

REQUIRES TWO-THIRDS MAJORITY VOTE (§§ 9, 11-16, 18, 20, 21, 24.32, 24.38, 24.50, 36-38, 40, 42, 44-49, 58.36, 58.44, 58.56, 66, 67, 69-74, 76-87, 90-93, 95-102, 112-124, 135, 162, 169-178, 180, 181, 184, 185, 186, 187)

(Reprinted with amendments adopted on June 27, 2003)

SECOND REPRINT

S.B. 6

SENATE BILL NO. 6—COMMITTEE OF THE WHOLE

JUNE 26, 2003

Referred to Committee of the Whole

SUMMARY—Makes various changes concerning state financial administration. (BDR 32-14)

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.

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; 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; providing for the imposition and administration of a franchise fee on business entities for the privilege of doing business in this state; eliminating the tax imposed on the privilege of conducting business in this state; revising the taxes on liquor and cigarettes; imposing a state tax on the transfer of real property and revising the provisions governing the existing tax; revising the fees charged for certain gaming licenses; establishing the Legislative Committee on Taxation, Public Revenue and Tax Policy; requiring the Legislative Auditor to conduct performance audits of certain school districts; providing for the formation of Business Advisory Councils; 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



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the 2003-2005 biennium; making appropriations to the State Distributive School Account 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 a nonprofit religious,*
15 *charitable, fraternal or other organization that qualifies as a tax-*
16 *exempt organization pursuant to 26 U.S.C. § 501(c).*

17 3. *"Political subdivision" means any entity described in*
18 *subsection 9 of NRS 612.055.*

19 **Sec. 5.** *"Employment" has the meaning ascribed to it in NRS*
20 *612.065 to 612.145, inclusive.*

21 **Sec. 6.** *"Taxpayer" means any person liable for the tax*
22 *imposed by this chapter.*

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

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

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

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

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



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

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

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

10 3. Any person who violates the provisions of subsection 1 is
11 guilty of a misdemeanor.

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

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

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

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



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- 1 2. The records and files of the Department concerning the
2 administration of this chapter are not confidential and privileged
3 in the following cases:
- 4 (a) Testimony by a member or employee of the Department
5 and production of records, files and information on behalf of the
6 Department or a taxpayer in any action or proceeding pursuant to
7 the provisions of this chapter if that testimony or the records, files
8 or information, or the facts shown thereby are directly involved in
9 the action or proceeding.
- 10 (b) Delivery to a taxpayer or his authorized representative of a
11 copy of any return or other document filed by the taxpayer
12 pursuant to this chapter.
- 13 (c) Publication of statistics so classified as to prevent the
14 identification of a particular person or document.
- 15 (d) Exchanges of information with the Internal Revenue
16 Service in accordance with compacts made and provided for in
17 such cases.
- 18 (e) Disclosure in confidence to the Governor or his agent in
19 the exercise of the Governor's general supervisory powers, or to
20 any person authorized to audit the accounts of the Department in
21 pursuance of an audit, or to the Attorney General or other legal
22 representative of the State in connection with an action or
23 proceeding pursuant to this chapter, or to any agency of this or
24 any other state charged with the administration or enforcement of
25 laws relating to taxation.
- 26 (f) Exchanges of information pursuant to subsection 3.
- 27 3. The Commission may agree with any county fair and
28 recreation board or the governing body of any county, city or town
29 for the continuing exchange of information concerning taxpayers.
- 30 **Sec. 11.** 1. There is hereby imposed an excise tax on each
31 employer at the rate of 0.6 percent of the wages, as determined
32 pursuant to NRS 612.545, paid by the employer during a calendar
33 quarter with respect to employment.
- 34 2. The tax imposed by this section must not be deducted, in
35 whole or in part, from any wages of persons in the employment of
36 the employer.
- 37 3. Each employer shall, on or before the last day of the month
38 immediately following each calendar quarter for which the
39 employer is required to pay a contribution pursuant to NRS
40 612.535:
- 41 (a) File with the Department:
- 42 (1) A return on a form prescribed by the Department; and
43 (2) A copy of any report required by the Employment
44 Security Division of the Department of Employment, Training and
45 Rehabilitation for determining the amount of the contribution



1 required pursuant to NRS 612.535 for any wages paid by the
2 employer during that calendar quarter; and

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

5 **Sec. 12.** Upon written application made before the date on
6 which payment must be made, the Department may for good cause
7 extend by 30 days the time within which a taxpayer is required to
8 pay the tax imposed by this chapter. If the tax is paid during the
9 period of extension, no penalty or late charge may be imposed for
10 failure to pay at the time required, but the taxpayer shall pay
11 interest at the rate of 1 percent per month from the date on which
12 the amount would have been due without the extension until the
13 date of payment, unless otherwise provided in NRS 360.232 or
14 360.320.

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

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

30 **Sec. 15.** 1. Except as otherwise provided in NRS 360.235
31 and 360.395:

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

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

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

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

44 4. Within 30 days after rejecting any claim in whole or in
45 part, the Department shall serve notice of its action on the



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1 *claimant in the manner prescribed for service of notice of a*
2 *deficiency determination.*

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

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

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

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

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

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

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

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



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1 2. Failure to bring an action within the time specified
2 constitutes a waiver of any demand against the State on account of
3 alleged overpayments.

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

14 2. If judgment is rendered for the plaintiff, the amount of the
15 judgment must first be credited towards any tax due from the
16 plaintiff.

17 3. The balance of the judgment must be refunded to the
18 plaintiff.

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

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

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

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

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

43 Sec. 23. 1. If any amount in excess of \$25 has been
44 illegally determined, either by the Department or by the person
45 filing the return, the Department shall certify this fact to the State



1 *Board of Examiners, and the latter shall authorize the*
2 *cancellation of the amount upon the records of the Department.*

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

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

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

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

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

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

23 **Sec. 24.10.** *Title 32 of NRS is hereby amended by adding*
24 *thereto a new chapter to consist of the provisions set forth as*
25 *sections 24.12 to 24.74, inclusive, of this act.*

26 **Sec. 24.12.** *As used in this chapter, unless the context*
27 *otherwise requires, the words and terms defined in sections 24.14*
28 *to 24.26, inclusive, of this act have the meanings ascribed to them*
29 *in those sections.*

30 **Sec. 24.14.** *“Commission” means the Nevada Tax*
31 *Commission.*

32 **Sec. 24.16.** *“Federal taxable income” means the taxable*
33 *income of a financial institution for a taxable year, as set forth in*
34 *the federal income tax return filed by the financial institution for*
35 *that year with the Internal Revenue Service, and any other taxable*
36 *income of a financial institution for a taxable year under federal*
37 *law, regardless of whether it is actually reported.*

38 **Sec. 24.18.** *“Financial institution” means an institution*
39 *licensed, registered or otherwise authorized to do business in this*
40 *state pursuant to the provisions of chapter 604, 645B, 645E or 649*
41 *of NRS or title 55 or 56 of NRS, a similar institution chartered or*
42 *licensed pursuant to federal law and doing business in this state or*
43 *a person conducting loan or credit card processing activities in*
44 *this state. The term does not include:*



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

3 2. A credit union organized under the provisions of chapter
4 678 of NRS or the Federal Credit Union Act.

5 **Sec. 24.20.** "Gross income" means all gains, profits and
6 other income earned by a financial institution from its operation
7 as a financial institution including, without limitation:

8 1. All rents, compensation for services, commissions and
9 brokerage and other fees;

10 2. All gains or profits from the sale or other disposition of
11 any real or personal property; and

12 3. All recoveries on losses sustained in the ordinary course of
13 business,

14 and excluding any income which this state is prohibited from
15 taxing pursuant to the laws or Constitution of the United States or
16 the Nevada Constitution.

17 **Sec. 24.22.** "Nevada taxable income" means the amount of
18 the federal taxable income of a financial institution, as adjusted
19 pursuant to section 24.44 of this act.

20 **Sec. 24.24.** "Taxable year" means the taxable year used by
21 the financial institution for the purposes of federal income
22 taxation.

23 **Sec. 24.26.** "Taxpayer" means any person liable for a tax
24 imposed pursuant to this chapter.

25 **Sec. 24.28.** The Department shall:

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

29 2. Deposit all taxes, interest and penalties it receives pursuant
30 to this chapter in the State Treasury for credit to the State General
31 Fund.

32 **Sec. 24.30.** 1. Each person responsible for maintaining the
33 records of a financial institution shall:

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

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

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

42 2. For the purposes of this section, "record" includes any
43 federal income tax return filed by a financial institution with the
44 Internal Revenue Service.



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

3 Sec. 24.32. 1. To verify the accuracy of any return filed or,
4 if no return is filed by a financial institution, to determine the
5 amount required to be paid, the Department, or any person
6 authorized in writing by the Department, may examine the books,
7 papers and records of any person or financial institution that may
8 be liable for the tax imposed by this chapter.

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

19 Sec. 24.34. The Executive Director may request from any
20 other governmental agency or officer such information as he
21 deems necessary to carry out the provisions of this chapter. If the
22 Executive Director obtains any confidential information pursuant
23 to such a request, he shall maintain the confidentiality of that
24 information in the same manner and to the same extent as
25 provided by law for the agency or officer from whom the
26 information was obtained.

27 Sec. 24.36. 1. Except as otherwise provided in this section
28 and NRS 360.250, the records and files of the Department
29 concerning the administration of this chapter are confidential and
30 privileged. The Department, and any employee engaged in the
31 administration of this chapter or charged with the custody of any
32 such records or files, shall not disclose any information obtained
33 from the Department's records or files or from any examination,
34 investigation or hearing authorized by the provisions of this
35 chapter. Neither the Department nor any employee of the
36 Department may be required to produce any of the records, files
37 and information for the inspection of any person or for use in any
38 action or proceeding.

39 2. The records and files of the Department concerning the
40 administration of this chapter are not confidential and privileged
41 in the following cases:

42 (a) Testimony by a member or employee of the Department
43 and production of records, files and information on behalf of the
44 Department or a taxpayer in any action or proceeding pursuant to
45 the provisions of this chapter if that testimony or the records, files



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1 or information, or the facts shown thereby, are directly involved in
2 the action or proceeding.

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

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

8 (d) Exchanges of information with the Internal Revenue
9 Service in accordance with compacts made and provided for in
10 such cases.

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

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

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

23 **Sec. 24.38.** 1. A franchise tax is hereby imposed upon each
24 financial institution for the privilege of engaging in a business in
25 this state at the rate of 3 percent of the Nevada taxable income of
26 the financial institution each taxable year. The tax for each
27 taxable year is due on the last day of that taxable year.

28 2. Each financial institution engaging in a business in this
29 state during a taxable year shall file with the Department a return
30 on a form prescribed by the Department, together with the
31 remittance of any tax due pursuant to this chapter for that taxable
32 year, not later than the date the financial institution is required to
33 file its federal income tax return for that taxable year with the
34 Internal Revenue Service. The return required by this subsection
35 must include:

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

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

39 **Sec. 24.40.** 1. In addition to the returns required by section
40 24.38 of this act, a financial institution that is a member of an
41 affiliated group and is engaged in a unitary business in this state
42 with one or more other members of the affiliated group shall file
43 with the Department such reports regarding the unitary business
44 as the Department determines is appropriate for the
45 administration and enforcement of the provisions of this chapter.



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1 2. The Department may allow two or more financial
2 institutions that are members of an affiliated group to file a
3 consolidated return for the purposes of this chapter if the financial
4 institutions are allowed to file a consolidated return for the
5 purposes of federal income taxation.

6 3. As used in this section:

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

10 (b) "Controlled by" means the possession, directly or
11 indirectly, of the power to direct or cause the direction of the
12 management and policies of a financial institution, whether
13 through the ownership of voting securities, by contract or
14 otherwise.

15 (c) "Unitary business" means a business characterized by
16 unity of ownership, functional integration, centralization of
17 management and economy of scale.

18 **Sec. 24.42.** 1. If a financial institution files an amended
19 federal income tax return that reflects a change in income
20 required to be reported pursuant to this chapter, the financial
21 institution shall file an amended return with the Department not
22 later than the date it files the amended federal return.

23 2. If a final determination of federal taxable income is made
24 under federal law and, pursuant to that determination, the federal
25 taxable income of a financial institution is found to differ from
26 that initially reported to the Internal Revenue Service, the
27 financial institution shall, within 30 days after the date of that
28 determination, report the determination to the Department in
29 writing, together with such information as the Department deems
30 appropriate.

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

38 **Sec. 24.44.** 1. In computing the Nevada taxable income of
39 a financial institution, its federal taxable income must be:

40 (a) Increased by:

41 (1) The amount of any deduction for the tax imposed by
42 section 24.38 of this act or the equivalent taxing statute of another
43 state;



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

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

7 (4) Any interest or dividends on the obligations or securities
8 of any state or political subdivision of a state, other than this state
9 or a political subdivision of this state; and

10 (b) Decreased by:

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

14 (2) Any interest income received on obligations of the
15 United States; and

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

19 2. After making the calculations required by subsection 1, the
20 resulting amount must be allocated or apportioned to this state in
21 accordance with the regulations adopted pursuant to section 24.46
22 of this act to determine the amount of the tax liability of the
23 financial institution. The Nevada taxable income of the financial
24 institution consists of the amount of the tax liability of the
25 financial institution determined pursuant to this subsection.

26 3. The Department shall adopt regulations for the
27 administration of this section.

28 **Sec. 24.46.** The Department shall adopt regulations providing
29 for the allocation or apportionment to this state of the tax liability
30 of a financial institution pursuant to this chapter. If the federal
31 taxable income of a financial institution is derived from business
32 conducted both within and outside this state, whether or not the
33 financial institution is physically present in another state or is
34 subject to another state's jurisdiction to impose a tax on the
35 financial institution, the apportionment factor for determining the
36 tax liability of the financial institution derived from business
37 conducted by it in this state must consist of a fraction, the
38 numerator of which is the gross income of the financial institution
39 from customers whose address is within this state, and the
40 denominator of which is the gross income of the financial
41 institution from its entire operation as a financial institution in
42 this state.

43 **Sec. 24.48.** 1. For the purposes of this chapter, the method
44 of accounting and the taxable year used by a financial institution
45 must be the same as those used by the financial institution for the



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

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

10 **Sec. 24.50.** *Upon written application made before the date on*
11 *which a financial institution is otherwise required to file a return*
12 *and to pay the tax imposed by this chapter, the Department may:*

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

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

30 **Sec. 24.52.** *The remedies of the State provided for in this*
31 *chapter are cumulative, and no action taken by the Department or*
32 *the Attorney General constitutes an election by the State to pursue*
33 *any remedy to the exclusion of any other remedy for which*
34 *provision is made in this chapter.*

35 **Sec. 24.54.** *If the Department determines that any tax,*
36 *penalty or interest has been paid more than once or has been*
37 *erroneously or illegally collected or computed, the Department*
38 *shall set forth that fact in the records of the Department and shall*
39 *certify to the State Board of Examiners the amount collected in*
40 *excess of the amount legally due and the financial institution or*
41 *person from which it was collected or by whom it was paid. If*
42 *approved by the State Board of Examiners, the excess amount*
43 *collected or paid must be credited on any amounts then due from*
44 *the person or financial institution under this chapter, and the*



1 *balance refunded to the person or financial institution, or its*
2 *successors, administrators or executors.*

3 **Sec. 24.56.** 1. *Except as otherwise provided in NRS 360.235*
4 *and 360.395:*

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

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

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

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

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

21 **Sec. 24.58.** 1. *Except as otherwise provided in this section*
22 *and NRS 360.320, interest must be paid upon any overpayment of*
23 *any amount of the tax imposed by this chapter at the rate of 0.5*
24 *percent per month, or fraction thereof, from the last day of the*
25 *calendar month immediately following the calendar month in*
26 *which the overpayment was made. No refund or credit may be*
27 *made of any interest imposed upon the person or financial*
28 *institution making the overpayment with respect to the amount*
29 *being refunded or credited.*

30 2. *The interest must be paid:*

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

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

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

43 **Sec. 24.60.** 1. *No injunction, writ of mandate or other legal*
44 *or equitable process may issue in any suit, action or proceeding in*
45 *any court against this state or against any officer of the State to*



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1 *prevent or enjoin the collection under this chapter of the tax*
2 *imposed by this chapter or any amount of tax, penalty or interest*
3 *required to be collected.*

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

8 **Sec. 24.62.** *1. Within 90 days after a final decision upon a*
9 *claim filed pursuant to this chapter is rendered by the*
10 *Commission, the claimant may bring an action against the*
11 *Department on the grounds set forth in the claim in a court of*
12 *competent jurisdiction in Carson City, the county of this state*
13 *where the claimant resides or maintains his principal place of*
14 *business or a county in which any relevant proceedings were*
15 *conducted by the Department, for the recovery of the whole or any*
16 *part of the amount with respect to which the claim has been*
17 *disallowed.*

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

21 **Sec. 24.64.** *1. If the Department fails to mail notice of*
22 *action on a claim within 6 months after the claim is filed, the*
23 *claimant may consider the claim disallowed and may file an*
24 *appeal with the Commission within 30 days after the last day of*
25 *the 6-month period. If the claimant is aggrieved by the decision of*
26 *the Commission rendered on appeal, the claimant may, within 90*
27 *days after the decision is rendered, bring an action against the*
28 *Department on the grounds set forth in the claim for the recovery*
29 *of the whole or any part of the amount claimed as an*
30 *overpayment.*

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

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

36 **Sec. 24.66.** *In any judgment, interest must be allowed at the*
37 *rate of 6 percent per annum upon the amount found to have been*
38 *illegally collected from the date of payment of the amount to the*
39 *date of allowance of credit on account of the judgment, or to a*
40 *date preceding the date of the refund warrant by not more than 30*
41 *days. The date must be determined by the Department.*

42 **Sec. 24.68.** *A judgment may not be rendered in favor of the*
43 *plaintiff in any action brought against the Department to recover*
44 *any amount paid when the action is brought by or in the name of*
45 *an assignee of the financial institution paying the amount or by*



1 *any person other than the person or financial institution which*
2 *paid the amount.*

3 **Sec. 24.70.** 1. *The Department may recover a refund or any*
4 *part thereof which is erroneously made and any credit or part*
5 *thereof which is erroneously allowed in an action brought in a*
6 *court of competent jurisdiction in Carson City or Clark County in*
7 *the name of the State of Nevada.*

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

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

16 **Sec. 24.72.** 1. *If any amount in excess of \$25 has been*
17 *illegally determined, either by the Department or by the person*
18 *filing the return, the Department shall certify this fact to the State*
19 *Board of Examiners, and the latter shall authorize the*
20 *cancellation of the amount upon the records of the Department.*

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

26 **Sec. 24.74.** 1. *A person shall not:*

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

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

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

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

41 **Sec. 25.** *Title 32 of NRS is hereby amended by adding thereto*
42 *a new chapter to consist of the provisions set forth as sections 26 to*
43 *58, inclusive, of this act.*

44 **Sec. 26.** *As used in this chapter, unless the context otherwise*
45 *requires, the words and terms defined in sections 27 to 33,*



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

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

4 1. If the live entertainment is provided at a facility owned,
5 leased or otherwise occupied by a taxable business entity, the
6 consideration, expressed in terms of money, paid for the right or
7 privilege to have access to that facility. For the purposes of this
8 subsection, the term includes all amounts paid for food,
9 refreshments and merchandise purchased at the facility if the
10 facility has a maximum seating capacity of not more than 5,000
11 seats that are permanently mounted and cannot be, or are not
12 intended to be, removed temporarily for any single performance of
13 live entertainment.

14 2. If the live entertainment is provided at a location other
15 than a facility owned, leased or otherwise occupied by the taxable
16 business entity providing the live entertainment, the total amount
17 of consideration, expressed in terms of money, paid to the business
18 entity for providing the live entertainment.

19 Sec. 28. “Board” means the State Gaming Control Board.

20 Sec. 29. “Business” means any activity engaged in or
21 caused to be engaged in by a business entity with the object of
22 gain, benefit or advantage, either direct or indirect, to any person
23 or governmental entity.

24 Sec. 30. 1. “Business entity” includes:

25 (a) A corporation, partnership, proprietorship, limited-liability
26 company, business association, joint venture, limited-liability
27 partnership, business trust and their equivalents organized under
28 the laws of this state or another jurisdiction and any other type of
29 entity that engages in business.

30 (b) A natural person engaging in a business if he is deemed to
31 be a business entity pursuant to section 34 of this act.

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

33 2. The term does not include a governmental entity.

34 Sec. 31. “Licensed gaming establishment” has the meaning
35 ascribed to it in NRS 463.0169.

36 Sec. 32. “Live entertainment” means any activity provided
37 for pleasure, enjoyment, recreation, relaxation, diversion or other
38 similar purpose by a person or persons who are physically present
39 when providing that activity to a patron or group of patrons who
40 are physically present.

41 Sec. 33. “Taxpayer” means any person liable for the tax
42 imposed pursuant to this chapter.

43 Sec. 34. A natural person engaging in a business shall be
44 deemed to be a business entity that is subject to the provisions of
45 this chapter if the person is required to file with the Internal



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1 *Revenue Service a Schedule C (Form 1040), Profit or Loss From*
2 *Business Form, or its equivalent or successor form, or a Schedule*
3 *E (Form 1040), Supplemental Income and Loss Form, or its*
4 *equivalent or successor form, for the business.*

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

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

17 **2.** *A business entity that collects any amount paid for live*
18 *entertainment is liable for the tax imposed by this section, but is*
19 *entitled to collect reimbursement from any person paying that*
20 *amount.*

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

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

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

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

32 *(c) Any amount paid for live entertainment that is provided by*
33 *or entirely for the benefit of a nonprofit religious, charitable,*
34 *fraternal or other organization that qualifies as a tax-exempt*
35 *organization pursuant to 26 U.S.C. § 501(c).*

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

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

40 *(f) Any boxing contest or exhibition governed by the provisions*
41 *of chapter 467 of NRS.*

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



- 1 **Sec. 38. 1. The Board shall:**
2 (a) *Collect the tax imposed by this chapter from taxpayers who*
3 *are licensed gaming establishments; and*
4 (b) *Adopt such regulations as are necessary to carry out the*
5 *provisions of paragraph (a). The regulations must be adopted in*
6 *accordance with the provisions of chapter 233B of NRS and must*
7 *be codified in the Nevada Administrative Code.*
8 **2. The Department shall:**
9 (a) *Collect the tax imposed by this chapter from all other*
10 *taxpayers; and*
11 (b) *Adopt such regulations as are necessary to carry out the*
12 *provisions of paragraph (a).*
13 **3. For the purposes of:**
14 (a) *Subsection 1, the provisions of chapter 463 of NRS relating*
15 *to the payment, collection, administration and enforcement of*
16 *gaming license fees and taxes, including, without limitation, any*
17 *provisions relating to the imposition of penalties and interest, shall*
18 *be deemed to apply to the payment, collection, administration and*
19 *enforcement of the taxes imposed by this chapter to the extent that*
20 *those provisions do not conflict with the provisions of this chapter.*
21 (b) *Subsection 2, the provisions of chapter 360 of NRS relating*
22 *to the payment, collection, administration and enforcement of*
23 *taxes, including, without limitation, any provisions relating to the*
24 *imposition of penalties and interest, shall be deemed to apply to*
25 *the payment, collection, administration and enforcement of the*
26 *taxes imposed by this chapter to the extent that those provisions do*
27 *not conflict with the provisions of this chapter.*
28 **4. To ensure that the tax imposed by section 36 of this act is**
29 *collected fairly and equitably, the Board and the Department shall,*
30 *jointly, coordinate the administration and collection of that tax*
31 *and the regulation of taxpayers who are liable for the payment of*
32 *the tax.*
33 **Sec. 39. 1. Each taxpayer who is a licensed gaming**
34 *establishment shall file with the Board, on or before the 24th day*
35 *of each month, a report showing the amount of all taxable receipts*
36 *for the preceding month. The report must be in a form prescribed*
37 *by the Board.*
38 **2. All other taxpayers shall file with the Department, on or**
39 *before the 24th day of each month, a report showing the amount*
40 *of all taxable receipts for the preceding month. The report must be*
41 *in a form prescribed by the Department.*
42 **3. Each report required to be filed by this section must be**
43 *accompanied by the amount of the tax that is due for the month*
44 *covered by the report.*



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

4 Sec. 40. Upon written application made before the date on
5 which payment must be made, the Board or the Department may,
6 for good cause, extend by 30 days the time within which a
7 taxpayer is required to pay the tax imposed by this chapter. If the
8 tax is paid during the period of extension, no penalty or late
9 charge may be imposed for failure to pay at the time required, but
10 the taxpayer shall pay interest at the rate of 1 percent per month
11 from the date on which the amount would have been due without
12 the extension until the date of payment, unless otherwise provided
13 in NRS 360.232 or 360.320.

14 Sec. 41. 1. Each person responsible for maintaining the
15 records of a taxpayer shall:

16 (a) Keep such records as may be necessary to determine the
17 amount of the liability of the taxpayer pursuant to the provisions
18 of this chapter;

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

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

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

29 3. Any agreement that is entered into, modified or extended
30 after January 1, 2004, for the lease, assignment or transfer of any
31 premises upon which any activity subject to the tax imposed by this
32 chapter is, or thereafter may be, conducted shall be deemed to
33 include a provision that the taxpayer required to pay the tax must
34 be allowed access to, upon demand, all books, records and
35 financial papers held by the lessee, assignee or transferee which
36 must be kept pursuant to this section. Any person conducting
37 activities subject to the tax imposed by section 36 of this act who
38 fails to maintain or disclose his records pursuant to this subsection
39 is liable to the taxpayer for any penalty paid by the taxpayer for
40 the late payment or nonpayment of the tax caused by the failure to
41 maintain or disclose records.

42 4. A person who violates any provision of this section is guilty
43 of a misdemeanor.



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

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

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

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

22 **Sec. 43. 1.** *Except as otherwise provided in this section and*
23 *NRS 360.250, the records and files of the Board and the*
24 *Department concerning the administration of this chapter are*
25 *confidential and privileged. The Board, the Department and any*
26 *employee of the Board or the Department engaged in the*
27 *administration of this chapter or charged with the custody of any*
28 *such records or files shall not disclose any information obtained*
29 *from the records or files of the Board or the Department or from*
30 *any examination, investigation or hearing authorized by the*
31 *provisions of this chapter. The Board, the Department and any*
32 *employee of the Board or the Department may not be required to*
33 *produce any of the records, files and information for the*
34 *inspection of any person or for use in any action or proceeding.*

35 **2.** *The records and files of the Board and the Department*
36 *concerning the administration of this chapter are not confidential*
37 *and privileged in the following cases:*

38 *(a) Testimony by a member or employee of the Board or the*
39 *Department and production of records, files and information on*
40 *behalf of the Board or the Department or a taxpayer in any action*
41 *or proceeding pursuant to the provisions of this chapter, if that*
42 *testimony or the records, files or information, or the facts shown*
43 *thereby, are directly involved in the action or proceeding.*



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

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

6 (d) *Exchanges of information with the Internal Revenue*
7 *Service in accordance with compacts made and provided for in*
8 *such cases.*

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

17 **Sec. 44. 1. If:**

18 (a) *The Board determines that a licensed gaming*
19 *establishment is collecting an amount paid for live entertainment*
20 *with the intent to defraud the State or to evade the payment of the*
21 *tax or any part of the tax imposed by this chapter, the Board shall*
22 *establish an amount upon which the tax imposed by this chapter*
23 *must be based.*

24 (b) *The Department determines that a taxpayer who is not a*
25 *licensed gaming establishment is collecting an amount paid for*
26 *live entertainment with the intent to defraud the State or to evade*
27 *the payment of the tax or any part of the tax imposed by this*
28 *chapter, the Department shall establish an amount upon which the*
29 *tax imposed by this chapter must be based.*

30 2. *The amount paid for live entertainment established by the*
31 *Board or the Department pursuant to subsection 1 must be based*
32 *upon amounts paid for live entertainment to business entities that*
33 *are deemed comparable by the Board or the Department to that of*
34 *the taxpayer.*

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

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

39 (b) *Has taken a deduction on his federal income tax return*
40 *pursuant to 26 U.S.C. § 166(a) for the amount which he is unable*
41 *to collect,*

42 *he is entitled to receive a credit for the amount of tax paid on*
43 *account of that uncollected amount. The credit may be used*
44 *against the amount of tax that the taxpayer is subsequently*
45 *required to pay pursuant to this chapter.*



1 2. If the Internal Revenue Service disallows a deduction
2 described in paragraph (b) of subsection 1 and the taxpayer
3 claimed a credit on a return for a previous reporting period
4 pursuant to subsection 1, the taxpayer shall include the amount of
5 that credit in the amount of taxes reported pursuant to this chapter
6 in the first return filed with the Board or the Department after the
7 deduction is disallowed.

8 3. If a taxpayer collects all or part of the amount paid for live
9 entertainment for which he claimed a credit on a return for a
10 previous reporting period pursuant to subsection 2, he shall
11 include:

12 (a) The amount collected in the amount paid for live
13 entertainment reported pursuant to paragraph (a) of subsection 1;
14 and

15 (b) The tax payable on the amount collected in the amount of
16 taxes reported,
17 in the first return filed with the Board or the Department after that
18 collection.

19 4. Except as otherwise provided in subsection 5, upon
20 determining that a taxpayer has filed a return which contains one
21 or more violations of the provisions of this section, the Board or
22 the Department shall:

23 (a) For the first return of any taxpayer that contains one or
24 more violations, issue a letter of warning to the taxpayer which
25 provides an explanation of the violation or violations contained in
26 the return.

27 (b) For the first or second return, other than a return
28 described in paragraph (a), in any calendar year which contains
29 one or more violations, assess a penalty equal to the amount of the
30 tax which was not reported.

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

34 5. For the purposes of subsection 4, if the first violation of
35 this section by any taxpayer was determined by the Board or the
36 Department through an audit which covered more than one return
37 of the taxpayer, the Board or the Department shall treat all returns
38 which were determined through the same audit to contain a
39 violation or violations in the manner provided in paragraph (a) of
40 subsection 4.

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



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1 **Sec. 47.** *If the Board or the Department determines that any*
2 *tax, penalty or interest has been paid more than once or has been*
3 *erroneously or illegally collected or computed, the Board or the*
4 *Department shall set forth that fact in its records and shall certify*
5 *to the State Board of Examiners the amount collected in excess of*
6 *the amount legally due and the person from which it was collected*
7 *or by whom it was paid. If approved by the State Board of*
8 *Examiners, the excess amount collected or paid must be credited*
9 *on any amounts then due from the person under this chapter, and*
10 *the balance refunded to the person or his successors in interest.*

11 **Sec. 48.** 1. *Except as otherwise provided in NRS 360.235*
12 *and 360.395:*

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

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

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

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

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

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

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

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

33 **Sec. 49.** 1. *Except as otherwise provided in this section and*
34 *NRS 360.320, interest must be paid upon any overpayment of any*
35 *amount of the tax imposed by this chapter at the rate of 0.5*
36 *percent per month, or fraction thereof, from the last day of the*
37 *calendar month following the month for which the overpayment*
38 *was made. No refund or credit may be made of any interest*
39 *imposed upon the person making the overpayment with respect to*
40 *the amount being refunded or credited.*

41 2. *The interest must be paid:*

42 (a) *In the case of a refund, to the last day of the calendar*
43 *month following the date upon which the person making the*
44 *overpayment, if he has not already filed a claim, is notified by*
45 *the Board or the Department that a claim may be filed or the date*



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1 upon which the claim is certified to the State Board of Examiners,
2 whichever is earlier.

