accounting and reporting, the sums  
23 authorized for expenditure by subsections 1 and 2 are considered to  
24 be expended before any appropriation is made to the State  
25 Distributive School Account from the State General Fund.

26 4. The money authorized to be expended by subsections 1 and  
27 2 must be expended in accordance with NRS 353.150 to 353.245,  
28 inclusive, concerning the allotment, transfer, work program and  
29 budget. Transfers to and from allotments must be allowed and made  
30 in accordance with NRS 353.215 to 353.225, inclusive, after  
31 separate consideration of the merits of each request.

32 5. The Chief of the Budget Division of the Department of  
33 Administration may, with the approval of the Governor, authorize  
34 the augmentation of the amounts authorized for expenditure by the  
35 Department of Education, in subsections 1 and 2, for the purpose of  
36 meeting obligations of the State incurred under chapter 387 of NRS  
37 with amounts from any other state agency, from any agency of local  
38 government, from any agency of the Federal Government or from  
39 any other source that he determines is in excess of the amount taken  
40 into consideration by this act. The Chief of the Budget Division of  
41 the Department of Administration shall reduce any authorization  
42 whenever he determines that money to be received will be less than  
43 the amount authorized in subsections 1 and 2.

44 **Sec. 237.32.** During each of the Fiscal Years 2003-2004 and  
45 2004-2005, whenever the State Controller finds that current claims



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1 against the State Distributive School Account in the State General  
2 Fund exceed the amount available in the Account to pay those  
3 claims, he may advance temporarily from the State General Fund to  
4 the State Distributive School Account the amount required to  
5 pay the claims, but not more than the amount expected to be  
6 received in the current fiscal year from any source authorized for the  
7 State Distributive School Account. No amount may be transferred  
8 unless requested by the Chief of the Budget Division of the  
9 Department of Administration.

10 **Sec. 237.34.** The Department of Education is hereby  
11 authorized to spend from the State Distributive School Account the  
12 sums of \$16,926,569 for the 2003-2004 Fiscal Year and  
13 \$17,843,596 for the 2004-2005 Fiscal Year for the support of  
14 courses which are approved by the Department of Education as  
15 meeting the course of study for an adult standard high school  
16 diploma as approved by the State Board of Education. In each fiscal  
17 year of the 2003-2005 biennium, the sum authorized must be  
18 allocated among the various school districts in accordance with a  
19 plan or formula developed by the Department of Education to  
20 ensure the money is distributed equitably and in a manner that  
21 permits accounting for the expenditures of school districts.

22 **Sec. 237.36.** The Department of Education is hereby  
23 authorized to provide from the State Distributive School Account  
24 the sum of \$50,000 to each of the 17 school districts in each fiscal  
25 year of the 2003-2005 biennium to support special counseling  
26 services for elementary school pupils at risk of failure.

27 **Sec. 237.38.** The amounts of the guarantees set forth in  
28 sections 237.22 and 237.24 of this act may be reduced to effectuate  
29 a reserve required pursuant to NRS 353.225.

30 **Sec. 237.40** 1. The Department of Education shall transfer  
31 from the State Distributive School Account to the school districts  
32 specified in this section the following sums for Fiscal Years  
33 2003-2004 and 2004-2005 :  
34

35	<u>School District</u>	<u>2003-2004</u>	<u>2004-2005</u>
36	Clark County School District	\$4,532,532	\$4,552,361
37	Douglas County School District	\$1,146,374	\$1,175,848
38	Elko County School District	\$1,291,907	\$1,295,158
39	Washoe County School District	<u>\$1,847,128</u>	<u>\$1,913,468</u>
40		\$8,817,941	\$8,936,835

41  
42 2. A school district that receives an allocation pursuant to  
43 subsection 1 shall:

44 (a) Use the money to maintain and continue the operation of a  
45 regional training program for the professional development of



1 teachers and administrators established by the school district  
2 pursuant to NRS 391.512; and

3 (b) Use the money to maintain and continue the operation of the  
4 Nevada Early Literacy Intervention Program through the regional  
5 training program established pursuant to paragraph (a).

