

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.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~fornitted-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 the 2003-2005 biennium; making appropriations to the



\* S B 6 R 3 \*

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.*



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 0.5 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  
40 NRS 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



\* S B 6 R 3 \*

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*



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.*



\* S B 6 R 3 \*

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*



\* S B 6 R 3 \*



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. 1.** *Except as otherwise provided in subsection 2,*  
39 *“financial institution” means:*

40 (a) *An institution licensed, registered or otherwise authorized*  
41 *to do business in this state pursuant to the provisions of chapter*  
42 *604, 645B, 645E or 649 of NRS or title 55 or 56 of NRS, or a*  
43 *similar institution chartered or licensed pursuant to federal law*  
44 *and doing business in this state;*





1       (b) Any other person conducting loan or credit card processing  
2 activities in this state; and

3       (c) Any other bank, bank holding company, national bank,  
4 savings association, federal savings bank, trust company, credit  
5 union, building and loan association, investment company,  
6 registered broker or dealer in securities or commodities, finance  
7 company, dealer in commercial paper or other business entity  
8 engaged in the business of lending money, providing credit,  
9 securitizing receivables or fleet leasing, or any related business  
10 entity, doing business in this state.

11       2. The term does not include:

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

14       (b) A credit union organized under the provisions of chapter  
15 678 of NRS or the Federal Credit Union Act.

16       Sec. 24.20. "Gross revenue" means the total amount of the  
17 money and the value of any other consideration received or  
18 receivable by a financial institution which the financial institution  
19 is required to report for the purposes of federal income taxation.

20       Sec. 24.22. "Nevada taxable income" means the amount of  
21 the federal taxable income of a financial institution, as adjusted  
22 pursuant to section 24.44 of this act.

23       Sec. 24.24. "Taxable year" means the taxable year used by  
24 the financial institution for the purposes of federal income  
25 taxation.

26       Sec. 24.26. "Taxpayer" means any person liable for a tax  
27 imposed pursuant to this chapter.

28       Sec. 24.28. The Department shall:

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

32       2. Deposit all taxes, interest and penalties it receives pursuant  
33 to this chapter in the State Treasury for credit to the State General  
34 Fund.

35       Sec. 24.30. 1. Each person responsible for maintaining the  
36 records of a financial institution shall:

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

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

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



\* S B 6 R 3 \*

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

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

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

12     2. Any person or financial institution which may be liable for  
13 the tax imposed by this chapter and which keeps outside of this  
14 state its books, papers and records relating thereto shall pay to the  
15 Department an amount equal to the allowance provided for state  
16 officers and employees generally while traveling outside of the  
17 State for each day or fraction thereof during which an employee  
18 of 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. 24.34.** The Executive Director may request from any  
23 other governmental agency or officer such information as he  
24 deems necessary to carry out the provisions of this chapter. If the  
25 Executive Director obtains any confidential information pursuant  
26 to such a request, he shall maintain the confidentiality of that  
27 information in the same manner and to the same extent as  
28 provided by law for the agency or officer from whom the  
29 information was obtained.

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

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



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

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

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

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

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

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

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

27       **Sec. 24.38.** 1. *A franchise tax is hereby imposed upon each*  
28 *financial institution for the privilege of engaging in a business in*  
29 *this state at the rate of 4 percent of the Nevada taxable income of*  
30 *the financial institution each taxable year. The tax for each*  
31 *taxable year is due on the last day of that taxable year.*

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

40       (a) *A statement that the return is made under penalty of*  
41 *perjury; and*

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

43       **Sec. 24.40.** 1. *In addition to the returns required by section*  
44 *24.38 of this act, a financial institution that is a member of an*  
45 *affiliated group and is engaged in a unitary business in this state*



1 *with one or more other members of the affiliated group shall file*  
2 *with the Department such reports regarding the unitary business*  
3 *as the Department determines is appropriate for the*  
4 *administration and enforcement of the provisions of this chapter.*

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

10 3. *As used in this section:*

11 (a) *“Affiliated group” means a group of two or more financial*  
12 *institutions, each of which is controlled by a common owner or by*  
13 *one or more of the members of the group.*

14 (b) *“Controlled by” means the possession, directly or*  
15 *indirectly, of the power to direct or cause the direction of the*  
16 *management and policies of a financial institution, whether*  
17 *through the ownership of voting securities, by contract or*  
18 *otherwise.*

19 (c) *“Unitary business” means a business characterized by*  
20 *unity of ownership, functional integration, centralization of*  
21 *management and economy of scale.*

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

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

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

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

44 (a) *Increased by:*



\* S B 6 R 3 \*

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

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

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

10       (4) *Any interest or dividends on the obligations or securities*  
11 *of any state or political subdivision of a state, other than this state*  
12 *or a political subdivision of this state; and*

13       (b) *Decreased by:*

14       (1) *Any income that is exempt from taxation by this state*  
15 *under the Constitution, laws or treaties of the United States or the*  
16 *Nevada Constitution;*

17       (2) *Any interest income received on obligations of the*  
18 *United States; and*

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

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

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

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



1     **Sec. 24.48.** *1. For the purposes of this chapter, the method*  
2 *of accounting and the taxable year used by a financial institution*  
3 *must be the same as those used by the financial institution for the*  
4 *purposes of federal income taxation. If the financial institution*  
5 *does not regularly use a single method of accounting, the taxable*  
6 *income of the financial institution must be computed under such a*  
7 *method as the Department determines will fairly reflect that*  
8 *income.*

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

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

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

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

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

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



\* S B 6 R 3 \*

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

5 **Sec. 24.56.** 1. *Except as otherwise provided in NRS 360.235*  
6 *and 360.395:*

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

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

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

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

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

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

32 2. *The interest must be paid:*

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

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

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



\* S B 6 R 3 \*



1     **Sec. 24.60.** 1. *No injunction, writ of mandate or other legal*  
2 *or equitable process may issue in any suit, action or proceeding in*  
3 *any court against this state or against any officer of the State to*  
4 *prevent or enjoin the collection under this chapter of the tax*  
5 *imposed by this chapter or any amount of tax, penalty or interest*  
6 *required to be collected.*

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

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

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

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

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

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

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



1     **Sec. 24.68.** *A judgment may not be rendered in favor of the*  
2 *plaintiff in any action brought against the Department to recover*  
3 *any amount paid when the action is brought by or in the name of*  
4 *an assignee of the financial institution paying the amount or by*  
5 *any person other than the person or financial institution which*  
6 *paid the amount.*

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

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

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

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

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

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

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

35     *(b) Make, cause to be made or permit to be made any false*  
36 *entry in 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     *(c) Keep, cause to be kept or permit to be kept more than one*  
40 *set of books, records or accounts with intent to defraud the State*  
41 *or to evade the payment of the tax or any part of the tax imposed*  
42 *by this chapter.*

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



1     **Sec. 25.** Title 32 of NRS is hereby amended by adding thereto  
2 a new chapter to consist of the provisions set forth as sections 26 to  
3 58, inclusive, of this act.

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

8     **Sec. 27.** *“Admission charge” means the total amount,*  
9 *expressed in terms of money, of consideration paid for the right or*  
10 *privilege to have access to a facility where live entertainment is*  
11 *provided.*

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

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

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

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

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

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

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

27     **Sec. 31.** *“Licensed gaming establishment” has the meaning*  
28 *ascribed to it in NRS 463.0169. The term does not include a*  
29 *licensed gaming establishment that is licensed for less than 51 slot*  
30 *machines, less than six games, or any combination of slot*  
31 *machines and games within those respective limits.*

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

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

39     **Sec. 34.** *A natural person engaging in a business shall be*  
40 *deemed to be a business entity that is subject to the provisions of*  
41 *this chapter if the person is required to file with the Internal*  
42 *Revenue Service a Schedule C (Form 1040), Profit or Loss From*  
43 *Business Form, or its equivalent or successor form, or a Schedule*  
44 *E (Form 1040), Supplemental Income and Loss Form, or its*  
45 *equivalent or successor form, for the business.*



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

6     **Sec. 36. 1.** *Except as otherwise provided in this section,*  
7 *there is hereby imposed an excise tax on admission to any facility*  
8 *in this state where live entertainment is provided. If the live*  
9 *entertainment is provided at a facility with a maximum seating*  
10 *capacity that is:*

11     *(a) Less than 7,500, the rate of the tax is 10 percent of the*  
12 *admission charge to the facility plus 10 percent of any amounts*  
13 *paid for food, refreshments and merchandise purchased at the*  
14 *facility.*

15     *(b) At least 7,500, the rate of the tax is 5 percent of the*  
16 *admission charge to the facility.*

17     **2.** *Amounts paid for gratuities directly or indirectly remitted*  
18 *to persons employed at a facility where live entertainment is*  
19 *provided or for service charges, including those imposed in*  
20 *connection with the use of credit cards or debit cards, which are*  
21 *collected and retained by persons other than the taxpayer are not*  
22 *taxable pursuant to this section.*

23     **3.** *A business entity that collects any amount that is taxable*  
24 *pursuant to subsection 1 is liable for the tax imposed, but is*  
25 *entitled to collect reimbursement from any person paying that*  
26 *amount.*

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

31     **5.** *The tax imposed by subsection 1 does not apply to:*

32     *(a) Live entertainment that this state is prohibited from taxing*  
33 *under the Constitution, laws or treaties of the United States or the*  
34 *Nevada Constitution.*

35     *(b) Live entertainment that is provided by or entirely for the*  
36 *benefit of a nonprofit religious, charitable, fraternal or other*  
37 *organization that qualifies as a tax-exempt organization pursuant*  
38 *to 26 U.S.C. § 501(c).*

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

41     *(d) Live entertainment that is not provided at a licensed*  
42 *gaming establishment if the facility in which the live*  
43 *entertainment is provided has a maximum seating capacity that is*  
44 *less than 300.*



1 (e) Merchandise sold outside the facility in which the live  
2 entertainment is provided, unless the purchase of the merchandise  
3 entitles the purchaser to admission to the entertainment.

4 (f) Live entertainment that is provided at a trade show.

5 (g) Music performed by musicians who move constantly  
6 through the audience if no other form of live entertainment is  
7 afforded to the patrons.

8 (h) Live entertainment that is provided at a licensed gaming  
9 establishment at private meetings or dinners attended by members  
10 of a particular organization or by a casual assemblage if the  
11 purpose of the event is not primarily for entertainment.

12 (i) Live entertainment provided in the common area of a  
13 shopping mall.

14 6. As used in this section:

15 (a) "Facility" means any area or premises where live  
16 entertainment is provided and for which consideration is collected  
17 for the right or privilege of entering that area or premises.

18 (b) "Maximum seating capacity" means, in the following order  
19 of priority:

20 (1) The maximum occupancy of the facility in which live  
21 entertainment is provided, as determined by the State Fire  
22 Marshal or the local governmental agency that has the authority  
23 to determine the maximum occupancy of the facility;

24 (2) If such a maximum occupancy has not been  
25 determined, the maximum occupancy of the facility designated in  
26 any permit required to be obtained in order to provide the live  
27 entertainment; or

28 (3) If such a permit does not designate the maximum  
29 occupancy of the facility, the actual seating capacity of the facility  
30 in which the live entertainment is provided.

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

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

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

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

41 **2.** The Department shall:

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

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



1       3. *For the purposes of:*

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

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

16       4. *To ensure that the tax imposed by section 36 of this act is*  
17 *collected fairly and equitably, the Board and the Department*  
18 *shall:*

19       (a) *Jointly, coordinate the administration and collection of*  
20 *that tax and the regulation of taxpayers who are liable for the*  
21 *payment of the tax.*

22       (b) *Upon request, assist the other agency in the collection of*  
23 *that tax.*

24       **Sec. 39. 1. Except as otherwise provided in this section:**

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

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

34       2. *The Board or the Department, if it deems it necessary to*  
35 *ensure payment to or facilitate the collection by the State of the tax*  
36 *imposed by section 36 of this act, may require reports to be filed*  
37 *not later than 10 days after the end of each calendar quarter.*

38       3. *Each report required to be filed by this section must be*  
39 *accompanied by the amount of the tax that is due for the period*  
40 *covered by the report.*

41       4. *The Board and the Department shall deposit all taxes,*  
42 *interest and penalties it receives pursuant to this chapter in the*  
43 *State Treasury for credit to the State General Fund.*

44       **Sec. 40.** *Upon written application made before the date on*  
45 *which payment must be made, the Board or the Department may,*



\* S B 6 R 3 \*

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

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

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

14 *(b) Preserve those records for:*

15 *(1) At least 5 years if the taxpayer is a licensed gaming*  
16 *establishment or until any litigation or prosecution pursuant to*  
17 *this chapter is finally determined, whichever is longer; or*

18 *(2) At least 4 years if the taxpayer is not a licensed gaming*  
19 *establishment or until any litigation or prosecution pursuant to*  
20 *this chapter is finally determined, whichever is longer; and*

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

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

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

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

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



\* S B 6 R 3 \*



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

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

9     2. *Any person who may be liable for the tax imposed by this*  
10 *chapter and who keeps outside of this state any books, papers and*  
11 *records relating thereto shall pay to the Board or the Department*  
12 *an amount equal to the allowance provided for state officers and*  
13 *employees generally while traveling outside of the State for each*  
14 *day or fraction thereof during which an employee of the Board or*  
15 *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. 43.** 1. *Except as otherwise provided in this section and*  
20 *NRS 360.250, the records and files of the Board and the*  
21 *Department concerning the administration of this chapter are*  
22 *confidential and privileged. The Board, the Department and any*  
23 *employee of the Board or the Department engaged in the*  
24 *administration of this chapter or charged with the custody of any*  
25 *such records or files shall not disclose any information obtained*  
26 *from the records or files of the Board or the Department or from*  
27 *any examination, investigation or hearing authorized by the*  
28 *provisions of this chapter. The Board, the Department and any*  
29 *employee of the Board or the Department may not be required to*  
30 *produce any of the records, files and information for the*  
31 *inspection of any person or for use in any action or proceeding.*

32     2. *The records and files of the Board and the Department*  
33 *concerning the administration of this chapter are not confidential*  
34 *and privileged in the following cases:*

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

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

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



1       (d) *Exchanges of information with the Internal Revenue*  
2 *Service in accordance with compacts made and provided for in*  
3 *such cases.*

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

12       **Sec. 44. 1. If:**

13       (a) *The Board determines that a licensed gaming*  
14 *establishment is taking any action with the intent to defraud the*  
15 *State or to evade the payment of the tax or any part of the tax*  
16 *imposed by this chapter, the Board shall establish an amount upon*  
17 *which the tax imposed by this chapter must be based.*

18       (b) *The Department determines that a taxpayer who is not a*  
19 *licensed gaming establishment is taking any action with the intent*  
20 *to defraud the State or to evade the payment of the tax or any part*  
21 *of the tax imposed by this chapter, the Department shall establish*  
22 *an amount upon which the tax imposed by this chapter must be*  
23 *based.*

24       2. *The amount established by the Board or the Department*  
25 *pursuant to subsection 1 must be based upon the taxable liability*  
26 *of business entities that are deemed comparable by the Board or*  
27 *the Department to that of the taxpayer.*

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

29       (a) *Is unable to collect all or any part of an admission charge*  
30 *which was included in the taxable receipts reported for a previous*  
31 *reporting period; and*

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

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



1       3. If a taxpayer collects all or any part of an admission  
2 charge for which he claimed a credit on a return for a previous  
3 reporting period pursuant to subsection 2, he shall include:

4       (a) The amount collected in the admission charges reported  
5 pursuant to paragraph (a) of subsection 1; and

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

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

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

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

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

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

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

37       **Sec. 47.** If the Board or the Department determines that any  
38 tax, penalty or interest has been paid more than once or has been  
39 erroneously or illegally collected or computed, the Board or the  
40 Department shall set forth that fact in its records and shall certify  
41 to the State Board of Examiners the amount collected in excess of  
42 the amount legally due and the person from which it was collected  
43 or by whom it was paid. If approved by the State Board of  
44 Examiners, the excess amount collected or paid must be credited



1 on any amounts then due from the person under this chapter, and  
2 the balance refunded to the person or his successors in interest.

3 **Sec. 48.** 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  
6 with:

7 (1) The Board, if the taxpayer is a licensed gaming  
8 establishment; or

9 (2) The Department, if the taxpayer is not a licensed  
10 gaming establishment.

11 A claim must be filed within 3 years after the last day of the month  
12 following the reporting period for which the overpayment was  
13 made.

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

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

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

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

26 **Sec. 49.** 1. Except as otherwise provided in this section and  
27 NRS 360.320, interest must be paid upon any overpayment of any  
28 amount of the tax imposed by this chapter at the rate of 0.5  
29 percent per month, or fraction thereof, from the last day of the  
30 calendar month following the reporting period for which the  
31 overpayment was made. No refund or credit may be made of any  
32 interest imposed upon the person making the overpayment with  
33 respect to the amount being refunded or credited.

34 2. The interest must be paid:

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

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

44 3. If the Board or the Department determines that any  
45 overpayment has been made intentionally or by reason of



\* S B 6 R 3 \*

1 *carelessness, the Board or the Department shall not allow any*  
2 *interest on the overpayment.*

3 **Sec. 50.** 1. *No injunction, writ of mandate or other legal or*  
4 *equitable process may issue in any suit, action or proceeding in*  
5 *any court against this state or against any officer of the State to*  
6 *prevent or enjoin the collection under this chapter of the tax*  
7 *imposed by this chapter or any amount of tax, penalty or interest*  
8 *required to be collected.*

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

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

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

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

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

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

30 **Sec. 52.** 1. *If the Board fails to mail notice of action on a*  
31 *claim within 6 months after the claim is filed, the claimant may*  
32 *consider the claim disallowed and file an appeal with the Nevada*  
33 *Gaming Commission within 30 days after the last day of the*  
34 *6-month period.*

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

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

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



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

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

9       5. *The balance of the judgment must be refunded to the*  
10 *plaintiff.*

11       **Sec. 53.** *In any judgment, interest must be allowed at the rate*  
12 *of 6 percent per annum upon the amount found to have been*  
13 *illegally collected from the date of payment of the amount to the*  
14 *date of allowance of credit on account of the judgment, or to a*  
15 *date preceding the date of the refund warrant by not more than 30*  
16 *days. The date must be determined by the Board or the*  
17 *Department.*

18       **Sec. 54.** *A judgment may not be rendered in favor of the*  
19 *plaintiff in any action brought against the Board or the*  
20 *Department to recover any amount paid when the action is*  
21 *brought by or in the name of an assignee of the person paying the*  
22 *amount or by any person other than the person who paid the*  
23 *amount.*

24       **Sec. 55.** 1. *The Board or the Department may recover a*  
25 *refund or any part thereof which is erroneously made and any*  
26 *credit or part thereof which is erroneously allowed in an action*  
27 *brought in a court of competent jurisdiction in Carson City or*  
28 *Clark County in the name of the State of Nevada.*

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

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

37       **Sec. 56.** 1. *If any amount in excess of \$25 has been*  
38 *illegally determined, either by the person filing the return or by the*  
39 *Board or the Department, the Board or the Department shall*  
40 *certify this fact to the State Board of Examiners, and the latter*  
41 *shall authorize the cancellation of the amount upon the records of*  
42 *the Board or the Department.*

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



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

4 **Sec. 57. 1.** *Any licensed gaming establishment liable for*  
5 *the payment of the tax imposed by section 36 of this act who*  
6 *willfully fails to report, pay or truthfully account for the tax is*  
7 *subject to the revocation of his gaming license by the Nevada*  
8 *Gaming Commission.*

9 2. *As used in this section, “licensed gaming establishment”*  
10 *includes a licensed gaming establishment that is licensed for less*  
11 *than 51 slot machines, less than six games, or any combination of*  
12 *slot machines and games within those respective limits.*

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

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

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

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

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

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

31 **Sec. 58.12.** *As used in this chapter, unless the context*  
32 *otherwise requires, the words and terms defined in sections 58.14*  
33 *to 58.28, inclusive, of this act have the meanings ascribed to them*  
34 *in those sections.*

35 **Sec. 58.14.** *“Business” means any activity engaged in or*  
36 *caused to be engaged in with the object of gain, benefit or*  
37 *advantage, either direct or indirect, to any person or governmental*  
38 *entity.*

39 **Sec. 58.16. 1.** *“Business entity” includes:*

40 (a) *A corporation, partnership, proprietorship, limited-liability*  
41 *company, business association, joint venture, limited-liability*  
42 *partnership, business trust and their equivalents organized under*  
43 *the laws of this state or another jurisdiction and any other type of*  
44 *entity that engages in business; and*





1     **(b) A natural person engaging in business if he is deemed to be**  
2     **a business entity pursuant to section 58.42 of this act.**

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

4     **(a) A governmental entity;**

5     **(b) A nonprofit religious, charitable, fraternal or other**  
6     **organization that qualifies as a tax-exempt organization pursuant**  
7     **to 26 U.S.C. § 501(c); or**

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

13    **Sec. 58.18. "Commission" means the Nevada Tax**  
14    **Commission.**

15    **Sec. 58.20. "Engaging in business" means commencing,**  
16    **conducting or continuing a business, the exercise of corporate or**  
17    **franchise powers regarding a business, and the liquidation of a**  
18    **business entity which is or was engaging in a business when the**  
19    **liquidator holds itself out to the public as conducting that**  
20    **business.**

21    **Sec. 58.22. "Gross revenue" means the total amount received**  
22    **or receivable on the use, sale or exchange of property or capital or**  
23    **for the performance of services, from any transaction involving a**  
24    **business entity, without any reduction for the basis of property**  
25    **sold, the cost of goods or services sold, or any other expense of the**  
26    **business entity.**

27    **Sec. 58.24. 1. "Pass-through revenue" means revenue**  
28    **received by a business entity solely on behalf of another in a**  
29    **disclosed agency capacity, including revenue received as a broker,**  
30    **bailee, consignee or auctioneer, notwithstanding that the business**  
31    **entity may incur liability, primarily or secondarily, in a**  
32    **transaction in its capacity as an agent.**

33    **2. "Pass-through revenue" includes:**

34    **(a) Revenue that a real estate broker receives pursuant to NRS**  
35    **645.280 and is required by contract to pay to a licensed real estate**  
36    **broker, broker-salesman or salesman who performed services for**  
37    **that revenue.**

38    **(b) Reimbursement for advances made by a business entity on**  
39    **behalf of a customer or client, other than with respect to services**  
40    **rendered or with respect to purchases of goods by the business**  
41    **entity in carrying out the business in which it engages.**

42    **Sec. 58.26. "Total amount received or receivable" means the**  
43    **total sum of any money and the fair market value of any other**  
44    **property or services received or receivable, including, without**  
45    **limitation, rents, royalties, interest and dividends, and aggregate**



\* S B 6 R 3 \*

1 *net gains realized from the sale or exchange of stocks, bonds,*  
2 *asset-backed securities, investment and trading assets and other*  
3 *evidence of indebtedness.*

4 **Sec. 58.28.** *"Total revenue" means gross revenue minus:*

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

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

10 *3. Any revenue from the sale of agricultural products at*  
11 *wholesale.*

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

15 *5. If a business entity pays a license fee pursuant to NRS*  
16 *463.370, the total sum of all amounts specifically included by*  
17 *statute in and all amounts specifically excluded by statute from the*  
18 *calculation of that fee for the business entity.*

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

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

25 *8. Any revenue from the operation of a vending stand*  
26 *pursuant to NRS 426.640.*

27 *9. Any revenue received by a certified disadvantaged business*  
28 *enterprise.*

29 **Sec. 58.30.** *The Legislature hereby finds and declares that*  
30 *the fee imposed by this chapter on a business entity must not be*  
31 *construed as a fee or tax upon the customers of the business*  
32 *entity, but as a fee which is imposed upon and collectible from the*  
33 *business entity and which constitutes part of the operating*  
34 *overhead of the business entity.*

35 **Sec. 58.32.** *The Department shall:*

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

39 *2. Deposit all fees, interest and penalties it receives pursuant*  
40 *to this chapter in the State Treasury for credit to the State General*  
41 *Fund.*

42 **Sec. 58.34. 1.** *Each person responsible for maintaining the*  
43 *records of a business entity shall:*

44 *(a) Keep such records as may be necessary to determine the*  
45 *amount of its liability pursuant to the provisions 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. *For the purposes of this section, "record" includes any*  
8 *federal income tax return filed by a business entity with the*  
9 *Internal Revenue Service.*

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

12       **Sec. 58.36.** *1. To verify the accuracy of any return filed or,*  
13 *if no return is filed by a business entity, to determine the amount*  
14 *required to be paid, the Department, or any person authorized in*  
15 *writing by the Department, may examine the books, papers and*  
16 *records of any person or business entity that may be liable for the*  
17 *fee imposed by this chapter.*

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

28       **Sec. 58.38.** *The Executive Director may request from any*  
29 *other governmental agency or officer such information as he*  
30 *deems necessary to carry out the provisions of this chapter. If the*  
31 *Executive Director obtains any confidential information pursuant*  
32 *to such a request, he shall maintain the confidentiality of that*  
33 *information in the same manner and to the same extent as*  
34 *provided by law for the agency or officer from whom the*  
35 *information was obtained.*

36       **Sec. 58.40.** *1. Except as otherwise provided in this section*  
37 *and NRS 360.250, the records and files of the Department*  
38 *concerning the administration of this chapter are confidential and*  
39 *privileged. The Department, and any employee engaged in the*  
40 *administration of this chapter or charged with the custody of any*  
41 *such records or files, shall not disclose any information obtained*  
42 *from the Department's records or files or from any examination,*  
43 *investigation or hearing authorized by the provisions of this*  
44 *chapter. Neither the Department nor any employee of the*  
45 *Department may be required to produce any of the records, files*



\* S B 6 R 3 \*

1 *and information for the inspection of any person or for use in any*  
2 *action or proceeding.*

3 2. *The records and files of the Department concerning the*  
4 *administration of this chapter are not confidential and privileged*  
5 *in the following cases:*

6 (a) *Testimony by a member or employee of the Department*  
7 *and production of records, files and information on behalf of the*  
8 *Department or the business entity that paid the fee in any action or*  
9 *proceeding pursuant to the provisions of this chapter if that*  
10 *testimony or the records, files or information, or the facts shown*  
11 *thereby, are directly involved in the action or proceeding.*

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

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

17 (d) *Exchanges of information with the Internal Revenue*  
18 *Service in accordance with compacts made and provided for in*  
19 *such cases.*

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

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

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

32 **Sec. 58.42.** *A natural person engaging in business shall be*  
33 *deemed to be a business entity that is subject to the provisions of*  
34 *this chapter if the person files with the Internal Revenue Service a*  
35 *Schedule C (Form 1040), Profit or Loss From Business Form, or*  
36 *its equivalent or successor form, a Schedule E (Form 1040),*  
37 *Supplemental Income and Loss Form, or its equivalent or*  
38 *successor form, or a Schedule F (Form 1040), Profit or Loss*  
39 *From Farming Form, or its equivalent or successor form, for the*  
40 *business.*

41 **Sec. 58.44. 1.** *A quarterly franchise fee is hereby imposed*  
42 *upon each business entity for the privilege of engaging in business*  
43 *in this state at the rate of:*



\* S B 6 R 3 \*

<i>Annual Total Revenue of Business Entity</i>	<i>Franchise Fee per Calendar Quarter</i>
<i>More than \$0 but less than \$500,000 .....</i>	<i>\$0</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 future franchise fees payable by the business entity. If the amount of franchise fees paid was less than the amount due, the amount due remaining unpaid shall be deemed, for the purposes of NRS 360.417, to constitute a failure to pay the fee within the time required pursuant to this section.