3 (b) In the case of a credit, to the same date as that to which
4 interest is computed on the tax or amount against which the credit
5 is applied.

6 3. If the Board or the Department determines that any
7 overpayment has been made intentionally or by reason of
8 carelessness, the Board or the Department shall not allow any
9 interest on the overpayment.

10 **Sec. 50.** 1. No injunction, writ of mandate or other legal or
11 equitable process may issue in any suit, action or proceeding in
12 any court against this state or against any officer of the State to
13 prevent or enjoin the collection under this chapter of the tax
14 imposed by this chapter or any amount of tax, penalty or interest
15 required to be collected.

16 2. No suit or proceeding may be maintained in any court for
17 the recovery of any amount alleged to have been erroneously or
18 illegally determined or collected unless a claim for refund or credit
19 has been filed.

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

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

24 (b) The Nevada Tax Commission, the claimant may bring an
25 action against the Department on the grounds set forth in the
26 claim.

27 2. An action brought pursuant to subsection 1 must be
28 brought in a court of competent jurisdiction in Carson City, the
29 county of this state where the claimant resides or maintains his
30 principal place of business or a county in which any relevant
31 proceedings were conducted by the Board or the Department, for
32 the recovery of the whole or any part of the amount with respect to
33 which the claim has been disallowed.

34 3. Failure to bring an action within the time specified
35 constitutes a waiver of any demand against the State on account of
36 alleged overpayments.

37 **Sec. 52.** 1. If the Board fails to mail notice of action on a
38 claim within 6 months after the claim is filed, the claimant may
39 consider the claim disallowed and file an appeal with the Nevada
40 Gaming Commission within 30 days after the last day of the
41 6-month period.

42 2. If the Department fails to mail notice of action on a claim
43 within 6 months after the claim is filed, the claimant may consider
44 the claim disallowed and file an appeal with the Nevada Tax



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1 *Commission within 30 days after the last day of the 6-month*
2 *period.*

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

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

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

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

17 *5. The balance of the judgment must be refunded to the*
18 *plaintiff.*

19 **Sec. 53.** *In any judgment, interest must be allowed at the rate*
20 *of 6 percent per annum upon the amount found to have been*
21 *illegally collected from the date of payment of the amount to the*
22 *date of allowance of credit on account of the judgment, or to a*
23 *date preceding the date of the refund warrant by not more than 30*
24 *days. The date must be determined by the Board or the*
25 *Department.*

26 **Sec. 54.** *A judgment may not be rendered in favor of the*
27 *plaintiff in any action brought against the Board or the*
28 *Department to recover any amount paid when the action is*
29 *brought by or in the name of an assignee of the person paying the*
30 *amount or by any person other than the person who paid the*
31 *amount.*

32 **Sec. 55. 1.** *The Board or the Department may recover a*
33 *refund or any part thereof which is erroneously made and any*
34 *credit or part thereof which is erroneously allowed in an action*
35 *brought in a court of competent jurisdiction in Carson City or*
36 *Clark County in the name of the State of Nevada.*

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

40 *3. The Attorney General shall prosecute the action, and the*
41 *provisions of NRS, the Nevada Rules of Civil Procedure and the*
42 *Nevada Rules of Appellate Procedure relating to service of*
43 *summons, pleadings, proofs, trials and appeals are applicable to*
44 *the proceedings.*



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

7 2. *If an amount not exceeding \$25 has been illegally*
8 *determined, either by the person filing a return or by the Board or*
9 *the Department, the Board or the Department, without certifying*
10 *this fact to the State Board of Examiners, shall authorize the*
11 *cancellation of the amount upon the records of the Board or the*
12 *Department.*

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

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

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

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

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

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

33 **Sec. 58.10.** *Title 32 of NRS is hereby amended by adding*
34 *thereto a new chapter to consist of the provisions set forth as*
35 *sections 58.12 to 58.80, inclusive, of this act.*

36 **Sec. 58.12.** *As used in this chapter, unless the context*
37 *otherwise requires, the words and terms defined in sections 58.14*
38 *to 58.28, inclusive, of this act have the meanings ascribed to them*
39 *in those sections.*

40 **Sec. 58.14.** *“Business” means any activity engaged in or*
41 *caused to be engaged in with the object of gain, benefit or*
42 *advantage, either direct or indirect, to any person or governmental*
43 *entity.*



- 1 **Sec. 58.16. 1. “Business entity” includes:**
2 (a) *A corporation, partnership, proprietorship, limited-liability*
3 *company, business association, joint venture, limited-liability*
4 *partnership, business trust and their equivalents organized under*
5 *the laws of this state or another jurisdiction and any other type of*
6 *entity that engages in business; and*
7 (b) *A natural person engaging in business if he is deemed to be*
8 *a business entity pursuant to section 58.42 of this act.*
9 **2. The term does not include:**
10 (a) *A governmental entity;*
11 (b) *A nonprofit religious, charitable, fraternal or other*
12 *organization that qualifies as a tax-exempt organization pursuant*
13 *to 26 U.S.C. § 501(c), unless the organization has any taxable*
14 *income for the purposes of federal income taxation from any*
15 *unrelated trade or business, as defined in 26 U.S.C. § 513; or*
16 (c) *A person who operates a business from his home and earns*
17 *from that business not more than 66 2/3 percent of the average*
18 *annual wage, as computed for the preceding calendar year*
19 *pursuant to chapter 612 of NRS and rounded to the nearest*
20 *hundred dollars.*
21 **Sec. 58.18. “Commission” means the Nevada Tax**
22 **Commission.**
23 **Sec. 58.20. “Engaging in business” means commencing,**
24 *conducting or continuing a business, the exercise of corporate or*
25 *franchise powers regarding a business, and the liquidation of a*
26 *business entity which is or was engaging in a business when the*
27 *liquidator holds itself out to the public as conducting that*
28 *business.*
29 **Sec. 58.22. “Gross revenue” means the total amount received**
30 *or receivable on the use, sale or exchange of property or capital or*
31 *for the performance of services, from any transaction involving a*
32 *business entity, without any reduction for the basis of property*
33 *sold, the cost of goods or services sold, or any other expense of the*
34 *business entity.*
35 **Sec. 58.24. 1. “Pass-through revenue” means revenue**
36 *received by a business entity solely on behalf of another in a*
37 *disclosed agency capacity, including revenue received as a broker,*
38 *bailee, consignee or auctioneer, notwithstanding that the business*
39 *entity may incur liability, primarily or secondarily, in a*
40 *transaction in its capacity as an agent.*
41 **2. “Pass-through revenue” includes:**
42 (a) *Revenue that a real estate broker receives pursuant to NRS*
43 *645.280 and is required by contract to pay to a licensed real estate*
44 *broker, broker-salesman or salesman who performed services for*
45 *that revenue.*



1 (b) Reimbursement for advances made by a business entity on
2 behalf of a customer or client, other than with respect to services
3 rendered or with respect to purchases of goods by the business
4 entity in carrying out the business in which it engages.

5 Sec. 58.26. "Total amount received or receivable" means the
6 total sum of any money and the fair market value of any other
7 property or services received or receivable, including, without
8 limitation, rents, royalties, interest and dividends, and aggregate
9 net gains realized from the sale or exchange of stocks, bonds,
10 asset-backed securities, investment and trading assets and other
11 evidence of indebtedness.

12 Sec. 58.28. "Total revenue" means gross revenue minus:

13 1. Any revenue which this state is prohibited from taxing
14 pursuant to the Constitution, laws or treaties of the United States
15 or the Nevada Constitution.

16 2. Any revenue received by a natural person from the rental
17 of not more than four residential units.

18 3. Any revenue from the sale of agricultural products at
19 wholesale.

20 4. If a business entity pays a tax on premiums pursuant to
21 title 57 of NRS, the gross revenue of the business entity derived
22 from direct premiums written.

23 5. If a business entity pays a license fee pursuant to NRS
24 463.370, the total sum of all amounts specifically included by
25 statute in and all amounts specifically excluded by statute from the
26 calculation of that fee for the business entity.

27 6. If a business entity pays a tax on the net proceeds of
28 minerals pursuant to chapter 362 of NRS, the gross yield of the
29 business entity from which those net proceeds are determined.

30 7. Any operating revenue of a public utility for the provision
31 of electric, gas, water or sewer service which is operated or
32 regulated by a governmental entity.

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

38 9. Any revenue from the operation of a vending stand
39 pursuant to NRS 426.640.

40 10. Any revenue received by a certified disadvantaged
41 business enterprise.

42 Sec. 58.30. The Legislature hereby finds and declares that
43 the fee imposed by this chapter on a business entity must not be
44 construed as a fee or tax upon the customers of the business
45 entity, but as a fee which is imposed upon and collectible from the



1 *business entity and which constitutes part of the operating*
2 *overhead of the business entity.*

3 **Sec. 58.32.** *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 fees, interest and penalties it receives pursuant*
8 *to this chapter in the State Treasury for credit to the State General*
9 *Fund.*

10 **Sec. 58.34.** *1. Each person responsible for maintaining the*
11 *records of a business entity 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 business entity 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. 58.36.** *1. To verify the accuracy of any return filed or,*
26 *if no return is filed by a business entity, to determine the amount*
27 *required to be paid, the Department, or any person authorized in*
28 *writing by the Department, may examine the books, papers and*
29 *records of any person or business entity that may be liable for the*
30 *fee imposed by this chapter.*

31 *2. Any person or business entity which may be liable for the*
32 *fee imposed by this chapter and which keeps outside of this state*
33 *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. 58.38.** *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*



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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. 58.40.** 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 the business entity that paid the fee in any action or
22 proceeding pursuant to the provisions of this chapter if that
23 testimony or the records, files or information, or the facts shown
24 thereby, are directly involved in the action or proceeding.

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

28 (c) Publication of statistics so classified as to prevent the
29 identification of a particular business entity 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.



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Sec. 58.42. *A natural person engaging in 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. 58.44. 1. *A quarterly franchise fee is hereby imposed upon each business entity for the privilege of engaging in 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>
<i>\$20,000,000 or more.....</i>	<i>\$7,000</i>
<i>plus \$3,500 for each additional \$10,000,000</i>	

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

3. *Upon determination of the actual annual total revenue of the business entity for that fiscal year, the business entity shall reconcile the amount due from franchise fees for the year. If the amount of franchise fees paid exceeds the amount actually due from the business entity, the excess fees must be credited against*



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1 *future franchise fees payable by the business entity. If the amount*
2 *of franchise fees paid was less than the amount due, the amount*
3 *due remaining unpaid shall be deemed, for the purposes of NRS*
4 *360.417, to constitute a failure to pay the fee within the time*
5 *required pursuant to this section.*

6 *4. Each business entity engaging in business in this state*
7 *shall file with the Department a return on a form prescribed by the*
8 *Department, together with the remittance of any fee due pursuant*
9 *to this chapter, on or before the last day of the month immediately*
10 *following the calendar quarter for which the payment is being*
11 *made. The form must provide each business entity with an*
12 *opportunity for account reconciliation.*

13 **Sec. 58.46.** *1. Except as otherwise provided in this section,*
14 *the total revenue of a business entity in this state must be*
15 *computed for each fiscal year based upon the accounting method*
16 *used by the business entity to compute its income for the purposes*
17 *of federal income taxation. If a business entity does not regularly*
18 *use a single accounting method, or if the Department determines*
19 *that the accounting method used by the business entity does not*
20 *clearly reflect the total revenue of the business entity in this state,*
21 *the calculation of that revenue must be made on the basis of such*
22 *an accounting method as, in the opinion of the Department,*
23 *clearly reflects the total revenue of the business entity in this state.*

24 *2. If a business entity is engaged in more than one type of*
25 *business, the business entity:*

26 *(a) May, in computing its total revenue in this state, use a*
27 *different accounting method for each of those types of business;*
28 *and*

29 *(b) Shall compute its total revenue in this state for each of*
30 *those types of business based upon the accounting method used by*
31 *the business entity to compute its income for that type of business*
32 *for the purposes of federal income taxation.*

33 *3. If a business entity changes the accounting method upon*
34 *which it computes its income for the purposes of federal income*
35 *taxation, the business entity shall, before using that method to*
36 *compute its total revenue in this state, provide the Department*
37 *with written notification of the change in its accounting method.*
38 *If:*

39 *(a) The business entity or any of its owners, officers,*
40 *employees, agents or representatives are required, on behalf of the*
41 *business entity, to obtain the consent of the Internal Revenue*
42 *Service to the change in its accounting method, the business entity*
43 *shall include a notarized copy of that consent in its written*
44 *notification to the Department; or*



- 1 (b) The business entity is not required to obtain the consent of
2 the Internal Revenue Service to the change in its accounting
3 method, the business entity shall obtain the consent of the
4 Department to the change in its accounting method before using
5 that method to compute its total revenue in this state.
- 6 4. If a business entity fails to comply with the provisions of
7 subsections 1 and 2, any required change in the accounting
8 method does not affect the imposition and calculation of any
9 penalty, or the calculation of any additional amount of franchise
10 fees due, pursuant to this chapter.
- 11 **Sec. 58.48.** In calculating the franchise fee of a business
12 entity pursuant to this chapter, the business entity is entitled to
13 deduct from its total revenue:
- 14 1. Any revenue upon which this state is prohibited from
15 imposing a franchise fee pursuant to the Constitution or laws of
16 the United States or the Nevada Constitution.
- 17 2. The amount of any federal, state or local governmental
18 fuel taxes collected by the business entity.
- 19 3. Any revenue of the business entity attributable to interest
20 upon any bonds or securities of the Federal Government, the State
21 of Nevada or a political subdivision of this state.
- 22 4. Any pass-through revenue of the business entity.
- 23 5. Any revenue received as dividends or distributions by a
24 parent organization from the capital account of a subsidiary entity
25 of the parent organization.
- 26 6. Any revenue received by a hospital or provider of health
27 care from a governmental entity.
- 28 7. Any cash discounts the business entity allows a purchaser
29 of property, rights or services.
- 30 8. Any indebtedness to the business entity that is impossible
31 or impracticable to collect and which is written off by the business
32 entity as a bad debt for purposes of federal income taxation.
- 33 9. Any counterfeit currency received by the business entity for
34 which the business entity is not reimbursed.
- 35 10. The amount of any payments received by the business
36 entity upon claims for health, casualty or life insurance.
- 37 11. The cost of all payments made to contractors and
38 subcontractors for the portion of any materials or services
39 provided in the development of improved real property, made by a
40 business entity who is:
- 41 (a) A contractor or subcontractor; or
42 (b) In the business of developing improved real property.
- 43 The amount of the deduction must not exceed the gross revenue of
44 the business entity from the transaction.
- 45 12. Any promotional allowances by the business entity.



1 13. The gross revenue attributable to damaged or returned
2 merchandise.

3 14. Any revenue of the business entity upon which the
4 business entity paid the tax imposed pursuant to section 95 of this
5 act.

6 Sec. 58.50. 1. The Department shall adopt regulations
7 providing for the allocation or apportionment of the liability for
8 franchise fees pursuant to this chapter of business entities
9 engaging in a business both within and outside of this state. The
10 regulations must:

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

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

18 2. As used in this section:

19 (a) "Recommended Formula for the Apportionment and
20 Allocation of Net Income of Financial Institutions" means the
21 provisions of the Recommended Formula for the Apportionment
22 and Allocation of Net Income of Financial Institutions adopted by
23 the Multistate Tax Commission, as those provisions existed on
24 July 1, 2003.

25 (b) "Uniform Division of Income for Tax Purposes Act"
26 means the provisions of the Uniform Division of Income for Tax
27 Purposes Act approved by the National Conference of
28 Commissioners on Uniform State Laws, as those provisions
29 existed on July 1, 2003.

30 Sec. 58.52. The Department shall, upon application by a
31 business entity engaging in a business both within and outside of
32 this state, reduce the liability of the business entity for franchise
33 fees pursuant to this chapter to the extent required by the
34 Constitution or laws of the United States or the Nevada
35 Constitution, as a result of the tax liability of the business entity to
36 other states and their political subdivisions.

37 Sec. 58.54. 1. If the Department determines, after notice
38 and hearing, that:

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

41 (b) The primary or a substantial purpose for engaging in that
42 type of business through affiliated business entities is to avoid or
43 to reduce liability for the franchise fees imposed by this
44 chapter,



1 the Department shall require the business entity and one or more
2 of its affiliated business entities to file a consolidated return for
3 the purposes of this chapter.

4 2. For the purposes of this section:

5 (a) "Affiliated business entity" means a business entity that
6 directly, or indirectly through one or more intermediaries,
7 controls, is controlled by or is under common control with,
8 another specified business entity.

9 (b) "Control," as used in the terms "controls," "controlled by"
10 and "under common control with," means the possession, directly
11 or indirectly, of the power to direct or cause the direction of the
12 management and policies of a business entity, whether through
13 the ownership of voting securities, by contract or otherwise.

14 **Sec. 58.56.** Upon written application made before the date on
15 which payment must be made, the Department may for good cause
16 extend by 30 days the time within which a business entity is
17 required to pay the franchise fee imposed by this chapter. If the
18 franchise fee is paid during the period of extension, no penalty or
19 late charge may be imposed for failure to pay at the time required,
20 but the business entity shall pay interest at the rate of 1 percent
21 per month from the date on which the amount would have been
22 due without the extension until the date of payment, unless
23 otherwise provided in NRS 360.232 or 360.320.

24 **Sec. 58.58.** The remedies of the State provided for in this
25 chapter are cumulative, and no action taken by the Department or
26 the Attorney General constitutes an election by the State to pursue
27 any remedy to the exclusion of any other remedy for which
28 provision is made in this chapter.

29 **Sec. 58.60.** If the Department determines that any franchise
30 fee, penalty or interest has been paid more than once or has been
31 erroneously or illegally collected or computed, the Department
32 shall set forth that fact in the records of the Department and
33 certify to the State Board of Examiners the amount collected in
34 excess of the amount legally due and the business entity or person
35 from which it was collected or by whom it was paid. If approved by
36 the State Board of Examiners, the excess amount collected or paid
37 must be credited on any amounts then due from the person or
38 business entity under this chapter, and the balance refunded to the
39 person or business entity, or its successors, administrators or
40 executors.

41 **Sec. 58.62.** 1. Except as otherwise provided in NRS 360.235
42 and 360.395:

43 (a) No refund may be allowed unless a claim for it is filed with
44 the Department within 3 years after the last day of the month



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1 immediately following the calendar quarter for which the
2 overpayment was made.

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

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

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

11 4. Within 30 days after rejecting any claim in whole or in
12 part, the Department shall serve notice of its action on the
13 claimant in the manner prescribed for service of notice of a
14 deficiency determination.

15 **Sec. 58.64.** 1. Except as otherwise provided in this section
16 and NRS 360.320, interest must be paid upon any overpayment of
17 any amount of the franchise fee imposed by this chapter at the rate
18 of 0.5 percent per month, or fraction thereof, from the last day of
19 the month immediately following the calendar quarter for which
20 the overpayment was made. No refund or credit may be made of
21 any interest imposed upon the person or business entity making
22 the overpayment with respect to the amount being refunded or
23 credited.

24 2. The interest must be paid:

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

31 (b) In the case of a credit, to the same date as that to which
32 interest is computed on the franchise fee or the amount against
33 which the credit is applied.

34 3. If the Department determines that any overpayment has
35 been made intentionally or by reason of carelessness, it shall not
36 allow any interest on the overpayment.

37 **Sec. 58.66.** 1. No injunction, writ of mandate or other legal
38 or equitable process may issue in any suit, action or proceeding in
39 any court against this state or against any officer of the State to
40 prevent or enjoin the collection under this chapter of the franchise
41 fee imposed by this chapter or any amount of the franchise fee,
42 penalty or interest required to be collected.

43 2. No suit or proceeding may be maintained in any court for
44 the recovery of any amount alleged to have been erroneously or



1 *illegally determined or collected unless a claim for refund or credit*
2 *has been filed.*

3 **Sec. 58.68.** 1. *Within 90 days after a final decision upon a*
4 *claim filed pursuant to this chapter is rendered by the*
5 *Commission, the claimant may bring an action against the*
6 *Department on the grounds set forth in the claim in a court of*
7 *competent jurisdiction in Carson City, the county of this state*
8 *where the claimant resides or maintains his principal place of*
9 *business or a county in which any relevant proceedings were*
10 *conducted by the Department, for the recovery of the whole or any*
11 *part of the amount with respect to which the claim has been*
12 *disallowed.*

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

16 **Sec. 58.70.** 1. *If the Department fails to mail notice of*
17 *action on a claim within 6 months after the claim is filed, the*
18 *claimant may consider the claim disallowed and file an appeal*
19 *with the Commission within 30 days after the last day of the*
20 *6-month period. If the claimant is aggrieved by the decision of the*
21 *Commission rendered on appeal, the claimant may, within 90 days*
22 *after the decision is rendered, bring an action against the*
23 *Department on the grounds set forth in the claim for the recovery*
24 *of the whole or any part of the amount claimed as an*
25 *overpayment.*

26 2. *If judgment is rendered for the plaintiff, the amount of the*
27 *judgment must first be credited towards any franchise fees due*
28 *from the plaintiff.*

29 3. *The balance of the judgment must be refunded to the*
30 *plaintiff.*

31 **Sec. 58.72.** *In any judgment, interest must be allowed at the*
32 *rate of 6 percent per annum upon the amount found to have been*
33 *illegally collected from the date of payment of the amount to the*
34 *date of allowance of credit on account of the judgment, or to a*
35 *date preceding the date of the refund warrant by not more than 30*
36 *days. The date must be determined by the Department.*

37 **Sec. 58.74.** *A judgment may not be rendered in favor of the*
38 *plaintiff in any action brought against the Department to recover*
39 *any amount paid when the action is brought by or in the name of*
40 *an assignee of the business entity paying the amount or by any*
41 *person other than the person or business entity which paid the*
42 *amount.*

43 **Sec. 58.76.** 1. *The Department may recover a refund or any*
44 *part thereof which is erroneously made and any credit or part*
45 *thereof which is erroneously allowed in an action brought in a*



1 *court of competent jurisdiction in Carson City or Clark County in*
2 *the name of the State of Nevada.*

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

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

11 **Sec. 58.78.** 1. *If any amount in excess of \$25 has been*
12 *illegally determined, either by the Department or by the person*
13 *filing the return, the Department shall certify this fact to the State*
14 *Board of Examiners, and the latter shall authorize the*
15 *cancellation of the amount upon the records of the Department.*

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

21 **Sec. 58.80.** 1. *A person shall not:*

22 (a) *Make, cause to be made or permit to be made any false or*
23 *fraudulent return or declaration or false statement in any return*
24 *or declaration with intent to defraud the State or to evade payment*
25 *of the franchise fee or any part of the franchise fee imposed by*
26 *this chapter.*

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

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

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

37 **Sec. 59.** Chapter 360 of NRS is hereby amended by adding
38 thereto the provisions set forth as sections 60 to 66, inclusive, of this
39 act.

40 **Sec. 60.** *The Nevada Tax Commission shall adopt*
41 *regulations providing for:*

42 1. *The electronic submission of returns to the Department;*
43 *and*



1 2. The payment of taxes, fees, interest and penalties to the
2 Department through the use of credit cards, debit cards and
3 electronic transfers of money.

4 Sec. 61. As used in sections 61 to 66, inclusive, of this act,
5 unless the context otherwise requires, the words and terms defined
6 in sections 62, 63 and 64 of this act have the meanings ascribed to
7 them in those sections.

8 Sec. 62. 1. “Business” includes:

9 (a) A corporation, partnership, proprietorship, limited-liability
10 company, business association, joint venture, limited-liability
11 partnership, business trust and their equivalents organized under
12 the laws of this state or another jurisdiction and any other person
13 that conducts an activity for profit; and

14 (b) The activities of a natural person which are deemed to be a
15 business pursuant to section 65 of this act.

16 2. The term does not include:

17 (a) A governmental entity.

18 (b) A nonprofit religious, charitable, fraternal or other
19 organization that qualifies as a tax-exempt organization pursuant
20 to 26 U.S.C. § 501(c), unless the organization has any taxable
21 income for the purposes of federal income taxation from any
22 unrelated trade or business, as defined in 26 U.S.C. § 513.

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

28 (d) A business whose primary purpose is to create or produce
29 motion pictures. As used in this paragraph, “motion pictures” has
30 the meaning ascribed to it in NRS 231.020.

31 Sec. 63. 1. “Employee” includes:

32 (a) A natural person who receives wages or other
33 remuneration from a business for personal services, including
34 commissions and bonuses and remuneration payable in a medium
35 other than cash; and

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

37 2. The term includes:

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

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

41 (1) Employment Security Division of the Department of
42 Employment, Training and Rehabilitation;

43 (2) Administrator of the Division of Industrial Relations of
44 the Department of Business and Industry; or



1 (3) Internal Revenue Service on an Employer's Quarterly
2 Federal Tax Return (Form 941), Employer's Monthly Federal
3 Tax Return (Form 941-M), Employer's Annual Tax Return for
4 Agricultural Employees (Form 943) or any equivalent or
5 successor form.

6 3. The term does not include:

7 (a) A business or an independent contractor that performs
8 services on behalf of another business.

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

11 (c) A newspaper carrier or the immediate supervisor of a
12 newspaper carrier who is an independent contractor of the
13 newspaper and receives compensation solely from persons who
14 purchase the newspaper.

15 (d) A natural person who performs all of his duties for the
16 business outside of this state.

17 4. An independent contractor is not an employee of a
18 business with which he contracts.

19 Sec. 64. "Wages" means any remuneration paid for personal
20 services, including commissions, and bonuses and remuneration
21 payable in any medium other than cash.

22 Sec. 65. The activity or activities conducted by a natural
23 person shall be deemed to be a business that is subject to the
24 provisions of sections 61 to 66, inclusive, of this act if the person is
25 required to file with the Internal Revenue Service a Schedule C
26 (Form 1040), Profit or Loss From Business Form, or its
27 equivalent or successor form, a Schedule E (Form 1040),
28 Supplemental Income and Loss Form, or its equivalent or
29 successor form, or a Schedule F (Form 1040), Profit or Loss
30 From Farming Form, or its equivalent or successor form, for the
31 business.

32 Sec. 66. 1. Except as otherwise provided in subsection 8, a
33 person shall not conduct a business in this state unless he has a
34 business license issued by the Department.

35 2. An application for a business license must:

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

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

40 (c) Declare the estimated number of employees for the
41 previous calendar quarter;

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

43 (e) Include any other information that the Department deems
44 necessary.

45 3. The application must be signed by:



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- 1 (a) *The owner, if the business is owned by a natural person;*
2 (b) *A member or partner, if the business is owned by an*
3 *association or partnership; or*
4 (c) *An officer or some other person specifically authorized to*
5 *sign the application, if the business is owned by a corporation.*
6 4. *If the application is signed pursuant to paragraph (c) of*
7 *subsection 3, written evidence of the signer's authority must be*
8 *attached to the application.*
9 5. *A person who has been issued a business license by the*
10 *Department shall submit a fee of \$75 to the Department on or*
11 *before the last day of the month in which the anniversary date of*
12 *issuance of the business license occurs in each year, unless the*
13 *person submits a written statement to the Department, at least 10*
14 *days before the anniversary date, indicating that the person will*
15 *not be conducting business in this state after the anniversary date.*
16 6. *The business license required to be obtained pursuant to*
17 *this section is in addition to any license to conduct business that*
18 *must be obtained from the local jurisdiction in which the business*
19 *is being conducted.*
20 7. *For the purposes of sections 61 to 66, inclusive, of this act,*
21 *a person shall be deemed to conduct a business in this state if a*
22 *business for which the person is responsible:*
23 (a) *Is organized pursuant to title 7 of NRS, other than a*
24 *business organized pursuant to chapter 82 or 84 of NRS;*
25 (b) *Has an office or other base of operations in this state; or*
26 (c) *Pays wages or other remuneration to a natural person who*
27 *performs in this state any of the duties for which he is paid.*
28 8. *A person who takes part in a trade show or convention*
29 *held in this state for a purpose related to the conduct of a business*
30 *is not required to obtain a business license specifically for that*
31 *event.*
32 **Sec. 67.** NRS 360.095 is hereby amended to read as follows:
33 360.095 In the adoption of regulations, policies of
34 enforcement, and policies for auditing of taxpayers, with respect to
35 all taxes and fees for whose administration the Department is
36 responsible, the Nevada Tax Commission shall apply the following
37 principles:
38 1. Forms, instructions and regulations governing the
39 computation of the amount of tax due must be brief and easily
40 understood.
41 2. In cases where another authority, such as the United States
42 or a local government, also imposes a tax upon the same property or
43 revenue, the mechanism for collecting the tax imposed by the State
44 must be as nearly compatible with the collection of the other taxes
45 as is feasible.



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

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

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

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

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

17 **Sec. 68.** NRS 360.225 is hereby amended to read as follows:

18 360.225 1. During the course of an investigation undertaken
19 pursuant to NRS 360.130 of a person claiming:

20 (a) A partial abatement of property taxes pursuant to NRS
21 361.0687;

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

24 ~~—(c)}~~ A deferral of the payment of taxes on the sale of capital
25 goods pursuant to NRS 372.397 or 374.402; or

26 ~~{(d)}~~ (c) An abatement of taxes on the gross receipts from the
27 sale, storage, use or other consumption of eligible machinery or
28 equipment pursuant to NRS 374.357,

29 the Department shall investigate whether the person meets the
30 eligibility requirements for the abatement, partial abatement ~~{~~
31 ~~exemption}~~ or deferral that the person is claiming.

32 2. If the Department finds that the person does not meet the
33 eligibility requirements for the abatement ~~{, exemption}~~ or deferral
34 which the person is claiming, the Department shall report its
35 findings to the Commission on Economic Development and take
36 any other necessary actions.

37 **Sec. 69.** NRS 360.2935 is hereby amended to read as follows:

38 360.2935 Except as otherwise provided in ~~{NRS 361.485,}~~ *this*
39 *title*, a taxpayer is entitled to receive on any overpayment of taxes,
40 after the offset required by NRS 360.320 has been made, a refund
41 together with interest at a rate determined pursuant to NRS 17.130.
42 No interest is allowed on a refund of any penalties or interest paid
43 by a taxpayer.

44 **Sec. 70.** NRS 360.300 is hereby amended to read as follows:



1 360.300 1. If a person fails to file a return or the Department
2 is not satisfied with the return or returns of any tax, *franchise fee,*
3 contribution or premium or amount of tax, *franchise fee,*
4 contribution or premium required to be paid to the State by any
5 person, in accordance with the applicable provisions of this chapter,
6 chapter 362, 364A, 369, 370, 372, 372A, 374, 377, 377A or 444A of
7 NRS, NRS 482.313, or chapter 585 or 680B of NRS , *or sections 2*
8 *to 24, inclusive, 24.12 to 24.74, inclusive, or 58.12 to 58.80,*
9 *inclusive, of this act,* as administered or audited by the Department,
10 it may compute and determine the amount required to be paid upon
11 the basis of:

- 12 (a) The facts contained in the return;
13 (b) Any information within its possession or that may come into
14 its possession; or
15 (c) Reasonable estimates of the amount.

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

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

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

26 5. When a business is discontinued, a determination may be
27 made at any time thereafter within the time prescribed in NRS
28 360.355 as to liability arising out of that business, irrespective of
29 whether the determination is issued before the due date of the
30 liability.