6 3. Any remaining balance of the transfers made by subsection  
7 1 for the 2003-2004 Fiscal Year must be added to the money  
8 received by the school districts for the 2004-2005 Fiscal Year and  
9 may be expended as that money is expended. Any remaining  
10 balance of the transfers made by subsection 1 for the 2004-2005  
11 Fiscal Year, including any money added from the transfer for the  
12 previous fiscal year, must not be committed for expenditure after  
13 June 30, 2005, and reverts to the State Distributive School Account  
14 as soon as all payments of money committed have been made.

15 **Sec. 237.42.** 1. The Legislative Bureau of Educational  
16 Accountability and Program Evaluation is hereby authorized to  
17 receive from the State Distributive School Account to spend for an  
18 evaluation of the regional training programs for the professional  
19 development of teachers and administrators established pursuant to  
20 NRS 391.512:

21  
22 For the Fiscal Year 2003-2004 ..... \$100,000  
23 For the Fiscal Year 2004-2005 ..... \$100,000  
24

25 2. Any remaining balance of the sums authorized for  
26 expenditure by subsection 1 for the 2003-2004 Fiscal Year must be  
27 added to the money authorized for expenditure for the 2004-2005  
28 Fiscal Year and may be expended as that money is expended. Any  
29 remaining balance of the sums authorized for expenditure pursuant  
30 to subsection 1 for the 2004-2005 Fiscal Year, including any money  
31 added from the authorization for the previous fiscal year, must not  
32 be committed for expenditure after June 30, 2005, and reverts to the  
33 State Distributive School Account as soon as all payments of money  
34 committed have been made.

35 **Sec. 237.44.** 1. The Department of Education shall transfer  
36 from the State Distributive School Account to the Statewide Council  
37 for the Coordination of the Regional Training Programs created by  
38 NRS 391.516 the sum of \$80,000 in each Fiscal Year 2003-2004  
39 and 2004-2005 for additional training opportunities for educational  
40 administrators in Nevada.

41 2. The Statewide Council shall use the money:

42 (a) To support the goals of Nevada Project LEAD (Leadership  
43 in Educational Administration Development), as established through  
44 the Department of Educational Leadership in the College of





1 Education, located at the University of Nevada, Reno. In supporting  
2 the goals of Nevada Project LEAD, the Statewide Council shall:

3 (1) Disseminate research-based knowledge related to  
4 effective educational leadership behaviors and skills; and

5 (2) Develop, support and maintain on-going activities,  
6 programs, training and networking opportunities.

7 (b) For purposes of providing additional training for educational  
8 administrators, including, without limitation, paying:

9 (1) Travel expenses of administrators who attend the training  
10 program;

11 (2) Travel and per-diem expenses for any consultants  
12 contracted to provide additional training; and

13 (3) Any charges to obtain a conference room for the  
14 provision of the additional training.

15 (c) To supplement and not replace the money that the school  
16 district, Nevada Project LEAD or the regional training program  
17 would otherwise expend for training for administrators as described  
18 in this section.

19 3. Any remaining balance of the transfers made by subsection  
20 1 for the 2003-2004 Fiscal Year must be added to the money  
21 received by the Statewide Council for the 2004-2005 Fiscal Year  
22 and may be expended as that money is expended. Any remaining  
23 balance of the transfers made by subsection 1 for the 2004-2005  
24 Fiscal Year, including any money added from the transfer for the  
25 previous fiscal year, must not be committed for expenditure after  
26 June 30, 2005, and reverts to the State Distributive School Account  
27 as soon as all payments of money committed have been made.

28 **Sec. 237.46.** 1. The Department of Education shall transfer  
29 from the State Distributive School Account the following sums for  
30 remedial education programs for certain schools:

31  
32 For the Fiscal Year 2003-2004..... \$5,179,109  
33 For the Fiscal Year 2004-2005 ..... \$5,013,874  
34

35 The money allocated must be used to provide remedial education  
36 programs that have been approved by the Department as being  
37 effective in improving pupil achievement.

38 2. A school may submit an application to the Department of  
39 Education on or before November 1 of each fiscal year for  
40 transmission to the State Board of Examiners for an allocation from  
41 the amount authorized by subsection 1 if the school:

42 (a) Receives a designation as demonstrating need for  
43 improvement.