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

**Sec. 58.46.** 1. Except as otherwise provided in this section, the total revenue of a business entity in this state must be computed for each fiscal year based upon the accounting method used by the business entity to compute its income for the purposes of federal income taxation. If a business entity does not regularly



\* S B 6 R 3 \*

1 *use a single accounting method, or if the Department determines*  
2 *that the accounting method used by the business entity does not*  
3 *clearly reflect the total revenue of the business entity in this state,*  
4 *the calculation of that revenue must be made on the basis of such*  
5 *an accounting method as, in the opinion of the Department,*  
6 *clearly reflects the total revenue of the business entity in this state.*

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

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

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

16 *3. If a business entity changes the accounting method upon*  
17 *which it computes its income for the purposes of federal income*  
18 *taxation, the business entity shall, before using that method to*  
19 *compute its total revenue in this state, provide the Department*  
20 *with written notification of the change in its accounting method.*  
21 *If:*

22 *(a) The business entity or any of its owners, officers,*  
23 *employees, agents or representatives are required, on behalf of the*  
24 *business entity, to obtain the consent of the Internal Revenue*  
25 *Service to the change in its accounting method, the business entity*  
26 *shall include a notarized copy of that consent in its written*  
27 *notification to the Department; or*

28 *(b) The business entity is not required to obtain the consent of*  
29 *the Internal Revenue Service to the change in its accounting*  
30 *method, the business entity shall obtain the consent of the*  
31 *Department to the change in its accounting method before using*  
32 *that method to compute its total revenue in this state.*

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

38 **Sec. 58.48.** *In calculating the franchise fee of a business*  
39 *entity pursuant to this chapter, the business entity is entitled to*  
40 *deduct from its total revenue:*

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

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



- 1     3. Any revenue of the business entity attributable to interest
- 2     upon any bonds or securities of the Federal Government, the State
- 3     of Nevada or a political subdivision of this state.
- 4     4. Any pass-through revenue of the business entity.
- 5     5. Any revenue received:
- 6         (a) As dividends or distributions by a parent organization from
- 7     the capital account of a subsidiary entity of the parent
- 8     organization; or
- 9         (b) As payments between:
- 10             (1) A parent organization and a wholly owned subsidiary
- 11     entity of the parent organization; or
- 12             (2) The wholly owned subsidiary entities of a parent
- 13     organization.
- 14     6. Any revenue received by a hospital or provider of health
- 15     care from a governmental entity.
- 16     7. Any cash discounts the business entity allows a purchaser
- 17     of property, rights or services.
- 18     8. Any indebtedness to the business entity that is impossible
- 19     or impracticable to collect and which is written off by the business
- 20     entity as a bad debt for purposes of federal income taxation.
- 21     9. Any counterfeit currency received by the business entity for
- 22     which the business entity is not reimbursed.
- 23     10. The amount of any payments received by the business
- 24     entity upon claims for health, casualty or life insurance.
- 25     11. The cost of all payments made to contractors and
- 26     subcontractors for the portion of any materials or services
- 27     provided in the development of improved real property, made by a
- 28     business entity who is:
- 29         (a) A contractor or subcontractor; or
- 30         (b) In the business of developing improved real property.
- 31     The amount of the deduction must not exceed the gross revenue of
- 32     the business entity from the transaction.
- 33     12. Any promotional allowances by the business entity.
- 34     13. The gross revenue attributable to damaged or returned
- 35     merchandise.
- 36     14. Any revenue of the business entity upon which the
- 37     business entity paid the tax imposed pursuant to section 95 of this
- 38     act.
- 39     15. Any revenue of the business entity from the sale or
- 40     distribution of gasoline or any other motor vehicle fuel.
- 41     **Sec. 58.50.** The Department shall adopt regulations
- 42     providing for the allocation or apportionment of the liability for
- 43     franchise fees pursuant to this chapter of business entities
- 44     engaging in a business both within and outside of this state. The
- 45     regulations must be consistent with the methods of dividing



\* S B 6 R 3 \*



1 *income contained in the provisions of the Uniform Division of*  
2 *Income for Tax Purposes Act approved by the National*  
3 *Conference of Commissioners on Uniform State Laws, as those*  
4 *provisions existed on July 1, 2003.*

5 **Sec. 58.52.** *The Department shall, upon application by a*  
6 *business entity engaging in a business both within and outside of*  
7 *this state, reduce the liability of the business entity for franchise*  
8 *fees pursuant to this chapter to the extent required by the*  
9 *Constitution or laws of the United States or the Nevada*  
10 *Constitution, as a result of the tax liability of the business entity to*  
11 *other states and their political subdivisions.*

12 **Sec. 58.54. 1.** *If the Department determines, after notice*  
13 *and hearing, that:*

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

16 *(b) The primary or a substantial purpose for engaging in that*  
17 *type of business through affiliated business entities is to avoid or*  
18 *to reduce liability for the franchise fees imposed by this*  
19 *chapter,*

20 *the Department shall require the business entity and one or more*  
21 *of its affiliated business entities to file a consolidated return for*  
22 *the purposes of this chapter.*

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

24 *(a) "Affiliated business entity" means a business entity that*  
25 *directly, or indirectly through one or more intermediaries,*  
26 *controls, is controlled by or is under common control with,*  
27 *another specified business entity.*

28 *(b) "Control," as used in the terms "controls," "controlled by"*  
29 *and "under common control with," means the possession, directly*  
30 *or indirectly, of the power to direct or cause the direction of the*  
31 *management and policies of a business entity, whether through*  
32 *the ownership of voting securities, by contract or otherwise.*

33 **Sec. 58.56.** *Upon written application made before the date on*  
34 *which payment must be made, the Department may for good cause*  
35 *extend by 30 days the time within which a business entity is*  
36 *required to pay the franchise fee imposed by this chapter. If the*  
37 *franchise fee is paid during the period of extension, no penalty or*  
38 *late charge may be imposed for failure to pay at the time required,*  
39 *but the business entity shall pay interest at the rate of 1 percent*  
40 *per month from the date on which the amount would have been*  
41 *due without the extension until the date of payment, unless*  
42 *otherwise provided in NRS 360.232 or 360.320.*

43 **Sec. 58.58.** *The remedies of the State provided for in this*  
44 *chapter are cumulative, and no action taken by the Department or*  
45 *the Attorney General constitutes an election by the State to pursue*



1 any remedy to the exclusion of any other remedy for which  
2 provision is made in this chapter.

3 **Sec. 58.60.** *If the Department determines that any franchise*  
4 *fee, penalty or interest has been paid more than once or has been*  
5 *erroneously or illegally collected or computed, the Department*  
6 *shall set forth that fact in the records of the Department and*  
7 *certify to the State Board of Examiners the amount collected in*  
8 *excess of the amount legally due and the business entity or person*  
9 *from which it was collected or by whom it was paid. If approved by*  
10 *the State Board of Examiners, the excess amount collected or paid*  
11 *must be credited on any amounts then due from the person or*  
12 *business entity under this chapter, and the balance refunded to the*  
13 *person or business entity, or its successors, administrators or*  
14 *executors.*

15 **Sec. 58.62.** *1. Except as otherwise provided in NRS 360.235*  
16 *and 360.395:*

17 *(a) No refund may be allowed unless a claim for it is filed with*  
18 *the Department within 3 years after the last day of the month*  
19 *immediately following the calendar quarter for which the*  
20 *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 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 Department shall serve notice of its action on the*  
31 *claimant in the manner prescribed for service of notice of a*  
32 *deficiency determination.*

33 **Sec. 58.64.** *1. Except as otherwise provided in this section*  
34 *and NRS 360.320, interest must be paid upon any overpayment of*  
35 *any amount of the franchise fee imposed by this chapter at the rate*  
36 *of 0.5 percent per month, or fraction thereof, from the last day of*  
37 *the month immediately following the calendar quarter for which*  
38 *the overpayment was made. No refund or credit may be made of*  
39 *any interest imposed upon the person or business entity making*  
40 *the overpayment with respect to the amount being refunded or*  
41 *credited.*

42 *2. The interest must be paid:*

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



\* S B 6 R 3 \*

1 *the Department that a claim may be filed or the date upon which*  
2 *the claim is certified to the State Board of Examiners, whichever is*  
3 *earlier.*

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

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

10 **Sec. 58.66.** *1. No injunction, writ of mandate or other legal*  
11 *or 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 franchise*  
14 *fee imposed by this chapter or any amount of the franchise fee,*  
15 *penalty or interest 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. 58.68.** *1. Within 90 days after a final decision upon a*  
21 *claim filed pursuant to this chapter is rendered by the*  
22 *Commission, the claimant may bring an action against the*  
23 *Department on the grounds set forth in the claim in a court of*  
24 *competent jurisdiction in Carson City, the county of this state*  
25 *where the claimant resides or maintains his principal place of*  
26 *business or a county in which any relevant proceedings were*  
27 *conducted by the Department, for the recovery of the whole or any*  
28 *part of the amount with respect to which the claim has been*  
29 *disallowed.*

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

33 **Sec. 58.70.** *1. If the Department fails to mail notice of*  
34 *action on a claim within 6 months after the claim is filed, the*  
35 *claimant may consider the claim disallowed and file an appeal*  
36 *with the Commission within 30 days after the last day of the*  
37 *6-month period. If the claimant is aggrieved by the decision of the*  
38 *Commission rendered on appeal, the claimant may, within 90 days*  
39 *after the decision is rendered, bring an action against the*  
40 *Department on the grounds set forth in the claim for the recovery*  
41 *of the whole or any part of the amount claimed as an*  
42 *overpayment.*

43 *2. If judgment is rendered for the plaintiff, the amount of the*  
44 *judgment must first be credited towards any franchise fees due*  
45 *from the plaintiff.*



\* S B 6 R 3 \*

1     3. *The balance of the judgment must be refunded to the*  
2 *plaintiff.*

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

9     **Sec. 58.74.** *A judgment may not be rendered in favor of the*  
10 *plaintiff in any action brought against the Department to recover*  
11 *any amount paid when the action is brought by or in the name of*  
12 *an assignee of the business entity paying the amount or by any*  
13 *person other than the person or business entity which paid the*  
14 *amount.*

15     **Sec. 58.76.** 1. *The Department may recover a refund or any*  
16 *part thereof which is erroneously made and any credit or part*  
17 *thereof which is erroneously allowed in an action brought in a*  
18 *court of competent jurisdiction in Carson City or Clark County in*  
19 *the name of the State of Nevada.*

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

23     3. *The Attorney General shall prosecute the action, and the*  
24 *provisions of NRS, the Nevada Rules of Civil Procedure and the*  
25 *Nevada Rules of Appellate Procedure relating to service of*  
26 *summons, pleadings, proofs, trials and appeals are applicable to*  
27 *the proceedings.*

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

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

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

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

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



\* S B 6 R 3 \*

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

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

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

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

12 **Sec. 60.** *The Nevada Tax Commission shall adopt*  
13 *regulations providing for:*

14 *1. The electronic submission of returns to the Department;*  
15 *and*

16 *2. The payment of taxes, fees, interest and penalties to the*  
17 *Department through the use of credit cards, debit cards and*  
18 *electronic transfers of money.*

19 **Sec. 61.** *As used in sections 61 to 66, inclusive, of this act,*  
20 *unless the context otherwise requires, the words and terms defined*  
21 *in sections 62, 63 and 64 of this act have the meanings ascribed to*  
22 *them in those sections.*

23 **Sec. 62.** *1. “Business” includes:*

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

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

31 *2. The term does not include:*

32 *(a) A governmental entity.*

33 *(b) A nonprofit religious, charitable, fraternal or other*  
34 *organization that qualifies as a tax-exempt organization pursuant*  
35 *to 26 U.S.C. § 501(c).*

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

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

44 **Sec. 63.** *1. “Employee” includes:*



1 (a) A natural person who receives wages or other  
2 remuneration from a business for personal services, including  
3 commissions and bonuses and remuneration payable in a medium  
4 other than cash; and

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

6 2. The term includes:

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

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

10 (1) Employment Security Division of the Department of  
11 Employment, Training and Rehabilitation;

12 (2) Administrator of the Division of Industrial Relations of  
13 the Department of Business and Industry; or

14 (3) Internal Revenue Service on an Employer's Quarterly  
15 Federal Tax Return (Form 941), Employer's Monthly Federal  
16 Tax Return (Form 941-M), Employer's Annual Tax Return for  
17 Agricultural Employees (Form 943) or any equivalent or  
18 successor form.

19 3. The term does not include:

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

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

24 (c) A newspaper carrier or the immediate supervisor of a  
25 newspaper carrier who is an independent contractor of the  
26 newspaper.

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

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

31 **Sec. 64.** "Wages" means any remuneration paid for personal  
32 services, including commissions, and bonuses and remuneration  
33 payable in any medium other than cash.

34 **Sec. 64.5.** The Department shall deposit all money it receives  
35 pursuant to sections 61 to 66, inclusive, of this act in the State  
36 Treasury for credit to the State General Fund.

37 **Sec. 65.** The activity or activities conducted by a natural  
38 person shall be deemed to be a business that is subject to the  
39 provisions of sections 61 to 66, inclusive, of this act if the person is  
40 required to file with the Internal Revenue Service a Schedule C  
41 (Form 1040), Profit or Loss From Business Form, or its  
42 equivalent or successor form, a Schedule E (Form 1040),  
43 Supplemental Income and Loss Form, or its equivalent or  
44 successor form, or a Schedule F (Form 1040), Profit or Loss



\* S B 6 R 3 \*

1 *From Farming Form, or its equivalent or successor form, for the*  
2 *business.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 7. *For the purposes of sections 61 to 66, inclusive, of this act,*  
37 *a person shall be deemed to conduct a business in this state if a*  
38 *business for which the person is responsible:*

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

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

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

44 8. *A person who takes part in a trade show or convention*  
45 *held in this state for a purpose related to the conduct of a business*



\* S B 6 R 3 \*



1 *is not required to obtain a business license specifically for that*  
2 *event.*

3 **Sec. 67.** NRS 360.095 is hereby amended to read as follows:

4 360.095 In the adoption of regulations, policies of  
5 enforcement, and policies for auditing of taxpayers, with respect to  
6 all taxes and fees for whose administration the Department is  
7 responsible, the Nevada Tax Commission shall apply the following  
8 principles:

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

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

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

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

23 (a) Equitably among eligible taxpayers; and

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

26 5. Audits and other procedures for enforcement must be  
27 applied as uniformly as is feasible, not only as among persons  
28 subject to a particular tax but also as among different taxes ~~[(f)]~~, *but*  
29 *must consider a weighting of indicators of noncompliance.*

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

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

34 360.225 1. During the course of an investigation undertaken  
35 pursuant to NRS 360.130 of a person claiming:

36 (a) A partial abatement of property taxes pursuant to NRS  
37 361.0687;

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

40 ~~—(e)]~~ A deferral of the payment of taxes on the sale of capital  
41 goods pursuant to NRS 372.397 or 374.402; or

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



\* S B 6 R 3 \*

1 the Department shall investigate whether the person meets the  
2 eligibility requirements for the abatement, partial abatement ~~[-~~  
3 ~~exemption]~~ or deferral that the person is claiming.

4 2. If the Department finds that the person does not meet the  
5 eligibility requirements for the abatement ~~[- exemption]~~ or deferral  
6 which the person is claiming, the Department shall report its  
7 findings to the Commission on Economic Development and take  
8 any other necessary actions.

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

10 360.2935 Except as otherwise provided in ~~[NRS 361.485.]~~ *this*  
11 *title*, a taxpayer is entitled to receive on any overpayment of taxes,  
12 after the offset required by NRS 360.320 has been made, a refund  
13 together with interest at a rate determined pursuant to NRS 17.130.  
14 No interest is allowed on a refund of any penalties or interest paid  
15 by a taxpayer.

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

17 360.300 1. If a person fails to file a return or the Department  
18 is not satisfied with the return or returns of any tax, *franchise fee,*  
19 contribution or premium or amount of tax, *franchise fee,*  
20 contribution or premium required to be paid to the State by any  
21 person, in accordance with the applicable provisions of this chapter,  
22 chapter 362, 364A, 369, 370, 372, 372A, 374, 377, 377A or 444A of  
23 NRS, NRS 482.313, or chapter 585 or 680B of NRS, *or sections 2*  
24 *to 24, inclusive, 24.12 to 24.74, inclusive, or 58.12 to 58.80,*  
25 *inclusive, of this act,* as administered or audited by the Department,  
26 it may compute and determine the amount required to be paid upon  
27 the basis of:

- 28 (a) The facts contained in the return;  
29 (b) Any information within its possession or that may come into  
30 its possession; or  
31 (c) Reasonable estimates of the amount.

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

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

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

42 5. When a business is discontinued, a determination may be  
43 made at any time thereafter within the time prescribed in NRS  
44 360.355 as to liability arising out of that business, irrespective of



1 whether the determination is issued before the due date of the  
2 liability.

3 **Sec. 70.5.** NRS 360.300 is hereby amended to read as follows:  
4 360.300 1. If a person fails to file a return or the Department  
5 is not satisfied with the return or returns of any tax, franchise fee,  
6 contribution or premium or amount of tax, franchise fee,  
7 contribution or premium required to be paid to the State by any  
8 person, in accordance with the applicable provisions of this chapter,  
9 chapter 362, ~~364A,~~ 369, 370, 372, 372A, 374, 377, 377A or 444A  
10 of NRS, NRS 482.313, or chapter 585 or 680B of NRS, or sections  
11 2 to 24, inclusive, 24.12 to 24.74, inclusive, or 58.12 to 58.80,  
12 inclusive, of this act, as administered or audited by the Department,  
13 it may compute and determine the amount required to be paid upon  
14 the basis of:

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

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

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

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

29 5. When a business is discontinued, a determination may be  
30 made at any time thereafter within the time prescribed in NRS  
31 360.355 as to liability arising out of that business, irrespective of  
32 whether the determination is issued before the due date of the  
33 liability.

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

35 360.417 Except as otherwise provided in NRS 360.232 and  
36 360.320, and unless a different penalty or rate of interest is  
37 specifically provided by statute, any person who fails to pay any tax  
38 *or franchise fee* provided for in chapter 362, 364A, 369, 370, 372,  
39 374, 377, 377A, 444A or 585 of NRS, *or sections 2 to 24, inclusive,*  
40 *24.12 to 24.74, inclusive, or 58.12 to 58.80, inclusive, of this act,*  
41 or the fee provided for in NRS 482.313, to the State or a county  
42 within the time required, shall pay a penalty of not more than 10  
43 percent of the amount of the tax or fee which is owed, as determined  
44 by the Department, in addition to the tax or fee, plus interest at the  
45 rate of 1 percent per month, or fraction of a month, from the last day



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

7 **Sec. 71.5.** NRS 360.417 is hereby amended to read as follows:  
8 360.417 Except as otherwise provided in NRS 360.232 and  
9 360.320, and unless a different penalty or rate of interest is  
10 specifically provided by statute, any person who fails to pay any tax  
11 or franchise fee provided for in chapter 362, ~~364A,~~ 369, 370, 372,  
12 374, 377, 377A, 444A or 585 of NRS, or sections 2 to 24, inclusive,  
13 24.12 to 24.74, inclusive, or 58.12 to 58.80, inclusive, of this act,  
14 or the fee provided for in NRS 482.313, to the State or a county  
15 within the time required, shall pay a penalty of not more than 10  
16 percent of the amount of the tax or fee which is owed, as determined  
17 by the Department, in addition to the tax or fee, plus interest at the  
18 rate of 1 percent per month, or fraction of a month, from the last day  
19 of the month following the period for which the amount or any  
20 portion of the amount should have been reported until the date of  
21 payment. The amount of any penalty imposed must be based on a  
22 graduated schedule adopted by the Nevada Tax Commission which  
23 takes into consideration the length of time the tax or fee remained  
24 unpaid.

25 **Sec. 72.** NRS 360.419 is hereby amended to read as follows:  
26 360.419 1. If the Executive Director or a designated hearing  
27 officer finds that the failure of a person to make a timely return or  
28 payment of a tax *or franchise fee* imposed pursuant to NRS 361.320  
29 or ~~chapter 361A, 376A, 377 or 377A of NRS, or by~~ chapter 361A,  
30 362, 364A, 369, 370, 372, 372A, 374, 375A, ~~for~~ 375B, 376A, 377  
31 *or 377A of NRS, or sections 2 to 24, inclusive, 24.12 to 24.74,*  
32 *inclusive, or 58.12 to 58.80, inclusive, of this act,* is the result of  
33 circumstances beyond his control and occurred despite the exercise  
34 of ordinary care and without intent, the Department may relieve him  
35 of all or part of any interest or penalty, or both.

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

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

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

43 4. The Executive Director or a designated hearing officer shall  
44 act upon the request of a taxpayer seeking relief pursuant to NRS  
45 361.4835 which is deferred by a county treasurer or county assessor.



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

2       360.419   1. If the Executive Director or a designated hearing  
3 officer finds that the failure of a person to make a timely return or  
4 payment of a tax or franchise fee imposed pursuant to NRS 361.320  
5 or chapter 361A, 362, ~~364A,~~ 369, 370, 372, 372A, 374, 375A,  
6 375B, 376A, 377 or 377A of NRS, or sections 2 to 24, inclusive,  
7 24.12 to 24.74, inclusive, or 58.12 to 58.80, inclusive, of this act is  
8 the result of circumstances beyond his control and occurred despite  
9 the exercise of ordinary care and without intent, the Department  
10 may relieve him of all or part of any interest or penalty, or both.

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

14       3. The Department shall disclose, upon the request of any  
15 person:

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

18       4. The Executive Director or a designated hearing officer shall  
19 act upon the request of a taxpayer seeking relief pursuant to NRS  
20 361.4835 which is deferred by a county treasurer or county assessor.

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

22       360.510   1. If any person is delinquent in the payment of any  
23 tax or fee administered by the Department or if a determination has  
24 been made against him which remains unpaid, the Department may:

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

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

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

44       3. After receiving the demand to transmit, the person notified  
45 by the demand may not transfer or otherwise dispose of the credits,



\* S B 6 R 3 \*

1 other personal property, or debts in his possession or under his  
2 control at the time he received the notice until the Department  
3 consents to a transfer or other disposition.

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

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

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

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

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

42 360.510 1. If any person is delinquent in the payment of any  
43 tax or fee administered by the Department or if a determination has  
44 been made against him which remains unpaid, the Department may:



\* S B 6 R 3 \*

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

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

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

20 3. After receiving the demand to transmit, the person notified  
21 by the demand may not transfer or otherwise dispose of the credits,  
22 other personal property, or debts in his possession or under his  
23 control at the time he received the notice until the Department  
24 consents to a transfer or other disposition.

25 4. Every person notified by a demand to transmit shall, within  
26 10 days after receipt of the demand to transmit, inform the  
27 Department of and transmit to the Department all such credits, other  
28 personal property or debts in his possession, under his control or  
29 owing by him within the time and in the manner requested by the  
30 Department. Except as otherwise provided in subsection 5, no  
31 further notice is required to be served to that person.

32 5. If the property of the delinquent taxpayer consists of a series  
33 of payments owed to him, the person who owes or controls the  
34 payments shall transmit the payments to the Department until  
35 otherwise notified by the Department. If the debt of the delinquent  
36 taxpayer is not paid within 1 year after the Department issued the  
37 original demand to transmit, the Department shall issue another  
38 demand to transmit to the person responsible for making the  
39 payments informing him to continue to transmit payments to  
40 the Department or that his duty to transmit the payments to the  
41 Department has ceased.

42 6. If the notice of the delinquency seeks to prevent the transfer  
43 or other disposition of a deposit in a bank or credit union or other  
44 credits or personal property in the possession or under the control of  
45 a bank, credit union or other depository institution, the notice must



\* S B 6 R 3 \*



1 be delivered or mailed to any branch or office of the bank, credit  
2 union or other depository institution at which the deposit is carried  
3 or at which the credits or personal property is held.

4 7. If any person notified by the notice of the delinquency  
5 makes any transfer or other disposition of the property or debts  
6 required to be withheld or transmitted, to the extent of the value of  
7 the property or the amount of the debts thus transferred or paid, he is  
8 liable to the State for any indebtedness due pursuant to this chapter,  
9 or chapter 362, ~~[364A.]~~ 369, 370, 372, 372A, 374, 377, 377A or  
10 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS, or  
11 sections 2 to 24, inclusive, 24.12 to 24.74, inclusive, or 58.12 to  
12 58.80, inclusive, of this act from the person with respect to whose  
13 obligation the notice was given if solely by reason of the transfer or  
14 other disposition the State is unable to recover the indebtedness of  
15 the person with respect to whose obligation the notice was given.

16 **Sec. 74.** NRS 360.750 is hereby amended to read as follows:

17 360.750 1. A person who intends to locate or expand a  
18 business in this state may apply to the Commission on Economic  
19 Development for a partial abatement of one or more of the taxes  
20 imposed on the new or expanded business pursuant to chapter 361 ~~+~~  
21 ~~364A.]~~ or 374 of NRS.

22 2. The Commission on Economic Development shall approve  
23 an application for a partial abatement if the Commission makes the  
24 following determinations:

25 (a) The business is consistent with:

26 (1) The State Plan for Industrial Development and  
27 Diversification that is developed by the Commission pursuant to  
28 NRS 231.067; and

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

30 (b) The applicant has executed an agreement with the  
31 Commission which states that the business will, after the date on  
32 which a certificate of eligibility for the abatement is issued pursuant  
33 to subsection 5, continue in operation in this state for a period  
34 specified by the Commission, which must be at least 5 years, and  
35 will continue to meet the eligibility requirements set forth in this  
36 subsection. The agreement must bind the successors in interest of  
37 the business for the specified period.

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

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



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

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

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

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

14 (II) The cost to the business for the benefits the business  
15 provides to its employees in this state will meet the minimum  
16 requirements for benefits established by the Commission by  
17 regulation pursuant to subsection 9.

18 (e) Except as otherwise provided in NRS 361.0687, if the  
19 business is a new business in a county whose population is less than  
20 100,000 or a city whose population is less than 60,000, the business  
21 meets at least two of the following requirements:

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

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

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

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

35 (II) The cost to the business for the benefits the business  
36 provides to its employees in this state will meet the minimum  
37 requirements for benefits established by the Commission by  
38 regulation pursuant to subsection 9.

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

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

44 (2) The business will expand by making a capital investment  
45 in this state in an amount equal to at least 20 percent of the value of



\* S B 6 R 3 \*

1 the tangible property possessed by the business in the immediately  
2 preceding fiscal year. The determination of the value of the tangible  
3 property possessed by the business in the immediately preceding  
4 fiscal year must be made by the:

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

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

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

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

16 (II) The cost to the business for the benefits the business  
17 provides to its new employees in this state will meet the minimum  
18 requirements for benefits established by the Commission by  
19 regulation pursuant to subsection 9.

20 3. Notwithstanding the provisions of subsection 2, the  
21 Commission on Economic Development may:

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

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

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

30 4. If a person submits an application to the Commission on  
31 Economic Development pursuant to subsection 1, the Commission  
32 shall provide notice to the governing body of the county and the city  
33 or town, if any, in which the person intends to locate or expand a  
34 business. The notice required pursuant to this subsection must set  
35 forth the date, time and location of the hearing at which the  
36 Commission will consider the application.

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

40 (a) The Department;

41 (b) The Nevada Tax Commission; and

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

44 6. An applicant for a partial abatement pursuant to this section  
45 or an existing business whose partial abatement is in effect shall,



1 upon the request of the Executive Director of the Commission on  
2 Economic Development, furnish the Executive Director with copies  
3 of all records necessary to verify that the applicant meets the  
4 requirements of subsection 2.

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

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

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

10 the business shall repay to the Department or, if the partial  
11 abatement was from the property tax imposed pursuant to chapter  
12 361 of NRS, to the county treasurer, the amount of the exemption  
13 that was allowed pursuant to this section before the failure of the  
14 business to comply unless the Nevada Tax Commission determines  
15 that the business has substantially complied with the requirements of  
16 this section. Except as otherwise provided in NRS 360.232 and  
17 360.320, the business shall, in addition to the amount of the  
18 exemption required to be paid pursuant to this subsection, pay  
19 interest on the amount due at the rate most recently established  
20 pursuant to NRS 99.040 for each month, or portion thereof, from the  
21 last day of the month following the period for which the payment  
22 would have been made had the partial abatement not been approved  
23 until the date of payment of the tax.