31 **Sec. 70.5.** NRS 360.300 is hereby amended to read as follows:

32 360.300 1. If a person fails to file a return or the Department
33 is not satisfied with the return or returns of any tax, franchise fee,
34 contribution or premium or amount of tax, franchise fee,
35 contribution or premium required to be paid to the State by any
36 person, in accordance with the applicable provisions of this chapter,
37 chapter 362, ~~364A,~~ 369, 370, 372, 372A, 374, 377, 377A or 444A
38 of NRS, NRS 482.313, or chapter 585 or 680B of NRS, or sections
39 2 to 24, inclusive, 24.12 to 24.74, inclusive, or 58.12 to 58.80,
40 inclusive, of this act, as administered or audited by the Department,
41 it may compute and determine the amount required to be paid upon
42 the basis of:

- 43 (a) The facts contained in the return;
44 (b) Any information within its possession or that may come into
45 its possession; or



1 (c) Reasonable estimates of the amount.

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

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

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

12 5. When a business is discontinued, a determination may be
13 made at any time thereafter within the time prescribed in NRS
14 360.355 as to liability arising out of that business, irrespective of
15 whether the determination is issued before the due date of the
16 liability.

17 **Sec. 71.** NRS 360.417 is hereby amended to read as follows:

18 360.417 Except as otherwise provided in NRS 360.232 and
19 360.320, and unless a different penalty or rate of interest is
20 specifically provided by statute, any person who fails to pay any tax
21 *or franchise fee* provided for in chapter 362, 364A, 369, 370, 372,
22 374, 377, 377A, 444A or 585 of NRS, *or sections 2 to 24, inclusive,*
23 *24.12 to 24.74, inclusive, or 58.12 to 58.80, inclusive, of this act,*
24 or the fee provided for in NRS 482.313, to the State or a county
25 within the time required, shall pay a penalty of not more than 10
26 percent of the amount of the tax or fee which is owed, as determined
27 by the Department, in addition to the tax or fee, plus interest at the
28 rate of 1 percent per month, or fraction of a month, from the last day
29 of the month following the period for which the amount or any
30 portion of the amount should have been reported until the date of
31 payment. The amount of any penalty imposed must be based on a
32 graduated schedule adopted by the Nevada Tax Commission which
33 takes into consideration the length of time the tax or fee remained
34 unpaid.

35 **Sec. 71.5.** NRS 360.417 is hereby amended to read as follows:

36 360.417 Except as otherwise provided in NRS 360.232 and
37 360.320, and unless a different penalty or rate of interest is
38 specifically provided by statute, any person who fails to pay any tax
39 or franchise fee provided for in chapter 362, ~~364A,~~ 369, 370, 372,
40 374, 377, 377A, 444A or 585 of NRS, or sections 2 to 24, inclusive,
41 24.12 to 24.74, inclusive, or 58.12 to 58.80, inclusive, of this act,
42 or the fee provided for in NRS 482.313, to the State or a county
43 within the time required, shall pay a penalty of not more than 10
44 percent of the amount of the tax or fee which is owed, as determined
45 by the Department, in addition to the tax or fee, plus interest at the



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1 rate of 1 percent per month, or fraction of a month, from the last day
2 of the month following the period for which the amount or any
3 portion of the amount should have been reported until the date of
4 payment. The amount of any penalty imposed must be based on a
5 graduated schedule adopted by the Nevada Tax Commission which
6 takes into consideration the length of time the tax or fee remained
7 unpaid.

8 **Sec. 72.** NRS 360.419 is hereby amended to read as follows:

9 360.419 1. If the Executive Director or a designated hearing
10 officer finds that the failure of a person to make a timely return or
11 payment of a tax *or franchise fee* imposed pursuant to NRS 361.320
12 or ~~chapter 361A, 376A, 377 or 377A of NRS, or by~~ chapter *361A,*
13 *362, 364A, 369, 370, 372, 372A, 374, 375A ,* ~~or~~ *375B , 376A, 377*
14 *or 377A of NRS, or sections 2 to 24, inclusive, 24.12 to 24.74,*
15 *inclusive, or 58.12 to 58.80, inclusive, of this act,* is the result of
16 circumstances beyond his control and occurred despite the exercise
17 of ordinary care and without intent, the Department may relieve him
18 of all or part of any interest or penalty , or both.

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

22 3. The Department shall disclose, upon the request of any
23 person:

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

26 4. The Executive Director or a designated hearing officer shall
27 act upon the request of a taxpayer seeking relief pursuant to NRS
28 361.4835 which is deferred by a county treasurer or county assessor.

29 **Sec. 72.5.** NRS 360.419 is hereby amended to read as follows:

30 360.419 1. If the Executive Director or a designated hearing
31 officer finds that the failure of a person to make a timely return or
32 payment of a tax or franchise fee imposed pursuant to NRS 361.320
33 or chapter 361A, 362, ~~364A,~~ 369, 370, 372, 372A, 374, 375A,
34 375B, 376A, 377 or 377A of NRS, or sections 2 to 24, inclusive,
35 24.12 to 24.74, inclusive, or 58.12 to 58.80, inclusive, of this act is
36 the result of circumstances beyond his control and occurred despite
37 the exercise of ordinary care and without intent, the Department
38 may relieve him of all or part of any interest or penalty , or both.

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

42 3. The Department shall disclose, upon the request of any
43 person:

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



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

4 **Sec. 73.** NRS 360.510 is hereby amended to read as follows:

5 360.510 1. If any person is delinquent in the payment of any
6 tax or fee administered by the Department or if a determination has
7 been made against him which remains unpaid, the Department may:

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

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

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

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

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

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



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1 demand to transmit to the person responsible for making the
2 payments informing him to continue to transmit payments to
3 the Department or that his duty to transmit the payments to the
4 Department has ceased.

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

12 7. If any person notified by the notice of the delinquency
13 makes any transfer or other disposition of the property or debts
14 required to be withheld or transmitted, to the extent of the value of
15 the property or the amount of the debts thus transferred or paid, he is
16 liable to the State for any indebtedness due pursuant to this chapter,
17 or chapter 362, 364A, 369, 370, 372, 372A, 374, 377, 377A or 444A
18 of NRS, NRS 482.313, or chapter 585 or 680B of NRS, *or sections*
19 *2 to 24, inclusive, 24.12 to 24.74, inclusive, or 58.12 to 58.80,*
20 *inclusive, of this act* from the person with respect to whose
21 obligation the notice was given if solely by reason of the transfer or
22 other disposition the State is unable to recover the indebtedness of
23 the person with respect to whose obligation the notice was given.

24 **Sec. 73.5.** NRS 360.510 is hereby amended to read as follows:

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

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

30 (b) Not later than 6 years after the last recording of an abstract
31 of judgment or of a certificate constituting a lien for tax owed,
32 give a notice of the delinquency and a demand to transmit
33 personally or by registered or certified mail to any person,
34 including, without limitation, any officer or department of this state
35 or any political subdivision or agency of this state, who has in his
36 possession or under his control any credits or other personal
37 property belonging to the delinquent, or owing any debts to the
38 delinquent or person against whom a determination has been made
39 which remains unpaid, or owing any debts to the delinquent or that
40 person. In the case of any state officer, department or agency, the
41 notice must be given to the officer, department or agency before
42 the Department presents the claim of the delinquent taxpayer to the
43 State Controller.



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

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

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

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

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

33 7. If any person notified by the notice of the delinquency
34 makes any transfer or other disposition of the property or debts
35 required to be withheld or transmitted, to the extent of the value of
36 the property or the amount of the debts thus transferred or paid, he is
37 liable to the State for any indebtedness due pursuant to this chapter,
38 or chapter 362, ~~364A,~~ 369, 370, 372, 372A, 374, 377, 377A or
39 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS, or
40 sections 2 to 24, inclusive, 24.12 to 24.74, inclusive, or 58.12 to
41 58.80, inclusive, of this act from the person with respect to whose
42 obligation the notice was given if solely by reason of the transfer or
43 other disposition the State is unable to recover the indebtedness of
44 the person with respect to whose obligation the notice was given.



* S B 6 R 2 *

1 **Sec. 74.** NRS 360.750 is hereby amended to read as follows:
2 360.750 1. A person who intends to locate or expand a
3 business in this state may apply to the Commission on Economic
4 Development for a partial abatement of one or more of the taxes
5 imposed on the new or expanded business pursuant to chapter 361 ~~+~~
6 ~~364A~~ or 374 of NRS.
7 2. The Commission on Economic Development shall approve
8 an application for a partial abatement if the Commission makes the
9 following determinations:
10 (a) The business is consistent with:
11 (1) The State Plan for Industrial Development and
12 Diversification that is developed by the Commission pursuant to
13 NRS 231.067; and
14 (2) Any guidelines adopted pursuant to the State Plan.
15 (b) The applicant has executed an agreement with the
16 Commission which states that the business will, after the date on
17 which a certificate of eligibility for the abatement is issued pursuant
18 to subsection 5, continue in operation in this state for a period
19 specified by the Commission, which must be at least 5 years, and
20 will continue to meet the eligibility requirements set forth in this
21 subsection. The agreement must bind the successors in interest of
22 the business for the specified period.
23 (c) The business is registered pursuant to the laws of this state or
24 the applicant commits to obtain a valid business license and all other
25 permits required by the county, city or town in which the business
26 operates.
27 (d) Except as otherwise provided in NRS 361.0687, if the
28 business is a new business in a county whose population is 100,000
29 or more or a city whose population is 60,000 or more, the business
30 meets at least two of the following requirements:
31 (1) The business will have 75 or more full-time employees
32 on the payroll of the business by the fourth quarter that it is in
33 operation.
34 (2) Establishing the business will require the business to
35 make a capital investment of at least \$1,000,000 in this state.
36 (3) The average hourly wage that will be paid by the new
37 business to its employees in this state is at least 100 percent of the
38 average statewide hourly wage as established by the Employment
39 Security Division of the Department of Employment, Training and
40 Rehabilitation on July 1 of each fiscal year and:
41 (I) The business will provide a health insurance plan for
42 all employees that includes an option for health insurance coverage
43 for dependents of the employees; and
44 (II) The cost to the business for the benefits the business
45 provides to its employees in this state will meet the minimum



1 requirements for benefits established by the Commission by
2 regulation pursuant to subsection 9.

3 (e) Except as otherwise provided in NRS 361.0687, if the
4 business is a new business in a county whose population is less than
5 100,000 or a city whose population is less than 60,000, the business
6 meets at least two of the following requirements:

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

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

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

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

20 (II) The cost to the business for the benefits the business
21 provides to its employees in this state will meet the minimum
22 requirements for benefits established by the Commission by
23 regulation pursuant to subsection 9.

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

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

29 (2) The business will expand by making a capital investment
30 in this state in an amount equal to at least 20 percent of the value of
31 the tangible property possessed by the business in the immediately
32 preceding fiscal year. The determination of the value of the tangible
33 property possessed by the business in the immediately preceding
34 fiscal year must be made by the:

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

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

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

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



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

5 3. Notwithstanding the provisions of subsection 2, the
6 Commission on Economic Development may:

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

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

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

15 4. If a person submits an application to the Commission on
16 Economic Development pursuant to subsection 1, the Commission
17 shall provide notice to the governing body of the county and the city
18 or town, if any, in which the person intends to locate or expand a
19 business. The notice required pursuant to this subsection must set
20 forth the date, time and location of the hearing at which the
21 Commission will consider the application.

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

25 (a) The Department;

26 (b) The Nevada Tax Commission; and

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

29 6. An applicant for a partial abatement pursuant to this section
30 or an existing business whose partial abatement is in effect shall,
31 upon the request of the Executive Director of the Commission on
32 Economic Development, furnish the Executive Director with copies
33 of all records necessary to verify that the applicant meets the
34 requirements of subsection 2.

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

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

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

40 the business shall repay to the Department or, if the partial
41 abatement was from the property tax imposed pursuant to chapter
42 361 of NRS, to the county treasurer, the amount of the exemption
43 that was allowed pursuant to this section before the failure of the
44 business to comply unless the Nevada Tax Commission determines
45 that the business has substantially complied with the requirements of



1 this section. Except as otherwise provided in NRS 360.232 and
2 360.320, the business shall, in addition to the amount of the
3 exemption required to be paid pursuant to this subsection, pay
4 interest on the amount due at the rate most recently established
5 pursuant to NRS 99.040 for each month, or portion thereof, from the
6 last day of the month following the period for which the payment
7 would have been made had the partial abatement not been approved
8 until the date of payment of the tax.

9 8. A county treasurer:

10 (a) Shall deposit any money that he receives pursuant to
11 subsection 7 in one or more of the funds established by a local
12 government of the county pursuant to NRS 354.6113 or 354.6115;
13 and

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

16 9. The Commission on Economic Development:

17 (a) Shall adopt regulations relating to:

18 (1) The minimum level of benefits that a business must
19 provide to its employees if the business is going to use benefits paid
20 to employees as a basis to qualify for a partial abatement; and

21 (2) The notice that must be provided pursuant to
22 subsection 4.

23 (b) May adopt such other regulations as the Commission on
24 Economic Development determines to be necessary to carry out the
25 provisions of this section.

26 10. The Nevada Tax Commission:

27 (a) Shall adopt regulations regarding:

28 (1) The capital investment that a new business must make to
29 meet the requirement set forth in paragraph (d) or (e) of subsection
30 2; and

31 (2) Any security that a business is required to post to qualify
32 for a partial abatement pursuant to this section.

33 (b) May adopt such other regulations as the Nevada Tax
34 Commission determines to be necessary to carry out the provisions
35 of this section.

36 11. An applicant for an abatement who is aggrieved by a final
37 decision of the Commission on Economic Development may
38 petition for judicial review in the manner provided in chapter 233B
39 of NRS.

40 **Sec. 75.** NRS 360A.020 is hereby amended to read as follows:
41 360A.020 The Department shall adopt ~~such~~ :

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

44 **2. Regulations providing for:**



1 (a) *The electronic submission of returns to the Department;*
2 *and*

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

7 **Sec. 75.3.** NRS 364A.020 is hereby amended to read as
8 follows:

9 364A.020 1. “Business” includes:

10 (a) A corporation, partnership, proprietorship, *limited-liability*
11 *company, business association, joint venture, limited-liability*
12 *partnership, business trust and their equivalents organized under*
13 *the laws of this state or another jurisdiction* and any other ~~similar~~
14 organization that conducts an activity for profit;

15 (b) The activities of a natural person which are deemed to be a
16 business pursuant to NRS 364A.120; and

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

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

22 ~~3.~~ The term does not include:

23 (a) A nonprofit religious, charitable, fraternal or other
24 organization that qualifies as a tax-exempt organization pursuant to
25 26 U.S.C. § 501(c) ~~3~~, *unless the organization has taxable income*
26 *for the purposes of federal income taxation from any unrelated*
27 *trade or business, as defined in 26 U.S.C. 513;*

28 (b) A governmental entity; ~~or~~

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

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

37 **Sec. 75.7.** NRS 364A.120 is hereby amended to read as
38 follows:

39 364A.120 The activity or activities conducted by a natural
40 person shall be deemed to be a business that is subject to the
41 provisions of this chapter if the person files with the Internal
42 Revenue Service a Schedule C (Form 1040), Profit or Loss from
43 Business Form, or its equivalent or successor form, *a Schedule E*
44 *(Form 1040), Supplemental Income and Loss Form, or its*
45 *equivalent or successor form,* or a Schedule F (Form 1040), Farm



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1 Income and Expenses Form, or its equivalent or successor form, for
2 the activity or activities.

3 **Sec. 76.** NRS 364A.130 is hereby amended to read as follows:
4 364A.130 1. Except as otherwise provided in subsection ~~{6,}~~
5 ~~8~~, a person shall not conduct a business in this state unless he has a
6 business license issued by the Department.

7 2. ~~{The}~~ **An** application for a business license must:

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

9 (b) Set forth the name under which the applicant transacts or
10 intends to transact business and the location of his place or places of
11 business;

12 (c) Declare the estimated number of employees for the previous
13 calendar quarter;

14 (d) Be accompanied by a fee of ~~{\$25;}~~ **\$75**; and

15 (e) Include any other information that the Department deems
16 necessary.

17 3. The application must be signed by:

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

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

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

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

26 5. *A person who has been issued a business license by the*
27 *Department shall submit a fee of \$75 to the Department on or*
28 *before the last day of the month in which the anniversary date of*
29 *issuance of the business license occurs in each year, unless the*
30 *person submits a written statement to the Department, at least 10*
31 *days before the anniversary date, indicating that the person will*
32 *not be conducting business in this state after the anniversary date.*

33 6. *The business license required to be obtained pursuant to*
34 *this section is in addition to any license to conduct business that*
35 *must be obtained from the local jurisdiction in which the business*
36 *is being conducted.*

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

40 (a) Is ~~{incorporated}~~ **organized** pursuant to ~~{chapter 78 or 78A}~~
41 **title 7** of NRS ~~{;}~~ **, other than a business organized pursuant to**
42 **chapter 82 or 84 of NRS;**

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

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



1 ~~16.1~~ 8. A person who takes part in a trade show or convention
2 held in this state for a purpose related to the conduct of a business is
3 not required to obtain a business license specifically for that event.

4 **Sec. 77.** NRS 369.174 is hereby amended to read as follows:
5 369.174 Each month, the State Controller shall transfer to the
6 Tax on Liquor Program Account in the State General Fund, from the
7 tax on liquor containing more than 22 percent of alcohol by volume,
8 the portion of the tax which exceeds ~~1.90~~ \$3.45 per wine gallon.

9 **Sec. 78.** NRS 369.330 is hereby amended to read as follows:
10 369.330 Except as otherwise provided in this chapter, an excise
11 tax is hereby levied and must be collected respecting all liquor and
12 upon the privilege of importing, possessing, storing or selling liquor,
13 according to the following rates and classifications:

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

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

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

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

24 **Sec. 79.** NRS 369.370 is hereby amended to read as follows:

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

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

37 3. The excise tax imposed by this chapter is due on or before
38 the 20th day of the following month. If all such taxes are paid on or
39 before the 15th day of the following month, a discount in the
40 amount of ~~3~~ 0.5 percent of the tax must be allowed to the taxpayer.
41 The Department may, for good cause, extend for not more than 15
42 days after the date the tax is due the time for paying the tax if a
43 request for such an extension of time is received by the Department
44 on or before the date the tax was due. If such an extension is
45 granted, interest accrues from the original date the tax was due.



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

6 **Sec. 80.** NRS 370.165 is hereby amended to read as 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 ~~17.5~~ 42.5 mills per cigarette. The tax may be represented
10 and precollected by the affixing of a revenue stamp or other
11 approved evidence of payment to each package, packet or container
12 in which cigarettes are sold. The tax must be precollected by the
13 wholesale or retail dealer, and must be recovered from the consumer
14 by adding the amount of the tax to the selling price. Each person
15 who sells cigarettes at retail shall prominently display on his
16 premises a notice that the tax is included in the selling price and is
17 payable under the provisions of this chapter.

18 **Sec. 80.5.** NRS 370.165 is hereby amended to read as follows:

19 370.165 There is hereby levied a tax upon the purchase or
20 possession of cigarettes by a consumer in the State of Nevada at the
21 rate of ~~42.5~~ 47.5 mills per cigarette. The tax may be represented
22 and precollected by the affixing of a revenue stamp or other
23 approved evidence of payment to each package, packet or container
24 in which cigarettes are sold. The tax must be precollected by the
25 wholesale or retail dealer, and must be recovered from the consumer
26 by adding the amount of the tax to the selling price. Each person
27 who sells cigarettes at retail shall prominently display on his
28 premises a notice that the tax is included in the selling price and is
29 payable under the provisions of this chapter.

30 **Sec. 81.** NRS 370.220 is hereby amended to read as follows:

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

37 **Sec. 82.** NRS 370.260 is hereby amended to read as follows:

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

42 2. The Department shall:

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



1 during the preceding month to the State Treasurer for deposit to the
2 credit of the Department. The deposited money must be expended
3 by the Department in accordance with its work program.

4 (b) From the remittances made to it pursuant to subsection 1
5 during the preceding month, less the amount transmitted pursuant to
6 paragraph (a), transmit each month the portion of the tax which is
7 equivalent to ~~12.5~~ 37.5 mills per cigarette to the State Treasurer
8 for deposit to the credit of the Account for the Tax on Cigarettes in
9 the State General Fund.

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

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

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

20 **Sec. 82.5.** NRS 370.260 is hereby amended to read as follows:

21 370.260 1. All taxes and license fees imposed by the
22 provisions of NRS 370.001 to 370.430, inclusive, less any refunds
23 granted as provided by law, must be paid to the Department in the
24 form of remittances payable to the Department.

25 2. The Department shall:

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

32 (b) From the remittances made to it pursuant to subsection 1
33 during the preceding month, less the amount transmitted pursuant to
34 paragraph (a), transmit each month the portion of the tax which is
35 equivalent to ~~37.5~~ 42.5 mills per cigarette to the State Treasurer
36 for deposit to the credit of the Account for the Tax on Cigarettes in
37 the State General Fund.

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

41 (d) Report to the State Controller monthly the amount of
42 collections.

43 3. The money deposited pursuant to paragraph (c) of
44 subsection 2 in the Local Government Tax Distribution account is
45 hereby appropriated to Carson City and to each of the counties in



1 proportion to their respective populations and must be credited to
2 the respective accounts of Carson City and each county.

3 **Sec. 83.** NRS 370.350 is hereby amended to read as follows:

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

7 2. The amount of the use tax is ~~17.5~~ 42.5 mills per cigarette.

8 3. The use tax does not apply where:

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

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

12 **Sec. 83.5.** NRS 370.350 is hereby amended to read as follows:

13 370.350 1. Except as otherwise provided in subsection 3, a
14 tax is hereby levied and imposed upon the use of cigarettes in this
15 state.

16 2. The amount of the use tax is ~~42.5~~ 47.5 mills per cigarette.

17 3. The use tax does not apply where:

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

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

21 **Sec. 84.** NRS 370.450 is hereby amended to read as follows:

22 370.450 1. Except as otherwise provided in subsection 2,
23 there is hereby imposed upon the purchase or possession of products
24 made from tobacco, other than cigarettes, by a customer in this state
25 a tax of 30 percent of the wholesale price of those products.

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

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

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

32 3. This tax must be collected and paid by the wholesale dealer
33 to the Department, in accordance with the provisions of NRS
34 370.465, after the sale or distribution of those products by the
35 wholesale dealer. The wholesale dealer is entitled to retain ~~2~~ 0.5
36 percent of the taxes collected to cover the costs of collecting and
37 administering the taxes ~~if~~ *if the taxes are paid in accordance with*
38 *the provisions of NRS 370.465.*

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

42 **Sec. 85.** NRS 370.490 is hereby amended to read as follows:

43 370.490 1. The Department shall allow a credit of 30 percent
44 of the wholesale price, less a discount of ~~2~~ 0.5 percent for the
45 services rendered in collecting the tax, for products made from



1 tobacco, other than cigarettes, upon which the tax has been paid
2 pursuant to NRS 370.450 and that may no longer be sold. If the
3 products have been purchased and delivered, a credit memo of the
4 manufacturer is required for proof of returned merchandise.

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

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

13 **Sec. 86.** NRS 372.130 is hereby amended to read as follows:

14 372.130 At the time of making an application, the applicant
15 must pay to the Department a permit fee of ~~1\$41~~ \$5 for each permit.

16 **Sec. 87.** NRS 372.140 is hereby amended to read as follows:

17 372.140 A seller whose permit has been previously suspended
18 or revoked must pay the Department a fee of ~~1\$41~~ \$5 for the renewal
19 or issuance of a permit.

20 **Sec. 88.** NRS 372.220 is hereby amended to read as follows:

21 372.220 1. Every retailer who sells tangible personal
22 property for storage, use or other consumption in this state shall
23 register with the Department and give:

24 ~~111~~ (a) The name and address of all agents operating in this
25 state.

26 ~~121~~ (b) The location of all distribution or sales houses or offices
27 or other places of business in this state.

28 ~~131~~ (c) Such other information as the Department may require.

29 2. *Every business that purchases tangible personal property*
30 *for storage, use or other consumption in this state shall, at the*
31 *time the business obtains a business license pursuant to NRS*
32 *364A.130, register with the Department on a form prescribed by*
33 *the Department. As used in this section, "business" has the*
34 *meaning ascribed to it in NRS 364A.020.*

35 **Sec. 89.** NRS 372.220 is hereby amended to read as follows:

36 372.220 1. Every retailer who sells tangible personal
37 property for storage, use or other consumption in this state shall
38 register with the Department and give:

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

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

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

43 2. Every business that purchases tangible personal property for
44 storage, use or other consumption in this state shall, at the time the
45 business obtains a business license pursuant to ~~1NRS 364A.130,1~~



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1 *section 66 of this act*, register with the Department on a form
2 prescribed by the Department. As used in this section, "business"
3 has the meaning ascribed to it in ~~[NRS 364A.020.]~~ *section 62 of this*
4 *act*.

5 **Sec. 90.** NRS 372.370 is hereby amended to read as follows:
6 372.370 ~~[The taxpayer shall]~~ *If the taxes imposed by this*
7 *chapter are paid in accordance with NRS 372.355, the taxpayer*
8 *may* deduct and withhold from the taxes otherwise due from him
9 ~~[1.25]~~ *0.5* percent of ~~[it]~~ *those taxes* to reimburse himself for the
10 cost of collecting the tax.

11 **Sec. 91.** NRS 374.135 is hereby amended to read as follows:
12 374.135 At the time of making an application, the applicant
13 shall pay to the Department a permit fee of ~~[\$1]~~ *\$5* for each permit.

14 **Sec. 92.** NRS 374.145 is hereby amended to read as follows:
15 374.145 A seller whose permit has been previously suspended
16 or revoked shall pay the Department a fee of ~~[\$1]~~ *\$5* for the renewal
17 or issuance of a permit.

18 **Sec. 93.** NRS 374.375 is hereby amended to read as follows:
19 374.375 ~~[The taxpayer shall]~~ *If the taxes imposed by this*
20 *chapter are paid in accordance with NRS 374.360, the taxpayer*
21 *may* deduct and withhold from the taxes otherwise due from him
22 ~~[1.25]~~ *0.5* percent thereof to reimburse himself for the cost of
23 collecting the tax.

24 **Sec. 94.** Chapter 375 of NRS is hereby amended by adding
25 thereto the provisions set forth as sections 95 and 96 of this act.

26 **Sec. 95. 1.** *In addition to all other taxes imposed on*
27 *transfers of real property, a tax, at the rate of \$1.30 on each \$500*
28 *of value or fraction thereof, is hereby imposed on each deed by*
29 *transferred or otherwise conveyed to, or vested in, another person,*
30 *if the consideration or value of the interest or property conveyed*
31 *exceeds \$100.*

32 **2.** *The amount of the tax must be computed on the basis of*
33 *the value of the transferred property as declared pursuant to NRS*
34 *375.060.*

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

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

43 **Sec. 96. 1.** *The Department shall, to ensure that the tax*
44 *imposed by section 95 of this act is collected fairly and equitably in*
45



1 *all counties, coordinate the collection and administration of that*
2 *tax. For this purpose, the Department may conduct such audits of*
3 *the records of the various counties as are necessary to carry out*
4 *the provisions of section 95 of this act.*

5 *2. When requested, the Department shall render assistance to*
6 *the county recorder of a county whose population is less than*
7 *30,000 relating to the imposition and collection of the tax imposed*
8 *by section 95 of this act.*

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

11 **Sec. 97.** NRS 375.018 is hereby amended to read as follows:

12 375.018 With regard to the administration of ~~the real property~~
13 ~~transfer tax,~~ *any tax imposed by this chapter,* the county recorder
14 shall apply the following principles:

15 1. Forms, instructions and regulations governing the
16 computation of the amount of tax due must be brief and easily
17 understood.

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

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

27 4. Exemptions or waivers, where permitted by statute, must be
28 granted:

29 (a) Equitably among eligible taxpayers; and

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

32 **Sec. 98.** NRS 375.030 is hereby amended to read as follows:

33 375.030 1. If any deed evidencing a transfer of title subject to
34 the tax imposed by NRS 375.020 ~~and, if applicable, NRS 375.025,~~
35 is offered for recordation, the county recorder shall compute the
36 amount of the tax due and shall collect that amount before
37 acceptance of the deed for recordation.

38 2. The buyer and seller are jointly and severally liable for the
39 payment of the taxes imposed by NRS 375.020 ~~and 375.025~~ and
40 any penalties and interest imposed pursuant to subsection 3. The
41 escrow holder is not liable for the payment of the taxes imposed by
42 NRS 375.020 ~~and 375.025~~ or any penalties or interest imposed
43 pursuant to subsection 3.

44 3. If after recordation of the deed, the county recorder
45 disallows an exemption that was claimed at the time the deed was



1 recorded or through audit or otherwise determines that an additional
2 amount of tax is due, the county recorder shall promptly notify the
3 person who requested the recording of the deed and the buyer and
4 seller of the additional amount of tax due. If the additional amount
5 of tax is not paid within 30 days after the date the buyer and seller
6 are notified, the county recorder shall impose a penalty of 10
7 percent of the additional amount due in addition to interest at the
8 rate of 1 percent per month, or portion thereof, of the additional
9 amount due calculated from the date of the original recordation of
10 the deed on which the additional amount is due through the date on
11 which the additional amount due, penalty and interest are paid to the
12 county recorder.

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

19 **Sec. 99.** NRS 375.030 is hereby amended to read as follows:

20 375.030 1. If any deed evidencing a transfer of title subject to
21 the tax imposed by NRS 375.020 *and section 95 of this act* is
22 offered for recordation, the county recorder shall compute the
23 amount of the tax due and shall collect that amount before
24 acceptance of the deed for recordation.

25 2. The buyer and seller are jointly and severally liable for the
26 payment of the taxes imposed by NRS 375.020 *and section 95 of*
27 *this act* and any penalties and interest imposed pursuant to
28 subsection 3. The escrow holder is not liable for the payment of the
29 taxes imposed by NRS 375.020 *and section 95 of this act* or any
30 penalties or interest imposed pursuant to subsection 3.

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



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

7 **Sec. 100.** NRS 375.070 is hereby amended to read as follows:
8 375.070 1. The county recorder shall transmit the proceeds of
9 the ~~real property transfer~~ tax **imposed by NRS 375.020** at the end
10 of each quarter in the following manner:

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

16 (b) In a county whose population is more than 400,000, an
17 amount equal to that portion of the proceeds which is equivalent to
18 60 cents for each \$500 of value or fraction thereof must be
19 transmitted to the county treasurer for deposit in the county school
20 district's fund for capital projects established pursuant to NRS
21 387.328, to be held and expended in the same manner as other
22 money deposited in that fund.

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

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

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

- 39 (a) The costs to acquire land and developmental rights;
40 (b) Related predevelopment expenses;
41 (c) The costs to develop the land, including the payment of
42 related rebates;
43 (d) Contributions toward down payments made for the purchase
44 of affordable housing; and
45 (e) The creation of related trust funds.



1 **Sec. 101.** NRS 375.090 is hereby amended to read as follows:
2 375.090 The tax imposed by NRS 375.020 ~~and 375.025~~ does
3 not apply to:

4 1. A mere change in identity, form or place of organization,
5 such as a transfer between a corporation and its parent corporation, a
6 subsidiary or an affiliated corporation if the affiliated corporation
7 has identical common ownership.

8 2. A transfer of title to the United States, any territory or state
9 or any agency, department, instrumentality or political subdivision
10 thereof.

11 3. A transfer of title recognizing the true status of ownership of
12 the real property.

13 4. A transfer of title without consideration from one joint
14 tenant or tenant in common to one or more remaining joint tenants
15 or tenants in common.