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1 (b) Did not receive a designation as demonstrating need for  
2 improvement, but the school failed to meet adequate yearly  
3 progress; or

4 (c) Did not receive a designation as demonstrating need for  
5 improvement, but more than 40 percent of the pupils enrolled in the  
6 school received an average score below the 26th percentile on all  
7 four subjects tested pursuant to NRS 389.015.

8 3. The Department of Education shall, in consultation with the  
9 Budget Division of the Department of Administration and the  
10 Legislative Bureau of Educational Accountability and Program  
11 Evaluation, develop a form for such applications. The form must  
12 include, without limitation, a notice that money received by a school  
13 to implement or continue remedial education programs that have  
14 been approved by the Department as being effective in improving  
15 pupil achievement will be used to implement or continue the  
16 programs in a manner that has been approved by the vendor of the  
17 remedial program.

18 4. Upon receipt of an application submitted pursuant to  
19 subsection 2, the Department of Education shall review the  
20 application jointly with the Budget Division of the Department of  
21 Administration and the Legislative Bureau of Educational  
22 Accountability and Program Evaluation. The Department of  
23 Education shall transmit the application to the State Board  
24 of Examiners with the recommendation of the Department of  
25 Education concerning the allocation of money based upon each  
26 application so received. The State Board of Examiners, or the Clerk  
27 of the Board if authorized by the Board to act on its behalf, shall  
28 consider each such application and, if it finds that an allocation  
29 should be made, recommend the amount of the allocation to the  
30 Interim Finance Committee. The Interim Finance Committee shall  
31 consider each such recommendation, but is not bound to follow the  
32 recommendation of the State Board of Examiners when determining  
33 the allocation to be received by a school. In determining the amount  
34 of the allocation, the State Board of Examiners and the Interim  
35 Finance Committee shall consider:

36 (a) The total number of pupils enrolled in the school who failed  
37 to meet adequate yearly progress;

38 (b) The percentage of pupils enrolled in the school who failed to  
39 meet adequate yearly progress;

40 (c) The total number of subgroups of pupils, as prescribed by the  
41 No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301 et seq.,  
42 enrolled in the school who failed to meet adequate yearly progress;  
43 and

44 (d) The financial need of the particular school.



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1       5. In addition to the considerations set forth in subsection 4, in  
2 determining whether to approve an application for a school that has  
3 received an allocation in the immediately preceding year and in  
4 determining the amount of the allocation for such a school, the State  
5 Board of Examiners and the Interim Finance Committee shall  
6 consider whether the school has carried out the program of remedial  
7 study for which it received an allocation in a manner that has been  
8 approved by the vendor of the remedial program and whether the  
9 program has been successful, as measured by the academic  
10 achievement of the pupils enrolled in the school on the examinations  
11 administered pursuant to NRS 389.015 or 389.550 and any  
12 assessments related to the program of remedial study.

13       6. A school that receives an allocation of money pursuant to  
14 this section shall use the money to:

15       (a) Pay the costs incurred by the school in providing the  
16 program of remedial study required by NRS 385.389. The money  
17 must first be applied to those pupils who failed to meet adequate  
18 yearly progress.

19       (b) Pay for the salaries, training or other compensation of  
20 teachers and other educational personnel to provide the program  
21 of remedial study, instructional materials required for the program  
22 of remedial study, equipment necessary to offer the program of  
23 remedial study and all other additional operating costs attributable to  
24 the program of remedial study, to the extent that the training,  
25 materials and equipment are those that are approved by the vendor  
26 of the remedial program.

27       (c) Supplement and not replace the money the school would  
28 otherwise expend for programs of remedial study.

29       7. Before a school amends a plan for expenditure of an  
30 allocation of money received pursuant to this section, the school  
31 district in which the school is located must submit the proposed  
32 amendment to the Department of Education to receive approval  
33 from the Department of Education, the Budget Division of the  
34 Department of Administration and the Legislative Bureau of  
35 Educational Accountability and Program Evaluation, or the Interim  
36 Finance Committee.

37       8. The sums authorized for expenditure in subsection 1 are  
38 available for either fiscal year. Any remaining balance of those sums  
39 must not be committed for expenditure after June 30, 2005, and  
40 reverts to the State Distributive School Account as soon as all  
41 payments of money committed have been made.