24 8. A county treasurer:

25 (a) Shall deposit any money that he receives pursuant to  
26 subsection 7 in one or more of the funds established by a local  
27 government of the county pursuant to NRS 354.6113 or 354.6115;  
28 and

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

31 9. The Commission on Economic Development:

32 (a) Shall adopt regulations relating to:

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

36 (2) The notice that must be provided pursuant to  
37 subsection 4.

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

41 10. The Nevada Tax Commission:

42 (a) Shall adopt regulations regarding:

43 (1) The capital investment that a new business must make to  
44 meet the requirement set forth in paragraph (d) or (e) of subsection  
45 2; and



\* S B 6 R 3 \*

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

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

6 11. An applicant for an abatement who is aggrieved by a final  
7 decision of the Commission on Economic Development may  
8 petition for judicial review in the manner provided in chapter 233B  
9 of NRS.

10 **Sec. 75.** NRS 360A.020 is hereby amended to read as follows:

11 360A.020 The Department shall adopt ~~[such]~~ :

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

14 *2. Regulations providing for:*

15 *(a) The electronic submission of returns to the Department;*  
16 *and*

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

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

23 364A.020 1. “Business” includes:

24 (a) A corporation, partnership, proprietorship, *limited-liability*  
25 *company, business association, joint venture, limited-liability*  
26 *partnership, business trust and their equivalents organized under*  
27 *the laws of this state or another jurisdiction* and any other ~~[similar]~~  
28 organization that conducts an activity for profit;

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

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

35 2. ~~[The term includes an independent contractor.~~

36 ~~—3.—~~ The term does not include:

37 (a) A nonprofit religious, charitable, fraternal or other  
38 organization that qualifies as a tax-exempt organization pursuant to  
39 26 U.S.C. § 501(c);

40 (b) A governmental entity; ~~[or]~~

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



\* S B 6 R 3 \*

1       (d) A business that creates or produces motion pictures. As used  
2 in this paragraph, "motion pictures" has the meaning ascribed to it  
3 in NRS 231.020.

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

6       364A.120 The activity or activities conducted by a natural  
7 person shall be deemed to be a business that is subject to the  
8 provisions of this chapter if the person files with the Internal  
9 Revenue Service a Schedule C (Form 1040), Profit or Loss from  
10 Business Form, or its equivalent or successor form, *a Schedule E*  
11 *(Form 1040), Supplemental Income and Loss Form, or its*  
12 *equivalent or successor form*, or a Schedule F (Form 1040), Farm  
13 Income and Expenses Form, or its equivalent or successor form, for  
14 the activity or activities.

15       **Sec. 76.** NRS 364A.130 is hereby amended to read as follows:

16       364A.130 1. Except as otherwise provided in subsection ~~{6,}~~  
17 **8**, a person shall not conduct a business in this state unless he has a  
18 business license issued by the Department.

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

20       (a) Be made upon a form prescribed by the Department;  
21       (b) Set forth the name under which the applicant transacts or  
22 intends to transact business and the location of his place or places of  
23 business;

24       (c) Declare the estimated number of employees for the previous  
25 calendar quarter;

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

27       (e) Include any other information that the Department deems  
28 necessary.

29       3. The application must be signed by:

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

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

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

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

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



\* S B 6 R 3 \*

1     **6. The business license required to be obtained pursuant to**  
2     **this section is in addition to any license to conduct business that**  
3     **must be obtained from the local jurisdiction in which the business**  
4     **is being conducted.**

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

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

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

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

14    ~~6.1~~ **8.** A person who takes part in a trade show or convention  
15    held in this state for a purpose related to the conduct of a business is  
16    not required to obtain a business license specifically for that event.

17    **Sec. 77.** NRS 369.174 is hereby amended to read as follows:

18    369.174 Each month, the State Controller shall transfer to the  
19    Tax on Liquor Program Account in the State General Fund, from the  
20    tax on liquor containing more than 22 percent of alcohol by volume,  
21    the portion of the tax which exceeds ~~[\$1.90]~~ **\$2.93** per wine gallon.

22    **Sec. 78.** NRS 369.330 is hereby amended to read as follows:

23    369.330 Except as otherwise provided in this chapter, an excise  
24    tax is hereby levied and must be collected respecting all liquor and  
25    upon the privilege of importing, possessing, storing or selling liquor,  
26    according to the following rates and classifications:

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

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

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

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

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

38    369.370 1. For the privilege of importing, possessing, storing  
39    or selling liquors, all licensed importers and manufacturers of liquor  
40    in this state shall pay the excise tax imposed and established by this  
41    chapter.

42    2. If, after the tax is paid on any such liquor, satisfactory  
43    evidence is presented to the Department that the imports have been  
44    actually exported and sold outside this state in a manner not in  
45    conflict with the law of the place of sale, the Department shall direct





1 that a refund or credit of the tax so paid be made to the taxpayer.  
2 The taxpayer shall report all such exports and imports, and pay the  
3 tax on the imports monthly, on forms and subject to regulations  
4 prescribed by the Department.

5 3. The excise tax imposed by this chapter is due on or before  
6 the 20th day of the following month. If all such taxes are paid on or  
7 before the 15th day of the following month, a discount in the  
8 amount of ~~13~~ 0.5 percent of the tax must be allowed to the taxpayer.  
9 The Department may, for good cause, extend for not more than 15  
10 days after the date the tax is due the time for paying the tax if a  
11 request for such an extension of time is received by the Department  
12 on or before the date the tax was due. If such an extension is  
13 granted, interest accrues from the original date the tax was due.

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

19 **Sec. 80.** NRS 370.165 is hereby amended to read as follows:

20 370.165 There is hereby levied a tax upon the purchase or  
21 possession of cigarettes by a consumer in the State of Nevada at the  
22 rate of ~~17.5~~ 40 mills per cigarette. The tax may be represented and  
23 precollected by the affixing of a revenue stamp or other approved  
24 evidence of payment to each package, packet or container in which  
25 cigarettes are sold. The tax must be precollected by the wholesale or  
26 retail dealer, and must be recovered from the consumer by adding  
27 the amount of the tax to the selling price. Each person who sells  
28 cigarettes at retail shall prominently display on his premises a notice  
29 that the tax is included in the selling price and is payable under the  
30 provisions of this chapter.

31 **Sec. 80.5.** (Deleted by amendment.)

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

33 370.220 In the sale of any cigarette revenue stamps or any  
34 metered machine settings to a licensed cigarette dealer, the  
35 Department and its agents shall allow the purchaser a discount of ~~13~~  
36 0.5 percent against the amount of excise tax otherwise due for the  
37 services rendered in affixing cigarette revenue stamps or metered  
38 machine impressions to the cigarette packages.

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

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

44 2. The Department shall:



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

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

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

16 (d) Report to the State Controller monthly the amount of  
17 collections.

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

23 **Sec. 82.5.** (Deleted by amendment.)

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

25 370.350 1. Except as otherwise provided in subsection 3, a  
26 tax is hereby levied and imposed upon the use of cigarettes in this  
27 state.

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

29 3. The use tax does not apply where:

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

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

33 **Sec. 83.5.** (Deleted by amendment.)

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

35 370.450 1. Except as otherwise provided in subsection 2,  
36 there is hereby imposed upon the purchase or possession of products  
37 made from tobacco, other than cigarettes, by a customer in this state  
38 a tax of 30 percent of the wholesale price of those products.

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

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

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



1       3. This tax must be collected and paid by the wholesale dealer  
2 to the Department, in accordance with the provisions of NRS  
3 370.465, after the sale or distribution of those products by the  
4 wholesale dealer. The wholesale dealer is entitled to retain ~~2~~ 0.5  
5 percent of the taxes collected to cover the costs of collecting and  
6 administering the taxes ~~if~~ *if the taxes are paid in accordance with*  
7 *the provisions of NRS 370.465.*

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

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

12       370.490 1. The Department shall allow a credit of 30 percent  
13 of the wholesale price, less a discount of ~~2~~ 0.5 percent for the  
14 services rendered in collecting the tax, for products made from  
15 tobacco, other than cigarettes, upon which the tax has been paid  
16 pursuant to NRS 370.450 and that may no longer be sold. If the  
17 products have been purchased and delivered, a credit memo of the  
18 manufacturer is required for proof of returned merchandise.

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

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

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

28       372.130 At the time of making an application, the applicant  
29 must pay to the Department a permit fee of ~~1~~ \$5 for each permit.

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

31       372.140 A seller whose permit has been previously suspended  
32 or revoked must pay the Department a fee of ~~1~~ \$5 for the renewal  
33 or issuance of a permit.

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

35       372.220 1. Every retailer who sells tangible personal  
36 property for storage, use or other consumption in this state shall  
37 register with the Department and give:

38       ~~1~~ (a) The name and address of all agents operating in this  
39 state.

40       ~~2~~ (b) The location of all distribution or sales houses or offices  
41 or other places of business in this state.

42       ~~3~~ (c) Such other information as the Department may require.

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



1 *364A.130, register with the Department on a form prescribed by*  
2 *the Department. As used in this section, "business" has the*  
3 *meaning ascribed to it in NRS 364A.020.*

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

5 372.220 1. Every retailer who sells tangible personal  
6 property for storage, use or other consumption in this state shall  
7 register with the Department and give:

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

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

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

12 2. Every business that purchases tangible personal property for  
13 storage, use or other consumption in this state shall, at the time the  
14 business obtains a business license pursuant to ~~NRS 364A.130,~~  
15 *section 66 of this act*, register with the Department on a form  
16 prescribed by the Department. As used in this section, "business"  
17 has the meaning ascribed to it in ~~NRS 364A.020,~~ *section 62 of this*  
18 *act.*

19 **Sec. 90.** NRS 372.370 is hereby amended to read as follows:

20 372.370 ~~[The taxpayer shall]~~ *If the taxes imposed by this*  
21 *chapter are paid in accordance with NRS 372.355, the taxpayer*  
22 *may* deduct and withhold from the taxes otherwise due from him  
23 ~~[1.25]~~ *0.5* percent of ~~[it]~~ *those taxes* to reimburse himself for the  
24 cost of collecting the tax.

25 **Sec. 91.** NRS 374.135 is hereby amended to read as follows:

26 374.135 At the time of making an application, the applicant  
27 shall pay to the Department a permit fee of ~~[\$1]~~ *\$5* for each permit.

28 **Sec. 92.** NRS 374.145 is hereby amended to read as follows:

29 374.145 A seller whose permit has been previously suspended  
30 or revoked shall pay the Department a fee of ~~[\$1]~~ *\$5* for the renewal  
31 or issuance of a permit.

32 **Sec. 93.** NRS 374.375 is hereby amended to read as follows:

33 374.375 ~~[The taxpayer shall]~~ *If the taxes imposed by this*  
34 *chapter are paid in accordance with NRS 374.360, the taxpayer*  
35 *may* deduct and withhold from the taxes otherwise due from him  
36 ~~[1.25]~~ *0.5* percent thereof to reimburse himself for the cost of  
37 collecting the tax.

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

40 **Sec. 95. 1.** *In addition to all other taxes imposed on*  
41 *transfers of real property, a tax, at the rate of \$1.30 on each \$500*  
42 *of value or fraction thereof, is hereby imposed on each deed by*  
43 *which any lands, tenements or other realty is granted, assigned,*  
44 *transferred or otherwise conveyed to, or vested in, another person,*



1 *if the consideration or value of the interest or property conveyed*  
2 *exceeds \$100.*

3 2. *The amount of the tax must be computed on the basis of*  
4 *the value of the transferred property as declared pursuant to NRS*  
5 *375.060.*

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

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

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

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

18 **Sec. 96.** 1. *The Department shall, to ensure that the tax*  
19 *imposed by section 95 of this act is collected fairly and equitably in*  
20 *all counties, coordinate the collection and administration of that*  
21 *tax. For this purpose, the Department may conduct such audits of*  
22 *the records of the various counties as are necessary to carry out*  
23 *the provisions of section 95 of this act.*

24 2. *When requested, the Department shall render assistance to*  
25 *the county recorder of a county whose population is less than*  
26 *30,000 relating to the imposition and collection of the tax imposed*  
27 *by section 95 of this act.*

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

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

31 375.018 With regard to the administration of ~~the real property~~  
32 ~~transfer tax,~~ *any tax imposed by this chapter,* the county recorder  
33 shall apply the following principles:

34 1. Forms, instructions and regulations governing the  
35 computation of the amount of tax due must be brief and easily  
36 understood.

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

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



1 4. Exemptions or waivers, where permitted by statute, must be  
2 granted:

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

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

7 375.030 1. If any deed evidencing a transfer of title subject to  
8 the tax imposed by NRS 375.020 ~~[and, if applicable, NRS 375.025,]~~  
9 is offered for recordation, the county recorder shall compute the  
10 amount of the tax due and shall collect that amount before  
11 acceptance of the deed for recordation.

12 2. The buyer and seller are jointly and severally liable for the  
13 payment of the taxes imposed by NRS 375.020 ~~[and 375.025]~~ and  
14 any penalties and interest imposed pursuant to subsection 3. The  
15 escrow holder is not liable for the payment of the taxes imposed by  
16 NRS 375.020 ~~[and 375.025]~~ or any penalties or interest imposed  
17 pursuant to subsection 3.

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

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

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

39 375.030 1. If any deed evidencing a transfer of title subject to  
40 the tax imposed by NRS 375.020 *and section 95 of this act* is  
41 offered for recordation, the county recorder shall compute the  
42 amount of the tax due and shall collect that amount before  
43 acceptance of the deed for recordation.

44 2. The buyer and seller are jointly and severally liable for the  
45 payment of the taxes imposed by NRS 375.020 *and section 95 of*



1 *this act* and any penalties and interest imposed pursuant to  
2 subsection 3. The escrow holder is not liable for the payment of the  
3 taxes imposed by NRS 375.020 *and section 95 of this act* or any  
4 penalties or interest imposed pursuant to subsection 3.

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

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

25 **Sec. 100.** NRS 375.070 is hereby amended to read as follows:

26 375.070 1. The county recorder shall transmit the proceeds of  
27 the ~~real property transfer~~ tax *imposed by NRS 375.020* at the end  
28 of each quarter in the following manner:

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

34 (b) In a county whose population is more than 400,000, an  
35 amount equal to that portion of the proceeds which is equivalent to  
36 60 cents for each \$500 of value or fraction thereof must be  
37 transmitted to the county treasurer for deposit in the county school  
38 district's fund for capital projects established pursuant to NRS  
39 387.328, to be held and expended in the same manner as other  
40 money deposited in that fund.

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





1       2. In addition to any other authorized use of the proceeds it  
2 receives pursuant to subsection 1, a county or city may use the  
3 proceeds to pay expenses related to or incurred for the development  
4 of affordable housing for families whose income does not exceed 80  
5 percent of the median income for families residing in the same  
6 county, as that percentage is defined by the United States  
7 Department of Housing and Urban Development. A county or city  
8 that uses the proceeds in that manner must give priority to the  
9 development of affordable housing for persons who are disabled or  
10 elderly.

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

- 13       (a) The costs to acquire land and developmental rights;
- 14       (b) Related predevelopment expenses;
- 15       (c) The costs to develop the land, including the payment of  
16 related rebates;
- 17       (d) Contributions toward down payments made for the purchase  
18 of affordable housing; and
- 19       (e) The creation of related trust funds.

20       **Sec. 101.** NRS 375.090 is hereby amended to read as follows:

21       375.090 The tax imposed by NRS 375.020 ~~[and 375.025]~~ does  
22 not apply to:

23       1. A mere change in identity, form or place of organization,  
24 such as a transfer between a corporation and its parent corporation, a  
25 subsidiary or an affiliated corporation if the affiliated corporation  
26 has identical common ownership.

27       2. A transfer of title to the United States, any territory or state  
28 or any agency, department, instrumentality or political subdivision  
29 thereof.

30       3. A transfer of title recognizing the true status of ownership of  
31 the real property.

32       4. A transfer of title without consideration from one joint  
33 tenant or tenant in common to one or more remaining joint tenants  
34 or tenants in common.

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

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

39       7. A transfer of title between spouses to effect a property  
40 settlement agreement or between former spouses in compliance with  
41 a decree of divorce.

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

- 44       (a) The trustor of the trust;
- 45       (b) The trustor's legal representative; or



\* S B 6 R 3 \*

1 (c) A person related to the trustor in the first degree of  
2 consanguinity.

3 As used in this subsection, “legal representative” has the meaning  
4 ascribed to it in NRS 167.020.

5 9. Transfers, assignments or conveyances of unpatented mines  
6 or mining claims.

7 10. A transfer, assignment or other conveyance of real property  
8 to a corporation or other business organization if the person  
9 conveying the property owns 100 percent of the corporation or  
10 organization to which the conveyance is made.

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

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

16 (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C.  
17 §§ 101 et seq.;

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

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

25 13. The making or delivery of conveyances of real property to  
26 make effective any order of the Securities and Exchange  
27 Commission if:

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

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

35 (c) The transfer or conveyance is made in obedience to the  
36 order.

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

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

43 16. A transfer, assignment or other conveyance of real property  
44 to a corporation sole from another corporation sole. As used in this



1 subsection, “corporation sole” means a corporation which is  
2 organized pursuant to the provisions of chapter 84 of NRS.

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

4 375.090 The ~~{tax}~~ *taxes* imposed by NRS 375.020 ~~{does}~~ *and*  
5 *section 95 this act do* not apply to:

6 1. A mere change in ~~{identity, form or place of organization,~~  
7 ~~such as a transfer between a corporation and its parent corporation, a~~  
8 ~~subsidiary or an affiliated corporation if the affiliated corporation~~  
9 ~~has identical common ownership.}~~ *the name of the owner of the*  
10 *property without a change in the ownership interest of the*  
11 *property.*

12 2. A transfer of title to the United States, any territory or state  
13 or any agency, department, instrumentality or political subdivision  
14 thereof.

15 3. A transfer of title recognizing the true status of ownership of  
16 the real property.

17 4. A transfer of title without consideration from one joint  
18 tenant or tenant in common to one or more remaining joint tenants  
19 or tenants in common.

20 5. ~~{A transfer of title to community property without~~  
21 ~~consideration when held in the name of one spouse to both spouses~~  
22 ~~as joint tenants or tenants in common, or as community property.~~  
23 ~~—6.}~~ A transfer of title between spouses, including gifts ~~{~~

24 ~~—7. A transfer of title between spouses}~~, *or* to effect a property  
25 settlement agreement or between former spouses in compliance with  
26 a decree of divorce.

27 ~~{8.}~~ 6. A transfer of title to or from a trust ~~{, if the transfer is~~  
28 ~~made}~~ without consideration ~~{, and is made to or from:~~

29 ~~—(a) The trustor of the trust;~~

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

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

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

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

36 7. Transfers, assignments or conveyances of unpatented mines  
37 or mining claims.

38 ~~{10. A transfer, assignment or other conveyance of real~~  
39 ~~property to a corporation or other business organization if the person~~  
40 ~~conveying the property owns 100 percent of the corporation or~~  
41 ~~organization to which the conveyance is made.~~

42 ~~—11.}~~ 8. A transfer, assignment or other conveyance of real  
43 property if the owner of the property is related to the person to  
44 whom it is conveyed within the first degree of consanguinity.



\* S B 6 R 3 \*

1     ~~{12.}~~ 9. The making, delivery or filing of conveyances of real  
2 property to make effective any plan of reorganization or adjustment:  
3     (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C.  
4 §§ 101 et seq.;  
5     (b) Approved in an equity receivership proceeding involving a  
6 railroad, as defined in the Bankruptcy Act; or  
7     (c) Approved in an equity receivership proceeding involving a  
8 corporation, as defined in the Bankruptcy Act,  
9 if the making, delivery or filing of instruments of transfer or  
10 conveyance occurs within 5 years after the date of the confirmation,  
11 approval or change.

12     ~~{13.}~~ 10. The making or delivery of conveyances of real  
13 property to make effective any order of the Securities and Exchange  
14 Commission if:

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

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

22     (c) The transfer or conveyance is made in obedience to the  
23 order.

24     ~~{14.}~~ 11. A transfer to an educational foundation. As used in  
25 this subsection, "educational foundation" has the meaning ascribed  
26 to it in subsection 3 of NRS 388.750.

27     ~~{15.}~~ 12. A transfer to a university foundation. As used in this  
28 subsection, "university foundation" has the meaning ascribed to it in  
29 subsection 3 of NRS 396.405.

30     ~~{16. A transfer, assignment or other conveyance of real  
31 property to a corporation sole from another corporation sole. As  
32 used in this subsection, "corporation sole" means a corporation  
33 which is organized pursuant to the provisions of chapter 84 of  
34 NRS.}~~

35     **Sec. 103.** NRS 375.120 is hereby amended to read as follows:

36     375.120 The county recorder shall:

37     1. Conduct and apply audits and other procedures for  
38 enforcement as uniformly as is feasible.

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

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

43     375.130 1. The county recorder may audit all records relating  
44 to the collection and calculation of ~~{the real property transfer tax.}~~  
45 *any tax imposed by this chapter.* If the county recorder deems it



1 necessary to conduct an audit, the audit must be completed within 3  
2 years after the date of the original recording of the document that  
3 evidences the transfer of property for which the tax was imposed.

4 2. The county recorder may issue subpoenas to require the  
5 production of documents necessary for him to determine the amount  
6 of ~~real property transfer~~ *the* tax due pursuant to this chapter or to  
7 determine whether a person qualifies for an exemption from taxes  
8 pursuant to this chapter. The county recorder may have the  
9 subpoenas served, and upon application of the district attorney, to  
10 any court of competent jurisdiction, enforced in the manner  
11 provided by law for the service and enforcement of subpoenas in a  
12 civil action.

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

14 375.160 1. If any ~~real property transfer~~ tax imposed  
15 pursuant to this chapter is not paid when due, the county may,  
16 within 3 years after the date that the tax was due, record a certificate  
17 in the office of the county recorder which states:

18 (a) The amount of the ~~real property transfer~~ tax and any  
19 interest or penalties due;

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

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

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

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

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

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

33 4. Within 5 years after the date of recording the certificate or  
34 within 5 years after the date of the last extension of the lien pursuant  
35 to this subsection, the lien may be extended by recording a new  
36 certificate in the office of the county recorder. From the time of  
37 recording the new certificate, the lien is extended for 5 years, unless  
38 sooner released or otherwise discharged.

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

40 375.170 1. If a person is delinquent in the payment of ~~the~~  
41 ~~real property transfer~~ *any* tax *imposed by this chapter* or has not  
42 paid the amount of a deficiency determination, the county may bring  
43 an action in a court of this state, a court of any other state or a court  
44 of the United States that has competent jurisdiction to collect the  
45 delinquent or deficient amount, penalties and interest. The action:



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

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

6 2. The district attorney shall prosecute the action. The  
7 provisions of the Nevada Revised Statutes, Nevada Rules of Civil  
8 Procedure and Nevada Rules of Appellate Procedure relating to  
9 service of summons, pleadings, proofs, trials and appeals are  
10 applicable to the proceedings. In the action, a writ of attachment  
11 may issue. A bond or affidavit is not required before an attachment  
12 may be issued.

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

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

16 (b) The delinquency of the amounts; and

17 (c) The compliance by the county recorder with all the  
18 procedures required by law relating to the computation and  
19 determination of the amounts.

20 **Sec. 107.** NRS 375.250 is hereby amended to read as follows:

21 375.250 1. The Legislature hereby declares that each  
22 taxpayer has the right:

23 (a) To be treated by officers and employees of the county  
24 recorder with courtesy, fairness, uniformity, consistency and  
25 common sense.

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

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

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

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

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

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

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



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

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

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

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

13 (i) To a full explanation of the authority of the county recorder  
14 to collect the ~~real property transfer~~ tax or to collect a delinquent  
15 ~~real property transfer~~ tax, including, without limitation, the  
16 procedures and notices for review and appeal that are required for  
17 the protection of the taxpayer. An explanation which meets the  
18 requirements of this section must also be included with each notice  
19 to a taxpayer that an audit will be conducted by the county.

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

23 (1) The tax is paid;

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

25 (3) The lien is the result of an error by the county recorder;

26 (4) The county recorder determines that the taxes, interest  
27 and penalties are secured sufficiently by a lien on other real  
28 property;

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

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

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

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

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

41 **Sec. 108.** NRS 375.270 is hereby amended to read as follows:

42 375.270 The county recorder shall provide each taxpayer who  
43 it determines may be liable for taxes pursuant to this chapter with  
44 simplified written instructions concerning the rights and  
45 responsibilities of the taxpayer, including the:





- 1 1. Keeping of records sufficient for audit purposes;
- 2 2. Procedures for paying ~~the real property transfer tax;~~ *any*
- 3 *taxes that are due;* and
- 4 3. Procedures for challenging any liability for ~~real property~~
- 5 ~~transfer~~ *any* tax, penalties or interest and for requesting refunds of
- 6 *any* erroneously paid ~~real property transfer~~ tax, including the steps
- 7 for appealing a denial thereof.

8 **Sec. 109.** NRS 375.290 is hereby amended to read as follows:

9 375.290 A taxpayer is entitled to receive on any overpayment  
10 of ~~the real property transfer~~ *any* tax *imposed by this chapter* a  
11 refund together with interest at a rate determined pursuant to NRS  
12 17.130. No interest is allowed on a refund of any penalties or  
13 interest on the ~~real property transfer~~ tax that is paid by a taxpayer.

14 **Sec. 110.** NRS 375.300 is hereby amended to read as follows:

15 375.300 The county recorder shall provide a taxpayer with a  
16 response to any written request submitted by the taxpayer that  
17 relates to a ~~real property transfer~~ tax *imposed by this chapter*  
18 within 30 days after the county treasurer receives the request.

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

20 375.330 1. The county recorder may waive any ~~real property~~  
21 ~~transfer~~ tax, penalty and interest owed by the taxpayer *pursuant to*  
22 *this chapter, other than the tax imposed by section 95 of this act,* if  
23 the taxpayer meets the criteria adopted by regulation. If a waiver is  
24 granted pursuant to this subsection, the county shall prepare and  
25 maintain on file a statement that contains:

- 26 (a) The reason for the waiver;
- 27 (b) The amount of the tax, penalty and interest owed by the
- 28 taxpayer; and
- 29 (c) The amount of the tax, penalty and interest waived by the
- 30 county.

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

37 3. If a person proves to the satisfaction of the county recorder  
38 that he has in good faith remitted the ~~real property transfer~~ tax in  
39 reliance upon written advice provided by an officer or employee of  
40 the county recorder, an opinion of the district attorney or Attorney  
41 General, or the written results of an audit of his records conducted  
42 by the county recorder, the county recorder may not require the  
43 taxpayer to pay delinquent taxes, penalties or interest if the county  
44 recorder determines after the completion of a subsequent audit that  
45 the taxes the taxpayer remitted were deficient.