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

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

20 7. A transfer of title between spouses to effect a property
21 settlement agreement or between former spouses in compliance with
22 a decree of divorce.

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

25 (a) The trustor of the trust;

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

27 (c) A person related to the trustor in the first degree of
28 consanguinity.

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

31 9. Transfers, assignments or conveyances of unpatented mines
32 or mining claims.

33 10. A transfer, assignment or other conveyance of real property
34 to a corporation or other business organization if the person
35 conveying the property owns 100 percent of the corporation or
36 organization to which the conveyance is made.

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

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

42 (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C.
43 §§ 101 et seq.;

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



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

6 13. The making or delivery of conveyances of real property to
7 make effective any order of the Securities and Exchange
8 Commission if:

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

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

16 (c) The transfer or conveyance is made in obedience to the
17 order.

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

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

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

28 **Sec. 102.** NRS 375.090 is hereby amended to read as follows:

29 375.090 The ~~tax~~ *taxes* imposed by NRS 375.020 ~~does~~ *and*
30 *section 95 this act do* not apply to:

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

37 2. A transfer of title to the United States, any territory or state
38 or any agency, department, instrumentality or political subdivision
39 thereof.

40 3. A transfer of title recognizing the true status of ownership of
41 the real property.

42 4. A transfer of title without consideration from one joint
43 tenant or tenant in common to one or more remaining joint tenants
44 or tenants in common.



1 5. ~~{A transfer of title to community property without~~
2 ~~consideration when held in the name of one spouse to both spouses~~
3 ~~as joint tenants or tenants in common, or as community property.~~
4 ~~—6.} A transfer of title between spouses, including gifts {~~
5 ~~—7. A transfer of title between spouses}, or to effect a property~~
6 settlement agreement or between former spouses in compliance with
7 a decree of divorce.
8 ~~{8.}~~ 6. A transfer of title to or from a trust ~~{, if the transfer is~~
9 ~~made}~~ without consideration ~~{, and is made to or from:~~
10 ~~—(a) The trustor of the trust;~~
11 ~~—(b) The trustor's legal representative; or~~
12 ~~—(c) A person related to the trustor in the first degree of~~
13 ~~consanguinity.~~
14 ~~As used in this subsection, "legal representative" has the meaning~~
15 ~~ascribed to it in NRS 167.020.~~
16 ~~—9.} if a certificate of trust is presented at the time of transfer.~~
17 7. Transfers, assignments or conveyances of unpatented mines
18 or mining claims.
19 ~~{10. A transfer, assignment or other conveyance of real~~
20 ~~property to a corporation or other business organization if the person~~
21 ~~conveying the property owns 100 percent of the corporation or~~
22 ~~organization to which the conveyance is made.~~
23 ~~—11.}~~ 8. A transfer, assignment or other conveyance of real
24 property if the owner of the property is related to the person to
25 whom it is conveyed within the first degree of consanguinity.
26 ~~{12.}~~ 9. The making, delivery or filing of conveyances of real
27 property to make effective any plan of reorganization or adjustment:
28 (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C.
29 §§ 101 et seq.;
30 (b) Approved in an equity receivership proceeding involving a
31 railroad, as defined in the Bankruptcy Act; or
32 (c) Approved in an equity receivership proceeding involving a
33 corporation, as defined in the Bankruptcy Act,
34 if the making, delivery or filing of instruments of transfer or
35 conveyance occurs within 5 years after the date of the confirmation,
36 approval or change.
37 ~~{13.}~~ 10. The making or delivery of conveyances of real
38 property to make effective any order of the Securities and Exchange
39 Commission if:
40 (a) The order of the Securities and Exchange Commission in
41 obedience to which the transfer or conveyance is made recites that
42 the transfer or conveyance is necessary or appropriate to effectuate
43 the provisions of section 11 of the Public Utility Holding Company
44 Act of 1935, 15 U.S.C. § 79k;



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

3 (c) The transfer or conveyance is made in obedience to the
4 order.

5 ~~{14.}~~ 11. A transfer to an educational foundation. As used in
6 this subsection, “educational foundation” has the meaning ascribed
7 to it in subsection 3 of NRS 388.750.

8 ~~{15.}~~ 12. A transfer to a university foundation. As used in this
9 subsection, “university foundation” has the meaning ascribed to it in
10 subsection 3 of NRS 396.405.

11 ~~{16.} A transfer, assignment or other conveyance of real
12 property to a corporation sole from another corporation sole. As
13 used in this subsection, “corporation sole” means a corporation
14 which is organized pursuant to the provisions of chapter 84 of
15 NRS.~~

16 **Sec. 103.** NRS 375.120 is hereby amended to read as follows:
17 375.120 The county recorder shall:

18 1. Conduct and apply audits and other procedures for
19 enforcement as uniformly as is feasible.

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

23 **Sec. 104.** NRS 375.130 is hereby amended to read as follows:

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

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

39 **Sec. 105.** NRS 375.160 is hereby amended to read as follows:

40 375.160 1. If any ~~{real property transfer}~~ tax imposed
41 pursuant to this chapter is not paid when due, the county may,
42 within 3 years after the date that the tax was due, record a certificate
43 in the office of the county recorder which states:

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



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

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

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

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

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

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

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

20 **Sec. 106.** NRS 375.170 is hereby amended to read as follows:

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

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

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

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

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

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

42 (b) The delinquency of the amounts; and

43 (c) The compliance by the county recorder with all the
44 procedures required by law relating to the computation and
45 determination of the amounts.



1 **Sec. 107.** NRS 375.250 is hereby amended to read as follows:
2 375.250 1. The Legislature hereby declares that each
3 taxpayer has the right:

4 (a) To be treated by officers and employees of the county
5 recorder with courtesy, fairness, uniformity, consistency and
6 common sense.

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

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

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

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

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

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

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

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

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

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

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

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



- 1 (j) To the immediate release of any lien which the county
2 recorder has placed on real property for the nonpayment of ~~the real~~
3 ~~property transfer~~ *a* tax when:
- 4 (1) The tax is paid;
 - 5 (2) The period of limitation for collecting the tax expires;
 - 6 (3) The lien is the result of an error by the county recorder;
 - 7 (4) The county recorder determines that the taxes, interest
8 and penalties are secured sufficiently by a lien on other real
9 property;
 - 10 (5) The release or subordination of the lien will not
11 jeopardize the collection of the taxes, interest and penalties; or
 - 12 (6) The release of the lien will facilitate the collection of the
13 taxes, interest and penalties.
- 14 (k) To be free from harassment and intimidation by an officer or
15 employee of the county recorder for any reason.
- 16 2. The provisions of this chapter governing the administration
17 and collection of taxes by the county recorder must not be construed
18 in such a manner as to interfere or conflict with the provisions of
19 this section or any applicable regulations.
- 20 3. The provisions of this section apply to the administration
21 and collection of taxes pursuant to this chapter.
- 22 **Sec. 108.** NRS 375.270 is hereby amended to read as follows:
23 375.270 The county recorder shall provide each taxpayer who
24 it determines may be liable for taxes pursuant to this chapter with
25 simplified written instructions concerning the rights and
26 responsibilities of the taxpayer, including the:
- 27 1. Keeping of records sufficient for audit purposes;
 - 28 2. Procedures for paying ~~the real property transfer tax;~~ *any*
29 *taxes that are due;* and
 - 30 3. Procedures for challenging any liability for ~~real property~~
31 ~~transfer~~ *any* tax, penalties or interest and for requesting refunds of
32 *any* erroneously paid ~~real property transfer~~ tax, including the steps
33 for appealing a denial thereof.
- 34 **Sec. 109.** NRS 375.290 is hereby amended to read as follows:
35 375.290 A taxpayer is entitled to receive on any overpayment
36 of ~~the real property transfer~~ *any* tax *imposed by this chapter* a
37 refund together with interest at a rate determined pursuant to NRS
38 17.130. No interest is allowed on a refund of any penalties or
39 interest on the ~~real property transfer~~ tax that is paid by a taxpayer.
- 40 **Sec. 110.** NRS 375.300 is hereby amended to read as follows:
41 375.300 The county recorder shall provide a taxpayer with a
42 response to any written request submitted by the taxpayer that
43 relates to a ~~real property transfer~~ tax *imposed by this chapter*
44 within 30 days after the county treasurer receives the request.



1 **Sec. 111.** NRS 375.330 is hereby amended to read as follows:

2 375.330 1. The county recorder may waive any ~~real property~~
3 ~~transfer~~ tax, penalty and interest owed by the taxpayer *pursuant to*
4 *this chapter, other than the tax imposed by section 95 of this act*, if
5 the taxpayer meets the criteria adopted by regulation. If a waiver is
6 granted pursuant to this subsection, the county shall prepare and
7 maintain on file a statement that contains:

8 (a) The reason for the waiver;

9 (b) The amount of the tax, penalty and interest owed by the
10 taxpayer; and

11 (c) The amount of the tax, penalty and interest waived by the
12 county.

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

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

28 **Sec. 112.** NRS 376A.040 is hereby amended to read as
29 follows:

30 376A.040 1. In addition to all other taxes imposed on the
31 revenues from retail sales, a board of county commissioners of a
32 county whose population is less than 400,000 may by ordinance, but
33 not as in a case of emergency, impose a tax at the rate of up to 1/4 of
34 1 percent of the gross receipts of any retailer from the sale of all
35 tangible personal property sold at retail, or stored, used or otherwise
36 consumed in the county, after receiving the approval of a majority
37 of the registered voters of the county voting on the question at a
38 primary, general or special election. The question may be combined
39 with questions submitted pursuant to NRS ~~[375.025, 376A.050 and~~
40 ~~376A.070 or any combination thereof.] 376A.050 or 376A.070, or~~
41 *both.*

42 2. If a county imposes a sales tax pursuant to this section and
43 NRS 376A.050, the combined additional sales tax must not exceed
44 1/4 of 1 percent. A tax imposed pursuant to this section applies
45 throughout the county, including incorporated cities in the county.



1 3. Before the election may occur, an open-space plan must be
2 adopted by the board of county commissioners pursuant to NRS
3 376A.020 and the adopted open-space plan must be endorsed by
4 resolution by the city council of each incorporated city within the
5 county.

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

17 5. The money received from the tax imposed pursuant to
18 subsection 4 must be retained by the county, or remitted to a city or
19 general improvement district in the county. The money received by
20 a county, city or general improvement district pursuant to this
21 section must only be used to pay the cost of:

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

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

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

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

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

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

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

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

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



1 **Sec. 113.** NRS 376A.040 is hereby amended to read as
2 follows:

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

15 2. If a county imposes a sales tax pursuant to this section and
16 NRS 376A.050, the combined additional sales tax must not exceed
17 1/4 of 1 percent. A tax imposed pursuant to this section applies
18 throughout the county, including incorporated cities in the county.

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

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

35 5. The money received from the tax imposed pursuant to
36 subsection 4 must be retained by the county, or remitted to a city or
37 general improvement district in the county. The money received by
38 a county, city or general improvement district pursuant to this
39 section must only be used to pay the cost of:

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

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

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



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

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

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

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

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

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

16 **Sec. 114.** NRS 376A.050 is hereby amended to read as
17 follows:

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

30 2. If a county imposes a sales tax pursuant to this section and
31 NRS 376A.040, the combined additional sales tax must not exceed
32 1/4 of 1 percent. A tax imposed pursuant to this section applies
33 throughout the county, including incorporated cities in the county.

34 3. Before the election occurs, an open-space plan must be
35 adopted by the board of county commissioners pursuant to NRS
36 376A.020 and the adopted open-space plan must be endorsed by
37 resolution by the city council of each incorporated city in the
38 county.

39 4. All fees, taxes, interest and penalties imposed and all
40 amounts of tax required to be paid pursuant to this section must be
41 paid to the Department of Taxation in the form of remittances
42 payable to the Department of Taxation. The Department of Taxation
43 shall deposit the payments with the State Treasurer for credit to the
44 Sales and Use Tax Account in the State General Fund. The State
45 Controller, acting upon the collection data furnished by the



1 Department of Taxation, shall transfer monthly all fees, taxes,
2 interest and penalties collected during the preceding month to the
3 Intergovernmental Fund and remit the money to the county
4 treasurer.

5 **Sec. 115.** NRS 376A.050 is hereby amended to read as
6 follows:

7 376A.050 1. Except as otherwise provided in subsection 2, in
8 addition to all other taxes imposed on the revenues from retail sales,
9 a board of county commissioners in each county whose population
10 is 100,000 or more but less than 400,000, may by ordinance, but not
11 as in a case of emergency, impose a tax at the rate of up to 1/4 of 1
12 percent of the gross receipts of any retailer from the sale of all
13 tangible personal property sold at retail, or stored, used or otherwise
14 consumed in the county, after receiving the approval of a majority
15 of the registered voters of the county voting on the question at a
16 primary, general or special election. The question may be combined
17 with questions submitted pursuant to NRS ~~375.025, 376A.040 and~~
18 ~~376A.070 or any combination thereof.~~ **376A.040 or 376A.070, or**
19 **both.**

20 2. If a county imposes a sales tax pursuant to this section and
21 NRS 376A.040, the combined additional sales tax must not exceed
22 1/4 of 1 percent. A tax imposed pursuant to this section applies
23 throughout the county, including incorporated cities in the county.

24 3. Before the election occurs, an open-space plan must be
25 adopted by the board of county commissioners pursuant to NRS
26 376A.020 and the adopted open-space plan must be endorsed by
27 resolution by the city council of each incorporated city in the
28 county.

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

40 **Sec. 116.** NRS 376A.070 is hereby amended to read as
41 follows:

42 376A.070 1. The board of county commissioners in a county
43 whose population is less than 400,000 may levy an ad valorem tax at
44 the rate of up to 1 cent on each \$100 of assessed valuation upon all
45 taxable property in the county after receiving the approval of a



1 majority of the registered voters of the county voting on the question
2 at a primary, general or special election. The question may be
3 combined with questions submitted pursuant to NRS ~~{375.025,~~
4 ~~376A.040 and 376A.050 or any combination thereof.}~~ **376A.040 or**
5 **376A.050, or both.** A tax imposed pursuant to this section applies
6 throughout the county, including incorporated cities in the county.

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

11 3. Before the tax is imposed, 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 **Sec. 117.** NRS 376A.070 is hereby amended to read as
17 follows:

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

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

33 3. Before the tax is imposed, an open-space plan must be
34 adopted by the board of county commissioners pursuant to NRS
35 376A.020 and the adopted open-space plan must be endorsed by
36 resolution by the city council of each incorporated city within the
37 county.

38 **Sec. 118.** NRS 78.150 is hereby amended to read as follows:

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

- 44 (a) The name of the corporation;
45 (b) The file number of the corporation, if known;



- 1 (c) The names and titles of the president, secretary, treasurer and
2 of all the directors of the corporation;
- 3 (d) The mailing or street address, either residence or business, of
4 each officer and director listed, following the name of the officer or
5 director;
- 6 (e) The name and street address of the resident agent of the
7 corporation; and
- 8 (f) The signature of an officer of the corporation certifying that
9 the list is true, complete and accurate.
- 10 2. The corporation shall annually thereafter, on or before the
11 last day of the month in which the anniversary date of incorporation
12 occurs in each year, file with the Secretary of State, on a form
13 furnished by him, an annual list containing all of the information
14 required in subsection 1.
- 15 3. Each list required by subsection 1 or 2 must be accompanied
16 by a declaration under penalty of perjury that the corporation has
17 complied with the provisions of ~~chapter 364A of NRS.~~ **section 66**
18 **of this act.**
- 19 4. Upon filing the list required by:
- 20 (a) Subsection 1, the corporation shall pay to the Secretary of
21 State a fee of \$165.
- 22 (b) Subsection 2, the corporation shall pay to the Secretary of
23 State a fee of \$85.
- 24 5. The Secretary of State shall, 60 days before the last day for
25 filing each annual list required by subsection 2, cause to be mailed
26 to each corporation which is required to comply with the provisions
27 of NRS 78.150 to 78.185, inclusive, and which has not become
28 delinquent, a notice of the fee due pursuant to subsection 4 and a
29 reminder to file the annual list required by subsection 2. Failure of
30 any corporation to receive a notice or form does not excuse it from
31 the penalty imposed by law.
- 32 6. If the list to be filed pursuant to the provisions of subsection
33 1 or 2 is defective in any respect or the fee required by subsection 4
34 or 8 is not paid, the Secretary of State may return the list for
35 correction or payment.
- 36 7. An annual list for a corporation not in default which is
37 received by the Secretary of State more than 60 days before its due
38 date shall be deemed an amended list for the previous year and must
39 be accompanied by a fee of \$85 for filing. A payment submitted
40 pursuant to this subsection does not satisfy the requirements of
41 subsection 2 for the year to which the due date is applicable.
- 42 8. If the corporation is an association as defined in NRS
43 116.110315, the Secretary of State shall not accept the filing
44 required by this section unless it is accompanied by evidence of the
45 payment of the fee required to be paid pursuant to NRS 116.31155



1 that is provided to the association pursuant to subsection 4 of that
2 section.

3 **Sec. 119.** NRS 80.110 is hereby amended to read as follows:

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

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

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

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

15 Each list filed pursuant to this subsection must be accompanied by a
16 declaration under penalty of perjury that the foreign corporation has
17 complied with the provisions of ~~chapter 364A of NRS.~~ **section 66**
18 **of this act.**

19 2. Upon filing:

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

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

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

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

36 **Sec. 120.** NRS 86.263 is hereby amended to read as follows:

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

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

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

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



* S B 6 R 2 *

1 (d) The mailing or street address, either residence or business, of
2 each manager or managing member listed, following the name of
3 the manager or managing member;

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

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

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

20 3. Each list required by subsection 1 and each list or
21 certification required by subsection 2 must be accompanied by a
22 declaration under penalty of perjury that the limited-liability
23 company has complied with the provisions of ~~chapter 364A of~~
24 ~~NRS.~~ **section 66 of this act.**

25 4. Upon filing:

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

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

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

39 6. If the list to be filed pursuant to the provisions of subsection
40 1 or 2 is defective or the fee required by subsection 4 is not paid, the
41 Secretary of State may return the list for correction or payment.

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



* S B 6 R 2 *

1 **Sec. 121.** NRS 87.510 is hereby amended to read as follows:
2 87.510 1. A registered limited-liability partnership shall, on
3 or before the first day of the second month after the filing of its
4 certificate of registration with the Secretary of State, and annually
5 thereafter on or before the last day of the month in which the
6 anniversary date of the filing of its certificate of registration with the
7 Secretary of State occurs, file with the Secretary of State, on a form
8 furnished by him, a list that contains:
9 (a) The name of the registered limited-liability partnership;
10 (b) The file number of the registered limited-liability
11 partnership, if known;
12 (c) The names of all of its managing partners;
13 (d) The mailing or street address, either residence or business, of
14 each managing partner;
15 (e) The name and street address of the resident agent of the
16 registered limited-liability partnership; and
17 (f) The signature of a managing partner of the registered limited-
18 liability partnership certifying that the list is true, complete and
19 accurate.
20 Each list filed pursuant to this subsection must be accompanied by a
21 declaration under penalty of perjury that the registered limited-
22 liability partnership has complied with the provisions of ~~chapter~~
23 ~~364A of NRS.~~ **section 66 of this act.**
24 2. Upon filing:
25 (a) The initial list required by subsection 1, the registered
26 limited-liability partnership shall pay to the Secretary of State a fee
27 of \$165.
28 (b) Each annual list required by subsection 1, the registered
29 limited-liability partnership shall pay to the Secretary of State a fee
30 of \$85.
31 3. The Secretary of State shall, at least 60 days before the last
32 day for filing each annual list required by subsection 1, cause to be
33 mailed to the registered limited-liability partnership a notice of the
34 fee due pursuant to subsection 2 and a reminder to file the annual
35 list required by subsection 1. The failure of any registered limited-
36 liability partnership to receive a notice or form does not excuse it
37 from complying with the provisions of this section.
38 4. If the list to be filed pursuant to the provisions of subsection
39 1 is defective, or the fee required by subsection 2 is not paid, the
40 Secretary of State may return the list for correction or payment.
41 5. An annual list that is filed by a registered limited-liability
42 partnership which is not in default more than 60 days before it is due
43 shall be deemed an amended list for the previous year and does not
44 satisfy the requirements of subsection 1 for the year to which the
45 due date is applicable.



1 **Sec. 122.** NRS 88.395 is hereby amended to read as follows:
2 88.395 1. A limited partnership shall, on or before the first
3 day of the second month after the filing of its certificate of limited
4 partnership with the Secretary of State, and annually thereafter on or
5 before the last day of the month in which the anniversary date of the
6 filing of its certificate of limited partnership occurs, file with the
7 Secretary of State, on a form furnished by him, a list that contains:
8 (a) The name of the limited partnership;
9 (b) The file number of the limited partnership, if known;
10 (c) The names of all of its general partners;
11 (d) The mailing or street address, either residence or business, of
12 each general partner;
13 (e) The name and street address of the resident agent of the
14 limited partnership; and
15 (f) The signature of a general partner of the limited partnership
16 certifying that the list is true, complete and accurate.
17 Each list filed pursuant to this subsection must be accompanied by a
18 declaration under penalty of perjury that the limited partnership has
19 complied with the provisions of ~~chapter 364A of NRS.~~ **section 66**
20 **of this act.**
21 2. Upon filing:
22 (a) The initial list required by subsection 1, the limited
23 partnership shall pay to the Secretary of State a fee of \$165.
24 (b) Each annual list required by subsection 1, the limited
25 partnership shall pay to the Secretary of State a fee of \$85.
26 3. The Secretary of State shall, 60 days before the last day for
27 filing each annual list required by subsection 1, cause to be mailed
28 to each limited partnership required to comply with the provisions
29 of this section which has not become delinquent a notice of the fee
30 due pursuant to the provisions of subsection 2 and a reminder to file
31 the annual list. Failure of any limited partnership to receive a notice
32 or form does not excuse it from the penalty imposed by NRS
33 88.400.
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 for a limited partnership not in default that is
38 received by the Secretary of State more than 60 days before its due
39 date shall be deemed an amended list for the previous year and does
40 not satisfy the requirements of subsection 1 for the year to which the
41 due date is applicable.
42 6. A filing made pursuant to this section does not satisfy the
43 provisions of NRS 88.355 and may not be substituted for filings
44 submitted pursuant to NRS 88.355.



1 **Sec. 123.** NRS 88A.600 is hereby amended to read as follows:

2 88A.600 1. A business trust formed pursuant to this chapter
3 shall, on or before the first day of the second month after the filing
4 of its certificate of trust with the Secretary of State, and annually
5 thereafter on or before the last day of the month in which the
6 anniversary date of the filing of its certificate of trust with the
7 Secretary of State occurs, file with the Secretary of State, on a form
8 furnished by him, a list signed by at least one trustee that contains
9 the name and mailing address of its resident agent and at least one
10 trustee. Each list filed pursuant to this subsection must be
11 accompanied by a declaration under penalty of perjury that the
12 business trust has complied with the provisions of ~~chapter 364A of~~
13 ~~NRS.~~ **section 66 of this act.**

14 2. Upon filing:

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

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

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

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

29 **Sec. 124.** NRS 89.250 is hereby amended to read as follows:

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

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



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

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

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

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

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

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

15 (c) Accompanied by a declaration under penalty of perjury that
16 the professional association has complied with the provisions of
17 ~~chapter 364A of NRS.~~ *section 66 of this act.*

18 4. Upon filing:

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

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

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

27 **Sec. 125.** Chapter 218 of NRS is hereby amended by adding
28 thereto the provisions set forth as sections 126 to 131, inclusive, of
29 this act.

30 **Sec. 126.** *As used in sections 127 to 131, inclusive, of this*
31 *act, "Committee" means the Legislative Committee on Taxation,*
32 *Public Revenue and Tax Policy.*

33 **Sec. 127. 1.** *There is hereby established a Legislative*
34 *Committee on Taxation, Public Revenue and Tax Policy*
35 *consisting of:*

36 *(a) The Speaker of the Assembly, or a member of the Assembly*
37 *designated by the Speaker of the Assembly;*

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

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

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



1 (e) Two members appointed by the Speaker of the Assembly
2 who were members of the Assembly Committee on Taxation
3 during the immediately preceding legislative session; and

4 (f) Two members appointed by the Majority Leader of the
5 Senate who were members of the Senate Committee on Taxation
6 during the immediately preceding legislative session.

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

16 3. Any member of the Committee who is not a candidate for
17 reelection or who is defeated for reelection continues to serve until
18 the convening of the next session of the Legislature.

19 4. Vacancies on the Committee must be filled in the same
20 manner as the original appointments.

21 **Sec. 128.** 1. The members of the Committee shall meet
22 throughout each year at the times and places specified by a call of
23 the Chairman or a majority of the Committee.

24 2. The Director of the Legislative Counsel Bureau or his
25 designee shall act as the nonvoting recording Secretary.

26 3. The Committee shall prescribe regulations for its own
27 management and government.

28 4. Except as otherwise provided in subsection 5, five voting
29 members of the Committee constitute a quorum.

30 5. Any recommended legislation proposed by the Committee
31 must be approved by a majority of the members of the Senate and
32 by a majority of the members of the Assembly serving on the
33 Committee.

34 6. Except during a regular or special session of the
35 Legislature, the members of the Committee are entitled to receive
36 the compensation provided for a majority of the members of the
37 Legislature during the first 60 days of the preceding regular
38 session, the per diem allowance provided for state officers and
39 employees generally and the travel expenses provided pursuant to
40 NRS 218.2207 for each day or portion of a day of attendance at a
41 meeting of the Committee and while engaged in the business of
42 the Committee. The salaries and expenses paid pursuant to this
43 subsection and the expenses of the Committee must be paid from
44 the Legislative Fund.

45 **Sec. 129.** The Committee may:



- 1 1. *Review and study:*
- 2 (a) *The specific taxes collected in this state;*
- 3 (b) *The implementation of any taxes, fees and other methods*
- 4 *for generating public revenue in this state;*
- 5 (c) *The impact of any changes to taxes, fees and other methods*
- 6 *for generating public revenue that result from legislation enacted*
- 7 *by the Legislature on the residents of this state and on the*
- 8 *businesses located in this state, doing business in this state or*
- 9 *considering locating in this state;*
- 10 (d) *The fiscal effects of any taxes, fees and other methods for*
- 11 *generating public revenue;*
- 12 (e) *Broad issues of tax policy and fiscal policy relevant to the*
- 13 *future of the State of Nevada; and*
- 14 (f) *Any other issues related to taxation, the generation of*
- 15 *public revenue, tax policy or fiscal policy which affect this state.*
- 16 2. *Conduct investigations and hold hearings in connection*
- 17 *with its powers pursuant to this section.*
- 18 3. *Contract with one or more consultants to obtain technical*
- 19 *advice concerning its review and study.*
- 20 4. *Apply for any available grants and accept any gifts, grants*
- 21 *or donations and use any such gifts, grants or donations to aid the*
- 22 *Committee in exercising its powers pursuant to this section.*
- 23 5. *Request that the Legislative Counsel Bureau assist in the*
- 24 *research, investigations, hearings, studies and reviews of the*
- 25 *Committee.*
- 26 6. *Recommend to the Legislature, as a result of its review and*
- 27 *study, any appropriate legislation.*
- 28 **Sec. 130. 1. If the Committee conducts investigations or**
- 29 **holds hearings pursuant to subsection 2 of section 129 of this act:**
- 30 (a) *The Secretary of the Committee or, in his absence, a*
- 31 *member designated by the Committee may administer oaths;*
- 32 (b) *The Secretary or Chairman of the Committee may cause*
- 33 *the deposition of witnesses, residing either within or outside of this*
- 34 *state, to be taken in the manner prescribed by rule of court for*
- 35 *taking depositions in civil actions in the district courts; and*
- 36 (c) *The Chairman of the Committee may issue subpoenas to*
- 37 *compel the attendance of witnesses and the production of books*
- 38 *and papers.*
- 39 2. *If a witness refuses to attend or testify or produce books or*
- 40 *papers as required by the subpoena, the Chairman of the*
- 41 *Committee may report to the district court by a petition which sets*
- 42 *forth that:*
- 43 (a) *Due notice has been given of the time and place of*
- 44 *attendance of the witness or the production of the books or papers;*



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

3 ***(c) The witness has failed or refused to attend or produce the***
4 ***books or papers required by the subpoena before the Committee***
5 ***that is named in the subpoena, or has refused to answer questions***
6 ***propounded to him.***

7 ***The petition may request an order of the court compelling the***
8 ***witness to attend and testify or produce the books and papers***
9 ***before the Committee.***

10 ***3. Upon such a petition, the court shall enter an order***
11 ***directing the witness to appear before the court at a time and place***
12 ***to be fixed by the court in its order, the time to be not more than***
13 ***10 days after the date of the order, and to show cause why he has***
14 ***not attended or testified or produced the books or papers before***
15 ***the Committee. A certified copy of the order must be served upon***
16 ***the witness.***

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

22 ***Sec. 131. Each witness who appears before the Committee by***
23 ***its order, except a state officer or employee, is entitled to receive***
24 ***for his attendance the fees and mileage provided for witnesses in***
25 ***civil cases in the courts of record of this state. The fees and***
26 ***mileage must be audited and paid upon the presentation of proper***
27 ***claims sworn to by the witness and approved by the Secretary and***
28 ***Chairman of the Committee.***

29 ***Sec. 132. NRS 218.53883 is hereby amended to read as***
30 ***follows:***

31 218.53883 1. The Committee shall:

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

35 ***(1) May*** consider the purposes for which the various state
36 and local taxes were imposed, the actual use of the revenue
37 collected from the various state and local taxes , and any relief to the
38 taxpayers from the burden of the various state and local taxes that
39 may result from any possible recommendations of the Committee.

40 ***(2) Shall consider the purposes for which various***
41 ***exemptions from those taxes were adopted, whether any of those***
42 ***exemptions have become obsolete or no longer serve their***
43 ***intended purpose, and whether any of those exemptions should be***
44 ***repealed.***



1 (b) Study whether removing the authority of the Board of
2 County Commissioners of Washoe County to impose a certain
3 additional governmental services tax is a prudent act which is in the
4 best interests of this state.

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

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

9 (1) The local school support tax imposed by chapter 374 of
10 NRS;

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

13 (3) The tax on intoxicating liquor imposed by chapter 369 of
14 NRS;

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

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

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

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

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

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

24 (10) Any other state or local tax.

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

27 3. The Committee may:

28 (a) Conduct investigations and hold hearings in connection with
29 its review and study;

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

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

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

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

39 **Sec. 133.** NRS 233B.039 is hereby amended to read as
40 follows:

41 233B.039 1. The following agencies are entirely exempted
42 from the requirements of this chapter:

43 (a) The Governor.

44 (b) The Department of Corrections.