42       **Sec. 237.48.** 1. The Department of Education shall transfer  
43 from the State Distributive School Account the following sums for  
44 supplemental services or tutoring for pupils in non-Title I schools



1 that failed to meet adequate yearly progress on the examinations  
2 administered pursuant to NRS 389.550:

3  
4 For the Fiscal Year 2003-2004..... \$1,000,000  
5 For the Fiscal Year 2004-2005 ..... \$1,500,000  
6

7 2. The supplemental services or tutoring for which money is  
8 provided pursuant to this section must:

9 (a) Be conducted before or after school, on weekends, during the  
10 summer or between sessions in schools with year-round school  
11 calendars; and

12 (b) Be selected by the Department as an approved provider in  
13 accordance with the No Child Left Behind Act of 2001, 20 U.S.C.  
14 §§ 6301 et seq.

15 3. A school may submit an application to the Department of  
16 Education on or before November 1 of each fiscal year for  
17 transmission to the State Board of Examiners for an allocation from  
18 the amount authorized by subsection 1 if the school:

19 (a) Receives a designation as demonstrating need for  
20 improvement; and

21 (b) Is not receiving money from Title I, 20 U.S.C. §§ 6301 et  
22 seq.

23 4. The Department of Education shall, in consultation with the  
24 Budget Division of the Department of Administration and the  
25 Legislative Bureau of Educational Accountability and Program  
26 Evaluation, develop a form for such applications.

27 5. Upon receipt of an application submitted pursuant to  
28 subsection 3, the Department of Education shall review the  
29 application jointly with the Budget Division of the Department of  
30 Administration and the Legislative Bureau of Educational  
31 Accountability and Program Evaluation. The Department of  
32 Education shall transmit the application to the State Board  
33 of Examiners with the recommendation of the Department of  
34 Education concerning the allocation of money based upon each  
35 application so received. The State Board of Examiners, or the Clerk  
36 of the Board if authorized by the Board to act on its behalf, shall  
37 consider each such application and, if it finds that an allocation  
38 should be made, recommend the amount of the allocation to the  
39 Interim Finance Committee. The Interim Finance Committee shall  
40 consider each such recommendation, but is not bound to follow the  
41 recommendation of the State Board of Examiners when determining  
42 the allocation to be received by a school district.

43 6. A school that receives an allocation of money pursuant to  
44 this section shall use the money to:



1 (a) Provide supplemental services or tutoring that has been  
2 selected and approved by the Department of Education.

3 (b) Pay the costs incurred by the school in providing the  
4 supplemental services or tutoring. The money must be applied to  
5 those pupils who failed to meet adequate yearly progress.

6 (c) Pay for the salaries, training or other compensation of  
7 teachers and other educational personnel to provide the  
8 supplemental services or tutoring, instructional materials required  
9 for the program, equipment necessary to offer the program and all  
10 other additional operating costs attributable to the program.

11 (d) Supplement and not replace the money the school district  
12 would otherwise expend for supplemental services or tutoring.

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 transferred pursuant to subsection 1 are available  
22 for either fiscal year. Any remaining balance of those sums must not  
23 be committed for expenditure after June 30, 2005, and reverts to the  
24 State Distributive School Account as soon as all payments of money  
25 committed have been made.

26 **Sec. 237.50.** 1. The Department of Education shall transfer  
27 from the State Distributive School Account the following sums for  
28 early childhood education:  
29

30	For the Fiscal Year 2003-2004.....	\$2,896,583
31	For the Fiscal Year 2004-2005.....	\$2,896,583

32  
33 2. Of the sums transferred pursuant to subsection 1, \$301,000  
34 in each fiscal year of the 2003-2005 biennium must be used for the  
35 Classroom on Wheels Program.

36 3. The remaining money transferred by subsection 1 must be  
37 used by the Department of Education for competitive state grants to  
38 school districts and community-based organizations for early  
39 childhood education programs.