1     **Sec. 112.** 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 less than 400,000 may by ordinance, but  
6 not as in a case of emergency, impose a tax at the rate of up to 1/4 of  
7 1 percent of the gross receipts of any retailer from the sale of all  
8 tangible personal property sold at retail, or stored, used or otherwise  
9 consumed in the county, after receiving the approval of a majority  
10 of the registered voters of the county voting on the question at a  
11 primary, general or special election. The question may be combined  
12 with questions submitted pursuant to NRS ~~[375.025, 376A.050 and~~  
13 ~~376A.070 or any combination thereof.] 376A.050 or 376A.070, or~~  
14 ~~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. 113.** NRS 376A.040 is hereby amended to read as  
17 follows:

18 376A.040 1. In addition to all other taxes imposed on the  
19 revenues from retail sales, a board of county commissioners of a  
20 county whose population is 100,000 or more but less than 400,000,  
21 may by ordinance, but not as in a case of emergency, impose a tax at  
22 the rate of up to 1/4 of 1 percent of the gross receipts of any retailer  
23 from the sale of all tangible personal property sold at retail, or  
24 stored, used or otherwise consumed in the county, after receiving  
25 the approval of a majority of the registered voters of the county  
26 voting on the question at a primary, general or special election. The  
27 question may be combined with questions submitted pursuant to  
28 NRS ~~{375.025, 376A.050 and 376A.070 or any combination~~  
29 ~~thereof.}~~ **376A.050 or 376A.070, or both.**

30 2. If a county imposes a sales tax pursuant to this section and  
31 NRS 376A.050, 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 may occur, 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 within 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 5. The money received from the tax imposed pursuant to  
6 subsection 4 must be retained by the county, or remitted to a city or  
7 general improvement district in the county. The money received by  
8 a county, city or general improvement district pursuant to this  
9 section must only be used to pay the cost of:

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

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

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

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

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

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

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

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

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

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

33 376A.050 1. Except as otherwise provided in subsection 2, in  
34 addition to all other taxes imposed on the revenues from retail sales,  
35 a board of county commissioners in each county whose population  
36 is less than 400,000 may by ordinance, but not as in a case of  
37 emergency, impose a tax at the rate of up to 1/4 of 1 percent of the  
38 gross receipts of any retailer from the sale of all tangible personal  
39 property sold at retail, or stored, used or otherwise consumed in the  
40 county, after receiving the approval of a majority of the registered  
41 voters of the county voting on the question at a primary, general or  
42 special election. The question may be combined with questions  
43 submitted pursuant to NRS ~~[375.025, 376A.040 and 376A.070 or~~  
44 ~~any combination thereof.]~~ *376A.040 or 376A.070, or both.*



1       2. If a county imposes a sales tax pursuant to this section and  
2 NRS 376A.040, the combined additional sales tax must not exceed  
3 1/4 of 1 percent. A tax imposed pursuant to this section applies  
4 throughout the county, including incorporated cities in the county.

5       3. Before the election occurs, an open-space plan must be  
6 adopted by the board of county commissioners pursuant to NRS  
7 376A.020 and the adopted open-space plan must be endorsed by  
8 resolution by the city council of each incorporated city in the  
9 county.

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

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

23       376A.050 1. Except as otherwise provided in subsection 2, in  
24 addition to all other taxes imposed on the revenues from retail sales,  
25 a board of county commissioners in each county whose population  
26 is 100,000 or more but less than 400,000, may by ordinance, but not  
27 as in a case of emergency, impose a tax at the rate of up to 1/4 of 1  
28 percent of the gross receipts of any retailer from the sale of all  
29 tangible personal property sold at retail, or stored, used or otherwise  
30 consumed in the county, after receiving the approval of a majority  
31 of the registered voters of the county voting on the question at a  
32 primary, general or special election. The question may be combined  
33 with questions submitted pursuant to NRS ~~[375.025, 376A.040 and~~  
34 ~~376A.070 or any combination thereof.]~~ *376A.040 or 376A.070, or*  
35 *both.*

36       2. If a county imposes a sales tax pursuant to this section and  
37 NRS 376A.040, the combined additional sales tax must not exceed  
38 1/4 of 1 percent. A tax imposed pursuant to this section applies  
39 throughout the county, including incorporated cities in the county.

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



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

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

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

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

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

33 **Sec. 117.** NRS 376A.070 is hereby amended to read as  
34 follows:

35 376A.070 1. The board of county commissioners in a county  
36 whose population is 100,000 or more but less than 400,000, may  
37 levy an ad valorem tax at the rate of up to 1 cent on each \$100 of  
38 assessed valuation upon all taxable property in the county after  
39 receiving the approval of a majority of the registered voters of the  
40 county voting on the question at a primary, general or special  
41 election. The question may be combined with questions submitted  
42 pursuant to NRS ~~[375.025, 376A.040 and 376A.050 or any~~  
43 ~~combination thereof.]~~ **376A.040 or 376A.050, or both.** A tax  
44 imposed pursuant to this section applies throughout the county,  
45 including incorporated cities in the county.



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

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

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

11       78.150 1. A corporation organized pursuant to the laws of  
12 this state shall, on or before the first day of the second month after  
13 the filing of its articles of incorporation with the Secretary of State,  
14 file with the Secretary of State a list, on a form furnished by him,  
15 containing:

16       (a) The name of the corporation;

17       (b) The file number of the corporation, if known;

18       (c) The names and titles of the president, secretary, treasurer and  
19 of all the directors of the corporation;

20       (d) The mailing or street address, either residence or business, of  
21 each officer and director listed, following the name of the officer or  
22 director;

23       (e) The name and street address of the resident agent of the  
24 corporation; and

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

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

32       3. Each list required by subsection 1 or 2 must be accompanied  
33 by a declaration under penalty of perjury that the corporation has  
34 complied with the provisions of ~~chapter 364A of NRS.~~ **section 66**  
35 **of this act.**

36       4. Upon filing the list required by:

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

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

41       5. The Secretary of State shall, 60 days before the last day for  
42 filing each annual list required by subsection 2, cause to be mailed  
43 to each corporation which is required to comply with the provisions  
44 of NRS 78.150 to 78.185, inclusive, and which has not become  
45 delinquent, a notice of the fee due pursuant to subsection 4 and a





1 reminder to file the annual list required by subsection 2. Failure of  
2 any corporation to receive a notice or form does not excuse it from  
3 the penalty imposed by law.

4 6. If the list to be filed pursuant to the provisions of subsection  
5 1 or 2 is defective in any respect or the fee required by subsection 4  
6 or 8 is not paid, the Secretary of State may return the list for  
7 correction or payment.

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

14 8. If the corporation is an association as defined in NRS  
15 116.110315, the Secretary of State shall not accept the filing  
16 required by this section unless it is accompanied by evidence of the  
17 payment of the fee required to be paid pursuant to NRS 116.31155  
18 that is provided to the association pursuant to subsection 4 of that  
19 section.

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

21 80.110 1. Each foreign corporation doing business in this  
22 state shall, on or before the first day of the second month after the  
23 filing of its certificate of corporate existence with the Secretary of  
24 State, and annually thereafter on or before the last day of the month  
25 in which the anniversary date of its qualification to do business in  
26 this state occurs in each year, file with the Secretary of State a list,  
27 on a form furnished by him, that contains:

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

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

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

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

36 2. Upon filing:

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

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

41 3. The Secretary of State shall, 60 days before the last day for  
42 filing each annual list required by subsection 1, cause to be mailed  
43 to each corporation required to comply with the provisions of NRS  
44 80.110 to 80.170, inclusive, which has not become delinquent, the  
45 blank forms to be completed and filed with him. Failure of any



1 corporation to receive the forms does not excuse it from the penalty  
2 imposed by the provisions of NRS 80.110 to 80.170, inclusive.

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

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

9 86.263 1. A limited-liability company shall, on or before the  
10 first day of the second month after the filing of its articles of  
11 organization with the Secretary of State, file with the Secretary of  
12 State, on a form furnished by him, a list that contains:

- 13 (a) The name of the limited-liability company;  
14 (b) The file number of the limited-liability company, if known;  
15 (c) The names and titles of all of its managers or, if there is no  
16 manager, all of its managing members;  
17 (d) The mailing or street address, either residence or business, of  
18 each manager or managing member listed, following the name of  
19 the manager or managing member;  
20 (e) The name and street address of the resident agent of the  
21 limited-liability company; and  
22 (f) The signature of a manager or managing member of the  
23 limited-liability company certifying that the list is true, complete  
24 and accurate.

25 2. The limited-liability company shall annually thereafter, on  
26 or before the last day of the month in which the anniversary date of  
27 its organization occurs, file with the Secretary of State, on a form  
28 furnished by him, an amended list containing all of the information  
29 required in subsection 1. If the limited-liability company has had no  
30 changes in its managers or, if there is no manager, its managing  
31 members, since its previous list was filed, no amended list need be  
32 filed if a manager or managing member of the limited-liability  
33 company certifies to the Secretary of State as a true and accurate  
34 statement that no changes in the managers or managing members  
35 have occurred.

36 3. Each list required by subsection 1 and each list or  
37 certification required by subsection 2 must be accompanied by a  
38 declaration under penalty of perjury that the limited-liability  
39 company has complied with the provisions of ~~chapter 364A of~~  
40 ~~NRS.]~~ *section 66 of this act.*

41 4. Upon filing:

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



\* S B 6 R 3 \*

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

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

12 6. If the list to be filed pursuant to the provisions of subsection  
13 1 or 2 is defective or the fee required by subsection 4 is not paid, the  
14 Secretary of State may return the list for correction or payment.

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

18 **Sec. 121.** NRS 87.510 is hereby amended to read as follows:

19 87.510 1. A registered limited-liability partnership shall, on  
20 or before the first day of the second month after the filing of its  
21 certificate of registration with the Secretary of State, and annually  
22 thereafter on or before the last day of the month in which the  
23 anniversary date of the filing of its certificate of registration with the  
24 Secretary of State occurs, file with the Secretary of State, on a form  
25 furnished by him, a list that contains:

- 26 (a) The name of the registered limited-liability partnership;  
27 (b) The file number of the registered limited-liability  
28 partnership, if known;  
29 (c) The names of all of its managing partners;  
30 (d) The mailing or street address, either residence or business, of  
31 each managing partner;  
32 (e) The name and street address of the resident agent of the  
33 registered limited-liability partnership; and  
34 (f) The signature of a managing partner of the registered limited-  
35 liability partnership certifying that the list is true, complete and  
36 accurate.

37 Each list filed pursuant to this subsection must be accompanied by a  
38 declaration under penalty of perjury that the registered limited-  
39 liability partnership has complied with the provisions of ~~chapter~~  
40 ~~364A of NRS.~~ *section 66 of this act.*

41 2. Upon filing:

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



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

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

11 4. If the list to be filed pursuant to the provisions of subsection  
12 1 is defective, or the fee required by subsection 2 is not paid, the  
13 Secretary of State may return the list for correction or payment.

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

19 **Sec. 122.** NRS 88.395 is hereby amended to read as follows:

20 88.395 1. A limited partnership shall, on or before the first  
21 day of the second month after the filing of its certificate of limited  
22 partnership with the Secretary of State, and annually thereafter on or  
23 before the last day of the month in which the anniversary date of the  
24 filing of its certificate of limited partnership occurs, file with the  
25 Secretary of State, on a form furnished by him, a list that contains:

- 26 (a) The name of the limited partnership;  
27 (b) The file number of the limited partnership, if known;  
28 (c) The names of all of its general partners;  
29 (d) The mailing or street address, either residence or business, of  
30 each general partner;  
31 (e) The name and street address of the resident agent of the  
32 limited partnership; and  
33 (f) The signature of a general partner of the limited partnership  
34 certifying that the list is true, complete and accurate.

35 Each list filed pursuant to this subsection must be accompanied by a  
36 declaration under penalty of perjury that the limited partnership has  
37 complied with the provisions of ~~chapter 364A of NRS.~~ **section 66**  
38 **of this act.**

39 2. Upon filing:

40 (a) The initial list required by subsection 1, the limited  
41 partnership shall pay to the Secretary of State a fee of \$165.

42 (b) Each annual list required by subsection 1, the limited  
43 partnership shall pay to the Secretary of State a fee of \$85.

44 3. The Secretary of State shall, 60 days before the last day for  
45 filing each annual list required by subsection 1, cause to be mailed



1 to each limited partnership required to comply with the provisions  
2 of this section which has not become delinquent a notice of the fee  
3 due pursuant to the provisions of subsection 2 and a reminder to file  
4 the annual list. Failure of any limited partnership to receive a notice  
5 or form does not excuse it from the penalty imposed by NRS  
6 88.400.

7 4. If the list to be filed pursuant to the provisions of subsection  
8 1 is defective or the fee required by subsection 2 is not paid, the  
9 Secretary of State may return the list for correction or payment.

10 5. An annual list for a limited partnership not in default that is  
11 received by the Secretary of State more than 60 days before its due  
12 date shall be deemed an amended list for the previous year and does  
13 not satisfy the requirements of subsection 1 for the year to which the  
14 due date is applicable.

15 6. A filing made pursuant to this section does not satisfy the  
16 provisions of NRS 88.355 and may not be substituted for filings  
17 submitted pursuant to NRS 88.355.

18 **Sec. 123.** NRS 88A.600 is hereby amended to read as follows:

19 88A.600 1. A business trust formed pursuant to this chapter  
20 shall, on or before the first day of the second month after the filing  
21 of its certificate of trust with the Secretary of State, and annually  
22 thereafter on or before the last day of the month in which the  
23 anniversary date of the filing of its certificate of trust with the  
24 Secretary of State occurs, file with the Secretary of State, on a form  
25 furnished by him, a list signed by at least one trustee that contains  
26 the name and mailing address of its resident agent and at least one  
27 trustee. Each list filed pursuant to this subsection must be  
28 accompanied by a declaration under penalty of perjury that the  
29 business trust has complied with the provisions of ~~chapter 364A of~~  
30 ~~NRS.]~~ *section 66 of this act.*

31 2. Upon filing:

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

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

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

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



1     **Sec. 124.** NRS 89.250 is hereby amended to read as follows:  
2     89.250 1. Except as otherwise provided in subsection 2, a  
3     professional association shall, on or before the first day of the  
4     second month after the filing of its articles of association with the  
5     Secretary of State, and annually thereafter on or before the last day  
6     of the month in which the anniversary date of its organization occurs  
7     in each year, furnish a statement to the Secretary of State showing  
8     the names and residence addresses of all members and employees in  
9     the association and certifying that all members and employees are  
10    licensed to render professional service in this state.  
11    2. A professional association organized and practicing pursuant  
12    to the provisions of this chapter and NRS 623.349 shall, on or  
13    before the first day of the second month after the filing of its articles  
14    of association with the Secretary of State, and annually thereafter on  
15    or before the last day of the month in which the anniversary date of  
16    its organization occurs in each year, furnish a statement to the  
17    Secretary of State:  
18    (a) Showing the names and residence addresses of all members  
19    and employees of the association who are licensed or otherwise  
20    authorized by law to render professional service in this state;  
21    (b) Certifying that all members and employees who render  
22    professional service are licensed or otherwise authorized by law to  
23    render professional service in this state; and  
24    (c) Certifying that all members who are not licensed to render  
25    professional service in this state do not render professional service  
26    on behalf of the association except as authorized by law.  
27    3. Each statement filed pursuant to this section must be:  
28    (a) Made on a form prescribed by the Secretary of State and  
29    must not contain any fiscal or other information except that  
30    expressly called for by this section.  
31    (b) Signed by the chief executive officer of the association.  
32    (c) Accompanied by a declaration under penalty of perjury that  
33    the professional association has complied with the provisions of  
34    ~~chapter 364A of NRS.~~ *section 66 of this act.*  
35    4. Upon filing:  
36    (a) The initial statement required by this section, the association  
37    shall pay to the Secretary of State a fee of \$165.  
38    (b) Each annual statement required by this section, the  
39    association shall pay to the Secretary of State a fee of \$85.  
40    5. As used in this section, “signed” means to have executed or  
41    adopted a name, word or mark, including, without limitation, an  
42    electronic signature as defined in NRS 719.100, with the present  
43    intention to authenticate a document.



1     **Sec. 125.** Chapter 218 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 126 to 131, inclusive, of  
3 this act.

4     **Sec. 126.** *As used in sections 127 to 131, inclusive, of this*  
5 *act, "Committee" means the Legislative Committee on Taxation,*  
6 *Public Revenue and Tax Policy.*

7     **Sec. 127.** *1. There is hereby established a Legislative*  
8 *Committee on Taxation, Public Revenue and Tax Policy*  
9 *consisting of:*

10     *(a) The Speaker of the Assembly, or a member of the Assembly*  
11 *designated by the Speaker of the Assembly;*

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

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

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

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

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

24     *2. The members of the Committee shall elect a Chairman and*  
25 *Vice Chairman from among their members. The Chairman must*  
26 *be elected from one house of the Legislature and the Vice*  
27 *Chairman from the other house. After the initial election of a*  
28 *Chairman and Vice Chairman, each of those officers holds office*  
29 *for a term of 2 years commencing on July 1 of each odd-numbered*  
30 *year. If a vacancy occurs in the Chairmanship or Vice*  
31 *Chairmanship, the members of the Committee shall elect a*  
32 *replacement for the remainder of the unexpired term.*

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

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

38     **Sec. 128.** *1. The members of the Committee shall meet*  
39 *throughout each year at the times and places specified by a call of*  
40 *the Chairman or a majority of the Committee.*

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

43     *3. The Committee shall prescribe regulations for its own*  
44 *management and government.*





1     4. *Except as otherwise provided in subsection 5, five voting*  
2 *members of the Committee constitute a quorum.*

3     5. *Any recommended legislation proposed by the Committee*  
4 *must be approved by a majority of the members of the Senate and*  
5 *by a majority of the members of the Assembly serving on the*  
6 *Committee.*

7     6. *Except during a regular or special session of the*  
8 *Legislature, the members of the Committee are entitled to receive*  
9 *the compensation provided for a majority of the members of the*  
10 *Legislature during the first 60 days of the preceding regular*  
11 *session, the per diem allowance provided for state officers and*  
12 *employees generally and the travel expenses provided pursuant to*  
13 *NRS 218.2207 for each day or portion of a day of attendance at a*  
14 *meeting of the Committee and while engaged in the business of*  
15 *the Committee. The salaries and expenses paid pursuant to this*  
16 *subsection and the expenses of the Committee must be paid from*  
17 *the Legislative Fund.*

18     **Sec. 129.** *The Committee may:*

19     1. *Review and study:*

20         (a) *The specific taxes collected in this state;*

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

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

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

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

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

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

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

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

41     5. *Request that the Legislative Counsel Bureau assist in the*  
42 *research, investigations, hearings, studies and reviews of the*  
43 *Committee.*

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



1     **Sec. 130.** *1. If the Committee conducts investigations or*  
2 *holds hearings pursuant to subsection 2 of section 129 of this act:*

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

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

9     *(c) The Chairman of the Committee may issue subpoenas to*  
10 *compel the attendance of witnesses and the production of books*  
11 *and papers.*

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

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

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

20     *(c) The witness has failed or refused to attend or produce the*  
21 *books or papers required by the subpoena before the Committee*  
22 *that is named in the subpoena, or has refused to answer questions*  
23 *propounded to him.*

24     *The petition may request an order of the court compelling the*  
25 *witness to attend and testify or produce the books and papers*  
26 *before the Committee.*

27     *3. Upon such a petition, the court shall enter an order*  
28 *directing the witness to appear before the court at a time and place*  
29 *to be fixed by the court in its order, the time to be not more than*  
30 *10 days after the date of the order, and to show cause why he has*  
31 *not attended or testified or produced the books or papers before*  
32 *the Committee. A certified copy of the order must be served upon*  
33 *the witness.*

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

39     **Sec. 131.** *Each witness who appears before the Committee by*  
40 *its order, except a state officer or employee, is entitled to receive*  
41 *for his attendance the fees and mileage provided for witnesses in*  
42 *civil cases in the courts of record of this state. The fees and*  
43 *mileage must be audited and paid upon the presentation of proper*  
44 *claims sworn to by the witness and approved by the Secretary and*  
45 *Chairman of the Committee.*



1     **Sec. 132.** NRS 218.53883 is hereby amended to read as  
2 follows:

3     218.53883 1. The Committee shall:

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

7     (1) *May* consider the purposes for which the various state  
8 and local taxes were imposed, the actual use of the revenue  
9 collected from the various state and local taxes , and any relief to the  
10 taxpayers from the burden of the various state and local taxes that  
11 may result from any possible recommendations of the Committee.

12     (2) *Shall consider the purposes for which various*  
13 *exemptions from those taxes were adopted, whether any of those*  
14 *exemptions have become obsolete or no longer serve their*  
15 *intended purpose, and whether any of those exemptions should be*  
16 *repealed.*

17     (b) Study whether removing the authority of the Board of  
18 County Commissioners of Washoe County to impose a certain  
19 additional governmental services tax is a prudent act which is in the  
20 best interests of this state.

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

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

25     (1) The local school support tax imposed by chapter 374 of  
26 NRS;

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

29     (3) The tax on intoxicating liquor imposed by chapter 369 of  
30 NRS;

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

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

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

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

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

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

40     (10) Any other state or local tax.

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

43     3. The Committee may:

44     (a) Conduct investigations and hold hearings in connection with  
45 its review and study;



- 1 (b) Contract with one or more consultants to obtain technical  
2 advice concerning the study conducted pursuant to NRS 218.53884;  
3 (c) Apply for any available grants and accept any gifts, grants or  
4 donations and use any such gifts, grants or donations to aid the  
5 committee in carrying out its duties pursuant to this chapter;  
6 (d) Direct the Legislative Counsel Bureau to assist in its  
7 research, investigations, review and study; and  
8 (e) Recommend to the Legislature, as a result of its review and  
9 study, any appropriate legislation.
- 10 **Sec. 133.** NRS 233B.039 is hereby amended to read as  
11 follows:  
12 233B.039 1. The following agencies are entirely exempted  
13 from the requirements of this chapter:  
14 (a) The Governor.  
15 (b) The Department of Corrections.  
16 (c) The University and Community College System of Nevada.  
17 (d) The Office of the Military.  
18 (e) ~~The~~ *Except as otherwise provided in section 38 of this act,*  
19 *the* State Gaming Control Board.  
20 (f) The Nevada Gaming Commission.  
21 (g) The Welfare Division of the Department of Human  
22 Resources.  
23 (h) The Division of Health Care Financing and Policy of the  
24 Department of Human Resources.  
25 (i) The State Board of Examiners acting pursuant to chapter 217  
26 of NRS.  
27 (j) Except as otherwise provided in NRS 533.365, the Office of  
28 the State Engineer.  
29 (k) The Division of Industrial Relations of the Department of  
30 Business and Industry acting to enforce the provisions of  
31 NRS 618.375.  
32 (l) The Administrator of the Division of Industrial Relations of  
33 the Department of Business and Industry in establishing and  
34 adjusting the schedule of fees and charges for accident benefits  
35 pursuant to subsection 2 of NRS 616C.260.  
36 (m) The Board to Review Claims in adopting resolutions to  
37 carry out its duties pursuant to NRS 590.830.
- 38 2. Except as otherwise provided in subsection 5 and NRS  
39 391.323, the Department of Education, the Board of the Public  
40 Employees' Benefits Program and the Commission on Professional  
41 Standards in Education are subject to the provisions of this chapter  
42 for the purpose of adopting regulations but not with respect to any  
43 contested case.
- 44 3. The special provisions of:



1 (a) Chapter 612 of NRS for the distribution of regulations by  
2 and the judicial review of decisions of the Employment Security  
3 Division of the Department of Employment, Training and  
4 Rehabilitation;

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

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

9 (d) Chapter 91 of NRS for the judicial review of decisions of the  
10 Administrator of the Securities Division of the Office of the  
11 Secretary of State; and

12 (e) NRS 90.800 for the use of summary orders in contested  
13 cases,  
14 prevail over the general provisions of this chapter.

15 4. The provisions of NRS 233B.122, 233B.124, 233B.125 and  
16 233B.126 do not apply to the Department of Human Resources in  
17 the adjudication of contested cases involving the issuance of letters  
18 of approval for health facilities and agencies.

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

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

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

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

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

33 **Sec. 134.** (Deleted by amendment.)

34 **Sec. 135.** NRS 244.335 is hereby amended to read as follows:

35 244.335 1. Except as otherwise provided in subsection 2, the  
36 board of county commissioners may:

37 (a) Regulate all character of lawful trades, callings, industries,  
38 occupations, professions and business conducted in its county  
39 outside of the limits of incorporated cities and towns.

40 (b) Except as otherwise provided in NRS 244.3359 and 576.128,  
41 fix, impose and collect a license tax for revenue or for regulation, or  
42 for both revenue and regulation, on such trades, callings, industries,  
43 occupations, professions and business.

44 2. The county license boards have the exclusive power in their  
45 respective counties to regulate entertainers employed by an



1 entertainment by referral service and the business of conducting a  
2 dancing hall, escort service, entertainment by referral service or  
3 gambling game or device permitted by law, outside of an  
4 incorporated city. The county license boards may fix, impose and  
5 collect license taxes for revenue or for regulation, or for both  
6 revenue and regulation, on such employment and businesses.

7 3. No license to engage in any type of business may be granted  
8 unless the applicant for the license signs an affidavit affirming that  
9 the business has complied with the provisions of ~~chapter 364A of~~  
10 ~~NRS.]~~ *section 66 of this act.* The county license board shall provide  
11 upon request an application for a business license pursuant to  
12 ~~chapter 364A of NRS.]~~ *section 66 of this act.*

13 4. No license to engage in business as a seller of tangible  
14 personal property may be granted unless the applicant for the license  
15 presents written evidence that:

16 (a) The Department of Taxation has issued or will issue a permit  
17 for this activity, and this evidence clearly identifies the business by  
18 name; or

19 (b) Another regulatory agency of the State has issued or will  
20 issue a license required for this activity.

21 5. Any license tax levied for the purposes of NRS 244.3358 or  
22 244A.597 to 244A.655, inclusive, constitutes a lien upon the real  
23 and personal property of the business upon which the tax was levied  
24 until the tax is paid. The lien has the same priority as a lien for  
25 general taxes. The lien must be enforced in the following manner:

26 (a) By recording in the office of the county recorder, within 6  
27 months after the date on which the tax became delinquent or was  
28 otherwise determined to be due and owing, a notice of the tax lien  
29 containing the following:

- 30 (1) The amount of tax due and the appropriate year;  
31 (2) The name of the record owner of the property;  
32 (3) A description of the property sufficient for identification;  
33 and

34 (4) A verification by the oath of any member of the board of  
35 county commissioners or the county fair and recreation board; and

36 (b) By an action for foreclosure against the property in the same  
37 manner as an action for foreclosure of any other lien, commenced  
38 within 2 years after the date of recording of the notice of the tax  
39 lien, and accompanied by appropriate notice to other lienholders.

40 6. The board of county commissioners may delegate the  
41 authority to enforce liens from taxes levied for the purposes of NRS  
42 244A.597 to 244A.655, inclusive, to the county fair and recreation  
43 board. If the authority is so delegated, the board of county  
44 commissioners shall revoke or suspend the license of a business  
45 upon certification by the county fair and recreation board that the



1 license tax has become delinquent, and shall not reinstate the license  
2 until the tax is paid. Except as otherwise provided in NRS 244.3357,  
3 all information concerning license taxes levied by an ordinance  
4 authorized by this section or other information concerning the  
5 business affairs or operation of any licensee obtained as a result of  
6 the payment of such license taxes or as the result of any audit or  
7 examination of the books by any authorized employee of a county  
8 fair and recreation board of the county for any license tax levied for  
9 the purpose of NRS 244A.597 to 244A.655, inclusive, is  
10 confidential and must not be disclosed by any member, officer or  
11 employee of the county fair and recreation board or the county  
12 imposing the license tax unless the disclosure is authorized by the  
13 affirmative action of a majority of the members of the appropriate  
14 county fair and recreation board. Continuing disclosure may be so  
15 authorized under an agreement with the Department of Taxation for  
16 the exchange of information concerning taxpayers.

17 **Secs. 136-140.** (Deleted by amendment.)

18 **Sec. 141.** NRS 268.095 is hereby amended to read as follows:

19 268.095 1. The city council or other governing body of each  
20 incorporated city in this state, whether organized under general law  
21 or special charter, may:

22 (a) Except as otherwise provided in NRS 268.0968 and 576.128,  
23 fix, impose and collect for revenues or for regulation, or both, a  
24 license tax on all character of lawful trades, callings, industries,  
25 occupations, professions and businesses conducted within its  
26 corporate limits.