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



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- 1 (d) The Office of the Military.
2 (e) ~~The~~ *Except as otherwise provided in section 38 of this act,*
3 *the* State Gaming Control Board.
4 (f) The Nevada Gaming Commission.
5 (g) The Welfare Division of the Department of Human
6 Resources.
7 (h) The Division of Health Care Financing and Policy of the
8 Department of Human Resources.
9 (i) The State Board of Examiners acting pursuant to chapter 217
10 of NRS.
11 (j) Except as otherwise provided in NRS 533.365, the Office of
12 the State Engineer.
13 (k) The Division of Industrial Relations of the Department of
14 Business and Industry acting to enforce the provisions of NRS
15 618.375.
16 (l) The Administrator of the Division of Industrial Relations of
17 the Department of Business and Industry in establishing and
18 adjusting the schedule of fees and charges for accident benefits
19 pursuant to subsection 2 of NRS 616C.260.
20 (m) The Board to Review Claims in adopting resolutions to
21 carry out its duties pursuant to NRS 590.830.
22 2. Except as otherwise provided in subsection 5 and NRS
23 391.323, the Department of Education, the Board of the Public
24 Employees' Benefits Program and the Commission on Professional
25 Standards in Education are subject to the provisions of this chapter
26 for the purpose of adopting regulations but not with respect to any
27 contested case.
28 3. The special provisions of:
29 (a) Chapter 612 of NRS for the distribution of regulations by
30 and the judicial review of decisions of the Employment Security
31 Division of the Department of Employment, Training and
32 Rehabilitation;
33 (b) Chapters 616A to 617, inclusive, of NRS for the
34 determination of contested claims;
35 (c) Chapter 703 of NRS for the judicial review of decisions of
36 the Public Utilities Commission of Nevada;
37 (d) Chapter 91 of NRS for the judicial review of decisions of the
38 Administrator of the Securities Division of the Office of the
39 Secretary of State; and
40 (e) NRS 90.800 for the use of summary orders in contested
41 cases,
42 prevail over the general provisions of this chapter.
43 4. The provisions of NRS 233B.122, 233B.124, 233B.125 and
44 233B.126 do not apply to the Department of Human Resources in



1 the adjudication of contested cases involving the issuance of letters
2 of approval for health facilities and agencies.

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

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

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

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

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

17 **Sec. 134.** (Deleted by amendment.)

18 **Sec. 135.** NRS 244.335 is hereby amended to read as follows:

19 244.335 1. Except as otherwise provided in subsection 2, the
20 board of county commissioners may:

21 (a) Regulate all character of lawful trades, callings, industries,
22 occupations, professions and business conducted in its county
23 outside of the limits of incorporated cities and towns.

24 (b) Except as otherwise provided in NRS 244.3359 and 576.128,
25 fix, impose and collect a license tax for revenue or for regulation, or
26 for both revenue and regulation, on such trades, callings, industries,
27 occupations, professions and business.

28 2. The county license boards have the exclusive power in their
29 respective counties to regulate entertainers employed by an
30 entertainment by referral service and the business of conducting a
31 dancing hall, escort service, entertainment by referral service or
32 gambling game or device permitted by law, outside of an
33 incorporated city. The county license boards may fix, impose and
34 collect license taxes for revenue or for regulation, or for both
35 revenue and regulation, on such employment and businesses.

36 3. No license to engage in any type of business may be granted
37 unless the applicant for the license signs an affidavit affirming that
38 the business has complied with the provisions of ~~chapter 364A of~~
39 ~~NRS.]~~ **section 66 of this act.** The county license board shall provide
40 upon request an application for a business license pursuant to
41 ~~chapter 364A of NRS.]~~ **section 66 of this act.**

42 4. No license to engage in business as a seller of tangible
43 personal property may be granted unless the applicant for the license
44 presents written evidence that:



1 (a) The Department of Taxation has issued or will issue a permit
2 for this activity, and this evidence clearly identifies the business by
3 name; or

4 (b) Another regulatory agency of the State has issued or will
5 issue a license required for this activity.

6 5. Any license tax levied for the purposes of NRS 244.3358 or
7 244A.597 to 244A.655, inclusive, constitutes a lien upon the real
8 and personal property of the business upon which the tax was levied
9 until the tax is paid. The lien has the same priority as a lien for
10 general taxes. The lien must be enforced in the following manner:

11 (a) By recording in the office of the county recorder, within 6
12 months after the date on which the tax became delinquent or was
13 otherwise determined to be due and owing, a notice of the tax lien
14 containing the following:

15 (1) The amount of tax due and the appropriate year;
16 (2) The name of the record owner of the property;
17 (3) A description of the property sufficient for identification;
18 and

19 (4) A verification by the oath of any member of the board of
20 county commissioners or the county fair and recreation board; and

21 (b) By an action for foreclosure against the property in the same
22 manner as an action for foreclosure of any other lien, commenced
23 within 2 years after the date of recording of the notice of the tax
24 lien, and accompanied by appropriate notice to other lienholders.

25 6. The board of county commissioners may delegate the
26 authority to enforce liens from taxes levied for the purposes of NRS
27 244A.597 to 244A.655, inclusive, to the county fair and recreation
28 board. If the authority is so delegated, the board of county
29 commissioners shall revoke or suspend the license of a business
30 upon certification by the county fair and recreation board that the
31 license tax has become delinquent, and shall not reinstate the license
32 until the tax is paid. Except as otherwise provided in NRS 244.3357,
33 all information concerning license taxes levied by an ordinance
34 authorized by this section or other information concerning the
35 business affairs or operation of any licensee obtained as a result of
36 the payment of such license taxes or as the result of any audit or
37 examination of the books by any authorized employee of a county
38 fair and recreation board of the county for any license tax levied for
39 the purpose of NRS 244A.597 to 244A.655, inclusive, is
40 confidential and must not be disclosed by any member, officer or
41 employee of the county fair and recreation board or the county
42 imposing the license tax unless the disclosure is authorized by the
43 affirmative action of a majority of the members of the appropriate
44 county fair and recreation board. Continuing disclosure may be so



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1 authorized under an agreement with the Department of Taxation for
2 the exchange of information concerning taxpayers.

3 **Secs. 136-140.** (Deleted by amendment.)

4 **Sec. 141.** NRS 268.095 is hereby amended to read as follows:

5 268.095 1. The city council or other governing body of each
6 incorporated city in this state, whether organized under general law
7 or special charter, may:

8 (a) Except as otherwise provided in NRS 268.0968 and 576.128,
9 fix, impose and collect for revenues or for regulation, or both, a
10 license tax on all character of lawful trades, callings, industries,
11 occupations, professions and businesses conducted within its
12 corporate limits.

13 (b) Assign the proceeds of any one or more of such license taxes
14 to the county within which the city is situated for the purpose or
15 purposes of making the proceeds available to the county:

16 (1) As a pledge as additional security for the payment of any
17 general obligation bonds issued pursuant to NRS 244A.597 to
18 244A.655, inclusive;

19 (2) For redeeming any general obligation bonds issued
20 pursuant to NRS 244A.597 to 244A.655, inclusive;

21 (3) For defraying the costs of collecting or otherwise
22 administering any such license tax so assigned, of the county fair
23 and recreation board and of officers, agents and employees hired
24 thereby, and of incidentals incurred thereby;

25 (4) For operating and maintaining recreational facilities
26 under the jurisdiction of the county fair and recreation board;

27 (5) For improving, extending and bettering recreational
28 facilities authorized by NRS 244A.597 to 244A.655, inclusive; and

29 (6) For constructing, purchasing or otherwise acquiring such
30 recreational facilities.

31 (c) Pledge the proceeds of any tax imposed on the revenues from
32 the rental of transient lodging pursuant to this section for the
33 payment of any general or special obligations issued by the city for
34 a purpose authorized by the laws of this state.

35 (d) Use the proceeds of any tax imposed pursuant to this section
36 on the revenues from the rental of transient lodging:

37 (1) To pay the principal, interest or any other indebtedness
38 on any general or special obligations issued by the city pursuant to
39 the laws of this state;

40 (2) For the expense of operating or maintaining, or both, any
41 facilities of the city; and

42 (3) For any other purpose for which other money of the city
43 may be used.



1 2. The proceeds of any tax imposed pursuant to this section
2 that are pledged for the repayment of general obligations may be
3 treated as “pledged revenues” for the purposes of NRS 350.020.

4 3. No license to engage in any type of business may be granted
5 unless the applicant for the license signs an affidavit affirming that
6 the business has complied with the provisions of ~~chapter 364A of~~
7 ~~NRS.] section 66 of this act.~~ The city licensing agency shall provide
8 upon request an application for a business license pursuant to
9 ~~chapter 364A of NRS.] section 66 of this act.~~

10 4. No license to engage in business as a seller of tangible
11 personal property may be granted unless the applicant for the license
12 presents written evidence that:

13 (a) The Department of Taxation has issued or will issue a permit
14 for this activity, and this evidence clearly identifies the business by
15 name; or

16 (b) Another regulatory agency of the State has issued or will
17 issue a license required for this activity.

18 5. Any license tax levied under the provisions of this section
19 constitutes a lien upon the real and personal property of the business
20 upon which the tax was levied until the tax is paid. The lien has the
21 same priority as a lien for general taxes. The lien must be enforced
22 in the following manner:

23 (a) By recording in the office of the county recorder, within 6
24 months following the date on which the tax became delinquent or
25 was otherwise determined to be due and owing, a notice of the tax
26 lien containing the following:

- 27 (1) The amount of tax due and the appropriate year;
28 (2) The name of the record owner of the property;
29 (3) A description of the property sufficient for identification;

30 and

31 (4) A verification by the oath of any member of the board of
32 county commissioners or the county fair and recreation board; and

33 (b) By an action for foreclosure against such property in the
34 same manner as an action for foreclosure of any other lien,
35 commenced within 2 years after the date of recording of the notice
36 of the tax lien, and accompanied by appropriate notice to other
37 lienholders.

38 6. The city council or other governing body of each
39 incorporated city may delegate the power and authority to enforce
40 such liens to the county fair and recreation board. If the authority is
41 so delegated, the governing body shall revoke or suspend the license
42 of a business upon certification by the board that the license tax has
43 become delinquent, and shall not reinstate the license until the tax is
44 paid. Except as otherwise provided in NRS 268.0966, all
45 information concerning license taxes levied by an ordinance



1 authorized by this section or other information concerning the
2 business affairs or operation of any licensee obtained as a result of
3 the payment of those license taxes or as the result of any audit or
4 examination of the books of the city by any authorized employee of
5 a county fair and recreation board for any license tax levied for the
6 purpose of NRS 244A.597 to 244A.655, inclusive, is confidential
7 and must not be disclosed by any member, official or employee of
8 the county fair and recreation board or the city imposing the license
9 tax unless the disclosure is authorized by the affirmative action of a
10 majority of the members of the appropriate county fair and
11 recreation board. Continuing disclosure may be so authorized under
12 an agreement with the Department of Taxation for the exchange of
13 information concerning taxpayers.

14 7. The powers conferred by this section are in addition and
15 supplemental to, and not in substitution for, and the limitations
16 imposed by this section do not affect the powers conferred by, any
17 other law. No part of this section repeals or affects any other law or
18 any part thereof, it being intended that this section provide a
19 separate method of accomplishing its objectives, and not an
20 exclusive one.

21 **Secs. 142 and 143.** (Deleted by amendment.)

22 **Sec. 144.** Chapter 338 of NRS is hereby amended by adding
23 thereto a new section to read as follows:

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

33 **Sec. 145.** Chapter 353 of NRS is hereby amended by adding
34 thereto a new section to read as follows:

35 *“Account” means the Disaster Relief Account created by NRS*
36 *353.2735.*

37 **Sec. 146.** NRS 353.1465 is hereby amended to read as
38 follows:

39 353.1465 1. Upon approval of the State Board of Finance, a
40 state agency may enter into contracts with issuers of credit cards or
41 debit cards or operators of systems that provide for the electronic
42 transfer of money to provide for the acceptance of credit cards, debit
43 cards or electronic transfers of money by the agency:

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



1 (b) In payment for goods or services.

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

6 3. Except as otherwise provided in subsection 4, if the issuer or
7 operator charges the state agency a fee for each use of a credit card
8 or debit card or for each electronic transfer of money, the state
9 agency may require the cardholder or the person requesting the
10 electronic transfer of money to pay a fee **H** which must not exceed
11 the amount charged to the state agency by the issuer or operator.

12 4. A state agency that is required to pay a fee charged by the
13 issuer or operator for the use of a credit card or debit card or for an
14 electronic transfer of money may, pursuant to NRS 353.148, file a
15 claim with the Director of the Department of Administration for
16 reimbursement of the fees paid to the issuer or operator during the
17 immediately preceding quarter.

18 5. *The Director of the Department of Administration shall*
19 *adopt regulations providing for the submission of payments to*
20 *state agencies pursuant to contracts authorized by this section.*
21 *The regulations must not conflict with a regulation adopted*
22 *pursuant to NRS 360A.020 or section 60 of this act.*

23 6. As used in this section:

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

27 (b) “Credit card” means any instrument or device, whether
28 known as a credit card or credit plate **H** or by any other name,
29 issued with or without a fee by an issuer for the use of the
30 cardholder in obtaining money, property, goods, services or
31 anything else of value on credit.

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

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

38 (e) “Issuer” means a business organization, financial institution
39 or authorized agent of a business organization or financial institution
40 that issues a credit card or debit card.

41 **Sec. 147.** NRS 353.210 is hereby amended to read as follows:

42 353.210 1. Except as otherwise provided in subsection 6, on
43 or before September 1 of each even-numbered year, all departments,
44 institutions and other agencies of the Executive Department of the
45 State Government, and all agencies of the Executive Department of



1 the State Government receiving state money, fees or other money
2 under the authority of the State, including those operating on money
3 designated for specific purposes by the *Nevada* Constitution or
4 otherwise, shall prepare, on blanks furnished them by the Chief, and
5 submit to the Chief ~~estimates~~ :

6 *(a) The number of positions within the department, institution*
7 *or agency that have been vacant for at least 12 months, the*
8 *number of months each such position has been vacant and the*
9 *reasons for each such vacancy; and*

10 *(b) Estimates* of their expenditure requirements, together with
11 all anticipated income from fees and all other sources, for the next 2
12 fiscal years compared with the corresponding figures of the last
13 completed fiscal year and the estimated figures for the current fiscal
14 year.

15 2. The Chief shall direct that one copy of the forms submitted
16 pursuant to subsection 1, accompanied by every supporting schedule
17 and any other related material, be delivered directly to the Fiscal
18 Analysis Division of the Legislative Counsel Bureau on or before
19 September 1 of each even-numbered year.

20 3. The Budget Division of the Department of Administration
21 shall give advance notice to the Fiscal Analysis Division of the
22 Legislative Counsel Bureau of any conference between the Budget
23 Division of the Department of Administration and personnel of
24 other state agencies regarding budget estimates. A fiscal analyst of
25 the Legislative Counsel Bureau or his designated representative may
26 attend any such conference.

27 4. The estimates of expenditure requirements submitted
28 pursuant to subsection 1 must be classified to set forth the data of
29 funds, organizational units, and the character and objects of
30 expenditures, and must include a mission statement and
31 measurement indicators for each program. The organizational units
32 may be subclassified by functions and activities, or in any other
33 manner at the discretion of the Chief.

34 5. If any department, institution or other agency of the
35 Executive Department of the State Government, whether its money
36 is derived from state money or from other money collected under
37 the authority of the State, fails or neglects to submit estimates of its
38 expenditure requirements as provided in this section, the Chief may,
39 from any data at hand in his office or which he may examine or
40 obtain elsewhere, make and enter a proposed budget for the
41 department, institution or agency in accordance with the data.

42 6. Agencies, bureaus, commissions and officers of the
43 Legislative Department, the Public Employees' Retirement System
44 and the Judicial Department of the State Government shall submit to



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1 the Chief for his information in preparing the proposed executive
2 budget the budgets which they propose to submit to the Legislature.

3 **Sec. 148.** (Deleted by amendment.)

4 **Sec. 149.** NRS 353.2705 is hereby amended to read as
5 follows:

6 353.2705 As used in NRS 353.2705 to 353.2771, inclusive,
7 *and section 145 of this act*, unless the context otherwise requires,
8 the words and terms defined in NRS 353.271 to 353.2731, inclusive,
9 *and section 145 of this act* have the meanings ascribed to them in
10 those sections.

11 **Sec. 150.** NRS 353.2735 is hereby amended to read as
12 follows:

13 353.2735 1. The Disaster Relief ~~{Fund}~~ *Account* is hereby
14 created as a special ~~{revenue-fund}~~ *account in the Fund to*
15 *Stabilize the Operation of the State Government*. The Interim
16 Finance Committee shall administer the ~~{Fund}~~ *Account*.

17 2. The Division may accept grants, gifts or donations for
18 deposit in the ~~{Fund}~~ *Account*. Except as otherwise provided in
19 subsection 3, money received from:

20 (a) A direct legislative appropriation to the ~~{Fund}~~ *Account*;

21 (b) A transfer of ~~{one-half of the interest earned on money}~~ *not*
22 *more than 10 percent of the aggregate balance* in the Fund to
23 Stabilize the Operation of *the* State Government made pursuant to
24 NRS 353.288; and

25 (c) A grant, gift or donation to the ~~{Fund}~~ *Account*,
26 must be deposited in the ~~{Fund}~~ *Account*. Except as otherwise
27 provided in NRS 414.135, the interest and income earned on the
28 money in the ~~{Fund}~~ *Account* must, after deducting any applicable
29 charges, be credited to the ~~{Fund}~~ *Account*.

30 3. If, at the end of each quarter of a fiscal year, the balance in
31 the ~~{Fund}~~ *Account* exceeds 0.75 percent of the total amount of all
32 appropriations from the State General Fund for the operation of all
33 departments, institutions and agencies of State Government and
34 authorized expenditures from the State General Fund for the
35 regulation of gaming for that fiscal year, the State Controller shall
36 not, until the balance in the ~~{Fund}~~ *Account* is 0.75 percent or less
37 of that amount, transfer any ~~{interest earned on}~~ money in the Fund
38 to Stabilize the Operation of *the* State Government from the State
39 General Fund to the ~~{Fund}~~ *Account* pursuant to the provisions of
40 NRS 353.288.

41 4. Money in the ~~{Fund}~~ *Account* may be distributed through
42 grants and loans to state agencies and local governments as provided
43 in NRS 353.2705 to 353.2771, inclusive ~~{ }~~ *, and section 145 of this*
44 *act*. Except as otherwise provided in NRS 353.276, such grants will



1 be disbursed on the basis of reimbursement of costs authorized
2 pursuant to NRS 353.274 and 353.2745.

3 5. If the Governor declares a disaster, the State Board of
4 Examiners shall estimate:

5 (a) The money in the ~~Fund~~ **Account** that is available for grants
6 and loans for the disaster pursuant to the provisions of NRS
7 353.2705 to 353.2771, inclusive ~~H~~ , **and section 145 of this act;**
8 and

9 (b) The anticipated amount of those grants and loans for the
10 disaster.

11 Except as otherwise provided in this subsection, if the anticipated
12 amount determined pursuant to paragraph (b) exceeds the available
13 money in the ~~Fund~~ **Account** for such grants and loans, all grants
14 and loans from the ~~Fund~~ **Account** for the disaster must be reduced
15 in the same proportion that the anticipated amount of the grants and
16 loans exceeds the money in the ~~Fund~~ **Account** that is available for
17 grants and loans for the disaster. If the reduction of a grant or loan
18 from the ~~Fund~~ **Account** would result in a reduction in the amount
19 of money that may be received by a state agency or local
20 government from the Federal Government, the reduction in the grant
21 or loan must not be made.

22 **Sec. 151.** NRS 353.274 is hereby amended to read as follows:

23 353.274 Money in the ~~Fund~~ **Account** may be distributed as a
24 grant to a state agency because of a disaster for the payment of
25 expenses incurred by the state agency for:

26 1. The repair or replacement of public roads, public streets,
27 bridges, water control facilities, public buildings, public utilities,
28 recreational facilities and parks owned by the State and damaged by
29 the disaster;

30 2. Any emergency measures undertaken to save lives, protect
31 public health and safety or protect public property, including,
32 without limitation, an emergency measure undertaken in response to
33 a crisis involving violence on school property, at a school activity or
34 on a school bus, in the jurisdiction in which the disaster occurred;

35 3. The removal of debris from publicly or privately owned land
36 and waterways undertaken because of the disaster; and

37 4. The administration of a disaster assistance program.

38 **Sec. 152.** NRS 353.2745 is hereby amended to read as
39 follows:

40 353.2745 Money in the ~~Fund~~ **Account** may be distributed as
41 a grant to a local government because of a disaster for:

42 1. The payment of not more than 50 percent of the expenses
43 incurred by the local government for:

44 (a) The repair or replacement of public roads, public streets,
45 bridges, water control facilities, public buildings, public utilities,



1 recreational facilities and parks owned by the local government and
2 damaged by the disaster; and

3 (b) Any emergency measures undertaken to save lives, protect
4 public health and safety or protect public property, including,
5 without limitation, an emergency measure undertaken in response to
6 a crisis involving violence on school property, at a school activity or
7 on a school bus, in the jurisdiction in which the disaster occurred;
8 and

9 2. The payment of not more than 50 percent of any grant match
10 the local government must provide to obtain a grant from a federal
11 disaster assistance agency for an eligible project to repair damage
12 caused by the disaster within the jurisdiction of the local
13 government.

14 **Sec. 153.** NRS 353.2751 is hereby amended to read as
15 follows:

16 353.2751 Money in the ~~{Fund}~~ **Account** may be distributed as
17 a loan to a local government because of a disaster for:

18 1. The payment of expenses incurred by the local government
19 for:

20 (a) The repair or replacement of public roads, public streets,
21 bridges, water control facilities, public buildings, public utilities,
22 recreational facilities and parks owned by the local government and
23 damaged by the disaster;

24 (b) Any overtime worked by an employee of the local
25 government because of the disaster or any other extraordinary
26 expenses incurred by the local government because of the disaster;
27 and

28 (c) Any projects to reduce or prevent the possibility of damage
29 to persons or property from similar disasters in the future; and

30 2. The payment of not more than 50 percent of any grant match
31 the local government must provide to obtain a grant from a federal
32 disaster assistance agency for an eligible project to repair damage
33 caused by the disaster within the jurisdiction of the local
34 government. Before a loan may be distributed to a local government
35 pursuant to this subsection:

36 (a) The Interim Finance Committee must make a determination
37 that the local government is currently unable to meet its financial
38 obligations; and

39 (b) The local government must execute a loan agreement in
40 which the local government agrees to:

41 (1) Use the money only for the purpose of paying the grant
42 match; and

43 (2) Repay the entire amount of the loan, without any interest
44 or other charges, to the ~~{Disaster Relief Fund}~~ **Account** not later
45 than 10 years after the date on which the agreement is executed.



1 **Sec. 154.** NRS 353.2753 is hereby amended to read as
2 follows:

3 353.2753 1. A state agency or local government may request
4 the Division to conduct a preliminary assessment of the damages
5 related to an event for which the state agency or local government
6 seeks a grant or loan from the ~~Fund~~ **Account**.

7 2. Upon receipt of such a request, the Division shall investigate
8 the event or cause the event to be investigated to make a preliminary
9 assessment of the damages related to the event and shall make or
10 cause to be made a written report of the damages related to the
11 event.

12 3. As soon as practicable after completion of the investigation
13 and preparation of the report of damages, the Division shall:

14 (a) Determine whether the event constitutes a disaster for which
15 the state agency or local government may seek a grant or loan from
16 the ~~Fund~~ **Account**; and

17 (b) Submit the report prepared pursuant to this section and its
18 written determination regarding whether the event constitutes a
19 disaster to the state agency or local government.

20 4. The Division shall prescribe by regulation the information
21 that must be included in a report of damages, including, without
22 limitation, a description of the damage caused by the event, an
23 estimate of the costs to repair such damage and a specification of
24 whether the purpose of the project is for repair or replacement,
25 emergency response or mitigation.

26 **Sec. 155.** NRS 353.2754 is hereby amended to read as
27 follows:

28 353.2754 A local government may request a grant or loan from
29 the ~~Fund~~ **Account** if:

30 1. Pursuant to NRS 414.090, the governing body of the local
31 government determines that an event which has occurred constitutes
32 a disaster; and

33 2. After the Division conducts a preliminary assessment of the
34 damages pursuant to NRS 353.2753, the Division determines that an
35 event has occurred that constitutes a disaster.

36 **Sec. 156.** NRS 353.2755 is hereby amended to read as
37 follows:

38 353.2755 1. A state agency or local government may submit
39 a request to the State Board of Examiners for a grant or loan from
40 the ~~Fund~~ **Account** as provided in NRS 353.2705 to 353.2771,
41 inclusive, **and section 145 of this act** if:

42 (a) The agency or local government finds that, because of a
43 disaster, it is unable to pay for an expense or grant match specified
44 in NRS 353.274, 353.2745 or 353.2751 from money appropriated or
45 otherwise available to the agency or local government;



1 (b) The request has been approved by the chief administrative
2 officer of the state agency or the governing body of the local
3 government; and

4 (c) If the requester is an incorporated city, the city has requested
5 financial assistance from the county and was denied all or a portion
6 of the requested assistance.

7 2. A request for a grant or loan submitted pursuant to
8 subsection 1 must be made within 60 days after the disaster and
9 must include:

10 (a) A statement setting forth the amount of money requested by
11 the state agency or local government;

12 (b) An assessment of the need of the state agency or local
13 government for the money requested;

14 (c) If the request is submitted by a local government that has
15 established a fund pursuant to NRS 354.6115 to mitigate the effects
16 of a natural disaster, a statement of the amount of money that is
17 available in that fund, if any, for the payment of expenses incurred
18 by the local government as a result of a disaster;

19 (d) A determination of the type, value and amount of resources
20 the state agency or local government may be required to provide as
21 a condition for the receipt of a grant or loan from the ~~{Fund;}~~
22 ~~Account;~~

23 (e) A written report of damages prepared by the Division and the
24 written determination made by the Division that the event
25 constitutes a disaster pursuant to NRS 353.2753; and

26 (f) If the requester is an incorporated city, all documents which
27 relate to a request for assistance submitted to the board of county
28 commissioners of the county in which the city is located.

29 Any additional documentation relating to the request that is
30 requested by the State Board of Examiners must be submitted within
31 6 months after the disaster unless the State Board of Examiners and
32 the Interim Finance Committee ~~{grants}~~ **grant** an extension.

33 3. Upon the receipt of a complete request for a grant or loan
34 submitted pursuant to subsection 1, the State Board of Examiners:

35 (a) Shall consider the request; and

36 (b) May require any additional information that it determines is
37 necessary to make a recommendation.

38 4. If the State Board of Examiners finds that a grant or loan is
39 appropriate, it shall include in its recommendation to the Interim
40 Finance Committee the proposed amount of the grant or loan. If the
41 State Board of Examiners recommends a grant, it shall include a
42 recommendation regarding whether or not the state agency or local
43 government requires an advance to avoid severe financial hardship.
44 If the State Board of Examiners recommends a loan for a local
45 government, it shall include the information required pursuant to



1 subsection 1 of NRS 353.2765. If the State Board of Examiners
2 finds that a grant or loan is not appropriate, it shall include in its
3 recommendation the reason for its determination.

4 5. The provisions of this section do not prohibit a state agency
5 or local government from submitting more than one request for a
6 grant or loan from the ~~Fund~~ Account.

7 6. As used in this section, the term "natural disaster" has the
8 meaning ascribed to it in NRS 354.6115.

9 **Sec. 157.** NRS 353.276 is hereby amended to read as follows:

10 353.276 1. The State Board of Examiners shall submit a
11 recommendation for each request for a grant or loan made pursuant
12 to NRS 353.2755 to the Director of the Legislative Counsel Bureau.
13 Upon receipt of the recommendation, the Director shall notify the
14 Chairman of the Interim Finance Committee of that
15 recommendation. The Chairman shall call a meeting of the
16 Committee to consider the recommendation.

17 2. The Interim Finance Committee may reject any
18 recommendation of the State Board of Examiners and independently
19 evaluate and act upon any request submitted pursuant to
20 NRS 353.2755.

21 3. If the Interim Finance Committee finds that a grant or loan
22 from the ~~Fund~~ Account is appropriate and may be made in
23 accordance with the provisions of NRS 353.2705 to 353.2771,
24 inclusive, *and section 145 of this act*, it shall, by resolution:

25 (a) Establish the amount and purpose of the grant or loan.

26 (b) Except as otherwise provided in this paragraph, provide for
27 the transfer of that amount from the ~~Fund~~ Account to the
28 appropriate state agency or local government. If the request is for a
29 grant, the Interim Finance Committee shall authorize disbursement
30 of the grant from the ~~Fund~~ Account on the basis of reimbursement
31 for costs unless it determines that disbursement in that manner
32 would cause severe financial hardship to the state agency or local
33 government. If the Interim Finance Committee determines that
34 disbursement on the basis of reimbursement of costs would cause
35 severe financial hardship, the Interim Finance Committee may
36 authorize an advance of money to the state agency or local
37 government in an amount not to exceed 25 percent of the total
38 estimated cost of the projects for which the grant is requested.

39 4. No grant or loan from the ~~Fund~~ Account may be made by
40 the Interim Finance Committee to increase the salaries of any
41 officers or employees of the State or a local government.

42 **Sec. 158.** NRS 353.2765 is hereby amended to read as
43 follows:

44 353.2765 1. In addition to any applicable requirements set
45 forth in NRS 353.2751, if the Interim Finance Committee approves



1 a loan to a local government pursuant to the provisions of NRS
2 353.2705 to 353.2771, inclusive, *and section 145 of this act*, the
3 approval must include a schedule for the repayment of the loan. The
4 schedule must specify:

5 (a) A period of not more than 10 years for the repayment of the
6 loan; and

7 (b) The rate of interest, if any, for the loan.

8 2. Except as otherwise provided in subsection 3, if a local
9 government receives a loan from the ~~Fund~~ Account and, before the
10 loan is repaid, the local government receives money from the
11 Federal Government for a grant match or any of the expenses set
12 forth in subsection 1 of NRS 353.2751 for which the local
13 government received the loan, the local government shall deposit
14 with the State Treasurer for credit to the ~~Fund~~ Account an amount
15 of money equal to the money it received from the Federal
16 Government for the grant match or the expenses.

17 3. Any money deposited with the State Treasurer for credit to
18 the ~~Fund~~ Account pursuant to subsection 2 must be used to pay the
19 unpaid balance of the loan specified in subsection 2. If any money
20 remains after that payment is made, the remaining money must be
21 paid to the local government to whom the loan was made.

22 **Sec. 159.** NRS 353.2771 is hereby amended to read as
23 follows:

24 353.2771 1. Except as otherwise provided in this section, no
25 grant or loan may be made from the ~~Fund~~ Account to a state
26 agency or local government unless, as a condition of making the
27 grant or loan, the state agency or local government agrees to provide
28 an amount of its resources equal to at least 25 percent of the grant or
29 loan. The State Board of Examiners shall determine the type, value
30 and amount of the resources, including money, labor, materials,
31 supplies and equipment, that is required to be provided by the state
32 agency or local government.

33 2. If a state agency or local government submits a request for a
34 grant or loan pursuant to NRS 353.2755 and:

35 (a) It maintains a policy of insurance providing coverage for
36 damages, injuries or other losses incurred because of a disaster; or

37 (b) If the request is submitted by a local government, it has
38 established a district for the control of floods pursuant to NRS
39 543.170 to 543.830, inclusive,

40 the State Board of Examiners may recommend that the state agency
41 or local government provide a portion of its resources in an amount
42 that is less than the amount required pursuant to subsection 1.

43 3. The State Board of Examiners may, if it determines that the
44 state agency or local government is unable to provide any portion of
45 its resources as its contribution for the receipt of a grant or loan,



1 recommend that the state agency or local government not be
2 required to provide any portion of its resources as a condition for the
3 receipt of the grant or loan.