40 4. To receive a grant of money pursuant to subsections 2 and 3,  
41 school districts, community-based organizations and the Classroom  
42 on Wheels Program must submit a comprehensive plan to the  
43 Department of Education that includes, without limitation:

44 (a) A detailed description of the proposed early childhood  
45 education program;



1 (b) A description of the manner in which the money will be  
2 used, which must supplement and not replace the money that would  
3 otherwise be expended for early childhood education programs; and

4 (c) A plan for the longitudinal evaluation of the program to  
5 determine the effectiveness of the program on the academic  
6 achievement of children who participate in the program.

7 5. A school district, community-based organization or  
8 Classroom on Wheels Program that receives a grant of money shall:

9 (a) Use the money to initiate or expand prekindergarten  
10 education programs that meet the criteria set forth in the publication  
11 of the Department of Education, entitled "August 2000 Public  
12 Support for Prekindergarten Education For School Readiness in  
13 Nevada."

14 (b) Use the money to supplement and not replace the money that  
15 the school district, community-based organization or Classroom on  
16 Wheels Program would otherwise expend for early childhood  
17 education programs, as described in this section.

18 (c) Use the money to pay for the salaries and other items directly  
19 related to the instruction of pupils in the classroom.

20 (d) Submit a longitudinal evaluation of the program in  
21 accordance with the plan submitted pursuant to paragraph (c) of  
22 subsection 4.

23 The money must not be used to remodel classrooms or facilities or  
24 for playground equipment.

25 6. The Department of Education shall develop statewide  
26 performance and outcome indicators to measure the effectiveness of  
27 the early childhood education programs for which grants of money  
28 were awarded pursuant to this section. The indicators must include,  
29 without limitation:

30 (a) Longitudinal measures of the developmental progress of  
31 children before and after their completion of the program;

32 (b) Longitudinal measures of parental involvement in the  
33 program before and after completion of the program; and

34 (c) The percentage of participants who drop out of the program  
35 before completion.

36 7. The Department of Education shall review the evaluations of  
37 the early childhood education programs submitted by each school  
38 district, community-based organization and the Classroom on  
39 Wheels Program pursuant to paragraph (d) of subsection 5 and  
40 prepare a compilation of the evaluations for inclusion in the report  
41 submitted pursuant to subsection 8.

42 8. The Department of Education shall, on an annual basis,  
43 provide a written report to the Governor, Legislative Committee on  
44 Education and the Legislative Bureau of Educational Accountability  
45 and Program Evaluation regarding the effectiveness of the early



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1 childhood programs for which grants of money were received. The  
2 report must include, without limitation:

3 (a) The number of grants awarded;

4 (b) An identification of each school district, community-based  
5 organization and the Classroom on Wheels Program that received a  
6 grant of money and the amount of each grant awarded;

7 (c) For each school district, community based-organization and  
8 the Classroom on Wheels Program that received a grant of money:

9 (1) The number of children who received services through a  
10 program funded by the grant for each year that the program received  
11 funding from the State for early childhood programs; and

12 (2) The average per child expenditure for the program for  
13 each year the program received funding from the State for early  
14 childhood programs;

15 (d) A compilation of the evaluations reviewed pursuant to  
16 subsection 7 that includes, without limitation:

17 (1) A longitudinal comparison of the data showing the  
18 effectiveness of the different programs; and

19 (2) A description of the programs in this state that are the  
20 most effective; and

21 (e) Any recommendations for legislation.

22 9. Any balance of the sums transferred pursuant to subsection 1  
23 remaining at the end of the respective fiscal years must not be  
24 committed for expenditure after June 30 of the respective fiscal  
25 years and reverts to the State Distributive School Account as soon as  
26 all payments of money committed have been made.

27 **Sec. 237.52.** 1. The Department of Education shall transfer  
28 from the State Distributive School Account the following sums to  
29 purchase one-fifth of a year of service for certain teachers in  
30 accordance with NRS 391.165:

31  
32 For the Fiscal Year 2003-2004..... \$2,689,206  
33 For the Fiscal Year 2004-2005..... \$7,045,056  
34

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 teachers in accordance with NRS 391.165. The amount of money  
39 distributed to each school district must be proportionate to the total  
40 costs of paying for the retirement credit pursuant to NRS 391.165  
41 for each fiscal year. If insufficient money is available from the  
42 appropriation 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 balance of the sums appropriated by subsection 1  
2 remaining at the end of the respective fiscal years must not be  
3 committed for expenditure after June 30 of the respective fiscal  
4 years and reverts to the State General Fund as soon as all payments  
5 of money committed have been made.