27 (b) Assign the proceeds of any one or more of such license taxes  
28 to the county within which the city is situated for the purpose or  
29 purposes of making the proceeds available to the county:

30 (1) As a pledge as additional security for the payment of any  
31 general obligation bonds issued pursuant to NRS 244A.597 to  
32 244A.655, inclusive;

33 (2) For redeeming any general obligation bonds issued  
34 pursuant to NRS 244A.597 to 244A.655, inclusive;

35 (3) For defraying the costs of collecting or otherwise  
36 administering any such license tax so assigned, of the county fair  
37 and recreation board and of officers, agents and employees hired  
38 thereby, and of incidentals incurred thereby;

39 (4) For operating and maintaining recreational facilities  
40 under the jurisdiction of the county fair and recreation board;

41 (5) For improving, extending and bettering recreational  
42 facilities authorized by NRS 244A.597 to 244A.655, inclusive; and

43 (6) For constructing, purchasing or otherwise acquiring such  
44 recreational facilities.





1 (c) Pledge the proceeds of any tax imposed on the revenues from  
2 the rental of transient lodging pursuant to this section for the  
3 payment of any general or special obligations issued by the city for  
4 a purpose authorized by the laws of this state.

5 (d) Use the proceeds of any tax imposed pursuant to this section  
6 on the revenues from the rental of transient lodging:

7 (1) To pay the principal, interest or any other indebtedness  
8 on any general or special obligations issued by the city pursuant to  
9 the laws of this state;

10 (2) For the expense of operating or maintaining, or both, any  
11 facilities of the city; and

12 (3) For any other purpose for which other money of the city  
13 may be used.

14 2. The proceeds of any tax imposed pursuant to this section  
15 that are pledged for the repayment of general obligations may be  
16 treated as “pledged revenues” for the purposes of NRS 350.020.

17 3. No license to engage in any type of business may be granted  
18 unless the applicant for the license signs an affidavit affirming that  
19 the business has complied with the provisions of ~~chapter 364A of~~  
20 ~~NRS.]~~ *section 66 of this act*. The city licensing agency shall provide  
21 upon request an application for a business license pursuant to  
22 ~~chapter 364A of NRS.]~~ *section 66 of this act*.

23 4. No license to engage in business as a seller of tangible  
24 personal property may be granted unless the applicant for the license  
25 presents written evidence that:

26 (a) The Department of Taxation has issued or will issue a permit  
27 for this activity, and this evidence clearly identifies the business by  
28 name; or

29 (b) Another regulatory agency of the State has issued or will  
30 issue a license required for this activity.

31 5. Any license tax levied under the provisions of this section  
32 constitutes a lien upon the real and personal property of the business  
33 upon which the tax was levied until the tax is paid. The lien has the  
34 same priority as a lien for general taxes. The lien must be enforced  
35 in the following manner:

36 (a) By recording in the office of the county recorder, within 6  
37 months following the date on which the tax became delinquent or  
38 was otherwise determined to be due and owing, a notice of the tax  
39 lien containing the following:

40 (1) The amount of tax due and the appropriate year;

41 (2) The name of the record owner of the property;

42 (3) A description of the property sufficient for identification;  
43 and

44 (4) A verification by the oath of any member of the board of  
45 county commissioners or the county fair and recreation board; and



1 (b) By an action for foreclosure against such property in the  
2 same manner as an action for foreclosure of any other lien,  
3 commenced within 2 years after the date of recording of the notice  
4 of the tax lien, and accompanied by appropriate notice to other  
5 lienholders.

6 6. The city council or other governing body of each  
7 incorporated city may delegate the power and authority to enforce  
8 such liens to the county fair and recreation board. If the authority is  
9 so delegated, the governing body shall revoke or suspend the license  
10 of a business upon certification by the board that the license tax has  
11 become delinquent, and shall not reinstate the license until the tax is  
12 paid. Except as otherwise provided in NRS 268.0966, all  
13 information concerning license taxes levied by an ordinance  
14 authorized by this section or other information concerning the  
15 business affairs or operation of any licensee obtained as a result of  
16 the payment of those license taxes or as the result of any audit or  
17 examination of the books of the city by any authorized employee of  
18 a county fair and recreation board for any license tax levied for the  
19 purpose of NRS 244A.597 to 244A.655, inclusive, is confidential  
20 and must not be disclosed by any member, official or employee of  
21 the county fair and recreation board or the city imposing the license  
22 tax unless the disclosure is authorized by the affirmative action of a  
23 majority of the members of the appropriate county fair and  
24 recreation board. Continuing disclosure may be so authorized under  
25 an agreement with the Department of Taxation for the exchange of  
26 information concerning taxpayers.

27 7. The powers conferred by this section are in addition and  
28 supplemental to, and not in substitution for, and the limitations  
29 imposed by this section do not affect the powers conferred by, any  
30 other law. No part of this section repeals or affects any other law or  
31 any part thereof, it being intended that this section provide a  
32 separate method of accomplishing its objectives, and not an  
33 exclusive one.

34 **Secs. 142 and 143.** (Deleted by amendment.)

35 **Sec. 144.** Chapter 338 of NRS is hereby amended by adding  
36 thereto a new section to read as follows:

37 *A public body shall include in each contract for the*  
38 *construction, alteration or repair of any public work a clause*  
39 *requiring each contractor, subcontractor and other person who*  
40 *provides labor, equipment, materials, supplies or services for the*  
41 *public work to comply with the requirements of all applicable state*  
42 *and local laws, including, without limitation, any applicable*  
43 *licensing requirements and requirements for the payment of sales*  
44 *and use taxes on equipment, materials and supplies provided for*  
45 *the public work.*



1     **Sec. 145.** Chapter 353 of NRS is hereby amended by adding  
2     thereto a new section to read as follows:

3     *“Account” means the Disaster Relief Account created by NRS*  
4     *353.2735.*

5     **Sec. 146.** NRS 353.1465 is hereby amended to read as  
6     follows:

7     353.1465 1. Upon approval of the State Board of Finance, a  
8     state agency may enter into contracts with issuers of credit cards or  
9     debit cards or operators of systems that provide for the electronic  
10    transfer of money to provide for the acceptance of credit cards, debit  
11    cards or electronic transfers of money by the agency:

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

14    (b) In payment for goods or services.

15    2. Before a state agency may enter into a contract pursuant to  
16    subsection 1, the agency must submit the proposed contract to the  
17    State Treasurer for his review and transmittal to the State Board of  
18    Finance.

19    3. Except as otherwise provided in subsection 4, if the issuer or  
20    operator charges the state agency a fee for each use of a credit card  
21    or debit card or for each electronic transfer of money, the state  
22    agency may require the cardholder or the person requesting the  
23    electronic transfer of money to pay a fee H which must not exceed  
24    the amount charged to the state agency by the issuer or operator.

25    4. A state agency that is required to pay a fee charged by the  
26    issuer or operator for the use of a credit card or debit card or for an  
27    electronic transfer of money may, pursuant to NRS 353.148, file a  
28    claim with the Director of the Department of Administration for  
29    reimbursement of the fees paid to the issuer or operator during the  
30    immediately preceding quarter.

31    5. *The Director of the Department of Administration shall*  
32    *adopt regulations providing for the submission of payments to*  
33    *state agencies pursuant to contracts authorized by this section.*  
34    *The regulations must not conflict with a regulation adopted*  
35    *pursuant to NRS 360A.020 or section 60 of this act.*

36    6. As used in this section:

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

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



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

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

7 (e) “Issuer” means a business organization, financial institution  
8 or authorized agent of a business organization or financial institution  
9 that issues a credit card or debit card.

10 **Sec. 147.** NRS 353.210 is hereby amended to read as follows:

11 353.210 1. Except as otherwise provided in subsection 6, on  
12 or before September 1 of each even-numbered year, all departments,  
13 institutions and other agencies of the Executive Department of the  
14 State Government, and all agencies of the Executive Department of  
15 the State Government receiving state money, fees or other money  
16 under the authority of the State, including those operating on money  
17 designated for specific purposes by the *Nevada* Constitution or  
18 otherwise, shall prepare, on blanks furnished them by the Chief, and  
19 submit to the Chief ~~estimates~~:

20 (a) *The number of positions within the department, institution*  
21 *or agency that have been vacant for at least 12 months, the*  
22 *number of months each such position has been vacant and the*  
23 *reasons for each such vacancy; and*

24 (b) *Estimates* of their expenditure requirements, together with  
25 all anticipated income from fees and all other sources, for the next 2  
26 fiscal years compared with the corresponding figures of the last  
27 completed fiscal year and the estimated figures for the current fiscal  
28 year.

29 2. The Chief shall direct that one copy of the forms submitted  
30 pursuant to subsection 1, accompanied by every supporting schedule  
31 and any other related material, be delivered directly to the Fiscal  
32 Analysis Division of the Legislative Counsel Bureau on or before  
33 September 1 of each even-numbered year.

34 3. The Budget Division of the Department of Administration  
35 shall give advance notice to the Fiscal Analysis Division of the  
36 Legislative Counsel Bureau of any conference between the Budget  
37 Division of the Department of Administration and personnel of  
38 other state agencies regarding budget estimates. A fiscal analyst of  
39 the Legislative Counsel Bureau or his designated representative may  
40 attend any such conference.

41 4. The estimates of expenditure requirements submitted  
42 pursuant to subsection 1 must be classified to set forth the data of  
43 funds, organizational units, and the character and objects of  
44 expenditures, and must include a mission statement and  
45 measurement indicators for each program. The organizational units



1 may be subclassified by functions and activities, or in any other  
2 manner at the discretion of the Chief.

3 5. If any department, institution or other agency of the  
4 Executive Department of the State Government, whether its money  
5 is derived from state money or from other money collected under  
6 the authority of the State, fails or neglects to submit estimates of its  
7 expenditure requirements as provided in this section, the Chief may,  
8 from any data at hand in his office or which he may examine or  
9 obtain elsewhere, make and enter a proposed budget for the  
10 department, institution or agency in accordance with the data.

11 6. Agencies, bureaus, commissions and officers of the  
12 Legislative Department, the Public Employees' Retirement System  
13 and the Judicial Department of the State Government shall submit to  
14 the Chief for his information in preparing the proposed executive  
15 budget the budgets which they propose to submit to the Legislature.

16 **Sec. 148.** (Deleted by amendment.)

17 **Sec. 149.** NRS 353.2705 is hereby amended to read as  
18 follows:

19 353.2705 As used in NRS 353.2705 to 353.2771, inclusive,  
20 *and section 145 of this act*, unless the context otherwise requires,  
21 the words and terms defined in NRS 353.271 to 353.2731, inclusive,  
22 *and section 145 of this act* have the meanings ascribed to them in  
23 those sections.

24 **Sec. 150.** NRS 353.2735 is hereby amended to read as  
25 follows:

26 353.2735 1. The Disaster Relief ~~{Fund}~~ *Account* is hereby  
27 created as a special ~~{revenue fund}~~ *account in the Fund to*  
28 *Stabilize the Operation of the State Government*. The Interim  
29 Finance Committee shall administer the ~~{Fund}~~ *Account*.

30 2. The Division may accept grants, gifts or donations for  
31 deposit in the ~~{Fund}~~ *Account*. Except as otherwise provided in  
32 subsection 3, money received from:

33 (a) A direct legislative appropriation to the ~~{Fund}~~ *Account*;

34 (b) A transfer of ~~{one half of the interest earned on money}~~ *not*  
35 *more than 10 percent of the aggregate balance* in the Fund to  
36 Stabilize the Operation of *the* State Government made pursuant to  
37 NRS 353.288; and

38 (c) A grant, gift or donation to the ~~{Fund}~~ *Account*,  
39 must be deposited in the ~~{Fund}~~ *Account*. Except as otherwise  
40 provided in NRS 414.135, the interest and income earned on the  
41 money in the ~~{Fund}~~ *Account* must, after deducting any applicable  
42 charges, be credited to the ~~{Fund}~~ *Account*.

43 3. If, at the end of each quarter of a fiscal year, the balance in  
44 the ~~{Fund}~~ *Account* exceeds 0.75 percent of the total amount of all  
45 appropriations from the State General Fund for the operation of all



1 departments, institutions and agencies of State Government and  
2 authorized expenditures from the State General Fund for the  
3 regulation of gaming for that fiscal year, the State Controller shall  
4 not, until the balance in the ~~[Fund]~~ *Account* is 0.75 percent or less  
5 of that amount, transfer any ~~[interest-earned-on]~~ money in the Fund  
6 to Stabilize the Operation of *the* State Government from the State  
7 General Fund to the ~~[Fund]~~ *Account* pursuant to the provisions of  
8 NRS 353.288.

9 4. Money in the ~~[Fund]~~ *Account* may be distributed through  
10 grants and loans to state agencies and local governments as provided  
11 in NRS 353.2705 to 353.2771, inclusive ~~[ ]~~, *and section 145 of this*  
12 *act*. Except as otherwise provided in NRS 353.276, such grants will  
13 be disbursed on the basis of reimbursement of costs authorized  
14 pursuant to NRS 353.274 and 353.2745.

15 5. If the Governor declares a disaster, the State Board of  
16 Examiners shall estimate:

17 (a) The money in the ~~[Fund]~~ *Account* that is available for grants  
18 and loans for the disaster pursuant to the provisions of NRS  
19 353.2705 to 353.2771, inclusive ~~[ ]~~, *and section 145 of this act*;  
20 and

21 (b) The anticipated amount of those grants and loans for the  
22 disaster.

23 Except as otherwise provided in this subsection, if the anticipated  
24 amount determined pursuant to paragraph (b) exceeds the available  
25 money in the ~~[Fund]~~ *Account* for such grants and loans, all grants  
26 and loans from the ~~[Fund]~~ *Account* for the disaster must be reduced  
27 in the same proportion that the anticipated amount of the grants and  
28 loans exceeds the money in the ~~[Fund]~~ *Account* that is available for  
29 grants and loans for the disaster. If the reduction of a grant or loan  
30 from the ~~[Fund]~~ *Account* would result in a reduction in the amount  
31 of money that may be received by a state agency or local  
32 government from the Federal Government, the reduction in the grant  
33 or loan must not be made.

34 **Sec. 151.** NRS 353.274 is hereby amended to read as follows:

35 353.274 Money in the ~~[Fund]~~ *Account* may be distributed as a  
36 grant to a state agency because of a disaster for the payment of  
37 expenses incurred by the state agency for:

38 1. The repair or replacement of public roads, public streets,  
39 bridges, water control facilities, public buildings, public utilities,  
40 recreational facilities and parks owned by the State and damaged by  
41 the disaster;

42 2. Any emergency measures undertaken to save lives, protect  
43 public health and safety or protect public property, including,  
44 without limitation, an emergency measure undertaken in response to



1 a crisis involving violence on school property, at a school activity or  
2 on a school bus, in the jurisdiction in which the disaster occurred;

3 3. The removal of debris from publicly or privately owned land  
4 and waterways undertaken because of the disaster; and

5 4. The administration of a disaster assistance program.

6 **Sec. 152.** NRS 353.2745 is hereby amended to read as  
7 follows:

8 353.2745 Money in the ~~Fund~~ **Account** may be distributed as  
9 a grant to a local government because of a disaster for:

10 1. The payment of not more than 50 percent of the expenses  
11 incurred by the local government for:

12 (a) The repair or replacement of public roads, public streets,  
13 bridges, water control facilities, public buildings, public utilities,  
14 recreational facilities and parks owned by the local government and  
15 damaged by the disaster; and

16 (b) Any emergency measures undertaken to save lives, protect  
17 public health and safety or protect public property, including,  
18 without limitation, an emergency measure undertaken in response to  
19 a crisis involving violence on school property, at a school activity or  
20 on a school bus, in the jurisdiction in which the disaster occurred;  
21 and

22 2. The payment of not more than 50 percent of any grant match  
23 the local government must provide to obtain a grant from a federal  
24 disaster assistance agency for an eligible project to repair damage  
25 caused by the disaster within the jurisdiction of the local  
26 government.

27 **Sec. 153.** NRS 353.2751 is hereby amended to read as  
28 follows:

29 353.2751 Money in the ~~Fund~~ **Account** may be distributed as  
30 a loan to a local government because of a disaster for:

31 1. The payment of expenses incurred by the local government  
32 for:

33 (a) The repair or replacement of public roads, public streets,  
34 bridges, water control facilities, public buildings, public utilities,  
35 recreational facilities and parks owned by the local government and  
36 damaged by the disaster;

37 (b) Any overtime worked by an employee of the local  
38 government because of the disaster or any other extraordinary  
39 expenses incurred by the local government because of the disaster;  
40 and

41 (c) Any projects to reduce or prevent the possibility of damage  
42 to persons or property from similar disasters in the future; and

43 2. The payment of not more than 50 percent of any grant match  
44 the local government must provide to obtain a grant from a federal  
45 disaster assistance agency for an eligible project to repair damage



\* S B 6 R 3 \*



1 caused by the disaster within the jurisdiction of the local  
2 government. Before a loan may be distributed to a local government  
3 pursuant to this subsection:

4 (a) The Interim Finance Committee must make a determination  
5 that the local government is currently unable to meet its financial  
6 obligations; and

7 (b) The local government must execute a loan agreement in  
8 which the local government agrees to:

9 (1) Use the money only for the purpose of paying the grant  
10 match; and

11 (2) Repay the entire amount of the loan, without any interest  
12 or other charges, to the ~~[Disaster Relief Fund]~~ *Account* not later  
13 than 10 years after the date on which the agreement is executed.

14 **Sec. 154.** NRS 353.2753 is hereby amended to read as  
15 follows:

16 353.2753 1. A state agency or local government may request  
17 the Division to conduct a preliminary assessment of the damages  
18 related to an event for which the state agency or local government  
19 seeks a grant or loan from the ~~[Fund.]~~ *Account*.

20 2. Upon receipt of such a request, the Division shall investigate  
21 the event or cause the event to be investigated to make a preliminary  
22 assessment of the damages related to the event and shall make or  
23 cause to be made a written report of the damages related to the  
24 event.

25 3. As soon as practicable after completion of the investigation  
26 and preparation of the report of damages, the Division shall:

27 (a) Determine whether the event constitutes a disaster for which  
28 the state agency or local government may seek a grant or loan from  
29 the ~~[Fund.]~~ *Account*; and

30 (b) Submit the report prepared pursuant to this section and its  
31 written determination regarding whether the event constitutes a  
32 disaster to the state agency or local government.

33 4. The Division shall prescribe by regulation the information  
34 that must be included in a report of damages, including, without  
35 limitation, a description of the damage caused by the event, an  
36 estimate of the costs to repair such damage and a specification of  
37 whether the purpose of the project is for repair or replacement,  
38 emergency response or mitigation.

39 **Sec. 155.** NRS 353.2754 is hereby amended to read as  
40 follows:

41 353.2754 A local government may request a grant or loan from  
42 the ~~[Fund]~~ *Account* if:

43 1. Pursuant to NRS 414.090, the governing body of the local  
44 government determines that an event which has occurred constitutes  
45 a disaster; and



1       2. After the Division conducts a preliminary assessment of the  
2 damages pursuant to NRS 353.2753, the Division determines that an  
3 event has occurred that constitutes a disaster.

4       **Sec. 156.** NRS 353.2755 is hereby amended to read as  
5 follows:

6       353.2755 1. A state agency or local government may submit  
7 a request to the State Board of Examiners for a grant or loan from  
8 the ~~[Fund]~~ *Account* as provided in NRS 353.2705 to 353.2771,  
9 inclusive, *and section 145 of this act* if:

10       (a) The agency or local government finds that, because of a  
11 disaster, it is unable to pay for an expense or grant match specified  
12 in NRS 353.274, 353.2745 or 353.2751 from money appropriated or  
13 otherwise available to the agency or local government;

14       (b) The request has been approved by the chief administrative  
15 officer of the state agency or the governing body of the local  
16 government; and

17       (c) If the requester is an incorporated city, the city has requested  
18 financial assistance from the county and was denied all or a portion  
19 of the requested assistance.

20       2. A request for a grant or loan submitted pursuant to  
21 subsection 1 must be made within 60 days after the disaster and  
22 must include:

23       (a) A statement setting forth the amount of money requested by  
24 the state agency or local government;

25       (b) An assessment of the need of the state agency or local  
26 government for the money requested;

27       (c) If the request is submitted by a local government that has  
28 established a fund pursuant to NRS 354.6115 to mitigate the effects  
29 of a natural disaster, a statement of the amount of money that is  
30 available in that fund, if any, for the payment of expenses incurred  
31 by the local government as a result of a disaster;

32       (d) A determination of the type, value and amount of resources  
33 the state agency or local government may be required to provide as  
34 a condition for the receipt of a grant or loan from the ~~[Fund;]~~  
35 *Account;*

36       (e) A written report of damages prepared by the Division and the  
37 written determination made by the Division that the event  
38 constitutes a disaster pursuant to NRS 353.2753; and

39       (f) If the requester is an incorporated city, all documents which  
40 relate to a request for assistance submitted to the board of county  
41 commissioners of the county in which the city is located.

42 Any additional documentation relating to the request that is  
43 requested by the State Board of Examiners must be submitted within  
44 6 months after the disaster unless the State Board of Examiners and  
45 the Interim Finance Committee ~~[grants]~~ *grant* an extension.



1       3. Upon the receipt of a complete request for a grant or loan  
2 submitted pursuant to subsection 1, the State Board of Examiners:

- 3       (a) Shall consider the request; and  
4       (b) May require any additional information that it determines is  
5 necessary to make a recommendation.

6       4. If the State Board of Examiners finds that a grant or loan is  
7 appropriate, it shall include in its recommendation to the Interim  
8 Finance Committee the proposed amount of the grant or loan. If the  
9 State Board of Examiners recommends a grant, it shall include a  
10 recommendation regarding whether or not the state agency or local  
11 government requires an advance to avoid severe financial hardship.  
12 If the State Board of Examiners recommends a loan for a local  
13 government, it shall include the information required pursuant to  
14 subsection 1 of NRS 353.2765. If the State Board of Examiners  
15 finds that a grant or loan is not appropriate, it shall include in its  
16 recommendation the reason for its determination.

17       5. The provisions of this section do not prohibit a state agency  
18 or local government from submitting more than one request for a  
19 grant or loan from the ~~Fund~~ Account.

20       6. As used in this section, the term "natural disaster" has the  
21 meaning ascribed to it in NRS 354.6115.

22       **Sec. 157.** NRS 353.276 is hereby amended to read as follows:

23       353.276 1. The State Board of Examiners shall submit a  
24 recommendation for each request for a grant or loan made pursuant  
25 to NRS 353.2755 to the Director of the Legislative Counsel Bureau.  
26 Upon receipt of the recommendation, the Director shall notify the  
27 Chairman of the Interim Finance Committee of that  
28 recommendation. The Chairman shall call a meeting of the  
29 Committee to consider the recommendation.

30       2. The Interim Finance Committee may reject any  
31 recommendation of the State Board of Examiners and independently  
32 evaluate and act upon any request submitted pursuant to  
33 NRS 353.2755.

34       3. If the Interim Finance Committee finds that a grant or loan  
35 from the ~~Fund~~ Account is appropriate and may be made in  
36 accordance with the provisions of NRS 353.2705 to 353.2771,  
37 inclusive, *and section 145 of this act*, it shall, by resolution:

38       (a) Establish the amount and purpose of the grant or loan.

39       (b) Except as otherwise provided in this paragraph, provide for  
40 the transfer of that amount from the ~~Fund~~ Account to the  
41 appropriate state agency or local government. If the request is for a  
42 grant, the Interim Finance Committee shall authorize disbursement  
43 of the grant from the ~~Fund~~ Account on the basis of reimbursement  
44 for costs unless it determines that disbursement in that manner  
45 would cause severe financial hardship to the state agency or local



1 government. If the Interim Finance Committee determines that  
2 disbursement on the basis of reimbursement of costs would cause  
3 severe financial hardship, the Interim Finance Committee may  
4 authorize an advance of money to the state agency or local  
5 government in an amount not to exceed 25 percent of the total  
6 estimated cost of the projects for which the grant is requested.

7 4. No grant or loan from the ~~Fund~~ Account may be made by  
8 the Interim Finance Committee to increase the salaries of any  
9 officers or employees of the State or a local government.

10 **Sec. 158.** NRS 353.2765 is hereby amended to read as  
11 follows:

12 353.2765 1. In addition to any applicable requirements set  
13 forth in NRS 353.2751, if the Interim Finance Committee approves  
14 a loan to a local government pursuant to the provisions of NRS  
15 353.2705 to 353.2771, inclusive, *and section 145 of this act*, the  
16 approval must include a schedule for the repayment of the loan. The  
17 schedule must specify:

18 (a) A period of not more than 10 years for the repayment of the  
19 loan; and

20 (b) The rate of interest, if any, for the loan.

21 2. Except as otherwise provided in subsection 3, if a local  
22 government receives a loan from the ~~Fund~~ Account and, before the  
23 loan is repaid, the local government receives money from the  
24 Federal Government for a grant match or any of the expenses set  
25 forth in subsection 1 of NRS 353.2751 for which the local  
26 government received the loan, the local government shall deposit  
27 with the State Treasurer for credit to the ~~Fund~~ Account an amount  
28 of money equal to the money it received from the Federal  
29 Government for the grant match or the expenses.

30 3. Any money deposited with the State Treasurer for credit to  
31 the ~~Fund~~ Account pursuant to subsection 2 must be used to pay the  
32 unpaid balance of the loan specified in subsection 2. If any money  
33 remains after that payment is made, the remaining money must be  
34 paid to the local government to whom the loan was made.

35 **Sec. 159.** NRS 353.2771 is hereby amended to read as  
36 follows:

37 353.2771 1. Except as otherwise provided in this section, no  
38 grant or loan may be made from the ~~Fund~~ Account to a state  
39 agency or local government unless, as a condition of making the  
40 grant or loan, the state agency or local government agrees to provide  
41 an amount of its resources equal to at least 25 percent of the grant or  
42 loan. The State Board of Examiners shall determine the type, value  
43 and amount of the resources, including money, labor, materials,  
44 supplies and equipment, that is required to be provided by the state  
45 agency or local government.



1       2. If a state agency or local government submits a request for a  
2 grant or loan pursuant to NRS 353.2755 and:

3       (a) It maintains a policy of insurance providing coverage for  
4 damages, injuries or other losses incurred because of a disaster; or

5       (b) If the request is submitted by a local government, it has  
6 established a district for the control of floods pursuant to NRS  
7 543.170 to 543.830, inclusive,  
8 the State Board of Examiners may recommend that the state agency  
9 or local government provide a portion of its resources in an amount  
10 that is less than the amount required pursuant to subsection 1.

11       3. The State Board of Examiners may, if it determines that the  
12 state agency or local government is unable to provide any portion of  
13 its resources as its contribution for the receipt of a grant or loan,  
14 recommend that the state agency or local government not be  
15 required to provide any portion of its resources as a condition for the  
16 receipt of the grant or loan.

17       **Sec. 160.** NRS 353.288 is hereby amended to read as follows:

18       353.288 1. The Fund to Stabilize the Operation of the State  
19 Government is hereby created as a special revenue fund. Except as  
20 otherwise provided in subsections 2 and 3, ~~each year after the close~~  
21 ~~of the fiscal year and before the issuance of the Controller's annual~~  
22 ~~report the State Controller shall deposit to the credit of the Fund 40~~  
23 ~~percent of~~ if the unrestricted balance of the State General Fund, as  
24 of the close of the fiscal year, ~~which remains after subtracting an~~  
25 ~~amount~~ is equal to ~~10~~ 5 percent *or more* of all appropriations  
26 made from the State Government and for the funding of schools ~~;~~,  
27 *the Chief of the Budget Division of the Department of*  
28 *Administration shall recommend to the State Board of Examiners*  
29 *an amount of money that should be transferred from the State*  
30 *General Fund to the Fund to Stabilize the Operation of the State*  
31 *Government. The State Board of Examiners shall consider the*  
32 *recommendation and shall, if it finds that such a transfer should*  
33 *be made, recommend an amount to be transferred to the Interim*  
34 *Finance Committee. If the Interim Finance Committee, after*  
35 *independent determination, finds that such a transfer should and*  
36 *may lawfully be made, the Committee shall by resolution establish*  
37 *the amount and direct the State Controller to transfer that amount*  
38 *from the State General Fund to the Fund to Stabilize the*  
39 *Operation of the State Government. The State Controller shall*  
40 *thereupon make the transfer.*

41       2. The balance in the Fund must not exceed ~~10~~ 15 percent of  
42 the total of all appropriations from the State General Fund for the  
43 operation of all departments, institutions and agencies of the State  
44 Government and for the funding of schools and authorized  
45 expenditures from the State General Fund for the regulation of



1 gaming for the fiscal year in which that revenue will be deposited in  
2 the Fund.