4 **Sec. 160.** NRS 353.288 is hereby amended to read as follows:

5 353.288 1. The Fund to Stabilize the Operation of the State
6 Government is hereby created as a special revenue fund. Except as
7 otherwise provided in subsections 2 and 3, ~~each year after the close~~
8 ~~of the fiscal year and before the issuance of the Controller's annual~~
9 ~~report the State Controller shall deposit to the credit of the Fund 40~~
10 ~~percent of~~ *if* the unrestricted balance of the State General Fund, as
11 of the close of the fiscal year, ~~which remains after subtracting an~~
12 ~~amount~~ *is* equal to ~~10~~ 5 percent *or more* of all appropriations
13 made from the State Government and for the funding of schools ~~it~~,
14 *the Chief of the Budget Division of the Department of*
15 *Administration shall recommend to the State Board of Examiners*
16 *an amount of money that should be transferred from the State*
17 *General Fund to the Fund to Stabilize the Operation of the State*
18 *Government. The State Board of Examiners shall consider the*
19 *recommendation and shall, if it finds that such a transfer should*
20 *be made, recommend an amount to be transferred to the Interim*
21 *Finance Committee. If the Interim Finance Committee, after*
22 *independent determination, finds that such a transfer should and*
23 *may lawfully be made, the Committee shall by resolution establish*
24 *the amount and direct the State Controller to transfer that amount*
25 *from the State General Fund to the Fund to Stabilize the*
26 *Operation of the State Government. The State Controller shall*
27 *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 **Secs. 161-165.** (Deleted by amendment.)

9 **Sec. 165.2.** Chapter 387 of NRS is hereby amended by adding
10 thereto a new section to read as follows:

11 1. *On or before July 1 of each year, the Department, in*
12 *consultation with the Budget Division of the Department of*
13 *Administration and the Fiscal Analysis Division of the Legislative*
14 *Counsel Bureau, shall develop or revise, as applicable, a formula*
15 *for determining the minimum amount of money that each school*
16 *district is required to expend each fiscal year for textbooks,*
17 *instructional supplies and instructional hardware. The formula*
18 *must be used only to develop expenditure requirements and must*
19 *not be used to alter the distribution of money for basic support to*
20 *school districts.*

21 2. *Upon approval of the formula pursuant to subsection 1, the*
22 *Department shall provide written notice to each school district*
23 *within the first 30 days of each fiscal year that sets forth the*
24 *required minimum combined amount of money that the school*
25 *district must expend for textbooks, instructional supplies and*
26 *instructional hardware for that fiscal year.*

27 3. *On or before January 1 of each year, the Department shall*
28 *determine whether each school district has expended, during the*
29 *immediately preceding fiscal year, the required minimum amount*
30 *of money set forth in the notice provided pursuant to subsection 2.*
31 *In making this determination, the Department shall use the report*
32 *submitted by the school district pursuant to NRS 387.303.*

33 4. *Except as otherwise provided in subsection 5, if the*
34 *Department determines that a school district has not expended the*
35 *required minimum amount of money set forth in the notice*
36 *provided pursuant to subsection 2, a reduction must be made from*
37 *the basic support allocation otherwise payable to that school*
38 *district in an amount that is equal to the difference between the*
39 *actual combined expenditure for textbooks, instructional supplies*
40 *and instructional hardware and the minimum required combined*
41 *expenditure set forth in the notice provided pursuant to subsection*
42 *2. A reduction in the amount of the basic support allocation*
43 *pursuant to this subsection:*



1 (a) Does not reduce the amount that the school district is
2 required to expend on textbooks, instructional supplies and
3 instructional hardware in the current fiscal year; and

4 (b) Must not exceed the amount of basic support that was
5 provided to the school district for the fiscal year in which the
6 minimum expenditure amount was not satisfied.

7 5. If the actual enrollment of pupils in a school district is less
8 than the enrollment included in the projections used in the school
9 district's biennial budget submitted pursuant to NRS 387.303, the
10 required expenditure for textbooks, instructional supplies and
11 instructional hardware pursuant to this section must be reduced
12 proportionately.

13 **Sec. 165.4.** NRS 387.205 is hereby amended to read as
14 follows:

15 387.205 1. Subject to the limitations set forth in NRS
16 387.207 ~~H~~ and section 165.2 of this act, money on deposit in the
17 county school district fund or in a separate account, if the board of
18 trustees of a school district has elected to establish such an account
19 pursuant to the provisions of NRS 354.603, must be used for:

20 (a) Maintenance and operation of the public schools controlled
21 by the county school district.

22 (b) Payment of premiums for Nevada industrial insurance.

23 (c) Rent of schoolhouses.

24 (d) Construction, furnishing or rental of teacherages, when
25 approved by the Superintendent of Public Instruction.

26 (e) Transportation of pupils, including the purchase of new
27 buses.

28 (f) Programs of nutrition, if such expenditures do not curtail the
29 established school program or make it necessary to shorten the
30 school term, and each pupil furnished lunch whose parent or
31 guardian is financially able so to do pays at least the actual cost of
32 the lunch.

33 (g) Membership fees, dues and contributions to an
34 interscholastic activities association.

35 (h) Repayment of a loan made from the State Permanent School
36 Fund pursuant to NRS 387.526.

37 2. Subject to the limitations set forth in NRS 387.207 ~~H~~ and
38 section 165.2 of this act, money on deposit in the county school
39 district fund, or in a separate account, if the board of trustees of a
40 school district has elected to establish such an account pursuant to
41 the provisions of NRS 354.603, when available, may be used for:

42 (a) Purchase of sites for school facilities.

43 (b) Purchase of buildings for school use.

44 (c) Repair and construction of buildings for school use.



1 **Sec. 165.6.** NRS 387.207 is hereby amended to read as
2 follows:

3 387.207 1. Except as otherwise provided in this section, in
4 each school year a school district shall spend for ~~textbooks,~~ library
5 books and ~~supplies and materials relating to instruction, including,~~
6 ~~without limitation,~~ software for computers ~~;~~ an amount of money,
7 expressed as an amount per pupil, that is at least equal to the
8 average of the total amount of money that was expended per year by
9 the school district for those items in the immediately preceding 3
10 years.

11 2. Except as otherwise provided in this section, in each school
12 year a school district shall spend for the purchase of equipment
13 relating to instruction, including, without limitation, equipment for
14 telecommunications and for the purchase of equipment relating to
15 the transportation of pupils, an amount of money, expressed as an
16 amount per pupil, that is at least equal to the average of the total
17 amount of money that was expended per year by the school district
18 for those items in the immediately preceding 3 years.

19 3. Except as otherwise provided in this section, in each school
20 year a school district shall spend for the maintenance and repair of
21 equipment, vehicles, and buildings and facilities an amount of
22 money, expressed as an amount per pupil, that is at least equal to the
23 average of the total amount of money that was expended per year by
24 the school district for those items in the immediately preceding 3
25 years, excluding any amount of money derived from the proceeds of
26 bonds.

27 4. A school district may satisfy the expenditures required by
28 subsections 1, 2 and 3 if the school district spends an aggregate
29 amount of money for all the items identified in those subsections
30 that is at least equal to the average of the total amount of money
31 expended by the school district per year for all those items in the
32 immediately preceding 3 years.

33 5. A school district is not required to satisfy the expenditures
34 required by this section for a school year in which:

35 (a) The total number of pupils who are enrolled in public
36 schools within the school district has declined from the immediately
37 preceding school year; or

38 (b) The total revenue available in the general fund of the school
39 district has declined from the immediately preceding school year.

40 **Sec. 166.** NRS 388.750 is hereby amended to read as follows:

41 388.750 1. An educational foundation:

42 (a) Shall comply with the provisions of chapter 241 of NRS;

43 (b) Except as otherwise provided in subsection 2, shall make its
44 records public and open to inspection pursuant to NRS 239.010; and



1 (c) Is exempt from the tax on transfer of real property pursuant
2 to subsection ~~14~~ 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. 166.2.** 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) Which carried** the designation of demonstrating need for
38 improvement ~~pursuant to NRS 385.367.1~~; or

39 **(2) At which at least 65 percent of the pupils who are**
40 **enrolled in the 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 ~~it~~ as part of a teacher's salary ~~it~~ 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. 166.4.** 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 during his
36 employment at the school:

37 ~~(1)~~ (I) *Which* carried the designation of demonstrating
38 need for improvement; or

39 ~~(2)~~ (II) *At which* at least 65 percent of the pupils who are
40 enrolled in the school are children who are at risk ~~it~~;

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. 167.** 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; *and*

34 (c) Is exempt from the tax on transfers of real property pursuant
35 to subsection ~~14~~ 12 of NRS 379.090; 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. 168.** 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. 169.** 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 66 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. 170.** 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. 171.** 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 ~~first~~
23 *first* day of each January and all quarterly state gaming licenses on
24 the ~~first~~ *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 ~~it~~ after his license becomes
45 subject to renewal, and thereafter fails to apply for renewal as



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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. 172.** 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



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 ~~H~~ 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 ~~H~~ 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. 173.** 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:



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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. 174.** 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 ~~it~~:

37 ~~—(a) The~~ **the** establishment is licensed for less than 51 slot
38 machines, less than six games, or any combination of slot machines
39 and games within those respective limits. ~~it~~

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~~



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- 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 *(c) Any live entertainment that is provided by or entirely for*
19 *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 4. The tax imposed by this section must be paid by the licensee
26 of the establishment.

27 5. *As used in this section, “live entertainment” means any*
28 *activity provided for pleasure, enjoyment, recreation, relaxation,*
29 *diversion or other similar purpose by a person or persons who are*
30 *physically present when providing that activity to a patron or*
31 *group of patrons who are physically present.*

32 **Sec. 175.** NRS 463.4055 is hereby amended to read as
33 follows:

34 463.4055 Any ticket for admission to ~~{a cabaret, nightclub,~~
35 ~~cocktail lounge or casino showroom}~~ *an activity subject to the tax*
36 *imposed by NRS 463.401* must state whether the casino
37 entertainment tax is included in the price of the ticket. If the ticket
38 does not include such a statement, the licensed gaming
39 establishment shall pay the casino entertainment tax on the face
40 amount of the ticket.

41 **Sec. 176.** NRS 463.408 is hereby amended to read as follows:

42 463.408 1. As used in this section, “holidays or special
43 events” refers to periods during which the influx of tourist activity
44 in this state or any area thereof may require additional or alternative
45 industry accommodation as determined by the Board.



1 2. Any licensee holding a valid license under this chapter may
2 apply to the Board, on application forms prescribed by the Board,
3 for a holiday or special event permit to:

4 (a) Increase the licensee's game operations during holidays or
5 special events; or

6 (b) Provide persons who are attending a special event with
7 gaming in an area of the licensee's establishment to which access by
8 the general public may be restricted.

9 3. The application must be filed with the Board at least 15 days
10 before the date of the holiday or special event.

11 4. If the Board approves the application, it shall issue to the
12 licensee a permit to operate presently existing games or any
13 additional games in designated areas of the licensee's establishment.
14 The number of additional games must not exceed 50 percent of the
15 number of games operated by the licensee at the time the application
16 is filed. The permit must state the period for which it is issued and
17 the number, if any, of additional games allowed. For purposes of
18 computation, any fractional game must be counted as one full game.
19 The licensee shall present any such permit on the demand of any
20 inspecting agent of the Board or Board.

21 5. Before issuing any permit, the Board shall charge and collect
22 from the licensee a fee of \$14 per game per day for each day the
23 permit is effective. The fees are in lieu of the fees required under
24 NRS 463.380, 463.383 and 463.390.

25 6. The additional games allowed under a permit must not be
26 counted in computing the ~~casino entertainment tax under NRS~~
27 ~~463.401.~~ *tax imposed by section 36 of this act.*

28 7. If any such additional games are not removed at the time the
29 permit expires, the licensee is immediately subject to the fees
30 provided for in this chapter.

31 **Sec. 177.** NRS 463.770 is hereby amended to read as follows:

32 463.770 1. All gross revenue from operating interactive
33 gaming received by an establishment licensed to operate interactive
34 gaming, regardless of whether any portion of the revenue is shared
35 with another person, must be attributed to the licensee and counted
36 as part of the gross revenue of the licensee for the purpose of
37 computing the license fee required by NRS 463.370.

38 2. A manufacturer of interactive gaming systems who is
39 authorized by an agreement to receive a share of the revenue from
40 an interactive gaming system from an establishment licensed to
41 operate interactive gaming is liable to the establishment for a
42 portion of the license fee paid pursuant to subsection 1. The portion
43 for which the manufacturer of interactive gaming systems is liable is
44 ~~{6.25}~~ *6.75* percent of the amount of revenue to which the



1 manufacturer of interactive gaming systems is entitled pursuant to
2 the agreement.

3 3. For the purposes of subsection 2, the amount of revenue to
4 which the manufacturer of interactive gaming systems is entitled
5 pursuant to an agreement to share the revenue from an interactive
6 gaming system:

7 (a) Includes all revenue of the manufacturer of interactive
8 gaming systems that is his share of the revenue from the interactive
9 gaming system pursuant to the agreement; and

10 (b) Does not include revenue that is the fixed purchase price for
11 the sale of a component of the interactive gaming system.

12 **Sec. 178.** (Deleted by amendment.)

13 **Sec. 179.** NRS 612.265 is hereby amended to read as follows:

14 612.265 1. Except as otherwise provided in this section,
15 information obtained from any employing unit or person pursuant to
16 the administration of this chapter and any determination as to the
17 benefit rights of any person is confidential and may not be disclosed
18 or be open to public inspection in any manner which would reveal
19 the person's or employing unit's identity.

20 2. Any claimant or his legal representative is entitled to
21 information from the records of the Division, to the extent necessary
22 for the proper presentation of his claim in any proceeding pursuant
23 to this chapter. A claimant or an employing unit is not entitled to
24 information from the records of the Division for any other purpose.

25 3. Subject to such restrictions as the Administrator may by
26 regulation prescribe, the information obtained by the Division may
27 be made available to:

28 (a) Any agency of this or any other state or any federal agency
29 charged with the administration or enforcement of laws relating to
30 unemployment compensation, public assistance, workers'
31 compensation or labor and industrial relations, or the maintenance
32 of a system of public employment offices;

33 (b) Any state or local agency for the enforcement of child
34 support;

35 (c) The Internal Revenue Service of the Department of the
36 Treasury;

37 (d) The Department of Taxation; and

38 (e) The State Contractors' Board in the performance of its duties
39 to enforce the provisions of chapter 624 of NRS.

40 Information obtained in connection with the administration of the
41 Employment Service may be made available to persons or agencies
42 for purposes appropriate to the operation of a public employment
43 service or a public assistance program.

44 4. Upon written request made by a public officer of a local
45 government, the Administrator shall furnish from the records of the



1 Division the name, address and place of employment of any person
2 listed in the records of employment of the Division. The request
3 must set forth the social security number of the person about whom
4 the request is made and contain a statement signed by proper
5 authority of the local government certifying that the request is made
6 to allow the proper authority to enforce a law to recover a debt or
7 obligation owed to the local government. The information obtained
8 by the local government is confidential and may not be used or
9 disclosed for any purpose other than the collection of a debt or
10 obligation owed to that local government. The Administrator may
11 charge a reasonable fee for the cost of providing the requested
12 information.

13 5. The Administrator may publish or otherwise provide
14 information on the names of employers, their addresses, their type
15 or class of business or industry, and the approximate number of
16 employees employed by each such employer, if the information
17 released will assist unemployed persons to obtain employment or
18 will be generally useful in developing and diversifying the economic
19 interests of this state. Upon request by a state agency which is able
20 to demonstrate that its intended use of the information will benefit
21 the residents of this state, the Administrator may, in addition to the
22 information listed in this subsection, disclose the number of
23 employees employed by each employer and the total wages paid by
24 each employer. The Administrator may charge a fee to cover the
25 actual costs of any administrative expenses relating to the disclosure
26 of this information to a state agency. The Administrator may require
27 the state agency to certify in writing that the agency will take all
28 actions necessary to maintain the confidentiality of the information
29 and prevent its unauthorized disclosure.

30 6. Upon request therefor the Administrator shall furnish to any
31 agency of the United States charged with the administration of
32 public works or assistance through public employment, and may
33 furnish to any state agency similarly charged, the name, address,
34 ordinary occupation and employment status of each recipient of
35 benefits and the recipient's rights to further benefits pursuant to this
36 chapter.

37 7. To further a current criminal investigation, the chief
38 executive officer of any law enforcement agency of this state may
39 submit a written request to the Administrator that he furnish, from
40 the records of the Division, the name, address and place of
41 employment of any person listed in the records of employment of
42 the Division. The request must set forth the social security number
43 of the person about whom the request is made and contain a
44 statement signed by the chief executive officer certifying that the
45 request is made to further a criminal investigation currently being



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1 conducted by the agency. Upon receipt of such a request, the
2 Administrator shall furnish the information requested. He may
3 charge a fee to cover the actual costs of any related administrative
4 expenses.

5 8. In addition to the provisions of subsection 5, the
6 Administrator shall provide lists containing the names and addresses
7 of employers, ~~{the number of employees employed by each~~
8 ~~employer}~~ and **information regarding** the ~~{total}~~ wages paid by each
9 employer to the Department of Taxation, upon request, for use in
10 verifying returns for the ~~{business tax.}~~ **tax imposed pursuant to**
11 **sections 2 to 24, inclusive, of this act.** The Administrator may
12 charge a fee to cover the actual costs of any related administrative
13 expenses.

14 9. A private carrier that provides industrial insurance in this
15 state shall submit to the Administrator a list containing the name of
16 each person who received benefits pursuant to chapters 616A to
17 616D, inclusive, or 617 of NRS during the preceding month and
18 request that he compare the information so provided with the
19 records of the Division regarding persons claiming benefits pursuant
20 to chapter 612 of NRS for the same period. The information
21 submitted by the private carrier must be in a form determined by the
22 Administrator and must contain the social security number of each
23 such person. Upon receipt of the request, the Administrator shall
24 make such a comparison and, if it appears from the information
25 submitted that a person is simultaneously claiming benefits under
26 chapter 612 of NRS and under chapters 616A to 616D, inclusive, or
27 617 of NRS, the Administrator shall notify the Attorney General or
28 any other appropriate law enforcement agency. The Administrator
29 shall charge a fee to cover the actual costs of any related
30 administrative expenses.

31 10. The Administrator may request the Comptroller of the
32 Currency of the United States to cause an examination of the
33 correctness of any return or report of any national banking
34 association rendered pursuant to the provisions of this chapter, and
35 may in connection with the request transmit any such report or
36 return to the Comptroller of the Currency of the United States as
37 provided in Section 3305(c) of the Internal Revenue Code of 1954.

38 11. If any employee or member of the Board of Review, the
39 Administrator or any employee of the Administrator, in violation of
40 the provisions of this section, discloses information obtained from
41 any employing unit or person in the administration of this chapter,
42 or if any person who has obtained a list of applicants for work, or of
43 claimants or recipients of benefits pursuant to this chapter uses or
44 permits the use of the list for any political purpose, he is guilty of a
45 gross misdemeanor.



1 12. All letters, reports or communications of any kind, oral or
2 written, from the employer or employee to each other or to the
3 Division or any of its agents, representatives or employees are
4 privileged and must not be the subject matter or basis for any
5 lawsuit if the letter, report or communication is written, sent,
6 delivered or prepared pursuant to the requirements of this chapter.

7 **Sec. 180.** (Deleted by amendment.)

8 **Sec. 181.** NRS 616B.012 is hereby amended to read as
9 follows:

10 616B.012 1. Except as otherwise provided in this section and
11 in NRS 616B.015, 616B.021 and 616C.205, information obtained
12 from any insurer, employer or employee is confidential and may not
13 be disclosed or be open to public inspection in any manner which
14 would reveal the person's identity.

15 2. Any claimant or his legal representative is entitled to
16 information from the records of the insurer, to the extent necessary
17 for the proper presentation of a claim in any proceeding under
18 chapters 616A to 616D, inclusive, or chapter 617 of NRS.

19 3. The Division and Administrator are entitled to information
20 from the records of the insurer which is necessary for the
21 performance of their duties. The Administrator may, by regulation,
22 prescribe the manner in which otherwise confidential information
23 may be made available to:

24 (a) Any agency of this or any other state charged with the
25 administration or enforcement of laws relating to industrial
26 insurance, unemployment compensation, public assistance or labor
27 law and industrial relations;

28 (b) Any state or local agency for the enforcement of child
29 support;

30 (c) The Internal Revenue Service of the Department of the
31 Treasury;

32 (d) The Department of Taxation; and

33 (e) The State Contractors' Board in the performance of its duties
34 to enforce the provisions of chapter 624 of NRS.

35 Information obtained in connection with the administration of a
36 program of industrial insurance may be made available to persons or
37 agencies for purposes appropriate to the operation of a program of
38 industrial insurance.

39 4. Upon written request made by a public officer of a local
40 government, an insurer shall furnish from its records the name,
41 address and place of employment of any person listed in its records.
42 The request must set forth the social security number of the person
43 about whom the request is made and contain a statement signed by
44 proper authority of the local government certifying that the request
45 is made to allow the proper authority to enforce a law to recover a



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1 debt or obligation owed to the local government. The information
2 obtained by the local government is confidential and may not be
3 used or disclosed for any purpose other than the collection of a debt
4 or obligation owed to that local government. The insurer may charge
5 a reasonable fee for the cost of providing the requested information.

6 5. To further a current criminal investigation, the chief
7 executive officer of any law enforcement agency of this state may
8 submit to the administrator a written request for the name, address
9 and place of employment of any person listed in the records of an
10 insurer. The request must set forth the social security number of the
11 person about whom the request is made and contain a statement
12 signed by the chief executive officer certifying that the request is
13 made to further a criminal investigation currently being conducted
14 by the agency. Upon receipt of a request, the Administrator shall
15 instruct the insurer to furnish the information requested. Upon
16 receipt of such an instruction, the insurer shall furnish the
17 information requested. The insurer may charge a reasonable fee to
18 cover any related administrative expenses.

19 6. Upon request by the Department of Taxation, the
20 Administrator shall provide:

21 (a) Lists containing the names and addresses of employers; and
22 (b) Other information concerning employers collected and
23 maintained by the Administrator or the Division to carry out the
24 purposes of chapters 616A to 616D, inclusive, or chapter 617 of
25 NRS,

26 to the Department for its use in verifying returns for the ~~business~~
27 ~~tax.~~ *tax imposed pursuant to sections 2 to 24, inclusive, of this act.*
28 The Administrator may charge a reasonable fee to cover any related
29 administrative expenses.

30 7. Any person who, in violation of this section, discloses
31 information obtained from files of claimants or policyholders or
32 obtains a list of claimants or policyholders under chapters 616A to
33 616D, inclusive, or chapter 617 of NRS and uses or permits the use
34 of the list for any political purposes, is guilty of a gross
35 misdemeanor.

36 8. All letters, reports or communications of any kind, oral or
37 written, from the insurer, or any of its agents, representatives or
38 employees are privileged and must not be the subject matter or basis
39 for any lawsuit if the letter, report or communication is written, sent,
40 delivered or prepared pursuant to the requirements of chapters 616A
41 to 616D, inclusive, or chapter 617 of NRS.

42 **Sec. 182.** NRS 616B.679 is hereby amended to read as
43 follows:

44 616B.679 1. Each application must include:



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- 1 (a) The applicant's name and title of his position with the
2 employee leasing company.
- 3 (b) The applicant's age, place of birth and social security
4 number.
- 5 (c) The applicant's address.
- 6 (d) The business address of the employee leasing company.
- 7 (e) The business address of the resident agent of the employee
8 leasing company, if the applicant is not the resident agent.
- 9 (f) If the applicant is a:
- 10 (1) Partnership, the name of the partnership and the name,
11 address, age, social security number and title of each partner.
- 12 (2) Corporation, the name of the corporation and the name,
13 address, age, social security number and title of each officer of the
14 corporation.
- 15 (g) Proof of:
- 16 (1) ~~The payment of any taxes required by chapter 364A of~~
17 ~~NRS.] Compliance with the provisions of section 66 of this act.~~
- 18 (2) The payment of any premiums for industrial insurance
19 required by chapters 616A to 617, inclusive, of NRS.
- 20 (3) The payment of contributions or payments in lieu of
21 contributions required by chapter 612 of NRS.
- 22 (4) Insurance coverage for any benefit plan from an insurer
23 authorized pursuant to title 57 of NRS that is offered by the
24 employee leasing company to its employees.
- 25 (h) Any other information the Administrator requires.
- 26 2. Each application must be notarized and signed under penalty
27 of perjury:
- 28 (a) If the applicant is a sole proprietorship, by the sole
29 proprietor.
- 30 (b) If the applicant is a partnership, by each partner.
- 31 (c) If the applicant is a corporation, by each officer of the
32 corporation.
- 33 3. An applicant shall submit to the Administrator any change in
34 the information required by this section within 30 days after the
35 change occurs. The Administrator may revoke the certificate of
36 registration of an employee leasing company which fails to comply
37 with the provisions of NRS 616B.670 to 616B.697, inclusive.
- 38 4. If an insurer cancels an employee leasing company's policy,
39 the insurer shall immediately notify the Administrator in writing.
40 The notice must comply with the provisions of NRS 687B.310 to
41 687B.355, inclusive, and must be served personally on or sent by
42 first-class mail or electronic transmission to the Administrator.



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1 **Sec. 183.** 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 **Secs. 184-185.** (Deleted by amendment.)

26 **Sec. 185.30.** NRS 645B.060 is hereby amended to read as
27 follows:

28 645B.060 1. Subject to the administrative control of the
29 Director of the Department of Business and Industry, the
30 Commissioner shall exercise general supervision and control over
31 mortgage brokers doing business in this state.

32 2. In addition to the other duties imposed upon him by law, the
33 Commissioner shall:

34 (a) Adopt any regulations that are necessary to carry out the
35 provisions of this chapter, except as to loan brokerage fees.

36 (b) Conduct such investigations as may be necessary to
37 determine whether any person has violated any provision of this
38 chapter, a regulation adopted pursuant to this chapter or an order of
39 the Commissioner.

40 (c) Conduct an annual examination of each mortgage broker
41 doing business in this state. The annual examination must include,
42 without limitation, a formal exit review with the mortgage broker.
43 The Commissioner shall adopt regulations prescribing:

44 (1) Standards for determining the rating of each mortgage
45 broker based upon the results of the annual examination; and



1 (2) Procedures for resolving any objections made by the
2 mortgage broker to the results of the annual examination. The
3 results of the annual examination may not be opened to public
4 inspection pursuant to NRS 645B.090 until any objections made by
5 the mortgage broker have been decided by the Commissioner.

6 (d) Conduct such other examinations, periodic or special audits,
7 investigations and hearings as may be necessary and proper for the
8 efficient administration of the laws of this state regarding mortgage
9 brokers and mortgage agents. The Commissioner shall adopt
10 regulations specifying the general guidelines that will be followed
11 when a periodic or special audit of a mortgage broker is conducted
12 pursuant to this chapter.

13 (e) Classify as confidential certain records and information
14 obtained by the Division when those matters are obtained from a
15 governmental agency upon the express condition that they remain
16 confidential. This paragraph does not limit examination by ~~the~~ :

17 (1) *The Legislative Auditor* ~~H~~; or

18 (2) *The Department of Taxation if necessary to carry out*
19 *the provisions of sections 24.12 to 24.74, inclusive, of this act.*

20 (f) Conduct such examinations and investigations as are
21 necessary to ensure that mortgage brokers meet the requirements of
22 this chapter for obtaining a license, both at the time of the
23 application for a license and thereafter on a continuing basis.

24 3. For each special audit, investigation or examination, a
25 mortgage broker shall pay a fee based on the rate established
26 pursuant to NRS 658.101.

27 **Sec. 185.32.** NRS 645B.670 is hereby amended to read as
28 follows:

29 645B.670 Except as otherwise provided in NRS 645B.690:

30 1. For each violation committed by an applicant, whether or
31 not he is issued a license, the Commissioner may impose upon the
32 applicant an administrative fine of not more than \$10,000, if the
33 applicant:

34 (a) Has knowingly made or caused to be made to the
35 Commissioner any false representation of material fact;

36 (b) Has suppressed or withheld from the Commissioner any
37 information which the applicant possesses and which, if submitted
38 by him, would have rendered the applicant ineligible to be licensed
39 pursuant to the provisions of this chapter; or

40 (c) Has violated any provision of this chapter, a regulation
41 adopted pursuant to this chapter or an order of the Commissioner in
42 completing and filing his application for a license or during the
43 course of the investigation of his application for a license.

44 2. For each violation committed by a licensee, the
45 Commissioner may impose upon the licensee an administrative fine



- 1 of not more than \$10,000, may suspend, revoke or place conditions
2 upon his license, or may do both, if the licensee, whether or not
3 acting as such:
- 4 (a) Is insolvent;
- 5 (b) Is grossly negligent or incompetent in performing any act for
6 which he is required to be licensed pursuant to the provisions of this
7 chapter;
- 8 (c) Does not conduct his business in accordance with law or has
9 violated any provision of this chapter, a regulation adopted pursuant
10 to this chapter or an order of the Commissioner;
- 11 (d) Is in such financial condition that he cannot continue in
12 business with safety to his customers;
- 13 (e) Has made a material misrepresentation in connection with
14 any transaction governed by this chapter;
- 15 (f) Has suppressed or withheld from a client any material facts,
16 data or other information relating to any transaction governed by the
17 provisions of this chapter which the licensee knew or, by the
18 exercise of reasonable diligence, should have known;
- 19 (g) Has knowingly made or caused to be made to the
20 Commissioner any false representation of material fact or has
21 suppressed or withheld from the Commissioner any information
22 which the licensee possesses and which, if submitted by him, would
23 have rendered the licensee ineligible to be licensed pursuant to the
24 provisions of this chapter;
- 25 (h) Has failed to account to persons interested for all money
26 received for a trust account;
- 27 (i) Has refused to permit an examination by the Commissioner
28 of his books and affairs or has refused or failed, within a reasonable
29 time, to furnish any information or make any report that may be
30 required by the Commissioner pursuant to the provisions of this
31 chapter or a regulation adopted pursuant to this chapter;
- 32 (j) Has been convicted of, or entered a plea of nolo contendere
33 to, a felony or any crime involving fraud, misrepresentation or
34 moral turpitude;
- 35 (k) Has refused or failed to pay, within a reasonable time, any
36 fees, assessments, costs or expenses that the licensee is required to
37 pay pursuant to this chapter or a regulation adopted pursuant to this
38 chapter;
- 39 (l) Has failed to satisfy a claim made by a client which has been
40 reduced to judgment;
- 41 (m) Has failed to account for or to remit any money of a client
42 within a reasonable time after a request for an accounting or
43 remittal;



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 24.12 to 24.74, 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. 185.34.** 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 ~~1~~; or

10 (2) *The Department of Taxation if necessary to carry out*
11 *the provisions of sections 24.12 to 24.74, 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. 185.36.** 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 24.12 to 24.74, 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. 185.38.** NRS 649.395 is hereby amended to read as
2 follows:

3 649.395 1. The Commissioner may impose an administrative
4 fine, not to exceed \$500 for each violation, or suspend or revoke the
5 license of a collection agency, or both impose a fine and suspend or
6 revoke the license, by an order made in writing and filed in his
7 office and served on the licensee by registered or certified mail at
8 the address shown in the records of the Commissioner, if:

9 (a) The licensee is adjudged liable in any court of law for breach
10 of any bond given under the provisions of this chapter; ~~for~~

11 (b) After notice and hearing, the licensee is found guilty of:

12 (1) Fraud or misrepresentation;

13 (2) An act or omission inconsistent with the faithful
14 discharge of his duties and obligations; or

15 (3) A violation of any provision of this chapter ~~or~~; or

16 (c) *The Commissioner determines that the licensee has failed*
17 *to pay the franchise tax imposed pursuant to the provisions of*
18 *sections 24.12 to 24.74, inclusive, of this act.*

19 2. The Commissioner may suspend or revoke the license of a
20 collection agency without notice and hearing if:

21 (a) The suspension or revocation is necessary for the immediate
22 protection of the public; and

23 (b) The licensee is afforded a hearing to contest the suspension
24 or revocation within 20 days after the written order of suspension or
25 revocation is served upon the licensee.