6     **Sec. 237.54.** 1. The Department of Education shall transfer  
7 from the State Distributive School Account the following sum to  
8 purchase one-fifth of a year of service for certain licensed  
9 educational personnel in accordance with NRS 391.165:

10  
11         For the Fiscal Year 2004-2005..... \$5,732,643  
12

13     2. The Department of Education shall distribute the money  
14 appropriated by subsection 1 to the school districts to assist the  
15 school districts with paying for the retirement credit for certain  
16 licensed educational personnel in accordance with NRS 391.165.  
17 The amount of money distributed to each school district must be  
18 proportionate to the total costs of paying for the retirement credit  
19 pursuant to NRS 391.165 for each fiscal year. If insufficient money  
20 is available to pay the total costs necessary to pay the retirement  
21 credit for each fiscal year, the school district shall pay the difference  
22 to comply with NRS 391.165.

23     3. Any remaining balance of the appropriation made by  
24 subsection 1 must not be committed for expenditure after June 30,  
25 2005, and reverts to the State General Fund as soon as all payments  
26 of money committed have been made.

27     **Sec. 237.56.** Of the amounts included in the basic support  
28 guarantee amounts enumerated in sections 237.22 and 237.24 of this  
29 act, \$64,425,447 for Fiscal Year 2003-2004 and \$66,721,434 for  
30 Fiscal Year 2004-2005 must be expended for the purchase of  
31 textbooks, instructional supplies and instructional hardware as  
32 prescribed in section 194.2 of this act.

33     **Sec. 237.58.** All funding remaining in the Fund for School  
34 Improvement at the close of Fiscal Year 2002-2003 shall be  
35 transferred to the budget for the State Distributive School Account  
36 and shall be authorized for expenditure in that account.

37     **Sec. 237.60.** The sums appropriated or authorized in sections  
38 237.40 to 237.54, inclusive, of this act:

39         1. Must be accounted for separately from any other money  
40 received by the school districts of this state and used only for the  
41 purposes specified in the applicable section of this act.

42         2. May not be used to settle or arbitrate disputes between a  
43 recognized organization representing employees of a school district  
44 and the school district, or to settle any negotiations.





1       3. May not be used to adjust the district-wide schedules of  
2 salaries and benefits of the employees of a school district.

3       **Sec. 237.62.** 1. The Department of Education shall transfer  
4 from the State Distributive School Account the following sums for  
5 special transportation costs to school districts:

6  
7           For the 2003-2004 school year..... \$47,715

8           For the 2004-2005 school year..... \$47,715  
9

10       2. Pursuant to NRS 392.015, the Department of Education shall  
11 use the money transferred in subsection 1 to reimburse school  
12 districts for the additional costs of transportation for any pupil to a  
13 school outside the school district in which his residence is located.

14       **Sec. 237.64.** There is hereby appropriated from the State  
15 General Fund to the State Distributive School Account created by  
16 NRS 387.030 in the State General Fund the sum of \$3,152,559 for  
17 an unanticipated shortfall in money in Fiscal Year 2002-2003. This  
18 appropriation is supplemental to that made by section 4 of chapter  
19 565, Statutes of Nevada 2001, at page 2832 and to that made  
20 pursuant to Assembly Bill 253 of the 72nd Legislative Session.

21       **Sec. 237.66.** Each school district shall expend the revenue  
22 made available through this act, as well as other revenue from state,  
23 local and federal sources, in a manner that is consistent with NRS  
24 288.150 and that is designed to attain the goals of the Legislature  
25 regarding educational reform in this state, especially with regard to  
26 assisting pupils in need of remediation and pupils who are not  
27 proficient in the English language. Materials and supplies for  
28 classrooms are subject to negotiation by employers with recognized  
29 employee organizations.

30       **Sec. 238.** The provisions of:

31       1. Sections 114, 115, 201 and 202 of this act do not affect the  
32 amount of any license fees or taxes due for any period ending on or  
33 before June 30, 2003.