3 3. Except as otherwise provided in this subsection and NRS  
4 353.2735, beginning with the fiscal year that begins on July 1,  
5 ~~[1999]~~ 2003, the State Controller shall, at the end of each quarter of  
6 a fiscal year, transfer from the State General Fund to the Disaster  
7 Relief ~~[Fund]~~ Account created pursuant to NRS 353.2735 an  
8 amount equal to ~~[one-half of the interest earned on money]~~ not more  
9 than 10 percent of the aggregate balance in the Fund to Stabilize  
10 the Operation of the State Government during the previous quarter.  
11 The State Controller shall not transfer more than \$500,000 for any  
12 quarter pursuant to this subsection.

13 4. Money from the Fund to Stabilize the Operation of the State  
14 Government may be appropriated only:

15 (a) If the total actual revenue of the State falls short by 5 percent  
16 or more of the total anticipated revenue for the biennium in which  
17 the appropriation is made; or

18 (b) If the Legislature and the Governor declare that a fiscal  
19 emergency exists.

20 **Secs. 161-165.** (Deleted by amendment.)

21 **Sec. 165.2.** Chapter 387 of NRS is hereby amended by adding  
22 thereto a new section to read as follows:

23 *1. On or before July 1 of each year, the Department, in*  
24 *consultation with the Budget Division of the Department of*  
25 *Administration and the Fiscal Analysis Division of the Legislative*  
26 *Counsel Bureau, shall develop or revise, as applicable, a formula*  
27 *for determining the minimum amount of money that each school*  
28 *district is required to expend each fiscal year for textbooks,*  
29 *instructional supplies and instructional hardware. The formula*  
30 *must be used only to develop expenditure requirements and must*  
31 *not be used to alter the distribution of money for basic support to*  
32 *school districts.*

33 *2. Upon approval of the formula pursuant to subsection 1, the*  
34 *Department shall provide written notice to each school district*  
35 *within the first 30 days of each fiscal year that sets forth the*  
36 *required minimum combined amount of money that the school*  
37 *district must expend for textbooks, instructional supplies and*  
38 *instructional hardware for that fiscal year.*

39 *3. On or before January 1 of each year, the Department shall*  
40 *determine whether each school district has expended, during the*  
41 *immediately preceding fiscal year, the required minimum amount*  
42 *of money set forth in the notice provided pursuant to subsection 2.*  
43 *In making this determination, the Department shall use the report*  
44 *submitted by the school district pursuant to NRS 387.303.*




1     4. *Except as otherwise provided in subsection 5, if the*  
2 *Department determines that a school district has not expended the*  
3 *required minimum amount of money set forth in the notice*  
4 *provided pursuant to subsection 2, a reduction must be made from*  
5 *the basic support allocation otherwise payable to that school*  
6 *district in an amount that is equal to the difference between the*  
7 *actual combined expenditure for textbooks, instructional supplies*  
8 *and instructional hardware and the minimum required combined*  
9 *expenditure set forth in the notice provided pursuant to subsection*  
10 *2. A reduction in the amount of the basic support allocation*  
11 *pursuant to this subsection:*

12     (a) *Does not reduce the amount that the school district is*  
13 *required to expend on textbooks, instructional supplies and*  
14 *instructional hardware in the current fiscal year; and*

15     (b) *Must not exceed the amount of basic support that was*  
16 *provided to the school district for the fiscal year in which the*  
17 *minimum expenditure amount was not satisfied.*

18     5. *If the actual enrollment of pupils in a school district is less*  
19 *than the enrollment included in the projections used in the school*  
20 *district's biennial budget submitted pursuant to NRS 387.303, the*  
21 *required expenditure for textbooks, instructional supplies and*  
22 *instructional hardware pursuant to this section must be reduced*  
23 *proportionately.*

24     **Sec. 165.4.** NRS 387.205 is hereby amended to read as  
25 follows:

26     387.205 1. Subject to the limitations set forth in NRS  
27 387.207  *and section 165.2 of this act*, money on deposit in the  
28 county school district fund or in a separate account, if the board of  
29 trustees of a school district has elected to establish such an account  
30 pursuant to the provisions of NRS 354.603, must be used for:

31     (a) Maintenance and operation of the public schools controlled  
32 by the county school district.

33     (b) Payment of premiums for Nevada industrial insurance.

34     (c) Rent of schoolhouses.

35     (d) Construction, furnishing or rental of teacherages, when  
36 approved by the Superintendent of Public Instruction.

37     (e) Transportation of pupils, including the purchase of new  
38 buses.

39     (f) Programs of nutrition, if such expenditures do not curtail the  
40 established school program or make it necessary to shorten the  
41 school term, and each pupil furnished lunch whose parent or  
42 guardian is financially able so to do pays at least the actual cost of  
43 the lunch.

44     (g) Membership fees, dues and contributions to an  
45 interscholastic activities association.





1 (h) Repayment of a loan made from the State Permanent School  
2 Fund pursuant to NRS 387.526.

3 2. Subject to the limitations set forth in NRS 387.207 ~~and~~ *and*  
4 *section 165.2 of this act*, money on deposit in the county school  
5 district fund, or in a separate account, if the board of trustees of a  
6 school district has elected to establish such an account pursuant to  
7 the provisions of NRS 354.603, when available, may be used for:

8 (a) Purchase of sites for school facilities.

9 (b) Purchase of buildings for school use.

10 (c) Repair and construction of buildings for school use.

11 **Sec. 165.6.** NRS 387.207 is hereby amended to read as  
12 follows:

13 387.207 1. Except as otherwise provided in this section, in  
14 each school year a school district shall spend for ~~textbooks,~~ library  
15 books and ~~supplies and materials relating to instruction, including,~~  
16 ~~without limitation,~~ software for computers ~~,~~ an amount of money,  
17 expressed as an amount per pupil, that is at least equal to the  
18 average of the total amount of money that was expended per year by  
19 the school district for those items in the immediately preceding 3  
20 years.

21 2. Except as otherwise provided in this section, in each school  
22 year a school district shall spend for the purchase of equipment  
23 relating to instruction, including, without limitation, equipment for  
24 telecommunications and for the purchase of equipment relating to  
25 the transportation of pupils, an amount of money, expressed as an  
26 amount per pupil, that is at least equal to the average of the total  
27 amount of money that was expended per year by the school district  
28 for those items in the immediately preceding 3 years.

29 3. Except as otherwise provided in this section, in each school  
30 year a school district shall spend for the maintenance and repair of  
31 equipment, vehicles, and buildings and facilities an amount of  
32 money, expressed as an amount per pupil, that is at least equal to the  
33 average of the total amount of money that was expended per year by  
34 the school district for those items in the immediately preceding 3  
35 years, excluding any amount of money derived from the proceeds of  
36 bonds.

37 4. A school district may satisfy the expenditures required by  
38 subsections 1, 2 and 3 if the school district spends an aggregate  
39 amount of money for all the items identified in those subsections  
40 that is at least equal to the average of the total amount of money  
41 expended by the school district per year for all those items in the  
42 immediately preceding 3 years.

43 5. A school district is not required to satisfy the expenditures  
44 required by this section for a school year in which:



1 (a) The total number of pupils who are enrolled in public  
2 schools within the school district has declined from the immediately  
3 preceding school year; or

4 (b) The total revenue available in the general fund of the school  
5 district has declined from the immediately preceding school year.

6 **Sec. 166.** NRS 388.750 is hereby amended to read as follows:

7 388.750 1. An educational foundation:

8 (a) Shall comply with the provisions of chapter 241 of NRS;

9 (b) Except as otherwise provided in subsection 2, shall make its  
10 records public and open to inspection pursuant to NRS 239.010; and

11 (c) Is exempt from the tax on transfer of real property pursuant  
12 to subsection ~~144~~ 11 of NRS 375.090.

13 2. An educational foundation is not required to disclose the  
14 names of the contributors to the foundation or the amount of their  
15 contributions. The educational foundation shall, upon request, allow  
16 a contributor to examine, during regular business hours, any record,  
17 document or other information of the foundation relating to that  
18 contributor.

19 3. As used in this section, "educational foundation" means a  
20 nonprofit corporation, association or institution or a charitable  
21 organization that is:

22 (a) Organized and operated exclusively for the purpose of  
23 supporting one or more kindergartens, elementary schools, junior  
24 high or middle schools or high schools, or any combination thereof;

25 (b) Formed pursuant to the laws of this state; and

26 (c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

27 **Sec. 166.2.** NRS 391.165 is hereby amended to read as  
28 follows:

29 391.165 1. Except as otherwise provided in subsection 3 ~~of~~  
30 ~~this section~~ and except as otherwise required as a result of NRS  
31 286.537, the board of trustees of a school district shall pay the cost  
32 for a licensed teacher to purchase one-fifth of a year of service  
33 pursuant to subsection 2 of NRS 286.300 if:

34 (a) The teacher is a member of the Public Employees'  
35 Retirement System and has at least 5 years of service;

36 (b) The teacher has been employed as a licensed teacher in this  
37 state for at least 5 consecutive school years, regardless of whether  
38 the employment was with one or more school districts in this state;

39 (c) Each evaluation of the teacher conducted pursuant to NRS  
40 391.3125 is at least satisfactory for the years of employment  
41 required by paragraph (b); and

42 (d) In addition to the years of employment required by  
43 paragraph (b), the teacher has been employed as a licensed teacher  
44 for ~~1 school year~~ 2 school years at a school within the school



1 district ~~[which, for that school year, carries]~~ *during his employment*  
2 *at the school:*

3 (1) *Which carried* the designation of demonstrating need for  
4 improvement ~~[pursuant to NRS 385.367.]~~; or

5 (2) *At which at least 65 percent of the pupils who are*  
6 *enrolled in the school are children who are at risk.*

7 *The provisions of this paragraph do not require consecutive years*  
8 *of employment or employment at the same school within the*  
9 *school district.*

10 2. Except as otherwise provided in subsection 3, the board of  
11 trustees of a school district shall pay the cost for a licensed teacher  
12 to purchase one-fifth of a year of service for each year that a teacher  
13 ~~[is employed as a teacher at a school within the school district that is~~  
14 ~~described in paragraph (d)]~~ *satisfies the requirements* of  
15 subsection 1.

16 3. In no event may the years of service purchased by a licensed  
17 teacher as a result of subsection 2 of NRS 286.300 exceed 5 years.

18 4. The board of trustees of a school district shall not:

19 (a) Assign or reassign a licensed teacher to circumvent the  
20 requirements of this section.

21 (b) Include ~~[ ]~~ as part of a teacher's salary ~~[ ]~~ the costs of paying  
22 the teacher to purchase service pursuant to this section.

23 5. As used in this section ~~[, "service"]~~:

24 (a) *A child is "at risk" if he is eligible for free or reduced-price*  
25 *lunches pursuant to 42 U.S.C. §§ 1751 et seq.*

26 (b) *"Service"* has the meaning ascribed to it in NRS 286.078.

27 **Sec. 166.4.** NRS 391.165 is hereby amended to read as  
28 follows:

29 391.165 1. Except as otherwise provided in subsection 3 and  
30 except as otherwise required as a result of NRS 286.537, the board  
31 of trustees of a school district shall pay the cost for a licensed  
32 teacher *or licensed school psychologist* to purchase one-fifth of a  
33 year of service pursuant to subsection 2 of NRS 286.300 if:

34 (a) The teacher *or school psychologist* is a member of the Public  
35 Employees' Retirement System and has at least 5 years of service;

36 (b) The teacher *or school psychologist* has been employed as a  
37 licensed teacher *or licensed school psychologist* in this state for at  
38 least 5 consecutive school years, regardless of whether the  
39 employment was with one or more school districts in this state;

40 (c) Each evaluation of the teacher *or school psychologist*  
41 conducted pursuant to NRS 391.3125 is at least satisfactory for the  
42 years of employment required by paragraph (b); and

43 (d) In addition to the years of employment required by  
44 paragraph (b) ~~[, the]~~:



1       (1) *The* teacher has been employed as a licensed teacher for  
2 2 school years at a school within the school district during his  
3 employment at the school:

4       ~~[(1)]~~ (I) Which carried the designation of demonstrating  
5 need for improvement; or

6       ~~[(2)]~~ (II) At which at least 65 percent of the pupils who are  
7 enrolled in the school are children who are at risk ~~[(1)]~~;

8       (2) *The teacher holds an endorsement in the field of*  
9 *mathematics, science, special education or English as a second*  
10 *language and has been employed for at least 1 school year to teach*  
11 *in the subject area for which he holds an endorsement; or*

12       (3) *The school psychologist has been employed as a*  
13 *licensed school psychologist for at least 1 school year.*

14 The provisions of this paragraph do not require consecutive years of  
15 employment or employment at the same school within the school  
16 district.

17       2. Except as otherwise provided in subsection 3, the board of  
18 trustees of a school district shall pay the cost for a licensed teacher  
19 *or school psychologist* to purchase one-fifth of a year of service for  
20 each year that a teacher *or school psychologist* satisfies the  
21 requirements of subsection 1. *If, in 1 school year, a teacher*  
22 *satisfies the criteria set forth in both subparagraphs (1) and (2) of*  
23 *paragraph (d) of subsection 1, the school district in which the*  
24 *teacher is employed is not required to pay for more than one-fifth*  
25 *of a year of service pursuant to subsection 2 of NRS 286.300 for*  
26 *that school year.*

27       3. In no event may the years of service purchased by a licensed  
28 teacher *or school psychologist* as a result of subsection 2 of NRS  
29 286.300 exceed 5 years.

30       4. The board of trustees of a school district shall not:

31       (a) Assign or reassign a licensed teacher *or school psychologist*  
32 to circumvent the requirements of this section.

33       (b) Include ~~[(1)]~~ as part of a teacher's *or school psychologist's*  
34 salary ~~[(1)]~~ the costs of paying the teacher *or school psychologist* to  
35 purchase service pursuant to this section.

36       5. As used in this section:

37       (a) A child is "at risk" if he is eligible for free or reduced-price  
38 lunches pursuant to 42 U.S.C. §§ 1751 et seq.

39       (b) "Service" has the meaning ascribed to it in NRS 286.078.

40       **Sec. 167.** NRS 396.405 is hereby amended to read as follows:

41       396.405 1. A university 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;



1 (c) Is exempt from the tax on transfers of real property pursuant  
2 to subsection ~~14~~ 12 of NRS 379.090; and

3 (d) May allow a president or an administrator of the university  
4 or community college which it supports to serve as a member of its  
5 governing body.

6 2. A university foundation is not required to disclose the name  
7 of any contributor or potential contributor to the university  
8 foundation, the amount of his contribution or any information which  
9 may reveal or lead to the discovery of his identity. The university  
10 foundation shall, upon request, allow a contributor to examine,  
11 during regular business hours, any record, document or other  
12 information of the foundation relating to that contributor.

13 3. As used in this section, "university foundation" means a  
14 nonprofit corporation, association or institution or a charitable  
15 organization that is:

16 (a) Organized and operated exclusively for the purpose of  
17 supporting a university or a community college;

18 (b) Formed pursuant to the laws of this state; and

19 (c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

20 **Sec. 168.** NRS 414.135 is hereby amended to read as follows:

21 414.135 1. There is hereby created the Emergency Assistance  
22 ~~Account~~ Subaccount within the Disaster Relief ~~Fund~~ Account  
23 created pursuant to NRS 353.2735. Beginning with the fiscal year  
24 that begins on July 1, 1999, the State Controller shall, at the end of  
25 each fiscal year, transfer the interest earned during the previous  
26 fiscal year on the money in the Disaster Relief ~~Fund~~ Account to  
27 the ~~Account~~ Subaccount in an amount not to exceed \$500,000.

28 2. The Division of Emergency Management of the Department  
29 of Public Safety shall administer the ~~Account~~ Subaccount. The  
30 Division may adopt regulations authorized by this section before, on  
31 or after July 1, 1999.

32 3. All expenditures from the ~~Account~~ Subaccount must be  
33 approved in advance by the Division. Except as otherwise provided  
34 in subsection 4, all money in the ~~Account~~ Subaccount must be  
35 expended solely to:

36 (a) Provide supplemental emergency assistance to this state or to  
37 local governments in this state that are severely and adversely  
38 affected by a natural, technological or man-made emergency or  
39 disaster for which available resources of this state or the local  
40 government are inadequate to provide a satisfactory remedy; and

41 (b) Pay any actual expenses incurred by the Division for  
42 administration during a natural, technological or man-made  
43 emergency or disaster.

44 4. Beginning with the fiscal year that begins on July 1, 1999, if  
45 any balance remains in the ~~Account~~ Subaccount at the end of a



1 fiscal year and the balance has not otherwise been committed for  
2 expenditure, the Division may, with the approval of the Interim  
3 Finance Committee, allocate all or any portion of the remaining  
4 balance, not to exceed \$250,000, to this state or to a local  
5 government to:

6 (a) Purchase equipment or supplies required for emergency  
7 management;

8 (b) Provide training to personnel related to emergency  
9 management; and

10 (c) Carry out the provisions of NRS 392.600 to 392.656,  
11 inclusive.

12 5. Beginning with the fiscal year that begins on July 1, 1999,  
13 the Division shall, at the end of each quarter of a fiscal year, submit  
14 to the Interim Finance Committee a report of the expenditures made  
15 from the ~~{Account}~~ Subaccount for the previous quarter.

16 6. The Division shall adopt such regulations as are necessary to  
17 administer the ~~{Account}~~ Subaccount.

18 7. The Division may adopt regulations to provide for  
19 reimbursement of expenditures made from the ~~{Account}~~  
20 Subaccount. If the Division requires such reimbursement, the  
21 Attorney General shall take such action as is necessary to recover  
22 the amount of any unpaid reimbursement plus interest at a rate  
23 determined pursuant to NRS 17.130, computed from the date on  
24 which the money was removed from the ~~{Fund}~~ Account, upon  
25 request by the Division.

26 **Sec. 169.** NRS 459.3824 is hereby amended to read as  
27 follows:

28 459.3824 1. The owner of a regulated facility shall pay to the  
29 Division an annual fee based on the fiscal year. The annual fee for  
30 each facility is the sum of a base fee set by the State Environmental  
31 Commission and any additional fee imposed by the Commission  
32 pursuant to subsection 2. The annual fee must be prorated and may  
33 not be refunded.

34 2. The State Environmental Commission may impose an  
35 additional fee upon the owner of a regulated facility in an amount  
36 determined by the Commission to be necessary to enable the  
37 Division to carry out its duties pursuant to NRS 459.380 to  
38 459.3874, inclusive. The additional fee must be based on a  
39 graduated schedule adopted by the Commission which takes into  
40 consideration the quantity of hazardous substances located at each  
41 facility.

42 3. After the payment of the initial annual fee, the Division shall  
43 send the owner of a regulated facility a bill in July for the annual fee  
44 for the fiscal year then beginning which is based on the applicable  
45 reports for the preceding year.



1       4. The owner of a regulated facility shall submit, with any  
2 payment required by this section, the *business license* number  
3 assigned by the Department of Taxation ~~[, for the imposition and~~  
4 ~~collection of taxes pursuant to chapter 364A of NRS, to the business~~  
5 ~~for which the payment is made.]~~ *upon compliance by the owner*  
6 *with section 66 of this act.*

7       5. All fees collected pursuant to this section and penalties  
8 collected pursuant to NRS 459.3833, 459.3834 and 459.3874, and  
9 any interest earned thereon, must be deposited with the State  
10 Treasurer for credit to the Fund for Precaution Against Chemical  
11 Accidents, which is hereby created as a special revenue fund.

12       **Sec. 170.** NRS 463.0136 is hereby amended to read as  
13 follows:

14       463.0136 "Associated equipment" means:

15       1. Any equipment or mechanical, electromechanical or  
16 electronic contrivance, component or machine used remotely or  
17 directly in connection with gaming, any game, race book or sports  
18 pool that would not otherwise be classified as a gaming device,  
19 including dice, playing cards, links which connect to progressive  
20 slot machines, equipment which affects the proper reporting of gross  
21 revenue, computerized systems of betting at a race book or sports  
22 pool, computerized systems for monitoring slot machines and  
23 devices for weighing or counting money; or

24       2. A computerized system for recordation of sales for use in an  
25 area subject to the ~~[casino-entertainment]~~ tax *imposed* pursuant to  
26 ~~[NRS 463.401.]~~ *section 36 of this act.*

27       **Sec. 171.** NRS 463.270 is hereby amended to read as follows:

28       463.270 1. Subject to the power of the Board to deny, revoke,  
29 suspend, condition or limit licenses, any state license in force may  
30 be renewed by the Board for the next succeeding license period  
31 upon proper application for renewal and payment of state license  
32 fees and taxes as required by law and the regulations of the Board.

33       2. All state gaming licenses are subject to renewal on the ~~[1st]~~  
34 *first* day of each January and all quarterly state gaming licenses on  
35 the ~~[1st]~~ *first* day of each calendar quarter thereafter.

36       3. Application for renewal must be filed with the Board , and  
37 all state license fees and taxes required by law, including , without  
38 limitation , NRS 463.370, 463.373 to 463.3855, inclusive,  
39 ~~[463.401.]~~ 463.660, 464.015 and 464.040, *and section 36 of this*  
40 *act*, must be paid to the Board on or before the dates respectively  
41 provided by law for each fee or tax.

42       4. Application for renewal of licenses for slot machines only  
43 must be made by the operators of the locations where such machines  
44 are situated.





1     5. Any person failing to pay any state license fees or taxes due  
2 at the times respectively provided shall pay in addition to such  
3 license fees or taxes a penalty of not less than \$50 or 25 percent of  
4 the amount due, whichever is the greater, but not more than \$1,000  
5 if the fees or taxes are less than 10 days late and in no case in excess  
6 of \$5,000. The penalty must be collected as are other charges,  
7 license fees and penalties under this chapter.

8     6. Any person who operates, carries on or exposes for play any  
9 gambling game, gaming device or slot machine or who  
10 manufactures, sells or distributes any gaming device, equipment,  
11 material or machine used in gaming ~~H~~ after his license becomes  
12 subject to renewal, and thereafter fails to apply for renewal as  
13 provided in this section, is guilty of a misdemeanor and, in addition  
14 to the penalties provided by law, is liable to the State of Nevada for  
15 all license fees, taxes and penalties which would have been due  
16 upon application for renewal.

17     7. If any licensee or other person fails to renew his license as  
18 provided in this section, the Board may order the immediate closure  
19 of all his gaming activity until the license is renewed by the  
20 payment of the necessary fees, taxes, interest and any penalties.  
21 Except for a license for which fees are based on the gross revenue of  
22 the licensee, failure to renew a license within 30 days after the date  
23 required by this chapter shall be deemed a surrender of the license.

24     8. The voluntary surrender of a license by a licensee does not  
25 become effective until accepted in the manner provided in the  
26 regulations of the Board. The surrender of a license does not relieve  
27 the former licensee of any penalties, fines, fees, taxes or interest  
28 due.

29     **Sec. 172.** NRS 463.370 is hereby amended to read as follows:

30     463.370 1. Except as otherwise provided in NRS 463.373,  
31 the Commission shall charge and collect from each licensee a  
32 license fee based upon all the gross revenue of the licensee as  
33 follows:

34     (a) Three *and one-half* percent of all the gross revenue of the  
35 licensee which does not exceed \$50,000 per calendar month;

36     (b) Four *and one-half* percent of all the gross revenue of the  
37 licensee which exceeds \$50,000 per calendar month and does not  
38 exceed \$134,000 per calendar month; and

39     (c) Six and ~~one-quarter~~ *three-quarters* percent of all the gross  
40 revenue of the licensee which exceeds \$134,000 per calendar month.

41     2. Unless the licensee has been operating for less than a full  
42 calendar month, the Commission shall charge and collect the fee  
43 prescribed in subsection 1, based upon the gross revenue for the  
44 preceding calendar month, on or before the 24th day of the  
45 following month. Except for the fee based on the first full month of



1 operation, the fee is an estimated payment of the license fee for the  
2 third month following the month whose gross revenue is used as its  
3 basis.

4 3. When a licensee has been operating for less than a full  
5 calendar month, the Commission shall charge and collect the fee  
6 prescribed in subsection 1, based on the gross revenue received  
7 during that month, on or before the 24th day of the following  
8 calendar month of operation. After the first full calendar month of  
9 operation, the Commission shall charge and collect the fee based on  
10 the gross revenue received during that month, on or before the 24th  
11 day of the following calendar month. The payment of the fee due for  
12 the first full calendar month of operation must be accompanied by  
13 the payment of a fee equal to three times the fee for the first full  
14 calendar month. This additional amount is an estimated payment of  
15 the license fees for the next 3 calendar months. Thereafter, each  
16 license fee must be paid in the manner described in subsection 2.  
17 Any deposit held by the Commission on July 1, 1969, must be  
18 treated as an advance estimated payment.

19 4. All revenue received from any game or gaming device  
20 which is operated on the premises of a licensee, regardless of  
21 whether any portion of the revenue is shared with any other person,  
22 must be attributed to the licensee for the purposes of this section and  
23 counted as part of the gross revenue of the licensee. Any other  
24 person, including, without limitation, an operator of an inter-casino  
25 linked system, who is authorized to receive a share of the revenue  
26 from any game, gaming device or inter-casino linked system that is  
27 operated on the premises of a licensee is liable to the licensee for  
28 that person's proportionate share of the license fees paid by the  
29 licensee pursuant to this section and shall remit or credit the full  
30 proportionate share to the licensee on or before the 24th day of each  
31 calendar month. The proportionate share of an operator of an inter-  
32 casino linked system must be based on all compensation and other  
33 consideration received by the operator of the inter-casino linked  
34 system, including, without limitation, amounts that accrue to the  
35 meter of the primary progressive jackpot of the inter-casino linked  
36 system and amounts that fund the reserves of such a jackpot, subject  
37 to all appropriate adjustments for deductions, credits, offsets and  
38 exclusions that the licensee is entitled to take or receive pursuant to  
39 the provisions of this chapter. A licensee is not liable to any other  
40 person authorized to receive a share of the licensee's revenue from  
41 any game, gaming device or inter-casino linked system that is  
42 operated on the premises of the licensee for that person's  
43 proportionate share of the license fees to be remitted or credited to  
44 the licensee by that person pursuant to this section.



\* S B 6 R 3 \*

1     5. An operator of an inter-casino linked system shall not enter  
2 into any agreement or arrangement with a licensee that provides for  
3 the operator of the inter-casino linked system to be liable to the  
4 licensee for less than its full proportionate share of the license fees  
5 paid by the licensee pursuant to this section, whether accomplished  
6 through a rebate, refund, charge-back or otherwise.

7     6. Any person required to pay a fee pursuant to this section  
8 shall file with the Commission, on or before the 24th day of each  
9 calendar month, a report showing the amount of all gross revenue  
10 received during the preceding calendar month. Each report must be  
11 accompanied by:

12     (a) The fee due based on the revenue of the month covered by  
13 the report; and

14     (b) An adjustment for the difference between the estimated fee  
15 previously paid for the month covered by the report, if any, and the  
16 fee due for the actual gross revenue earned in that month. If  
17 the adjustment is less than zero, a credit must be applied to the  
18 estimated fee due with that report.

19     7. If the amount of license fees required to be reported and paid  
20 pursuant to this section is later determined to be greater or less than  
21 the amount actually reported and paid, the Commission shall:

22     (a) Charge and collect the additional license fees determined to  
23 be due, with interest thereon until paid; or

24     (b) Refund any overpayment to the person entitled thereto  
25 pursuant to this chapter, with interest thereon.