26 3. Upon revocation of his license, all rights of the licensee
27 under this chapter terminate, and no application may be received
28 from any person whose license has once been revoked.

29 **Sec. 185.40.** NRS 658.151 is hereby amended to read as
30 follows:

31 658.151 1. The Commissioner may forthwith take possession
32 of the business and property of any depository institution to which
33 this title or title 56 of NRS applies when it appears that the
34 depository institution:

35 (a) Has violated its charter or any laws applicable thereto.

36 (b) Is conducting its business in an unauthorized or unsafe
37 manner.

38 (c) Is in an unsafe or unsound condition to transact its business.

39 (d) Has an impairment of its stockholders' or members' equity.

40 (e) Has refused to pay its depositors in accordance with the
41 terms on which such deposits were received, or has refused to pay
42 its holders of certificates of indebtedness or investment in
43 accordance with the terms upon which those certificates of
44 indebtedness or investment were sold.

45 (f) Has become otherwise insolvent.



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1 (g) Has neglected or refused to comply with the terms of a
2 lawful order of the Commissioner.

3 (h) Has refused, upon proper demand, to submit its records,
4 affairs and concerns for inspection and examination of an appointed
5 or authorized examiner of the Commissioner.

6 (i) Has made a voluntary assignment of its assets to trustees.

7 *(j) Has failed to pay the franchise tax imposed pursuant to the*
8 *provisions of sections 24.12 to 24.74, inclusive, of this act.*

9 2. The Commissioner also may forthwith take possession of the
10 business and property of any depository institution to which this title
11 or title 56 of NRS applies when it appears that the officers of the
12 depository institution have refused to be examined upon oath
13 regarding its affairs.

14 **Sec. 185.42.** NRS 665.133 is hereby amended to read as
15 follows:

16 665.133 1. The records and information described in NRS
17 665.130 may be disclosed to:

18 (a) An agency of the Federal Government or of another state
19 which regulates the financial institution which is the subject of the
20 records or information;

21 (b) The Director of the Department of Business and Industry for
22 his confidential use;

23 (c) The State Board of Finance for its confidential use, if the
24 report or other information is necessary for the State Board of
25 Finance to perform its duties under this title;

26 *(d) The Department of Taxation for its use in carrying out the*
27 *provisions of sections 24.12 to 24.74, inclusive, of this act;*

28 *(e) An entity which insures or guarantees deposits;*

29 ~~(e)~~ (f) A public officer authorized to investigate criminal
30 charges in connection with the affairs of the depository institution;

31 ~~(f)~~ (g) A person preparing a proposal for merging with or
32 acquiring an institution or holding company, but only after notice of
33 the disclosure has been given to the institution or holding company;

34 ~~(g)~~ (h) Any person to whom the subject of the report has
35 authorized the disclosure;

36 ~~(h)~~ (i) Any other person if the Commissioner determines, after
37 notice and opportunity for hearing, that disclosure is in the public
38 interest and outweighs any potential harm to the depository
39 institution and its stockholders, members, depositors and creditors;
40 and

41 ~~(i)~~ (j) Any court in a proceeding initiated by the
42 Commissioner concerning the financial institution.

43 2. All the reports made available pursuant to this section
44 remain the property of the Division of Financial Institutions, and no
45 person, agency or authority to whom the reports are made available,



1 or any officer, director or employee thereof, may disclose any of the
2 reports or any information contained therein, except in published
3 statistical material that does not disclose the affairs of any natural
4 person or corporation.

5 **Sec. 185.44.** NRS 673.484 is hereby amended to read as
6 follows:

7 673.484 The Commissioner may after notice and hearing
8 suspend or revoke the charter of any association for ~~repeated~~ :

9 **1. Repeated** failure to abide by the provisions of this chapter or
10 the regulations adopted thereunder.

11 **2. Failure to pay the franchise tax imposed pursuant to the**
12 **provisions of sections 24.12 to 24.74, inclusive, of this act.**

13 **Sec. 185.46.** NRS 675.440 is hereby amended to read as
14 follows:

15 675.440 1. If the Commissioner has reason to believe that
16 grounds for revocation or suspension of a license exist, he shall give
17 20 days' written notice to the licensee stating the contemplated
18 action and, in general, the grounds therefor and set a date for a
19 hearing.

20 2. At the conclusion of a hearing, the Commissioner shall:

21 (a) Enter a written order either dismissing the charges, revoking
22 the license, or suspending the license for a period of not more than
23 60 days, which period must include any prior temporary suspension.
24 A copy of the order must be sent by registered or certified mail to
25 the licensee.

26 (b) Impose upon the licensee a fine of \$500 for each violation by
27 the licensee of any provision of this chapter or any lawful regulation
28 adopted under it.

29 (c) If a fine is imposed pursuant to this section, enter such order
30 as is necessary to recover the costs of the proceeding, including his
31 investigative costs and attorney's fees.

32 3. The grounds for revocation or suspension of a license are
33 that:

34 (a) The licensee has failed to pay the annual license fee;

35 (b) The licensee, either knowingly or without any exercise of
36 due care to prevent it, has violated any provision of this chapter or
37 any lawful regulation adopted under it;

38 (c) **The licensee has failed to pay the franchise tax imposed**
39 **pursuant to the provisions of sections 24.12 to 24.74, inclusive, of**
40 **this act;**

41 (d) Any fact or condition exists which would have justified the
42 Commissioner in denying the licensee's original application for a
43 license hereunder; or

44 ~~(d)~~ (e) The applicant failed to open an office for the conduct
45 of the business authorized under this chapter within 120 days from



1 the date the license was issued, or has failed to remain open for the
2 conduct of the business for a period of 120 days without good cause
3 therefor.

4 4. Any revocation or suspension applies only to the license
5 granted to a person for the particular office for which grounds for
6 revocation or suspension exist.

7 5. An order suspending or revoking a license becomes effective
8 5 days after being entered unless the order specifies otherwise or a
9 stay is granted.

10 **Sec. 185.48.** NRS 676.290 is hereby amended to read as
11 follows:

12 676.290 1. The Commissioner may, pursuant to the
13 procedure provided in this chapter, deny, suspend or revoke any
14 license for which application has been made or which has been
15 issued under the provisions of this chapter if he finds, as to the
16 licensee, its associates, directors or officers, grounds for action.

17 2. Any one of the following grounds may provide the requisite
18 grounds for denial, suspension or revocation:

19 (a) Conviction of a felony or of a misdemeanor involving moral
20 turpitude.

21 (b) Violation of any of the provisions of this chapter or
22 regulations of the Commissioner.

23 (c) Fraud or deceit in procuring the issuance of the license.

24 (d) Continuous course of unfair conduct.

25 (e) Insolvency, filing in bankruptcy, receivership or assigning
26 for the benefit of creditors by any licensee or applicant for a license
27 under this chapter.

28 (f) *Failure to pay the franchise tax imposed pursuant to the*
29 *provisions of sections 24.12 to 24.74, inclusive, of this act.*

30 (g) Failure to pay the fee for renewal or reinstatement of a
31 license.

32 3. The Commissioner shall, after notice and hearing, impose
33 upon the licensee a fine of \$500 for each violation by the licensee of
34 any of the provisions of this chapter or regulations of the
35 Commissioner. If a fine is imposed pursuant to this section, the
36 costs of the proceeding, including investigative costs and attorney's
37 fees, may be recovered by the Commissioner.

38 **Sec. 185.50.** NRS 677.510 is hereby amended to read as
39 follows:

40 677.510 1. If the Commissioner has reason to believe that
41 grounds for revocation or suspension of a license exist, he shall give
42 20 days' written notice to the licensee stating the contemplated
43 action and, in general, the grounds therefor and set a date for a
44 hearing.

45 2. At the conclusion of a hearing, the Commissioner shall:



1 (a) Enter a written order either dismissing the charges, or
2 revoking the license, or suspending the license for a period of not
3 more than 60 days, which period must include any prior temporary
4 suspension. A copy of the order must be sent by registered or
5 certified mail to the licensee.

6 (b) Impose upon the licensee a fine of \$500 for each violation by
7 the licensee of any provision of this chapter or any lawful regulation
8 adopted pursuant thereto.

9 (c) If a fine is imposed pursuant to this section, enter such order
10 as is necessary to recover the costs of the proceeding, including his
11 investigative costs and attorney's fees.

12 3. The grounds for revocation or suspension of a license are
13 that:

14 (a) The licensee has failed to pay the annual license fee;

15 (b) The licensee, either knowingly or without any exercise of
16 due care to prevent it, has violated any provision of this chapter, or
17 any lawful regulation adopted pursuant thereto;

18 (c) *The licensee has failed to pay the franchise tax imposed*
19 *pursuant to the provisions of sections 24.12 to 24.74, inclusive, of*
20 *this act;*

21 (d) Any fact or condition exists which would have justified the
22 Commissioner in denying the licensee's original application for a
23 license hereunder; or

24 ~~[(d)]~~ (e) The applicant failed to open an office for the conduct
25 of the business authorized under this chapter within 120 days from
26 the date the license was issued, or has failed to remain open for the
27 conduct of the business for a period of 120 days without good cause
28 therefor.

29 4. Any revocation or suspension applies only to the license
30 granted to a person for the particular office for which grounds for
31 revocation or suspension exist.

32 5. An order suspending or revoking a license becomes effective
33 5 days after being entered unless the order specifies otherwise or a
34 stay is granted.

35 **Sec. 186.** (Deleted by amendment.)

36 **Sec. 186.3.** NRS 680B.037 is hereby amended to read as
37 follows:

38 680B.037 ~~{Payment}~~

39 1. *Except as otherwise provided in subsection 2, payment* by
40 an insurer of the tax imposed by NRS 680B.027 is in lieu of all
41 taxes imposed by the State or any city, town or county upon
42 premiums or upon income of insurers and of franchise, privilege or
43 other taxes measured by income of the insurer.



1 **2. The provisions of subsection 1 do not apply to a franchise**
2 **fee imposed pursuant to the provisions of sections 58.12 to 58.80,**
3 **inclusive, of this act.**

4 **Sec. 186.4.** NRS 680B.037 is hereby amended to read as
5 follows:

6 680B.037 1. Except as otherwise provided in subsection 2,
7 payment by an insurer of the tax imposed by NRS 680B.027 is in
8 lieu of all taxes imposed by the State or any city, town or county
9 upon premiums or upon income of insurers and of franchise,
10 privilege or other taxes measured by income of the insurer.

11 2. The provisions of subsection 1 do not apply to a **franchise**
12 **tax or** franchise fee imposed pursuant to the provisions of sections
13 **24.12 to 24.74, inclusive,** or 58.12 to 58.80, inclusive, of this act.

14 **Sec. 186.5.** NRS 687A.130 is hereby amended to read as
15 follows:

16 687A.130 The Association is exempt from payment of all fees
17 and all taxes levied by this state or any of its subdivisions, except
18 ~~taxes~~ :

19 1. **Taxes** levied on real or personal property.

20 2. **A franchise fee imposed pursuant to sections 58.12 to**
21 **58.80, inclusive, of this act.**

22 **Sec. 186.6.** NRS 687A.130 is hereby amended to read as
23 follows:

24 687A.130 The Association is exempt from payment of all fees
25 and all taxes levied by this state or any of its subdivisions, except:

26 1. Taxes levied on real or personal property.

27 2. A **franchise tax or** franchise fee imposed pursuant to
28 sections **24.12 to 24.74, inclusive, or** 58.12 to 58.80, inclusive, of
29 this act.

30 **Sec. 186.7.** NRS 694C.450 is hereby amended to read as
31 follows:

32 694C.450 1. Except as otherwise provided in this section, a
33 captive insurer shall pay to the Division, not later than March 1 of
34 each year, a tax at the rate of:

35 (a) Two-fifths of 1 percent on the first \$20,000,000 of its net
36 direct premiums;

37 (b) One-fifth of 1 percent on the next \$20,000,000 of its net
38 direct premiums; and

39 (c) Seventy-five thousandths of 1 percent on each additional
40 dollar of its net direct premiums.

41 2. Except as otherwise provided in this section, a captive
42 insurer shall pay to the Division, not later than March 1 of each
43 year, a tax at a rate of:

44 (a) Two hundred twenty-five thousandths of 1 percent on the
45 first \$20,000,000 of revenue from assumed reinsurance premiums;



1 (b) One hundred fifty thousandths of 1 percent on the next
2 \$20,000,000 of revenue from assumed reinsurance premiums; and

3 (c) Twenty-five thousandths of 1 percent on each additional
4 dollar of revenue from assumed reinsurance premiums.

5 The tax on reinsurance premiums pursuant to this subsection must
6 not be levied on premiums for risks or portions of risks which are
7 subject to taxation on a direct basis pursuant to subsection 1. A
8 captive insurer is not required to pay any reinsurance premium tax
9 pursuant to this subsection on revenue related to the receipt of assets
10 by the captive insurer in exchange for the assumption of loss
11 reserves and other liabilities of another insurer that is under
12 common ownership and control with the captive insurer, if the
13 transaction is part of a plan to discontinue the operation of the other
14 insurer and the intent of the parties to the transaction is to renew or
15 maintain such business with the captive insurer.

16 3. If the sum of the taxes to be paid by a captive insurer
17 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any
18 given year, the captive insurer shall pay a tax of \$5,000 for that
19 year.

20 4. Two or more captive insurers under common ownership and
21 control must be taxed as if they were a single captive insurer.

22 5. Notwithstanding any specific statute to the contrary, ~~and~~
23 except as otherwise provided in this subsection, the tax provided for
24 by this section constitutes all the taxes collectible pursuant to the
25 laws of this state from a captive insurer, and no occupation tax or
26 other taxes may be levied or collected from a captive insurer by this
27 state or by any county, city or municipality within this state, except
28 for *a franchise fee imposed pursuant to the provisions of sections*
29 *58.12 to 58.80, inclusive, of this act and* ad valorem taxes on real or
30 personal property located in this state used in the production of
31 income by the captive insurer.

32 6. Ten percent of the revenues collected from the tax imposed
33 pursuant to this section must be deposited with the State Treasurer
34 for credit to the Account for the Regulation and Supervision of
35 Captive Insurers created pursuant to NRS 694C.460. The remaining
36 90 percent of the revenues collected must be deposited with the
37 State Treasurer for credit to the State General Fund.

38 7. As used in this section, unless the context otherwise
39 requires:

40 (a) “Common ownership and control” means:

41 (1) In the case of a stock insurer, the direct or indirect
42 ownership of 80 percent or more of the outstanding voting stock of
43 two or more corporations by the same member or members.



1 (2) In the case of a mutual insurer, the direct or indirect
2 ownership of 80 percent or more of the surplus and the voting power
3 of two or more corporations by the same member or members.

4 (b) "Net direct premiums" means the direct premiums collected
5 or contracted for on policies or contracts of insurance written by a
6 captive insurer during the preceding calendar year, less the amounts
7 paid to policyholders as return premiums, including dividends on
8 unabsorbed premiums or premium deposits returned or credited to
9 policyholders.

10 **Sec. 186.8.** NRS 694C.450 is hereby amended to read as
11 follows:

12 694C.450 1. Except as otherwise provided in this section, a
13 captive insurer shall pay to the Division, not later than March 1 of
14 each year, a tax at the rate of:

15 (a) Two-fifths of 1 percent on the first \$20,000,000 of its net
16 direct premiums;

17 (b) One-fifth of 1 percent on the next \$20,000,000 of its net
18 direct premiums; and

19 (c) Seventy-five thousandths of 1 percent on each additional
20 dollar of its net direct premiums.

21 2. Except as otherwise provided in this section, a captive
22 insurer shall pay to the Division, not later than March 1 of each
23 year, a tax at a rate of:

24 (a) Two hundred twenty-five thousandths of 1 percent on the
25 first \$20,000,000 of revenue from assumed reinsurance premiums;

26 (b) One hundred fifty thousandths of 1 percent on the next
27 \$20,000,000 of revenue from assumed reinsurance premiums; and

28 (c) Twenty-five thousandths of 1 percent on each additional
29 dollar of revenue from assumed reinsurance premiums.

30 The tax on reinsurance premiums pursuant to this subsection must
31 not be levied on premiums for risks or portions of risks which are
32 subject to taxation on a direct basis pursuant to subsection 1. A
33 captive insurer is not required to pay any reinsurance premium tax
34 pursuant to this subsection on revenue related to the receipt of assets
35 by the captive insurer in exchange for the assumption of loss
36 reserves and other liabilities of another insurer that is under
37 common ownership and control with the captive insurer, if the
38 transaction is part of a plan to discontinue the operation of the other
39 insurer and the intent of the parties to the transaction is to renew or
40 maintain such business with the captive insurer.

41 3. If the sum of the taxes to be paid by a captive insurer
42 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any
43 given year, the captive insurer shall pay a tax of \$5,000 for that
44 year.



1 4. Two or more captive insurers under common ownership and
2 control must be taxed as if they were a single captive insurer.

3 5. Notwithstanding any specific statute to the contrary, except
4 as otherwise provided in this subsection, the tax provided for by this
5 section constitutes all the taxes collectible pursuant to the laws of
6 this state from a captive insurer, and no occupation tax or other
7 taxes may be levied or collected from a captive insurer by this state
8 or by any county, city or municipality within this state, except for a
9 **franchise tax or** franchise fee imposed pursuant to the provisions of
10 sections **24.12 to 24.74, inclusive, or** 58.12 to 58.80, inclusive, of
11 this act and ad valorem taxes on real or personal property located in
12 this state used in the production of income by the captive insurer.

13 6. Ten percent of the revenues collected from the tax imposed
14 pursuant to this section must be deposited with the State Treasurer
15 for credit to the Account for the Regulation and Supervision of
16 Captive Insurers created pursuant to NRS 694C.460. The remaining
17 90 percent of the revenues collected must be deposited with the
18 State Treasurer for credit to the State General Fund.

19 7. As used in this section, unless the context otherwise
20 requires:

21 (a) "Common ownership and control" means:

22 (1) In the case of a stock insurer, the direct or indirect
23 ownership of 80 percent or more of the outstanding voting stock of
24 two or more corporations by the same member or members.

25 (2) In the case of a mutual insurer, the direct or indirect
26 ownership of 80 percent or more of the surplus and the voting power
27 of two or more corporations by the same member or members.

28 (b) "Net direct premiums" means the direct premiums collected
29 or contracted for on policies or contracts of insurance written by a
30 captive insurer during the preceding calendar year, less the amounts
31 paid to policyholders as return premiums, including dividends on
32 unabsorbed premiums or premium deposits returned or credited to
33 policyholders.

34 **Sec. 186.9.** Section 58.16 of this act is hereby amended to read
35 as follows:

36 Sec. 58.16. 1. "Business entity" includes:

37 (a) A corporation, partnership, proprietorship, limited-
38 liability company, business association, joint venture, limited-
39 liability partnership, business trust and their equivalents
40 organized under the laws of this state or another jurisdiction
41 and any other type of entity that engages in business; and

42 (b) A natural person engaging in business if he is deemed
43 to be a business entity pursuant to section 58.42 of this act.

44 2. The term does not include:

45 (a) A governmental entity;



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

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

(d) A financial institution that is required to pay a franchise tax pursuant to section 24.38 of this act.

Sec. 187. Section 66 of this act is hereby amended to read as follows:

Sec. 66. 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,



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1 indicating that the person will not be conducting business in
2 this state after the anniversary date. *A person who fails to*
3 *submit the annual fee required pursuant to this subsection*
4 *in a timely manner shall pay a penalty in the amount of \$75*
5 *in addition to the annual fee.*

6 6. The business license required to be obtained pursuant
7 to this section is in addition to any license to conduct business
8 that must be obtained from the local jurisdiction in which the
9 business is being conducted.

10 7. For the purposes of sections 61 to 66, inclusive, of
11 this act, a person shall be deemed to conduct a business in
12 this state if a business for which the person is responsible:

13 (a) Is organized pursuant to title 7 of NRS, other than a
14 business organized pursuant to chapter 82 or 84 of NRS:

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

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

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

24 **Sec. 188.** Section 6 of chapter 458, Statutes of Nevada 1999,
25 at page 2133, is hereby amended to read as follows:

26 Sec. 6. The amendatory provisions of *sections 2 to 5,*
27 *inclusive, of* this act expire by limitation on October 1, 2029.

28 **Sec. 189.** 1. NRS 353.272, 364A.160, 375.025, 375.075,
29 463.4001, 463.4002, 463.4004, 463.4006, 463.4008, 463.4009 and
30 463.4015 are hereby repealed.

31 2. NRS 364A.010, 364A.020, 364A.030, 364A.040, 364A.050,
32 364A.060, 364A.070, 364A.080, 364A.090, 364A.100, 364A.110,
33 364A.120, 364A.130, 364A.135, 364A.140, 364A.150, 364A.151,
34 364A.152, 364A.1525, 364A.170, 364A.175, 364A.180, 364A.190,
35 364A.230, 364A.240, 364A.250, 364A.260, 364A.270, 364A.280,
36 364A.290, 364A.300, 364A.310, 364A.320, 364A.330, 364A.340,
37 364A.350, 463.401, 463.402, 463.403, 463.404, 463.4045, 463.405,
38 463.4055 and 463.406 are hereby repealed.

39 **Sec. 190.** Except as otherwise provided by specific statute:

40 1. After the close of the 2003-2004 Fiscal Year and after the
41 close of the 2004-2005 Fiscal Year, the Interim Finance Committee
42 shall determine the amount, if any, by which the total revenue from
43 all sources to the State General Fund, excluding reversions to the
44 State General Fund, exceeds:



1 (a) One hundred seven percent of the total revenue from all
2 sources to the State General Fund as projected by the 2003
3 Legislature for the applicable fiscal year; and

4 (b) The total amount of all applicable contingent appropriations
5 enacted by the 2003 Legislature for which the conditions for the
6 contingent appropriations were satisfied.

7 2. If the amount determined pursuant to subsection 1 is greater
8 than \$0, the Interim Finance Committee, upon making the
9 determination, shall cause to be transferred from the State General
10 Fund to the Fund to Stabilize the Operation of the State Government
11 created by NRS 353.288 the portion of the amount determined
12 pursuant to subsection 1 that may be transferred without exceeding
13 the permissible balance of the Fund to Stabilize the Operation of the
14 State Government as set forth in NRS 353.288.

15 3. If less than the full amount determined pursuant to
16 subsection 1 is transferred to the Fund to Stabilize the Operation of
17 the State Government pursuant to subsection 2, the Interim Finance
18 Committee shall cause to be transferred from the State General Fund
19 to the Fund for Tax Accountability created by section 191 of this act
20 the remainder of the amount determined pursuant to subsection 1.

21 **Sec. 191.** 1. The Fund for Tax Accountability is hereby
22 created as a special revenue fund.

23 2. Money from the Fund may be appropriated only for the
24 purpose of supplementing future revenue of this state to allow the
25 reduction of the rate or amount of a tax or fee.

26 3. This section does not authorize a refund or other return of
27 any tax or fee paid to this state pursuant to any statute or regulation
28 in effect at the time the tax or fee was paid.

29 **Sec. 191.3.** 1. The Legislative Auditor shall conduct a
30 performance audit of the school districts in this state with more than
31 5,000 enrolled students. The performance audit must include issues
32 relating to operational accountability, including, without limitation:

- 33 (a) Financial management;
- 34 (b) Facilities management;
- 35 (c) Personnel management;
- 36 (d) District organization;
- 37 (e) Employee health plans;
- 38 (f) Transportation;
- 39 (g) Alignment of the organization with the needs and
40 expectations of the public;
- 41 (h) Training and development of management staff;
- 42 (i) Establishment of benchmarks for productivity and
43 performance; and
- 44 (j) Examination of unusual or dramatic changes in specific
45 budgetary line items, including, without limitation, legal expenses.



1 2. The Legislative Auditor shall prepare a final written report
2 for the audit conducted pursuant to subsection 1 and present the
3 report to the Audit Subcommittee of the Legislative Commission
4 not later than February 7, 2005.

5 3. To the extent that the provisions of NRS 218.737 to
6 218.890, inclusive, are consistent with the requirements of this
7 section, those provisions apply to the audit conducted pursuant to
8 this section. For the purposes of this subsection, the Clark County
9 School District, Washoe County School District, Carson
10 City School District, Douglas County School District, Elko County
11 School District, Lyon County School District and Nye County
12 School District shall be deemed to be agencies of the State.

13 4. Upon the request of the Legislative Auditor or his authorized
14 representative, the officers and employees of the Clark County
15 School District, Washoe County School District, Carson
16 City School District, Douglas County School District, Elko County
17 School District, Lyon County School District and Nye County
18 School District shall make available to the Legislative Auditor any
19 of their books, accounts, claims, reports, vouchers or other records
20 of information, confidential or otherwise and irrespective of their
21 form or location, which the Legislative Auditor deems necessary to
22 conduct the audits required by this section.

23 **Sec. 191.5.** 1. The Board of Trustees of the Clark County
24 School District, Washoe County School District, Carson
25 City School District, Douglas County School District, Elko County
26 School District, Lyon County School District and Nye County
27 School District shall, on or before February 15, 2005, give public
28 notice of its intention to form a Business Advisory Council on or
29 before May 15, 2005. Each Board of Trustees shall accept
30 nominations and applications for membership on the Business
31 Advisory Council during the period from March 1 to March 31,
32 2005.

33 2. On or before May 15, 2005, each Board of Trustees shall,
34 form a Business Advisory Council. The Board of Trustees shall,
35 from the nominations and applications received, select the members
36 of its Business Advisory Council, appoint the members to terms of 2
37 years, designate a Chairman and Vice-Chairman from among the
38 members, and designate an employee of the school district to serve
39 as secretary for the Business Advisory Council. The members of the
40 Council shall serve without salary or reimbursement for per diem or
41 travel expenses.

42 3. The Council shall comply with the provisions of chapter 241
43 of NRS.

44 4. The meetings of each such Business Advisory Council must
45 be held at a location within the respective school district and at the



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1 date and time determined by the Chairman. In no event may the
2 Chairman set a meeting of the Council during regular school hours
3 within the school district. Each such Business Advisory Council
4 shall:

5 (a) Review the results of the performance audit conducted by the
6 Legislative Auditor pursuant to section 191.3 of this act, particularly
7 in regards to the school district for which the Council has been
8 appointed.

9 (b) Work with the appropriate fiscal and administrative staff of
10 the school district to form recommendations based upon the findings
11 of the Legislative Auditor.

12 (c) On or before January 9, 2007, submit a written report of its
13 findings and recommendations to the Board of Trustees of the
14 school district, and to the Director of the Legislative Counsel
15 Bureau for compilation and transmittal to the Legislature.

16 5. On or before May 15, 2007, the Board of Trustees of the
17 Clark County School District, Washoe County School District,
18 Carson City School District, Douglas County School District, Elko
19 County School District, Lyon County School District and Nye
20 County School District shall, if appropriate, provide for the
21 continuation of the activities of its Business Advisory Council. The
22 Board of Trustees may thereafter revise the duties of the Council
23 and provide for its membership as it deems appropriate.

24 **Sec. 192.** 1. Notwithstanding the provisions of this act and
25 any other provision of law to the contrary, a public utility or local
26 government franchisee may increase its previously approved rates
27 by an amount which is reasonably estimated to produce an amount
28 of revenue equal to the amount of any tax liability incurred by the
29 public utility or local government franchisee before January 1, 2005,
30 as a result of the provisions of this act.

31 2. For the purposes of this section:

32 (a) "Local government franchisee" means a person to whom a
33 local government has granted a franchise for the provision of
34 services who is required to obtain the approval of a governmental
35 entity to increase any of the rates it charges for those services.

36 (b) "Public utility" means a public utility that is required to
37 obtain the approval of a governmental entity to increase any of the
38 rates it charges for a utility service.

39 **Sec. 193.** Notwithstanding the provisions of section 61 of
40 Assembly Bill No. 553 of the 72nd Session of the Nevada
41 Legislature, the sums appropriated to the Interim Finance
42 Committee by subsection 1 of that section may be allocated and
43 used pursuant to that section for information technology and
44 additional operational costs that may be required by the Department
45 of Taxation or other state agency to implement or modify the



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1 collections of State General Fund revenues approved by the 20th
2 Special Session of the Nevada Legislature.

3 **Sec. 194.** 1. There is hereby appropriated from the State
4 General Fund to the Interim Finance Committee for allocation to the
5 Legislative Committee on Taxation, Public Revenue and Tax Policy
6 to exercise its powers pursuant to section 129 of this act, including,
7 without limitation, to hire a consultant:

8 For the Fiscal Year 2003-2004..... \$125,000
9 For the Fiscal Year 2004-2005..... \$125,000

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. 194.10.** 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 194.14 and
22 194.18 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 194.14 and 194.18
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 194.12
39 of this act for the 2004-2005 fiscal year, and may be expended as
40 that money is expended.

41 **Sec. 194.12.** 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 194.14 and



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1 194.18 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 194.14 and 194.18
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
16 194.10 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. 194.14.** 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 194.10 and
23 194.12 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 194.10 and 194.12 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 194.10 and 194.12 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. 194.16.** 1. During the 2003-2005 biennium, a school
45 district that is located in a county whose population is 100,000 or



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. 194.18.** 1. The money appropriated for class-size
22 reduction pursuant to sections 194.10 and 194.12 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 194.10 and 194.12 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 194.14 of this act, a sufficient number of



1 teachers must have been employed to maintain the average pupil-
2 teacher ratio that existed in each grade so reduced, in that school
3 district for the 3 years immediately preceding the implementation of
4 the alternative program.

5 **Sec. 194.20.** In no event may the alternative pupil-teacher
6 ratios authorized pursuant to subsection 2 of section 194.14 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. 194.22.** 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. 194.24.** 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 <u>School District</u>			
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. 194.26.** 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:

<u>Allocation of Special Education Units</u>					
		<u>2003-2004</u>		<u>2004-2005</u>	
<u>DISTRICT</u>	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>	
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	<u>2,575</u>	<u>\$81,913,325</u>	<u>2,668</u>	<u>\$86,568,596</u>	
Reserved by State					
Board of Education	<u>40</u>	<u>\$1,272,440</u>	<u>40</u>	<u>\$1,297,880</u>	
TOTAL	<u>2,615</u>	<u>\$83,185,765</u>	<u>2,708</u>	<u>\$87,866,476</u>	

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. 194.28.** 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 For the 2003-2004 Fiscal Year..... \$637,789,627
20 For the 2004-2005 Fiscal Year..... \$767,086,697

21 2. The money appropriated by subsection 1 must be:

22 (a) Expended in accordance with NRS 353.150 to 353.245,
23 inclusive, concerning the allotment, transfer, work program and
24 budget; and

25 (b) Work-programmed for the 2 separate Fiscal Years 2003-
26 2004 and 2004-2005, as required by NRS 353.215. Work programs
27 may be revised with the approval of the Governor upon the
28 recommendation of the Chief of the Budget Division of the
29 Department of Administration.

30 3. Transfers to and from allotments must be allowed and made
31 in accordance with NRS 353.215 to 353.225, inclusive, after
32 separate considerations of the merits of each request.