34       2. Sections 117, 119 and 120 of this act do not apply to any  
35 taxes precollected pursuant to chapter 370 of NRS on or before  
36 June 30, 2003.

37       3. Section 173 of this act does not apply to any contracts made  
38 on or before June 30, 2003.

39       4. Sections 26 to 58, inclusive, of this act apply to any taxable  
40 amount paid for live entertainment that is collected on or after  
41 January 1, 2004.

42       5. Sections 117.5, 119.5 and 120.5 of this act do not apply to  
43 any taxes precollected pursuant to chapter 370 of NRS on or before  
44 June 30, 2004.



1     **Sec. 239.** The provisions of subsection 2 of section 232 of this  
2 act do not:

3         1. Affect any rights, duties or liability of any person relating to  
4 any taxes imposed pursuant to chapter 364A of NRS for any period  
5 ending before January 1, 2004.

6         2. Apply to the administration, collection and enforcement of  
7 any taxes imposed pursuant to chapter 364A of NRS for any period  
8 ending before January 1, 2004.

9     **Sec. 239.3.** 1. Notwithstanding the provisions of sections 60  
10 to 93, inclusive, of this act, a financial institution is exempt from the  
11 franchise fee imposed pursuant to section 75 of this act for the  
12 calendar quarter ending on December 31, 2003.

13         2. As used in this section, "financial institution" means an  
14 institution licensed, registered or otherwise authorized to do  
15 business in this state pursuant to the provisions of chapter 604,  
16 645B, 645E or 649 of NRS or title 55 or 56 of NRS, a similar  
17 institution chartered or licensed pursuant to federal law and doing  
18 business in this state or a person conducting loan or credit card  
19 processing activities in this state. The term does not include:

20             (a) A nonprofit organization that is recognized as exempt from  
21 taxation pursuant to 26 U.S.C. § 501(c).

22             (b) A credit union organized under the provisions of chapter 678  
23 of NRS or the Federal Credit Union Act.

24     **Sec. 239.5.** 1. The franchise tax imposed by section 93.36 of  
25 this act applies to any Nevada taxable income earned by a financial  
26 institution on or after January 1, 2004.

27         2. Notwithstanding the provisions of section 93.36 of this act,  
28 the tax return and remittance of the tax required pursuant to section  
29 93.36 of this act for any taxable year ending before November 1,  
30 2004, is due on January 15, 2005.

31         3. As used in this section:

32             (a) "Nevada taxable income" has the meaning ascribed to it in  
33 section 93.20 of this act.

34             (b) "Taxable year" has the meaning ascribed to it in section  
35 93.22 of this act.

36     **Sec. 240.** The Budget Division of the Department of  
37 Administration and the Fiscal Analysis Division of the Legislative  
38 Counsel Bureau shall jointly:

39         1. Identify all departments, institutions and agencies of the  
40 Executive Department of the State Government that administer  
41 programs for the treatment of alcohol and drug abuse or provide  
42 funding to local governments for such programs;

43         2. Develop a proposal for coordinating such programs,  
44 reducing the administrative costs associated with such programs and



1 maximizing the use of state revenue being expended for such  
2 programs; and

3 3. Report their recommendations to the Governor and the  
4 Director of the Legislative Counsel Bureau not later than  
5 December 1, 2004.

6 **Sec. 241.** 1. This section and sections 237.58, 237.64 and  
7 237.66 of this act become effective upon passage and approval.

8 2. Sections 94, 95, 102, 104, 110 to 117, inclusive, 118, 119,  
9 120, 121 to 125, inclusive, 127 to 130, inclusive, 135, 138, 149,  
10 151, 153, 162 to 169, inclusive, 173 to 194.6, inclusive, 195.2, 197,  
11 201 to 204, inclusive, 206, 207, 209, 213, 214, 226, 231, subsection  
12 1 of section 232, sections 233 to 237, inclusive, 237.10, 237.14 to  
13 237.56, inclusive, 237.60, 237.62 and 238 of this act become  
14 effective on July 1, 2003.

15 3. Sections 59 to 93, inclusive, 105, 106, 107, 108, 227, 228,  
16 229, 239.3 and 240 of this act become effective:

17 (a) Upon passage and approval for the purpose of adopting  
18 regulations and performing any other preparatory administrative  
19 tasks that are necessary to carry out the provisions of this act; and

20 (b) On October 1, 2003, for all other purposes.