26 Interest pursuant to paragraph (a) must be computed at the rate  
27 prescribed in NRS 17.130 from the first day of the first month  
28 following the due date of the additional license fees until paid.  
29 Interest pursuant to paragraph (b) must be computed at one-half the  
30 rate prescribed in NRS 17.130 from the first day of the first month  
31 following the date of overpayment until paid.

32     8. Failure to pay the fees provided for in this section shall be  
33 deemed a surrender of the license at the expiration of the period for  
34 which the estimated payment of fees has been made, as established  
35 in subsection 2.

36     9. Except as otherwise provided in NRS 463.386, the amount  
37 of the fee prescribed in subsection 1 must not be prorated.

38     10. Except as otherwise provided in NRS 463.386, if a licensee  
39 ceases operation, the Commission shall:

40     (a) Charge and collect the additional license fees determined to  
41 be due with interest computed pursuant to paragraph (a) of  
42 subsection 7; or

43     (b) Refund any overpayment to the licensee with interest  
44 computed pursuant to paragraph (b) of subsection 7,



1 based upon the gross revenue of the licensee during the last 3  
2 months immediately preceding the cessation of operation, or  
3 portions of those last 3 months.

4 11. If in any month ~~[-]~~ the amount of gross revenue is less than  
5 zero, the licensee may offset the loss against gross revenue in  
6 succeeding months until the loss has been fully offset.

7 12. If in any month ~~[-]~~ the amount of the license fee due is less  
8 than zero, the licensee is entitled to receive a credit against any  
9 license fees due in succeeding months until the credit has been fully  
10 offset.

11 **Sec. 173.** NRS 463.373 is hereby amended to read as follows:

12 463.373 1. Before issuing a state gaming license to an  
13 applicant for a restricted operation, the Commission shall charge  
14 and collect from him for each slot machine for each quarter year:

15 (a) A license fee of ~~[\$61]~~ **\$81** for each slot machine if he will  
16 have at least one but not more than five slot machines.

17 (b) A license fee of ~~[\$305 plus \$106]~~ **\$405 plus \$141** for each  
18 slot machine in excess of five if he will have at least six but not  
19 more than 15 slot machines.

20 2. The Commission shall charge and collect the fee prescribed  
21 in subsection 1:

22 (a) On or before the last day of the last month in a calendar  
23 quarter, for the ensuing calendar quarter, from a licensee whose  
24 operation is continuing.

25 (b) In advance from a licensee who begins operation or puts  
26 additional slot machines into play during a calendar quarter.

27 3. Except as otherwise provided in NRS 463.386, no proration  
28 of the fee prescribed in subsection 1 may be allowed for any reason.

29 4. The operator of the location where slot machines are situated  
30 shall pay the fee prescribed in subsection 1 upon the total number of  
31 slot machines situated in that location, whether or not the machines  
32 are owned by one or more licensee-owners.

33 **Sec. 174.** NRS 463.401 is hereby amended to read as follows:

34 463.401 1. In addition to any other license fees and taxes  
35 imposed by this chapter, a casino entertainment tax equivalent to 10  
36 percent of all amounts paid for admission, food, refreshments and  
37 merchandise is hereby levied, except as *otherwise* provided in  
38 subsection 2, upon each licensed gaming establishment in this state  
39 where ~~[music and dancing privileges or any other]~~ **live**  
40 entertainment is provided to the patrons ~~[in a cabaret, nightclub,~~  
41 ~~cocktail lounge or casino showroom in connection with the serving~~  
42 ~~or selling of food or refreshments or the selling of any~~  
43 ~~merchandise.]~~ **of the licensed gaming establishment.** Amounts paid  
44 for gratuities directly or indirectly remitted to employees of the  
45 licensee or for service charges, including those imposed in



\* S B 6 R 3 \*

1 connection with use of credit cards or debit cards, that are collected  
2 and retained by persons other than the licensee are not taxable  
3 pursuant to this section.

4 2. A licensed gaming establishment is not subject to tax  
5 pursuant to this section if:

6 (a) The establishment is licensed for less than 51 slot machines,  
7 less than six games, or any combination of slot machines and games  
8 within those respective limits ~~†~~;

9 ~~—(b) The entertainment is presented in a facility that would not~~  
10 ~~have been subject to taxation pursuant to 26 U.S.C. § 4231(6) as that~~  
11 ~~provision existed in 1965;~~

12 ~~—(c) The entertainment is presented in a facility that would have~~  
13 ~~been subject to taxation pursuant to 26 U.S.C. § 4231(1), (2), (3),~~  
14 ~~(4) or (5) as those provisions existed in 1965; or~~

15 ~~—(d) In other cases, if:~~

16 ~~—(1) No distilled spirits, wine or beer is served or permitted to~~  
17 ~~be consumed;~~

18 ~~—(2) Only light refreshments are served;~~

19 ~~—(3) Where space is provided for dancing, no charge is made~~  
20 ~~for dancing; and~~

21 ~~—(4) Where music is provided or permitted, the music is~~  
22 ~~provided without any charge to the owner, lessee or operator of the~~  
23 ~~establishment or to any concessionaire.]; or~~

24 *(b) The facility in which the live entertainment is provided has*  
25 *a maximum seating capacity that is at least 7,500.*

26 3. The tax imposed by this section does not apply to  
27 ~~[merchandise]~~ :

28 *(a) Live entertainment that this state is prohibited from taxing*  
29 *under the Constitution, laws or treaties of the United States or the*  
30 *Nevada Constitution.*

31 *(b) Merchandise* sold outside the facility in which the *live*  
32 *entertainment* is presented, unless the purchase of the merchandise  
33 entitles the purchaser to admission to the entertainment.

34 *(c) Any live entertainment that is provided by or entirely for*  
35 *the benefit of a nonprofit organization that is recognized as*  
36 *exempt from taxation pursuant to 26 U.S.C. § 501(c).*

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

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

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

43 *(g) Live entertainment that is provided or occurs at private*  
44 *meetings or dinners attended by members of a particular*



1 *organization or by a casual assemblage and the purpose of the*  
2 *event is not primarily for entertainment.*

3 *(h) Live entertainment presented in a common area of a*  
4 *shopping mall.*

5 4. The tax imposed by this section must be paid by the licensee  
6 of the establishment.

7 5. *As used in this section, "live entertainment" means any*  
8 *activity provided for pleasure, enjoyment, recreation, relaxation,*  
9 *diversion or other similar purpose by a person or persons who are*  
10 *physically present when providing that activity to a patron or*  
11 *group of patrons who are physically present.*

12 **Sec. 175.** NRS 463.4055 is hereby amended to read as  
13 follows:

14 463.4055 Any ticket for admission to ~~{a cabaret, nightclub,~~  
15 ~~cocktail lounge or casino showroom}~~ *an activity subject to the tax*  
16 *imposed by NRS 463.401* must state whether the casino  
17 entertainment tax is included in the price of the ticket. If the ticket  
18 does not include such a statement, the licensed gaming  
19 establishment shall pay the casino entertainment tax on the face  
20 amount of the ticket.

21 **Sec. 176.** NRS 463.408 is hereby amended to read as follows:

22 463.408 1. As used in this section, "holidays or special  
23 events" refers to periods during which the influx of tourist activity  
24 in this state or any area thereof may require additional or alternative  
25 industry accommodation as determined by the Board.

26 2. Any licensee holding a valid license under this chapter may  
27 apply to the Board, on application forms prescribed by the Board,  
28 for a holiday or special event permit to:

29 (a) Increase the licensee's game operations during holidays or  
30 special events; or

31 (b) Provide persons who are attending a special event with  
32 gaming in an area of the licensee's establishment to which access by  
33 the general public may be restricted.

34 3. The application must be filed with the Board at least 15 days  
35 before the date of the holiday or special event.

36 4. If the Board approves the application, it shall issue to the  
37 licensee a permit to operate presently existing games or any  
38 additional games in designated areas of the licensee's establishment.  
39 The number of additional games must not exceed 50 percent of the  
40 number of games operated by the licensee at the time the application  
41 is filed. The permit must state the period for which it is issued and  
42 the number, if any, of additional games allowed. For purposes of  
43 computation, any fractional game must be counted as one full game.  
44 The licensee shall present any such permit on the demand of any  
45 inspecting agent of the Board or Board.



1     5. Before issuing any permit, the Board shall charge and collect  
2 from the licensee a fee of \$14 per game per day for each day the  
3 permit is effective. The fees are in lieu of the fees required under  
4 NRS 463.380, 463.383 and 463.390.

5     6. The additional games allowed under a permit must not be  
6 counted in computing the ~~casino entertainment tax under NRS~~  
7 ~~463.401.] tax imposed by section 36 of this act.~~

8     7. If any such additional games are not removed at the time the  
9 permit expires, the licensee is immediately subject to the fees  
10 provided for in this chapter.

11     **Sec. 177.** NRS 463.770 is hereby amended to read as follows:

12     463.770 1. All gross revenue from operating interactive  
13 gaming received by an establishment licensed to operate interactive  
14 gaming, regardless of whether any portion of the revenue is shared  
15 with another person, must be attributed to the licensee and counted  
16 as part of the gross revenue of the licensee for the purpose of  
17 computing the license fee required by NRS 463.370.

18     2. A manufacturer of interactive gaming systems who is  
19 authorized by an agreement to receive a share of the revenue from  
20 an interactive gaming system from an establishment licensed to  
21 operate interactive gaming is liable to the establishment for a  
22 portion of the license fee paid pursuant to subsection 1. The portion  
23 for which the manufacturer of interactive gaming systems is liable is  
24 ~~[6.25]~~ 6.75 percent of the amount of revenue to which the  
25 manufacturer of interactive gaming systems is entitled pursuant to  
26 the agreement.

27     3. For the purposes of subsection 2, the amount of revenue to  
28 which the manufacturer of interactive gaming systems is entitled  
29 pursuant to an agreement to share the revenue from an interactive  
30 gaming system:

31     (a) Includes all revenue of the manufacturer of interactive  
32 gaming systems that is his share of the revenue from the interactive  
33 gaming system pursuant to the agreement; and

34     (b) Does not include revenue that is the fixed purchase price for  
35 the sale of a component of the interactive gaming system.

36     **Sec. 178.** (Deleted by amendment.)

37     **Sec. 179.** NRS 612.265 is hereby amended to read as follows:

38     612.265 1. Except as otherwise provided in this section,  
39 information obtained from any employing unit or person pursuant to  
40 the administration of this chapter and any determination as to the  
41 benefit rights of any person is confidential and may not be disclosed  
42 or be open to public inspection in any manner which would reveal  
43 the person's or employing unit's identity.

44     2. Any claimant or his legal representative is entitled to  
45 information from the records of the Division, to the extent necessary





1 for the proper presentation of his claim in any proceeding pursuant  
2 to this chapter. A claimant or an employing unit is not entitled to  
3 information from the records of the Division for any other purpose.

4 3. Subject to such restrictions as the Administrator may by  
5 regulation prescribe, the information obtained by the Division may  
6 be made available to:

7 (a) Any agency of this or any other state or any federal agency  
8 charged with the administration or enforcement of laws relating to  
9 unemployment compensation, public assistance, workers'  
10 compensation or labor and industrial relations, or the maintenance  
11 of a system of public employment offices;

12 (b) Any state or local agency for the enforcement of child  
13 support;

14 (c) The Internal Revenue Service of the Department of the  
15 Treasury;

16 (d) The Department of Taxation; and

17 (e) The State Contractors' Board in the performance of its duties  
18 to enforce the provisions of chapter 624 of NRS.

19 Information obtained in connection with the administration of the  
20 Employment Service may be made available to persons or agencies  
21 for purposes appropriate to the operation of a public employment  
22 service or a public assistance program.

23 4. Upon written request made by a public officer of a local  
24 government, the Administrator shall furnish from the records of the  
25 Division the name, address and place of employment of any person  
26 listed in the records of employment of the Division. The request  
27 must set forth the social security number of the person about whom  
28 the request is made and contain a statement signed by proper  
29 authority of the local government certifying that the request is made  
30 to allow the proper authority to enforce a law to recover a debt or  
31 obligation owed to the local government. The information obtained  
32 by the local government is confidential and may not be used or  
33 disclosed for any purpose other than the collection of a debt or  
34 obligation owed to that local government. The Administrator may  
35 charge a reasonable fee for the cost of providing the requested  
36 information.

37 5. The Administrator may publish or otherwise provide  
38 information on the names of employers, their addresses, their type  
39 or class of business or industry, and the approximate number of  
40 employees employed by each such employer, if the information  
41 released will assist unemployed persons to obtain employment or  
42 will be generally useful in developing and diversifying the economic  
43 interests of this state. Upon request by a state agency which is able  
44 to demonstrate that its intended use of the information will benefit  
45 the residents of this state, the Administrator may, in addition to the



1 information listed in this subsection, disclose the number of  
2 employees employed by each employer and the total wages paid by  
3 each employer. The Administrator may charge a fee to cover the  
4 actual costs of any administrative expenses relating to the disclosure  
5 of this information to a state agency. The Administrator may require  
6 the state agency to certify in writing that the agency will take all  
7 actions necessary to maintain the confidentiality of the information  
8 and prevent its unauthorized disclosure.

9 6. Upon request therefor the Administrator shall furnish to any  
10 agency of the United States charged with the administration of  
11 public works or assistance through public employment, and may  
12 furnish to any state agency similarly charged, the name, address,  
13 ordinary occupation and employment status of each recipient of  
14 benefits and the recipient's rights to further benefits pursuant to this  
15 chapter.

16 7. To further a current criminal investigation, the chief  
17 executive officer of any law enforcement agency of this state may  
18 submit a written request to the Administrator that he furnish, from  
19 the records of the Division, the name, address and place of  
20 employment of any person listed in the records of employment of  
21 the Division. The request must set forth the social security number  
22 of the person about whom the request is made and contain a  
23 statement signed by the chief executive officer certifying that the  
24 request is made to further a criminal investigation currently being  
25 conducted by the agency. Upon receipt of such a request, the  
26 Administrator shall furnish the information requested. He may  
27 charge a fee to cover the actual costs of any related administrative  
28 expenses.

29 8. In addition to the provisions of subsection 5, the  
30 Administrator shall provide lists containing the names and addresses  
31 of employers, ~~{the number of employees employed by each~~  
32 ~~employer}~~ and *information regarding* the ~~{total}~~ wages paid by each  
33 employer to the Department of Taxation, upon request, for use in  
34 verifying returns for the ~~{business tax.}~~ *tax imposed pursuant to*  
35 *sections 2 to 24, inclusive, of this act.* The Administrator may  
36 charge a fee to cover the actual costs of any related administrative  
37 expenses.

38 9. A private carrier that provides industrial insurance in this  
39 state shall submit to the Administrator a list containing the name of  
40 each person who received benefits pursuant to chapters 616A to  
41 616D, inclusive, or 617 of NRS during the preceding month and  
42 request that he compare the information so provided with the  
43 records of the Division regarding persons claiming benefits pursuant  
44 to chapter 612 of NRS for the same period. The information  
45 submitted by the private carrier must be in a form determined by the



\* S B 6 R 3 \*

1 Administrator and must contain the social security number of each  
2 such person. Upon receipt of the request, the Administrator shall  
3 make such a comparison and, if it appears from the information  
4 submitted that a person is simultaneously claiming benefits under  
5 chapter 612 of NRS and under chapters 616A to 616D, inclusive, or  
6 617 of NRS, the Administrator shall notify the Attorney General or  
7 any other appropriate law enforcement agency. The Administrator  
8 shall charge a fee to cover the actual costs of any related  
9 administrative expenses.

10 10. The Administrator may request the Comptroller of the  
11 Currency of the United States to cause an examination of the  
12 correctness of any return or report of any national banking  
13 association rendered pursuant to the provisions of this chapter, and  
14 may in connection with the request transmit any such report or  
15 return to the Comptroller of the Currency of the United States as  
16 provided in Section 3305(c) of the Internal Revenue Code of 1954.

17 11. If any employee or member of the Board of Review, the  
18 Administrator or any employee of the Administrator, in violation of  
19 the provisions of this section, discloses information obtained from  
20 any employing unit or person in the administration of this chapter,  
21 or if any person who has obtained a list of applicants for work, or of  
22 claimants or recipients of benefits pursuant to this chapter uses or  
23 permits the use of the list for any political purpose, he is guilty of a  
24 gross misdemeanor.

25 12. All letters, reports or communications of any kind, oral or  
26 written, from the employer or employee to each other or to the  
27 Division or any of its agents, representatives or employees are  
28 privileged and must not be the subject matter or basis for any  
29 lawsuit if the letter, report or communication is written, sent,  
30 delivered or prepared pursuant to the requirements of this chapter.

31 **Sec. 180.** (Deleted by amendment.)

32 **Sec. 181.** NRS 616B.012 is hereby amended to read as  
33 follows:

34 616B.012 1. Except as otherwise provided in this section and  
35 in NRS 616B.015, 616B.021 and 616C.205, information obtained  
36 from any insurer, employer or employee is confidential and may not  
37 be disclosed or be open to public inspection in any manner which  
38 would reveal the person's identity.

39 2. Any claimant or his legal representative is entitled to  
40 information from the records of the insurer, to the extent necessary  
41 for the proper presentation of a claim in any proceeding under  
42 chapters 616A to 616D, inclusive, or chapter 617 of NRS.

43 3. The Division and Administrator are entitled to information  
44 from the records of the insurer which is necessary for the  
45 performance of their duties. The Administrator may, by regulation,



1 prescribe the manner in which otherwise confidential information  
2 may be made available to:

3 (a) Any agency of this or any other state charged with the  
4 administration or enforcement of laws relating to industrial  
5 insurance, unemployment compensation, public assistance or labor  
6 law and industrial relations;

7 (b) Any state or local agency for the enforcement of child  
8 support;

9 (c) The Internal Revenue Service of the Department of the  
10 Treasury;

11 (d) The Department of Taxation; and

12 (e) The State Contractors' Board in the performance of its duties  
13 to enforce the provisions of chapter 624 of NRS.

14 Information obtained in connection with the administration of a  
15 program of industrial insurance may be made available to persons or  
16 agencies for purposes appropriate to the operation of a program of  
17 industrial insurance.

18 4. Upon written request made by a public officer of a local  
19 government, an insurer shall furnish from its records the name,  
20 address and place of employment of any person listed in its records.  
21 The request must set forth the social security number of the person  
22 about whom the request is made and contain a statement signed by  
23 proper authority of the local government certifying that the request  
24 is made to allow the proper authority to enforce a law to recover a  
25 debt or obligation owed to the local government. The information  
26 obtained by the local government is confidential and may not be  
27 used or disclosed for any purpose other than the collection of a debt  
28 or obligation owed to that local government. The insurer may charge  
29 a reasonable fee for the cost of providing the requested information.

30 5. To further a current criminal investigation, the chief  
31 executive officer of any law enforcement agency of this state may  
32 submit to the administrator a written request for the name, address  
33 and place of employment of any person listed in the records of an  
34 insurer. The request must set forth the social security number of the  
35 person about whom the request is made and contain a statement  
36 signed by the chief executive officer certifying that the request is  
37 made to further a criminal investigation currently being conducted  
38 by the agency. Upon receipt of a request, the Administrator shall  
39 instruct the insurer to furnish the information requested. Upon  
40 receipt of such an instruction, the insurer shall furnish the  
41 information requested. The insurer may charge a reasonable fee to  
42 cover any related administrative expenses.

43 6. Upon request by the Department of Taxation, the  
44 Administrator shall provide:

45 (a) Lists containing the names and addresses of employers; and



1 (b) Other information concerning employers collected and  
2 maintained by the Administrator or the Division to carry out the  
3 purposes of chapters 616A to 616D, inclusive, or chapter 617 of  
4 NRS,

5 to the Department for its use in verifying returns for the ~~business~~  
6 ~~tax.] tax imposed pursuant to sections 2 to 24, inclusive, of this act.~~  
7 The Administrator may charge a reasonable fee to cover any related  
8 administrative expenses.

9 7. Any person who, in violation of this section, discloses  
10 information obtained from files of claimants or policyholders or  
11 obtains a list of claimants or policyholders under chapters 616A to  
12 616D, inclusive, or chapter 617 of NRS and uses or permits the use  
13 of the list for any political purposes, is guilty of a gross  
14 misdemeanor.

15 8. All letters, reports or communications of any kind, oral or  
16 written, from the insurer, or any of its agents, representatives or  
17 employees are privileged and must not be the subject matter or basis  
18 for any lawsuit if the letter, report or communication is written, sent,  
19 delivered or prepared pursuant to the requirements of chapters 616A  
20 to 616D, inclusive, or chapter 617 of NRS.

21 **Sec. 182.** NRS 616B.679 is hereby amended to read as  
22 follows:

23 616B.679 1. Each application must include:

24 (a) The applicant's name and title of his position with the  
25 employee leasing company.

26 (b) The applicant's age, place of birth and social security  
27 number.

28 (c) The applicant's address.

29 (d) The business address of the employee leasing company.

30 (e) The business address of the resident agent of the employee  
31 leasing company, if the applicant is not the resident agent.

32 (f) If the applicant is a:

33 (1) Partnership, the name of the partnership and the name,  
34 address, age, social security number and title of each partner.

35 (2) Corporation, the name of the corporation and the name,  
36 address, age, social security number and title of each officer of the  
37 corporation.

38 (g) Proof of:

39 (1) ~~The payment of any taxes required by chapter 364A of~~  
40 ~~NRS.] Compliance with the provisions of section 66 of this act.~~

41 (2) The payment of any premiums for industrial insurance  
42 required by chapters 616A to 617, inclusive, of NRS.

43 (3) The payment of contributions or payments in lieu of  
44 contributions required by chapter 612 of NRS.



\* S B 6 R 3 \*

1 (4) Insurance coverage for any benefit plan from an insurer  
2 authorized pursuant to title 57 of NRS that is offered by the  
3 employee leasing company to its employees.

4 (h) Any other information the Administrator requires.

5 2. Each application must be notarized and signed under penalty  
6 of perjury:

7 (a) If the applicant is a sole proprietorship, by the sole  
8 proprietor.

9 (b) If the applicant is a partnership, by each partner.

10 (c) If the applicant is a corporation, by each officer of the  
11 corporation.

12 3. An applicant shall submit to the Administrator any change in  
13 the information required by this section within 30 days after the  
14 change occurs. The Administrator may revoke the certificate of  
15 registration of an employee leasing company which fails to comply  
16 with the provisions of NRS 616B.670 to 616B.697, inclusive.

17 4. If an insurer cancels an employee leasing company's policy,  
18 the insurer shall immediately notify the Administrator in writing.  
19 The notice must comply with the provisions of NRS 687B.310 to  
20 687B.355, inclusive, and must be served personally on or sent by  
21 first-class mail or electronic transmission to the Administrator.

22 **Sec. 183.** NRS 616B.691 is hereby amended to read as  
23 follows:

24 616B.691 1. For the purposes of chapters ~~364A,~~ 612 and  
25 616A to 617, inclusive, of NRS, *and sections 2 to 24, inclusive, of*  
26 *this act*, an employee leasing company which complies with the  
27 provisions of NRS 616B.670 to 616B.697, inclusive, shall be  
28 deemed to be the employer of the employees it leases to a client  
29 company.

30 2. An employee leasing company shall be deemed to be the  
31 employer of its leased employees for the purposes of sponsoring and  
32 maintaining any benefit plans.

33 3. An employee leasing company shall not offer its employees  
34 any self-funded insurance program. An employee leasing company  
35 shall not act as a self-insured employer or be a member of an  
36 association of self-insured public or private employers pursuant to  
37 chapters 616A to 616D, inclusive, or chapter 617 of NRS or  
38 pursuant to title 57 of NRS.

39 4. If an employee leasing company fails to:

40 (a) Pay any contributions, premiums, forfeits or interest due; or

41 (b) Submit any reports or other information required,  
42 pursuant to this chapter or chapter 612, 616A, 616C, 616D or 617 of  
43 NRS, the client company is jointly and severally liable for the  
44 contributions, premiums, forfeits or interest attributable to the wages  
45 of the employees leased to it by the employee leasing company.



\* S B 6 R 3 \*

1     **Secs. 184-185.** (Deleted by amendment.)

2     **Sec. 185.30.** NRS 645B.060 is hereby amended to read as  
3 follows:

4     645B.060 1. Subject to the administrative control of the  
5 Director of the Department of Business and Industry, the  
6 Commissioner shall exercise general supervision and control over  
7 mortgage brokers doing business in this state.

8     2. In addition to the other duties imposed upon him by law, the  
9 Commissioner shall:

10    (a) Adopt any regulations that are necessary to carry out the  
11 provisions of this chapter, except as to loan brokerage fees.

12    (b) Conduct such investigations as may be necessary to  
13 determine whether any person has violated any provision of this  
14 chapter, a regulation adopted pursuant to this chapter or an order of  
15 the Commissioner.

16    (c) Conduct an annual examination of each mortgage broker  
17 doing business in this state. The annual examination must include,  
18 without limitation, a formal exit review with the mortgage broker.  
19 The Commissioner shall adopt regulations prescribing:

20       (1) Standards for determining the rating of each mortgage  
21 broker based upon the results of the annual examination; and

22       (2) Procedures for resolving any objections made by the  
23 mortgage broker to the results of the annual examination. The  
24 results of the annual examination may not be opened to public  
25 inspection pursuant to NRS 645B.090 until any objections made by  
26 the mortgage broker have been decided by the Commissioner.

27    (d) Conduct such other examinations, periodic or special audits,  
28 investigations and hearings as may be necessary and proper for the  
29 efficient administration of the laws of this state regarding mortgage  
30 brokers and mortgage agents. The Commissioner shall adopt  
31 regulations specifying the general guidelines that will be followed  
32 when a periodic or special audit of a mortgage broker is conducted  
33 pursuant to this chapter.

34    (e) Classify as confidential certain records and information  
35 obtained by the Division when those matters are obtained from a  
36 governmental agency upon the express condition that they remain  
37 confidential. This paragraph does not limit examination by ~~the~~:

38       (1) *The Legislative Auditor* ~~§~~; or

39       (2) *The Department of Taxation if necessary to carry out*  
40 *the provisions of sections 24.12 to 24.74, inclusive, of this act.*

41    (f) Conduct such examinations and investigations as are  
42 necessary to ensure that mortgage brokers meet the requirements of  
43 this chapter for obtaining a license, both at the time of the  
44 application for a license and thereafter on a continuing basis.





1     3. For each special audit, investigation or examination, a  
2 mortgage broker shall pay a fee based on the rate established  
3 pursuant to NRS 658.101.

4     **Sec. 185.32.** NRS 645B.670 is hereby amended to read as  
5 follows:

6     645B.670 Except as otherwise provided in NRS 645B.690:

7     1. For each violation committed by an applicant, whether or  
8 not he is issued a license, the Commissioner may impose upon the  
9 applicant an administrative fine of not more than \$10,000, if the  
10 applicant:

11     (a) Has knowingly made or caused to be made to the  
12 Commissioner any false representation of material fact;

13     (b) Has suppressed or withheld from the Commissioner any  
14 information which the applicant possesses and which, if submitted  
15 by him, would have rendered the applicant ineligible to be licensed  
16 pursuant to the provisions of this chapter; or

17     (c) Has violated any provision of this chapter, a regulation  
18 adopted pursuant to this chapter or an order of the Commissioner in  
19 completing and filing his application for a license or during the  
20 course of the investigation of his application for a license.