33 4. The sums appropriated by subsection 1 are available for
34 either fiscal year or may be transferred to Fiscal Year 2002-2003.
35 Money may be transferred from one fiscal year to another with the
36 approval of the Governor upon the recommendation of the Chief of
37 the Budget Division of the Department of Administration. If funds
38 appropriated by subsection 1 are transferred to Fiscal Year 2002-
39 2003, any remaining funds in the State Distributive School Account
40 after all obligations have been met that are not subject to reversion
41 to the State General Fund must be transferred back to Fiscal Year
42 2003-2004. Any amount transferred back to Fiscal Year 2003-2004
43 must not exceed the amount originally transferred to Fiscal Year
44 2002-2003.



1 5. Any remaining balance of the appropriation made by
2 subsection 1 for the 2003-2004 Fiscal Year must be transferred and
3 added to the money appropriated for the 2004-2005 Fiscal Year and
4 may be expended as that money is expended.

5 6. Any remaining balance of the appropriation made by
6 subsection 1 for the 2004-2005 Fiscal Year, including any money
7 added thereto pursuant to the provisions of subsections 3 and 5,
8 must not be committed for expenditure after June 30, 2005, and
9 reverts to the State General Fund as soon as all payments of money
10 committed have been made.

11 **Sec. 194.30.** 1. Expenditure of \$203,448,548 by the
12 Department of Education from money in the State Distributive
13 School Account that was not appropriated from the State General
14 Fund is hereby authorized during the fiscal year beginning July 1,
15 2003.

16 2. Expenditure of \$142,024,404 by the Department of
17 Education from money in the State Distributive School Account that
18 was not appropriated from the State General Fund is hereby
19 authorized during the fiscal year beginning July 1, 2004.

20 3. For purposes of accounting and reporting, the sums
21 authorized for expenditure by subsections 1 and 2 are considered to
22 be expended before any appropriation is made to the State
23 Distributive School Account from the State General Fund.

24 4. The money authorized to be expended by subsections 1 and
25 2 must be expended in accordance with NRS 353.150 to 353.245,
26 inclusive, concerning the allotment, transfer, work program and
27 budget. Transfers to and from allotments must be allowed and made
28 in accordance with NRS 353.215 to 353.225, inclusive, after
29 separate consideration of the merits of each request.

30 5. The Chief of the Budget Division of the Department of
31 Administration may, with the approval of the Governor, authorize
32 the augmentation of the amounts authorized for expenditure by the
33 Department of Education, in subsections 1 and 2, for the purpose of
34 meeting obligations of the State incurred under chapter 387 of NRS
35 with amounts from any other state agency, from any agency of local
36 government, from any agency of the Federal Government or from
37 any other source that he determines is in excess of the amount taken
38 into consideration by this act. The Chief of the Budget Division of
39 the Department of Administration shall reduce any authorization
40 whenever he determines that money to be received will be less than
41 the amount authorized in subsections 1 and 2.

42 **Sec. 194.32.** During each of the Fiscal Years 2003-2004 and
43 2004-2005, whenever the State Controller finds that current claims
44 against the State Distributive School Account in the State General
45 Fund exceed the amount available in the Account to pay those



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1 claims, he may advance temporarily from the State General Fund
2 to the State Distributive School Account the amount required to pay
3 the claims, but not more than the amount expected to be received in
4 the current fiscal year from any source authorized for the State
5 Distributive School Account. No amount may be transferred unless
6 requested by the Chief of the Budget Division of the Department of
7 Administration.

8 **Sec. 194.34.** The Department of Education is hereby
9 authorized to spend from the State Distributive School Account the
10 sums of \$16,926,569 for the 2003-2004 Fiscal Year and
11 \$17,843,596 for the 2004-2005 Fiscal Year for the support of
12 courses which are approved by the Department of Education as
13 meeting the course of study for an adult standard high school
14 diploma as approved by the State Board of Education. In each fiscal
15 year of the 2003-2005 biennium, the sum authorized must be
16 allocated among the various school districts in accordance with a
17 plan or formula developed by the Department of Education to
18 ensure the money is distributed equitably and in a manner that
19 permits accounting for the expenditures of school districts.

20 **Sec. 194.36.** The Department of Education is hereby
21 authorized to provide from the State Distributive School Account
22 the sum of \$50,000 to each of the 17 school districts in each fiscal
23 year of the 2003-2005 biennium to support special counseling
24 services for elementary school pupils at risk of failure.

25 **Sec. 194.38.** The amounts of the guarantees set forth in
26 sections 194.22 and 194.24 of this act may be reduced to effectuate
27 a reserve required pursuant to NRS 353.225.

28 **Sec. 194.40.** 1. The Department of Education shall transfer
29 from the State Distributive School Account to the school districts
30 specified in this section the following sums for Fiscal Years 2003-
31 2004 and 2004-2005:

32
33

<u>School District</u>	<u>2003-2004</u>	<u>2004-2005</u>
Clark County School District	\$4,532,532	\$4,552,361
Douglas County School District	\$1,146,374	\$1,175,848
Elko County School District	\$1,291,907	\$1,295,158
Washoe County School District	<u>\$1,847,128</u>	<u>\$1,913,468</u>
	\$8,817,941	\$8,936,835

39
40 2. A school district that receives an allocation pursuant to
41 subsection 1 shall:

42 (a) Use the money to maintain and continue the operation of a
43 regional training program for the professional development of
44 teachers and administrators established by the school district
45 pursuant to NRS 391.512; and



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1 (b) Use the money to maintain and continue the operation of the
2 Nevada Early Literacy Intervention Program through the regional
3 training program established pursuant to paragraph (a).

4 3. Any remaining balance of the transfers made by subsection
5 1 for the 2003-2004 Fiscal Year must be added to the money
6 received by the school districts for the 2004-2005 Fiscal Year and
7 may be expended as that money is expended. Any remaining
8 balance of the transfers made by subsection 1 for the 2004-2005
9 Fiscal Year, including any money added from the transfer for the
10 previous fiscal year, must not be committed for expenditure after
11 June 30, 2005, and reverts to the State Distributive School Account
12 as soon as all payments of money committed have been made.

13 **Sec. 194.42.** 1. The Legislative Bureau of Educational
14 Accountability and Program Evaluation is hereby authorized to
15 receive from the State Distributive School Account to spend for an
16 evaluation of the regional training programs for the professional
17 development of teachers and administrators established pursuant to
18 NRS 391.512:

19 For Fiscal Year 2003-2004 \$100,000
20 For Fiscal Year 2004-2005 \$100,000

21 2. Any remaining balance of the sums authorized for
22 expenditure by subsection 1 for the 2003-2004 Fiscal Year must be
23 added to the money authorized for expenditure for the 2004-2005
24 Fiscal Year and may be expended as that money is expended. Any
25 remaining balance of the sums authorized for expenditure pursuant
26 to subsection 1 for the 2004-2005 Fiscal Year, including any money
27 added from the authorization for the previous fiscal year, must not
28 be committed for expenditure after June 30, 2005, and reverts to the
29 State Distributive School Account as soon as all payments of money
30 committed have been made.

31 **Sec. 194.44.** 1. The Department of Education shall transfer
32 from the State Distributive School Account to the Statewide Council
33 for the Coordination of the Regional Training Programs created by
34 NRS 391.516 the sum of \$80,000 in each Fiscal Year 2003-2004
35 and 2004-2005 for additional training opportunities for educational
36 administrators in Nevada.

37 2. The Statewide Council shall use the money:

38 (a) To support the goals of Nevada Project LEAD (Leadership
39 in Educational Administration Development), as established through
40 the Department of Educational Leadership in the College of
41 Education, located at the University of Nevada, Reno. In supporting
42 the goals of Nevada Project LEAD, the Statewide Council shall:

43 (1) Disseminate research-based knowledge related to
44 effective educational leadership behaviors and skills; and



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1 (2) Develop, support and maintain on-going activities,
2 programs, training and networking opportunities.

3 (b) For purposes of providing additional training for educational
4 administrators, including, without limitation, paying:

5 (1) Travel expenses of administrators who attend the training
6 program;

7 (2) Travel and per-diem expenses for any consultants
8 contracted to provide additional training; and

9 (3) Any charges to obtain a conference room for the
10 provision of the additional training.

11 (c) To supplement and not replace the money that the school
12 district, Nevada Project LEAD or the regional training program
13 would otherwise expend for training for administrators as described
14 in this section.

15 3. Any remaining balance of the transfers made by subsection
16 1 for the 2003-2004 Fiscal Year must be added to the money
17 received by the Statewide Council for the 2004-2005 Fiscal Year
18 and may be expended as that money is expended. Any remaining
19 balance of the transfers made by subsection 1 for the 2004-2005
20 Fiscal Year, including any money added from the transfer for the
21 previous fiscal year, must not be committed for expenditure after
22 June 30, 2005, and reverts to the State Distributive School Account
23 as soon as all payments of money committed have been made.

24 **Sec. 194.46.** 1. The Department of Education shall transfer
25 from the State Distributive School Account the following sums for
26 remedial education programs for certain schools:

27 For Fiscal Year 2003-2004..... \$5,179,109

28 For Fiscal Year 2004-2005 \$5,013,874

29 The money allocated must be used to provide remedial education
30 programs that have been approved by the Department as being
31 effective in improving pupil achievement.

32 2. A school may submit an application to the Department of
33 Education on or before November 1 of each fiscal year for
34 transmission to the State Board of Examiners for an allocation from
35 the amount authorized by subsection 1 if the school:

36 (a) Receives a designation as demonstrating need for
37 improvement.

38 (b) Did not receive a designation as demonstrating need for
39 improvement, but the school failed to meet adequate yearly
40 progress; or

41 (c) Did not receive a designation as demonstrating need for
42 improvement, but more than 40 percent of the pupils enrolled in the
43 school received an average score below the 26th percentile on all
44 four subjects tested pursuant to NRS 389.015.



1 3. The Department of Education shall, in consultation with the
2 Budget Division of the Department of Administration and the
3 Legislative Bureau of Educational Accountability and Program
4 Evaluation, develop a form for such applications. The form must
5 include, without limitation, a notice that money received by a school
6 to implement or continue remedial education programs that have
7 been approved by the Department as being effective in improving
8 pupil achievement will be used to implement or continue the
9 programs in a manner that has been approved by the vendor of the
10 remedial program.

11 4. Upon receipt of an application submitted pursuant to
12 subsection 2, the Department of Education shall review the
13 application jointly with the Budget Division of the Department of
14 Administration and the Legislative Bureau of Educational
15 Accountability and Program Evaluation. The Department
16 of Education shall transmit the application to the State Board of
17 Examiners with the recommendation of the Department of
18 Education concerning the allocation of money based upon each
19 application so received. The State Board of Examiners, or the Clerk
20 of the Board if authorized by the Board to act on its behalf, shall
21 consider each such application and, if it finds that an allocation
22 should be made, recommend the amount of the allocation to the
23 Interim Finance Committee. The Interim Finance Committee shall
24 consider each such recommendation, but is not bound to follow the
25 recommendation of the State Board of Examiners when determining
26 the allocation to be received by a school. In determining the amount
27 of the allocation, the State Board of Examiners and the Interim
28 Finance Committee shall consider:

29 (a) The total number of pupils enrolled in the school who failed
30 to meet adequate yearly progress;

31 (b) The percentage of pupils enrolled in the school who failed to
32 meet adequate yearly progress;

33 (c) The total number of subgroups of pupils, as prescribed by the
34 No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301 et seq.,
35 enrolled in the school who failed to meet adequate yearly progress;
36 and

37 (d) The financial need of the particular school.

38 5. In addition to the considerations set forth in subsection 4, in
39 determining whether to approve an application for a school that has
40 received an allocation in the immediately preceding year and in
41 determining the amount of the allocation for such a school, the State
42 Board of Examiners and the Interim Finance Committee shall
43 consider whether the school has carried out the program of remedial
44 study for which it received an allocation in a manner that has been
45 approved by the vendor of the remedial program and whether the



1 program has been successful, as measured by the academic
2 achievement of the pupils enrolled in the school on the examinations
3 administered pursuant to NRS 389.015 or 389.550 and any
4 assessments related to the program of remedial study.

5 6. A school that receives an allocation of money pursuant to
6 this section shall use the money to:

7 (a) Pay the costs incurred by the school in providing the
8 program of remedial study required by NRS 385.389. The money
9 must first be applied to those pupils who failed to meet adequate
10 yearly progress.

11 (b) Pay for the salaries, training or other compensation of
12 teachers and other educational personnel to provide the program
13 of remedial study, instructional materials required for the program
14 of remedial study, equipment necessary to offer the program of
15 remedial study and all other additional operating costs attributable to
16 the program of remedial study, to the extent that the training,
17 materials and equipment are those that are approved by the vendor
18 of the remedial program.

19 (c) Supplement and not replace the money the school would
20 otherwise expend for programs of remedial study.

21 7. Before a school amends a plan for expenditure of an
22 allocation of money received pursuant to this section, the school
23 district in which the school is located must submit the proposed
24 amendment to the Department of Education to receive approval
25 from the Department of Education, the Budget Division of the
26 Department of Administration and the Legislative Bureau of
27 Educational Accountability and Program Evaluation, or the Interim
28 Finance Committee.

29 8. The sums authorized for expenditure in subsection 1 are
30 available for either fiscal year. Any remaining balance of those sums
31 must not be committed for expenditure after June 30, 2005, and
32 reverts to the State Distributive School Account as soon as all
33 payments of money committed have been made.

34 **Sec. 194.48.** 1. The Department of Education shall transfer
35 from the State Distributive School Account the following sums for
36 supplemental services or tutoring for pupils in non-Title I schools
37 that failed to meet adequate yearly progress on the examinations
38 administered pursuant to NRS 389.550:

39 For the Fiscal Year 2003-2004..... \$1,000,000
40 For the Fiscal Year 2004-2005 \$1,500,000

41 2. The supplemental services or tutoring for which money is
42 provided pursuant to this section must:

43 (a) Be conducted before or after school, on weekends, during the
44 summer or between sessions in schools with year-round school
45 calendars; and



1 (b) Be selected by the Department as an approved provider in
2 accordance with the No Child Left Behind Act of 2001, 20 U.S.C.
3 §§ 6301 et seq.

4 3. A school may submit an application to the Department of
5 Education on or before November 1 of each fiscal year for
6 transmission to the State Board of Examiners for an allocation from
7 the amount authorized by subsection 1 if the school:

8 (a) Receives a designation as demonstrating need for
9 improvement; and

10 (b) Is not receiving money from Title I, 20 U.S.C. §§ 6301 et
11 seq.

12 4. The Department of Education shall, in consultation with the
13 Budget Division of the Department of Administration and the
14 Legislative Bureau of Educational Accountability and Program
15 Evaluation, develop a form for such applications.

16 5. Upon receipt of an application submitted pursuant to
17 subsection 3, the Department of Education shall review the
18 application jointly with the Budget Division of the Department of
19 Administration and the Legislative Bureau of Educational
20 Accountability and Program Evaluation. The Department
21 of Education shall transmit the application to the State Board of
22 Examiners with the recommendation of the Department of
23 Education concerning the allocation of money based upon each
24 application so received. The State Board of Examiners, or the Clerk
25 of the Board if authorized by the Board to act on its behalf, shall
26 consider each such application and, if it finds that an allocation
27 should be made, recommend the amount of the allocation to the
28 Interim Finance Committee. The Interim Finance Committee shall
29 consider each such recommendation, but is not bound to follow the
30 recommendation of the State Board of Examiners when determining
31 the allocation to be received by a school district.

32 6. A school that receives an allocation of money pursuant to
33 this section shall use the money to:

34 (a) Provide supplemental services or tutoring that has been
35 selected and approved by the Department of Education.

36 (b) Pay the costs incurred by the school in providing the
37 supplemental services or tutoring. The money must be applied to
38 those pupils who failed to meet adequate yearly progress.

39 (c) Pay for the salaries, training or other compensation of
40 teachers and other educational personnel to provide the
41 supplemental services or tutoring, instructional materials required
42 for the program, equipment necessary to offer the program and all
43 other additional operating costs attributable to the program.

44 (d) Supplement and not replace the money the school district
45 would otherwise expend for supplemental services or tutoring.



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1 7. Before a school amends a plan for expenditure of an
2 allocation of money received pursuant to this section, the school
3 district in which the school is located must submit the proposed
4 amendment to the Department of Education to receive approval
5 from the Department of Education, the Budget Division of the
6 Department of Administration and the Legislative Bureau of
7 Educational Accountability and Program Evaluation, or the Interim
8 Finance Committee.

9 8. The sums transferred pursuant to subsection 1 are available
10 for either fiscal year. Any remaining balance of those sums must not
11 be committed for expenditure after June 30, 2005, and reverts to the
12 State Distributive School Account as soon as all payments of money
13 committed have been made.

14 **Sec. 194.50.** 1. The Department of Education shall transfer
15 from the State Distributive School Account the following sums for
16 early childhood education:

17 For the Fiscal Year 2003-2004..... \$2,896,583

18 For the Fiscal Year 2004-2005..... \$2,896,583

19 2. Of the sums transferred pursuant to subsection 1, \$301,000
20 in each fiscal year of the 2003-2005 biennium must be used for the
21 Classroom on Wheels Program.

22 3. The remaining money transferred by subsection 1 must be
23 used by the Department of Education for competitive state grants to
24 school districts and community-based organizations for early
25 childhood education programs.

26 4. To receive a grant of money pursuant to subsections 2 and 3,
27 school districts, community-based organizations and the Classroom
28 on Wheels Program must submit a comprehensive plan to the
29 Department of Education that includes, without limitation:

30 (a) A detailed description of the proposed early childhood
31 education program;

32 (b) A description of the manner in which the money will be
33 used, which must supplement and not replace the money that would
34 otherwise be expended for early childhood education programs; and

35 (c) A plan for the longitudinal evaluation of the program to
36 determine the effectiveness of the program on the academic
37 achievement of children who participate in the program.

38 5. A school district, community-based organization or
39 Classroom on Wheels Program that receives a grant of money shall:

40 (a) Use the money to initiate or expand prekindergarten
41 education programs that meet the criteria set forth in the publication
42 of the Department of Education, entitled "August 2000 Public
43 Support for Prekindergarten Education For School Readiness in
44 Nevada."



1 (b) Use the money to supplement and not replace the money that
2 the school district, community-based organization or Classroom on
3 Wheels Program would otherwise expend for early childhood
4 education programs, as described in this section.

5 (c) Use the money to pay for the salaries and other items directly
6 related to the instruction of pupils in the classroom.

7 (d) Submit a longitudinal evaluation of the program in
8 accordance with the plan submitted pursuant to paragraph (c) of
9 subsection 4.

10 The money must not be used to remodel classrooms or facilities or
11 for playground equipment.

12 6. The Department of Education shall develop statewide
13 performance and outcome indicators to measure the effectiveness of
14 the early childhood education programs for which grants of money
15 were awarded pursuant to this section. The indicators must include,
16 without limitation:

17 (a) Longitudinal measures of the developmental progress of
18 children before and after their completion of the program;

19 (b) Longitudinal measures of parental involvement in the
20 program before and after completion of the program; and

21 (c) The percentage of participants who drop out of the program
22 before completion.

23 7. The Department of Education shall review the evaluations of
24 the early childhood education programs submitted by each school
25 district, community-based organization and the Classroom on
26 Wheels Program pursuant to paragraph (d) of subsection 5 and
27 prepare a compilation of the evaluations for inclusion in the report
28 submitted pursuant to subsection 8.

29 8. The Department of Education shall, on an annual basis,
30 provide a written report to the Governor, Legislative Committee on
31 Education and the Legislative Bureau of Educational Accountability
32 and Program Evaluation regarding the effectiveness of the early
33 childhood programs for which grants of money were received. The
34 report must include, without limitation:

35 (a) The number of grants awarded;

36 (b) An identification of each school district, community-based
37 organization and the Classroom on Wheels Program that received a
38 grant of money and the amount of each grant awarded;

39 (c) For each school district, community based-organization and
40 the Classroom on Wheels Program that received a grant of money:

41 (1) The number of children who received services through a
42 program funded by the grant for each year that the program received
43 funding from the State for early childhood programs; and



1 (2) The average per child expenditure for the program for
2 each year the program received funding from the State for early
3 childhood programs;

4 (d) A compilation of the evaluations reviewed pursuant to
5 subsection 7 that includes, without limitation:

6 (1) A longitudinal comparison of the data showing the
7 effectiveness of the different programs; and

8 (2) A description of the programs in this state that are the
9 most effective; and

10 (e) Any recommendations for legislation.

11 9. Any balance of the sums transferred pursuant to subsection 1
12 remaining at the end of the respective fiscal years must not be
13 committed for expenditure after June 30 of the respective fiscal
14 years and reverts to the State Distributive School Account as soon as
15 all payments of money committed have been made.

16 **Sec. 194.52.** 1. The Department of Education shall transfer
17 from the State Distributive School Account the following sums to
18 purchase one-fifth of a year of service for certain teachers in
19 accordance with NRS 391.165:

20 For the Fiscal Year 2003-2004..... \$2,689,206

21 For the Fiscal Year 2004-2005..... \$7,045,056

22 2. The Department of Education shall distribute the money
23 appropriated by subsection 1 to the school districts to assist the
24 school districts with paying for the retirement credit for certain
25 teachers in accordance with NRS 391.165. The amount of money
26 distributed to each school district must be proportionate to the total
27 costs of paying for the retirement credit pursuant to NRS 391.165
28 for each fiscal year. If insufficient money is available from the
29 appropriation to pay the total costs necessary to pay the retirement
30 credit for each fiscal year, the school district shall pay the difference
31 to comply with NRS 391.165.

32 3. Any balance of the sums appropriated by subsection 1
33 remaining at the end of the respective fiscal years must not be
34 committed for expenditure after June 30 of the respective fiscal
35 years and reverts to the State General Fund as soon as all payments
36 of money committed have been made.

37 **Sec. 194.54.** 1. The Department of Education shall transfer
38 from the State Distributive School Account the following sum to
39 purchase one-fifth of a year of service for certain licensed
40 educational personnel in accordance with NRS 391.165:

41 For the Fiscal Year 2004-2005..... \$5,732,643

42 2. The Department of Education shall distribute the money
43 appropriated by subsection 1 to the school districts to assist the
44 school districts with paying for the retirement credit for certain
45 licensed educational personnel in accordance with NRS 391.165.



1 The amount of money distributed to each school district must be
2 proportionate to the total costs of paying for the retirement credit
3 pursuant to NRS 391.165 for each fiscal year. If insufficient money
4 is available to pay the total costs necessary to pay the retirement
5 credit for each fiscal year, the school district shall pay the difference
6 to comply with NRS 391.165.

7 3. Any remaining balance of the appropriation made by
8 subsection 1 must not be committed for expenditure after June 30,
9 2005, and reverts to the State General Fund as soon as all payments
10 of money committed have been made.

11 **Sec. 194.56.** Of the amounts included in the basic support
12 guarantee amounts enumerated in sections 194.22 and 194.24 of this
13 act, \$64,425,447 for Fiscal Year 2003-2004 and \$66,721,434 for
14 Fiscal Year 2004-2005 must be expended for the purchase of
15 textbooks, instructional supplies and instructional hardware as
16 prescribed in section 194.2 of this act.

17 **Sec. 194.58.** All funding remaining in the Fund for School
18 Improvement at the close of Fiscal Year 2002-2003 shall be
19 transferred to the budget for the State Distributive School Account
20 and shall be authorized for expenditure in that account.

21 **Sec. 194.60.** The sums appropriated or authorized in sections
22 194.40 to 194.54, inclusive, of this act:

23 1. Must be accounted for separately from any other money
24 received by the school districts of this state and used only for the
25 purposes specified in the applicable section of this act.

26 2. May not be used to settle or arbitrate disputes between a
27 recognized organization representing employees of a school district
28 and the school district, or to settle any negotiations.

29 3. May not be used to adjust the district-wide schedules of
30 salaries and benefits of the employees of a school district.

31 **Sec. 194.62.** 1. The Department of Education shall transfer
32 from the State Distributive School Account the following sums for
33 special transportation costs to school districts:

34 For the 2003-2004 school year..... \$47,715
35 For the 2004-2005 school year..... \$47,715

36 2. Pursuant to NRS 392.015, the Department of Education shall
37 use the money transferred in subsection 1 to reimburse school
38 districts for the additional costs of transportation for any pupil to a
39 school outside the school district in which his residence is located.

40 **Sec. 194.64.** There is hereby appropriated from the State
41 General Fund to the State Distributive School Account created by
42 NRS 387.030 in the State General Fund the sum of \$3,152,559 for
43 an unanticipated shortfall in money in Fiscal Year 2002-2003. This
44 appropriation is supplemental to that made by section 4 of chapter



1 565, Statutes of Nevada 2001, at page 2832 and to that made
2 pursuant to Assembly Bill No. 253 of the 72nd Legislative Session.

3 **Sec. 194.66.** Each school district shall expend the revenue
4 made available through this act, as well as other revenue from state,
5 local and federal sources, in a manner that is consistent with NRS
6 288.150 and that is designed to attain the goals of the Legislature
7 regarding educational reform in this state, especially with regard to
8 assisting pupils in need of remediation and pupils who are not
9 proficient in the English language. Materials and supplies for
10 classrooms are subject to negotiation by employers with recognized
11 employee organizations.

12 **Sec. 195.** The provisions of:

13 1. Sections 77, 78, 172 and 173 of this act do not affect the
14 amount of any license fees or taxes due for any period ending on or
15 before June 30, 2003.

16 2. Sections 80, 82 and 83 of this act do not apply to any taxes
17 precollected pursuant to chapter 370 of NRS on or before
18 June 30, 2003.

19 3. Sections 26 to 58, inclusive, of this act apply to any taxable
20 amount paid for live entertainment that is collected on or after
21 January 1, 2004.

22 4. Section 144 of this act does not apply to any contracts made
23 on or before June 30, 2003.

24 5. Sections 80.5, 82.5 and 83.5 of this act do not apply to any
25 taxes precollected pursuant to chapter 370 of NRS on or before
26 June 30, 2004.

27 **Sec. 196.** The provisions of subsection 2 of section 189 of this
28 act do not:

29 1. Affect any rights, duties or liability of any person relating to
30 any taxes imposed pursuant to chapter 364A of NRS for any period
31 ending before January 1, 2004.

32 2. Apply to the administration, collection and enforcement of
33 any taxes imposed pursuant to chapter 364A of NRS for any period
34 ending before January 1, 2004.

35 **Sec. 196.3.** 1. Notwithstanding the provisions of sections
36 58.12 to 58.80, inclusive, of this act, a financial institution is exempt
37 from the franchise fee imposed pursuant to section 58.44 of this act
38 for the calendar quarter ending on December 31, 2003.

39 2. As used in this section, "financial institution" means an
40 institution licensed, registered or otherwise authorized to do
41 business in this state pursuant to the provisions of chapter 604,
42 645B, 645E or 649 of NRS or title 55 or 56 of NRS, a similar
43 institution chartered or licensed pursuant to federal law and doing
44 business in this state or a person conducting loan or credit card
45 processing activities in this state. The term does not include:



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

3 (b) A credit union organized under the provisions of chapter 678
4 of NRS or the Federal Credit Union Act.

5 **Sec. 196.5.** 1. The franchise tax imposed by section 24.38 of
6 this act applies to any Nevada taxable income earned by a financial
7 institution on or after January 1, 2004.

8 2. Notwithstanding the provisions of section 24.38 of this act,
9 the tax return and remittance of the tax required pursuant to section
10 24.38 of this act for any taxable year ending before November 1,
11 2004, is due on January 15, 2005.

12 3. As used in this section:

13 (a) "Nevada taxable income" has the meaning ascribed to it in
14 section 24.22 of this act.

15 (b) "Taxable year" has the meaning ascribed to it in section
16 24.24 of this act.

17 **Sec. 197.** The Budget Division of the Department of
18 Administration and the Fiscal Analysis Division of the Legislative
19 Counsel Bureau shall jointly:

20 1. Identify all departments, institutions and agencies of the
21 Executive Department of the State Government that administer
22 programs for the treatment of alcohol and drug abuse or provide
23 funding to local governments for such programs;

24 2. Develop a proposal for coordinating such programs,
25 reducing the administrative costs associated with such programs and
26 maximizing the use of state revenue being expended for such
27 programs; and

28 3. Report their recommendations to the Governor and the
29 Director of the Legislative Counsel Bureau not later than
30 December 1, 2004.

31 **Sec. 198.** 1. This section and sections 190, 191, 191.3,
32 191.5, 194.58, 194.64, 194.66 and 196 of this act become effective
33 upon passage and approval.

34 2. Sections 59, 60, 67, 69, 75 to 80, 81, 82, 83, 84 to 88,
35 inclusive, 90 to 93, inclusive, 98, 101, 112, 114, 116, 125 to 132,
36 inclusive, 144 to 165, inclusive, 168, 172 to 175, inclusive, 177,
37 178, 180, 184, 185, 186, 188 and 192 to 194, inclusive, 195 and 197
38 of this act and subsection 1 of section 189 of this act become
39 effective:

40 (a) Upon passage and approval for the purpose of adopting
41 regulations and performing any other preparatory administrative
42 tasks that are necessary to carry out the provisions of this act; and

43 (b) On July 1, 2003, for all other purposes.

44 3. Sections 58.10 to 58.80, inclusive, 70, 71, 72, 73, 186.3,
45 186.5, 186.7 and 196.3 of this act become effective:



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- 1 (a) Upon passage and approval for the purpose of adopting
2 regulations and performing any other preparatory administrative
3 tasks that are necessary to carry out the provisions of this act; and
4 (b) On October 1, 2003, for all other purposes.
- 5 4. Sections 1 to 58, inclusive, 61 to 66, inclusive, 68, 70.5,
6 71.5, 72.5, 73.5, 74, 89, 118 to 124, inclusive, 133, 135, 141, 169,
7 170, 171, 176, 179, 181, 182, 183, 185.30 to 185.50, inclusive,
8 186.4, 186.6, 186.8, 186.9 and 196.5 of this act and subsection 2 of
9 section 189 of this act become effective:
- 10 (a) Upon passage and approval for the purpose of adopting
11 regulations and performing any other preparatory administrative
12 tasks that are necessary to carry out the provisions of this act; and
13 (b) On January 1, 2004, for all other purposes.
- 14 5. Sections 94 to 97, inclusive, 99, 100, 102 to 111, inclusive,
15 166, 167 and 187 of this act become effective:
- 16 (a) Upon passage and approval for the purpose of adopting
17 regulations and performing any other preparatory administrative
18 tasks that are necessary to carry out the provisions of this act; and
19 (b) On July 1, 2004, for all other purposes.
- 20 6. Sections 165.2, 165.4, 165.6, 166.2, 194.10, 194.14 to
21 194.56, inclusive, 194.60 and 194.62 of this act become effective on
22 July 1, 2003.
- 23 7. Sections 134, 136 to 140, inclusive, 142 and 143 of this act
24 become effective on August 1, 2003.
- 25 8. Sections 80.5, 82.5, 83.5, 166.4 and 194.12 of this act
26 become effective on July 1, 2004.
- 27 9. Sections 113, 115 and 117 of this act become effective at
28 12:01 a.m. on October 1, 2029.
- 29 10. Sections 126 to 131, inclusive, of this act expire by
30 limitation on June 30, 2005.
- 31 11. Sections 112, 114 and 116 of this act expire by limitation
32 on September 30, 2029.

LEADLINES OF REPEALED SECTIONS

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.



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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.

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.

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.