21 4. Sections 1 to 58, inclusive, 93.10 to 93.72, inclusive, 96 to  
22 101, inclusive, 103, 105.5, 106.5, 107.5, 108.5, 109, 126, 155 to  
23 161, inclusive, 170, 171, 172, 198, 199, 200, 205, 208, 210, 211,  
24 212, 215 to 225, inclusive, 227.5, 228.5, 229.3, 229.7, subsection 2  
25 of section 232 and sections 239 and 239.5 of this act become  
26 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 January 1, 2004, for all other purposes.

31 5. Sections 117.5, 119.5, 120.5, 131 to 134, inclusive, 136,  
32 137, 139 to 148, inclusive, 195, 196 and 230 of this act become  
33 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 July 1, 2004, for all other purposes.

38 6. Sections 195.4 and 237.12 of this act become effective on  
39 July 1, 2004.

40 7. Sections 162 to 168, inclusive, 233 and 234 of this act expire  
41 by limitation on June 30, 2005.

42 8. Sections 149, 151 and 153 of this act expire by limitation on  
43 September 30, 2029.

44 9. Sections 150, 152 and 154 of this act become effective at  
45 12:01 a.m. on October 1, 2029.



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**LEADLINES OF REPEALED SECTIONS**

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- 353.272 "Fund" defined.
- 364A.010 Definitions.
- 364A.020 "Business" defined.
- 364A.030 "Commission" defined.
- 364A.040 "Employee" defined.
- 364A.050 "Wages" defined.
- 364A.060 Regulations of Nevada Tax Commission.
- 364A.070 Maintenance and availability of records of business; penalty.
- 364A.080 Examination of records by Department; payment of expenses of Department for examination of records outside State.
- 364A.090 Authority of Executive Director to request information to carry out chapter.
- 364A.100 Confidentiality of records and files of Department.
- 364A.110 Business Tax Account: Deposits; refunds.
- 364A.120 Activities constituting business.
- 364A.130 Business license required; application for license; activities constituting conduct of business.
- 364A.135 Revocation or suspension of business license for failure to comply with statutes or regulations.
- 364A.140 Imposition, payment and amount of tax; filing and contents of return.
- 364A.150 Calculation of total number of equivalent full-time employees; exclusion of hours of certain employees with lower incomes who received free child care from business.
- 364A.151 Exclusion of hours from calculation for employment of pupil as part of program that combines work and study.
- 364A.152 Responsibility of operator of facility for trade shows or conventions to pay tax on behalf of participants who do not have business license; exception.
- 364A.1525 Requirements to qualify as organization created for religious, charitable or educational purposes.
- 364A.160 Exemption for natural person with no employees during calendar quarter.
- 364A.170 Partial abatement of tax on new or expanded business.



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**364A.175** Exemption for activities conducted pursuant to certain contracts executed before July 1, 1991.

**364A.180** Extension of time for payment; payment of interest during period of extension.

**364A.190** Payment of penalty or interest not required under certain circumstances.

**364A.230** Remedies of state are cumulative.

**364A.240** Certification of excess amount collected; credit and refund.

**364A.250** Limitations on claims for refund or credit; form and contents of claim; failure to file claim constitutes waiver; service of notice of rejection of claim.

**364A.260** Interest on overpayments; disallowance of interest.

**364A.270** Injunction or other process to prevent collection of tax prohibited; filing of claim condition precedent to maintaining action for refund.

**364A.280** Action for refund: Time to sue; venue of action; waiver.

**364A.290** Right of appeal on failure of Department to mail notice of action on claim; allocation of judgment for claimant.

**364A.300** Allowance of interest in judgment for amount illegally collected.

**364A.310** Standing to recover.

**364A.320** Action for recovery of erroneous refund: Jurisdiction; venue; prosecution by Attorney General.

**364A.330** Cancellation of illegal determination: Procedure; limitation.

**364A.340** Proof of subcontractor's compliance with provisions of chapter.

**364A.350** Penalty for false or fraudulent returns, statements or records.

**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.



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**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.**