21     2. For each violation committed by a licensee, the  
22 Commissioner may impose upon the licensee an administrative fine  
23 of not more than \$10,000, may suspend, revoke or place conditions  
24 upon his license, or may do both, if the licensee, whether or not  
25 acting as such:

26     (a) Is insolvent;

27     (b) Is grossly negligent or incompetent in performing any act for  
28 which he is required to be licensed pursuant to the provisions of this  
29 chapter;

30     (c) Does not conduct his business in accordance with law or has  
31 violated any provision of this chapter, a regulation adopted pursuant  
32 to this chapter or an order of the Commissioner;

33     (d) Is in such financial condition that he cannot continue in  
34 business with safety to his customers;

35     (e) Has made a material misrepresentation in connection with  
36 any transaction governed by this chapter;

37     (f) Has suppressed or withheld from a client any material facts,  
38 data or other information relating to any transaction governed by the  
39 provisions of this chapter which the licensee knew or, by the  
40 exercise of reasonable diligence, should have known;

41     (g) Has knowingly made or caused to be made to the  
42 Commissioner any false representation of material fact or has  
43 suppressed or withheld from the Commissioner any information  
44 which the licensee possesses and which, if submitted by him, would



1 have rendered the licensee ineligible to be licensed pursuant to the  
2 provisions of this chapter;

3 (h) Has failed to account to persons interested for all money  
4 received for a trust account;

5 (i) Has refused to permit an examination by the Commissioner  
6 of his books and affairs or has refused or failed, within a reasonable  
7 time, to furnish any information or make any report that may be  
8 required by the Commissioner pursuant to the provisions of this  
9 chapter or a regulation adopted pursuant to this chapter;

10 (j) Has been convicted of, or entered a plea of nolo contendere  
11 to, a felony or any crime involving fraud, misrepresentation or  
12 moral turpitude;

13 (k) Has refused or failed to pay, within a reasonable time, any  
14 fees, assessments, costs or expenses that the licensee is required to  
15 pay pursuant to this chapter or a regulation adopted pursuant to this  
16 chapter;

17 (l) Has failed to satisfy a claim made by a client which has been  
18 reduced to judgment;

19 (m) Has failed to account for or to remit any money of a client  
20 within a reasonable time after a request for an accounting or  
21 remittal;

22 (n) Has commingled the money or other property of a client  
23 with his own or has converted the money or property of others to his  
24 own use;

25 (o) Has engaged in any other conduct constituting a deceitful,  
26 fraudulent or dishonest business practice;

27 (p) Has repeatedly violated the policies and procedures of the  
28 mortgage broker;

29 (q) Has failed to exercise reasonable supervision over the  
30 activities of a mortgage agent as required by NRS 645B.460;

31 (r) Has instructed a mortgage agent to commit an act that would  
32 be cause for the revocation of the license of the mortgage broker,  
33 whether or not the mortgage agent commits the act;

34 (s) Has employed a person as a mortgage agent or authorized a  
35 person to be associated with the licensee as a mortgage agent at a  
36 time when the licensee knew or, in light of all the surrounding facts  
37 and circumstances, reasonably should have known that the person:

38 (1) Had been convicted of, or entered a plea of nolo  
39 contendere to, a felony or any crime involving fraud,  
40 misrepresentation or moral turpitude; or

41 (2) Had a financial services license or registration suspended  
42 or revoked within the immediately preceding 10 years; ~~for~~

43 (t) *Has failed to pay the franchise tax imposed pursuant to the*  
44 *provisions of sections 24.12 to 24.74, inclusive, of this act; or*



1       (u) Has not conducted verifiable business as a mortgage broker  
2 for 12 consecutive months, except in the case of a new applicant.  
3 The Commissioner shall determine whether a mortgage broker is  
4 conducting business by examining the monthly reports of activity  
5 submitted by the licensee or by conducting an examination of the  
6 licensee.

7       **Sec. 185.34.** NRS 645E.300 is hereby amended to read as  
8 follows:

9       645E.300 1. Subject to the administrative control of the  
10 Director of the Department of Business and Industry, the  
11 Commissioner shall exercise general supervision and control over  
12 mortgage companies doing business in this state.

13       2. In addition to the other duties imposed upon him by law, the  
14 Commissioner shall:

15       (a) Adopt any regulations that are necessary to carry out the  
16 provisions of this chapter, except as to loan fees.

17       (b) Conduct such investigations as may be necessary to  
18 determine whether any person has violated any provision of this  
19 chapter, a regulation adopted pursuant to this chapter or an order of  
20 the Commissioner.

21       (c) Conduct an annual examination of each mortgage company  
22 doing business in this state.

23       (d) Conduct such other examinations, periodic or special audits,  
24 investigations and hearings as may be necessary and proper for the  
25 efficient administration of the laws of this state regarding mortgage  
26 companies.

27       (e) Classify as confidential certain records and information  
28 obtained by the Division when those matters are obtained from a  
29 governmental agency upon the express condition that they remain  
30 confidential. This paragraph does not limit examination by ~~the~~:

31       (1) *The Legislative Auditor* ~~the~~; or

32       (2) *The Department of Taxation if necessary to carry out*  
33 *the provisions of sections 24.12 to 24.74, inclusive, of this act.*

34       (f) Conduct such examinations and investigations as are  
35 necessary to ensure that mortgage companies meet the requirements  
36 of this chapter for obtaining a license, both at the time of the  
37 application for a license and thereafter on a continuing basis.

38       3. For each special audit, investigation or examination, a  
39 mortgage company shall pay a fee based on the rate established  
40 pursuant to NRS 658.101.

41       **Sec. 185.36.** NRS 645E.670 is hereby amended to read as  
42 follows:

43       645E.670 1. For each violation committed by an applicant,  
44 whether or not he is issued a license, the Commissioner may impose



1 upon the applicant an administrative fine of not more than \$10,000,  
2 if the applicant:

3 (a) Has knowingly made or caused to be made to the  
4 Commissioner any false representation of material fact;

5 (b) Has suppressed or withheld from the Commissioner any  
6 information which the applicant possesses and which, if submitted  
7 by him, would have rendered the applicant ineligible to be licensed  
8 pursuant to the provisions of this chapter; or

9 (c) Has violated any provision of this chapter, a regulation  
10 adopted pursuant to this chapter or an order of the Commissioner in  
11 completing and filing his application for a license or during the  
12 course of the investigation of his application for a license.

13 2. For each violation committed by a licensee, the  
14 Commissioner may impose upon the licensee an administrative fine  
15 of not more than \$10,000, may suspend, revoke or place conditions  
16 upon his license, or may do both, if the licensee, whether or not  
17 acting as such:

18 (a) Is insolvent;

19 (b) Is grossly negligent or incompetent in performing any act for  
20 which he is required to be licensed pursuant to the provisions of this  
21 chapter;

22 (c) Does not conduct his business in accordance with law or has  
23 violated any provision of this chapter, a regulation adopted pursuant  
24 to this chapter or an order of the Commissioner;

25 (d) Is in such financial condition that he cannot continue in  
26 business with safety to his customers;

27 (e) Has made a material misrepresentation in connection with  
28 any transaction governed by this chapter;

29 (f) Has suppressed or withheld from a client any material facts,  
30 data or other information relating to any transaction governed by the  
31 provisions of this chapter which the licensee knew or, by the  
32 exercise of reasonable diligence, should have known;

33 (g) Has knowingly made or caused to be made to the  
34 Commissioner any false representation of material fact or has  
35 suppressed or withheld from the Commissioner any information  
36 which the licensee possesses and which, if submitted by him, would  
37 have rendered the licensee ineligible to be licensed pursuant to the  
38 provisions of this chapter;

39 (h) Has failed to account to persons interested for all money  
40 received for a trust account;

41 (i) Has refused to permit an examination by the Commissioner  
42 of his books and affairs or has refused or failed, within a reasonable  
43 time, to furnish any information or make any report that may be  
44 required by the Commissioner pursuant to the provisions of this  
45 chapter or a regulation adopted pursuant to this chapter;



\* S B 6 R 3 \*

1 (j) Has been convicted of, or entered a plea of nolo contendere  
2 to, a felony or any crime involving fraud, misrepresentation or  
3 moral turpitude;

4 (k) Has refused or failed to pay, within a reasonable time, any  
5 fees, assessments, costs or expenses that the licensee is required to  
6 pay pursuant to this chapter or a regulation adopted pursuant to this  
7 chapter;

8 (l) *Has failed to pay the franchise tax imposed pursuant to the*  
9 *provisions of sections 24.12 to 24.74, inclusive, of this act;*

10 (m) Has failed to satisfy a claim made by a client which has  
11 been reduced to judgment;

12 ~~(n)~~ (n) Has failed to account for or to remit any money of a  
13 client within a reasonable time after a request for an accounting or  
14 remittal;

15 ~~(o)~~ (o) Has commingled the money or other property of a  
16 client with his own or has converted the money or property of others  
17 to his own use; or

18 ~~(p)~~ (p) Has engaged in any other conduct constituting a  
19 deceitful, fraudulent or dishonest business practice.

20 **Sec. 185.38.** NRS 649.395 is hereby amended to read as  
21 follows:

22 649.395 1. The Commissioner may impose an administrative  
23 fine, not to exceed \$500 for each violation, or suspend or revoke the  
24 license of a collection agency, or both impose a fine and suspend or  
25 revoke the license, by an order made in writing and filed in his  
26 office and served on the licensee by registered or certified mail at  
27 the address shown in the records of the Commissioner, if:

28 (a) The licensee is adjudged liable in any court of law for breach  
29 of any bond given under the provisions of this chapter; ~~or~~

30 (b) After notice and hearing, the licensee is found guilty of:

31 (1) Fraud or misrepresentation;

32 (2) An act or omission inconsistent with the faithful  
33 discharge of his duties and obligations; or

34 (3) A violation of any provision of this chapter ~~or~~; *or*

35 (c) *The Commissioner determines that the licensee has failed*  
36 *to pay the franchise tax imposed pursuant to the provisions of*  
37 *sections 24.12 to 24.74, inclusive, of this act.*

38 2. The Commissioner may suspend or revoke the license of a  
39 collection agency without notice and hearing if:

40 (a) The suspension or revocation is necessary for the immediate  
41 protection of the public; and

42 (b) The licensee is afforded a hearing to contest the suspension  
43 or revocation within 20 days after the written order of suspension or  
44 revocation is served upon the licensee.



1 3. Upon revocation of his license, all rights of the licensee  
2 under this chapter terminate, and no application may be received  
3 from any person whose license has once been revoked.

4 **Sec. 185.40.** NRS 658.151 is hereby amended to read as  
5 follows:

6 658.151 1. The Commissioner may forthwith take possession  
7 of the business and property of any depository institution to which  
8 this title or title 56 of NRS applies when it appears that the  
9 depository institution:

- 10 (a) Has violated its charter or any laws applicable thereto.  
11 (b) Is conducting its business in an unauthorized or unsafe  
12 manner.  
13 (c) Is in an unsafe or unsound condition to transact its business.  
14 (d) Has an impairment of its stockholders' or members' equity.  
15 (e) Has refused to pay its depositors in accordance with the  
16 terms on which such deposits were received, or has refused to pay  
17 its holders of certificates of indebtedness or investment in  
18 accordance with the terms upon which those certificates of  
19 indebtedness or investment were sold.  
20 (f) Has become otherwise insolvent.  
21 (g) Has neglected or refused to comply with the terms of a  
22 lawful order of the Commissioner.  
23 (h) Has refused, upon proper demand, to submit its records,  
24 affairs and concerns for inspection and examination of an appointed  
25 or authorized examiner of the Commissioner.  
26 (i) Has made a voluntary assignment of its assets to trustees.  
27 *(j) Has failed to pay the franchise tax imposed pursuant to the*  
28 *provisions of sections 24.12 to 24.74, inclusive, of this act.*

29 2. The Commissioner also may forthwith take possession of the  
30 business and property of any depository institution to which this title  
31 or title 56 of NRS applies when it appears that the officers of the  
32 depository institution have refused to be examined upon oath  
33 regarding its affairs.

34 **Sec. 185.42.** NRS 665.133 is hereby amended to read as  
35 follows:

36 665.133 1. The records and information described in NRS  
37 665.130 may be disclosed to:

- 38 (a) An agency of the Federal Government or of another state  
39 which regulates the financial institution which is the subject of the  
40 records or information;  
41 (b) The Director of the Department of Business and Industry for  
42 his confidential use;  
43 (c) The State Board of Finance for its confidential use, if the  
44 report or other information is necessary for the State Board of  
45 Finance to perform its duties under this title;



- 1 (d) *The Department of Taxation for its use in carrying out the*  
2 *provisions of sections 24.12 to 24.74, inclusive, of this act;*  
3 (e) An entity which insures or guarantees deposits;  
4 ~~[(e)]~~ (f) A public officer authorized to investigate criminal  
5 charges in connection with the affairs of the depository institution;  
6 ~~[(f)]~~ (g) A person preparing a proposal for merging with or  
7 acquiring an institution or holding company, but only after notice of  
8 the disclosure has been given to the institution or holding company;  
9 ~~[(g)]~~ (h) Any person to whom the subject of the report has  
10 authorized the disclosure;  
11 ~~[(h)]~~ (i) Any other person if the Commissioner determines, after  
12 notice and opportunity for hearing, that disclosure is in the public  
13 interest and outweighs any potential harm to the depository  
14 institution and its stockholders, members, depositors and creditors;  
15 and  
16 ~~[(i)]~~ (j) Any court in a proceeding initiated by the  
17 Commissioner concerning the financial institution.  
18 2. All the reports made available pursuant to this section  
19 remain the property of the Division of Financial Institutions, and no  
20 person, agency or authority to whom the reports are made available,  
21 or any officer, director or employee thereof, may disclose any of the  
22 reports or any information contained therein, except in published  
23 statistical material that does not disclose the affairs of any natural  
24 person or corporation.  
25 **Sec. 185.44.** NRS 673.484 is hereby amended to read as  
26 follows:  
27 673.484 The Commissioner may after notice and hearing  
28 suspend or revoke the charter of any association for ~~[(repeated)]~~ :  
29 1. *Repeated* failure to abide by the provisions of this chapter or  
30 the regulations adopted thereunder.  
31 2. *Failure to pay the franchise tax imposed pursuant to the*  
32 *provisions of sections 24.12 to 24.74, inclusive, of this act.*  
33 **Sec. 185.46.** NRS 675.440 is hereby amended to read as  
34 follows:  
35 675.440 1. If the Commissioner has reason to believe that  
36 grounds for revocation or suspension of a license exist, he shall give  
37 20 days' written notice to the licensee stating the contemplated  
38 action and, in general, the grounds therefor and set a date for a  
39 hearing.  
40 2. At the conclusion of a hearing, the Commissioner shall:  
41 (a) Enter a written order either dismissing the charges, revoking  
42 the license, or suspending the license for a period of not more than  
43 60 days, which period must include any prior temporary suspension.  
44 A copy of the order must be sent by registered or certified mail to  
45 the licensee.





1 (b) Impose upon the licensee a fine of \$500 for each violation by  
2 the licensee of any provision of this chapter or any lawful regulation  
3 adopted under it.

4 (c) If a fine is imposed pursuant to this section, enter such order  
5 as is necessary to recover the costs of the proceeding, including his  
6 investigative costs and attorney's fees.

7 3. The grounds for revocation or suspension of a license are  
8 that:

9 (a) The licensee has failed to pay the annual license fee;

10 (b) The licensee, either knowingly or without any exercise of  
11 due care to prevent it, has violated any provision of this chapter or  
12 any lawful regulation adopted under it;

13 (c) *The licensee has failed to pay the franchise tax imposed*  
14 *pursuant to the provisions of sections 24.12 to 24.74, inclusive, of*  
15 *this act;*

16 (d) Any fact or condition exists which would have justified the  
17 Commissioner in denying the licensee's original application for a  
18 license hereunder; or

19 ~~[(d)]~~ (e) The applicant failed to open an office for the conduct  
20 of the business authorized under this chapter within 120 days from  
21 the date the license was issued, or has failed to remain open for the  
22 conduct of the business for a period of 120 days without good cause  
23 therefor.

24 4. Any revocation or suspension applies only to the license  
25 granted to a person for the particular office for which grounds for  
26 revocation or suspension exist.

27 5. An order suspending or revoking a license becomes effective  
28 5 days after being entered unless the order specifies otherwise or a  
29 stay is granted.

30 **Sec. 185.48.** NRS 676.290 is hereby amended to read as  
31 follows:

32 676.290 1. The Commissioner may, pursuant to the  
33 procedure provided in this chapter, deny, suspend or revoke any  
34 license for which application has been made or which has been  
35 issued under the provisions of this chapter if he finds, as to the  
36 licensee, its associates, directors or officers, grounds for action.

37 2. Any one of the following grounds may provide the requisite  
38 grounds for denial, suspension or revocation:

39 (a) Conviction of a felony or of a misdemeanor involving moral  
40 turpitude.

41 (b) Violation of any of the provisions of this chapter or  
42 regulations of the Commissioner.

43 (c) Fraud or deceit in procuring the issuance of the license.

44 (d) Continuous course of unfair conduct.



1 (e) Insolvency, filing in bankruptcy, receivership or assigning  
2 for the benefit of creditors by any licensee or applicant for a license  
3 under this chapter.

4 (f) *Failure to pay the franchise tax imposed pursuant to the*  
5 *provisions of sections 24.12 to 24.74, inclusive, of this act.*

6 (g) Failure to pay the fee for renewal or reinstatement of a  
7 license.

8 3. The Commissioner shall, after notice and hearing, impose  
9 upon the licensee a fine of \$500 for each violation by the licensee of  
10 any of the provisions of this chapter or regulations of the  
11 Commissioner. If a fine is imposed pursuant to this section, the  
12 costs of the proceeding, including investigative costs and attorney's  
13 fees, may be recovered by the Commissioner.

14 **Sec. 185.50.** NRS 677.510 is hereby amended to read as  
15 follows:

16 677.510 1. If the Commissioner has reason to believe that  
17 grounds for revocation or suspension of a license exist, he shall give  
18 20 days' written notice to the licensee stating the contemplated  
19 action and, in general, the grounds therefor and set a date for a  
20 hearing.

21 2. At the conclusion of a hearing, the Commissioner shall:

22 (a) Enter a written order either dismissing the charges, or  
23 revoking the license, or suspending the license for a period of not  
24 more than 60 days, which period must include any prior temporary  
25 suspension. A copy of the order must be sent by registered or  
26 certified mail to the licensee.

27 (b) Impose upon the licensee a fine of \$500 for each violation by  
28 the licensee of any provision of this chapter or any lawful regulation  
29 adopted pursuant thereto.

30 (c) If a fine is imposed pursuant to this section, enter such order  
31 as is necessary to recover the costs of the proceeding, including his  
32 investigative costs and attorney's fees.

33 3. The grounds for revocation or suspension of a license are  
34 that:

35 (a) The licensee has failed to pay the annual license fee;

36 (b) The licensee, either knowingly or without any exercise of  
37 due care to prevent it, has violated any provision of this chapter, or  
38 any lawful regulation adopted pursuant thereto;

39 (c) *The licensee has failed to pay the franchise tax imposed*  
40 *pursuant to the provisions of sections 24.12 to 24.74, inclusive, of*  
41 *this act;*

42 (d) Any fact or condition exists which would have justified the  
43 Commissioner in denying the licensee's original application for a  
44 license hereunder; or



1 ~~[(d)]~~ (e) The applicant failed to open an office for the conduct  
2 of the business authorized under this chapter within 120 days from  
3 the date the license was issued, or has failed to remain open for the  
4 conduct of the business for a period of 120 days without good cause  
5 therefor.

6 4. Any revocation or suspension applies only to the license  
7 granted to a person for the particular office for which grounds for  
8 revocation or suspension exist.

9 5. An order suspending or revoking a license becomes effective  
10 5 days after being entered unless the order specifies otherwise or a  
11 stay is granted.

12 **Sec. 186.** (Deleted by amendment.)

13 **Sec. 186.3.** NRS 680B.037 is hereby amended to read as  
14 follows:

15 680B.037 ~~[Payment]~~

16 1. *Except as otherwise provided in subsection 2, payment* by  
17 an insurer of the tax imposed by NRS 680B.027 is in lieu of all  
18 taxes imposed by the State or any city, town or county upon  
19 premiums or upon income of insurers and of franchise, privilege or  
20 other taxes measured by income of the insurer.

21 2. *The provisions of subsection 1 do not apply to a franchise*  
22 *fee imposed pursuant to the provisions of sections 58.12 to 58.80,*  
23 *inclusive, of this act.*

24 **Sec. 186.4.** NRS 680B.037 is hereby amended to read as  
25 follows:

26 680B.037 1. Except as otherwise provided in subsection 2,  
27 payment by an insurer of the tax imposed by NRS 680B.027 is in  
28 lieu of all taxes imposed by the State or any city, town or county  
29 upon premiums or upon income of insurers and of franchise,  
30 privilege or other taxes measured by income of the insurer.

31 2. The provisions of subsection 1 do not apply to a *franchise*  
32 *tax or* franchise fee imposed pursuant to the provisions of sections  
33 *24.12 to 24.74, inclusive, or* 58.12 to 58.80, inclusive, of this act.

34 **Sec. 186.5.** NRS 687A.130 is hereby amended to read as  
35 follows:

36 687A.130 The Association is exempt from payment of all fees  
37 and all taxes levied by this state or any of its subdivisions, except  
38 ~~[taxes]~~ :

39 1. *Taxes* levied on real or personal property.

40 2. *A franchise fee imposed pursuant to sections 58.12 to*  
41 *58.80, inclusive, of this act.*

42 **Sec. 186.6.** NRS 687A.130 is hereby amended to read as  
43 follows:

44 687A.130 The Association is exempt from payment of all fees  
45 and all taxes levied by this state or any of its subdivisions, except:



1 1. Taxes levied on real or personal property.  
2 2. A *franchise tax or* franchise fee imposed pursuant to  
3 sections *24.12 to 24.74, inclusive, or* 58.12 to 58.80, inclusive, of  
4 this act.

5 **Sec. 186.7.** NRS 694C.450 is hereby amended to read as  
6 follows:

7 694C.450 1. Except as otherwise provided in this section, a  
8 captive insurer shall pay to the Division, not later than March 1 of  
9 each year, a tax at the rate of:

10 (a) Two-fifths of 1 percent on the first \$20,000,000 of its net  
11 direct premiums;

12 (b) One-fifth of 1 percent on the next \$20,000,000 of its net  
13 direct premiums; and

14 (c) Seventy-five thousandths of 1 percent on each additional  
15 dollar of its net direct premiums.

16 2. Except as otherwise provided in this section, a captive  
17 insurer shall pay to the Division, not later than March 1 of each  
18 year, a tax at a rate of:

19 (a) Two hundred twenty-five thousandths of 1 percent on the  
20 first \$20,000,000 of revenue from assumed reinsurance premiums;

21 (b) One hundred fifty thousandths of 1 percent on the next  
22 \$20,000,000 of revenue from assumed reinsurance premiums; and

23 (c) Twenty-five thousandths of 1 percent on each additional  
24 dollar of revenue from assumed reinsurance premiums.

25 The tax on reinsurance premiums pursuant to this subsection must  
26 not be levied on premiums for risks or portions of risks which are  
27 subject to taxation on a direct basis pursuant to subsection 1. A  
28 captive insurer is not required to pay any reinsurance premium tax  
29 pursuant to this subsection on revenue related to the receipt of assets  
30 by the captive insurer in exchange for the assumption of loss  
31 reserves and other liabilities of another insurer that is under  
32 common ownership and control with the captive insurer, if the  
33 transaction is part of a plan to discontinue the operation of the other  
34 insurer and the intent of the parties to the transaction is to renew or  
35 maintain such business with the captive insurer.

36 3. If the sum of the taxes to be paid by a captive insurer  
37 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any  
38 given year, the captive insurer shall pay a tax of \$5,000 for that  
39 year.

40 4. Two or more captive insurers under common ownership and  
41 control must be taxed as if they were a single captive insurer.

42 5. Notwithstanding any specific statute to the contrary, ~~and~~  
43 except as otherwise provided in this subsection, the tax provided for  
44 by this section constitutes all the taxes collectible pursuant to the  
45 laws of this state from a captive insurer, and no occupation tax or



1 other taxes may be levied or collected from a captive insurer by this  
2 state or by any county, city or municipality within this state, except  
3 for *a franchise fee imposed pursuant to the provisions of sections*  
4 *58.12 to 58.80, inclusive, of this act and* ad valorem taxes on real or  
5 personal property located in this state used in the production of  
6 income by the captive insurer.

7 6. Ten percent of the revenues collected from the tax imposed  
8 pursuant to this section must be deposited with the State Treasurer  
9 for credit to the Account for the Regulation and Supervision of  
10 Captive Insurers created pursuant to NRS 694C.460. The remaining  
11 90 percent of the revenues collected must be deposited with the  
12 State Treasurer for credit to the State General Fund.

13 7. As used in this section, unless the context otherwise  
14 requires:

15 (a) "Common ownership and control" means:

16 (1) In the case of a stock insurer, the direct or indirect  
17 ownership of 80 percent or more of the outstanding voting stock of  
18 two or more corporations by the same member or members.

19 (2) In the case of a mutual insurer, the direct or indirect  
20 ownership of 80 percent or more of the surplus and the voting power  
21 of two or more corporations by the same member or members.

22 (b) "Net direct premiums" means the direct premiums collected  
23 or contracted for on policies or contracts of insurance written by a  
24 captive insurer during the preceding calendar year, less the amounts  
25 paid to policyholders as return premiums, including dividends on  
26 unabsorbed premiums or premium deposits returned or credited to  
27 policyholders.

28 **Sec. 186.8.** NRS 694C.450 is hereby amended to read as  
29 follows:

30 694C.450 1. Except as otherwise provided in this section, a  
31 captive insurer shall pay to the Division, not later than March 1 of  
32 each year, a tax at the rate of:

33 (a) Two-fifths of 1 percent on the first \$20,000,000 of its net  
34 direct premiums;

35 (b) One-fifth of 1 percent on the next \$20,000,000 of its net  
36 direct premiums; and

37 (c) Seventy-five thousandths of 1 percent on each additional  
38 dollar of its net direct premiums.

39 2. Except as otherwise provided in this section, a captive  
40 insurer shall pay to the Division, not later than March 1 of each  
41 year, a tax at a rate of:

42 (a) Two hundred twenty-five thousandths of 1 percent on the  
43 first \$20,000,000 of revenue from assumed reinsurance premiums;

44 (b) One hundred fifty thousandths of 1 percent on the next  
45 \$20,000,000 of revenue from assumed reinsurance premiums; and



1 (c) Twenty-five thousandths of 1 percent on each additional  
2 dollar of revenue from assumed reinsurance premiums.

3 The tax on reinsurance premiums pursuant to this subsection must  
4 not be levied on premiums for risks or portions of risks which are  
5 subject to taxation on a direct basis pursuant to subsection 1. A  
6 captive insurer is not required to pay any reinsurance premium tax  
7 pursuant to this subsection on revenue related to the receipt of assets  
8 by the captive insurer in exchange for the assumption of loss  
9 reserves and other liabilities of another insurer that is under  
10 common ownership and control with the captive insurer, if the  
11 transaction is part of a plan to discontinue the operation of the other  
12 insurer and the intent of the parties to the transaction is to renew or  
13 maintain such business with the captive insurer.

14 3. If the sum of the taxes to be paid by a captive insurer  
15 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any  
16 given year, the captive insurer shall pay a tax of \$5,000 for that  
17 year.

18 4. Two or more captive insurers under common ownership and  
19 control must be taxed as if they were a single captive insurer.

20 5. Notwithstanding any specific statute to the contrary, except  
21 as otherwise provided in this subsection, the tax provided for by this  
22 section constitutes all the taxes collectible pursuant to the laws of  
23 this state from a captive insurer, and no occupation tax or other  
24 taxes may be levied or collected from a captive insurer by this state  
25 or by any county, city or municipality within this state, except for a  
26 *franchise tax or franchise fee imposed pursuant to the provisions of*  
27 *sections 24.12 to 24.74, inclusive, or 58.12 to 58.80, inclusive, of*  
28 *this act and ad valorem taxes on real or personal property located in*  
29 *this state used in the production of income by the captive insurer.*

30 6. Ten percent of the revenues collected from the tax imposed  
31 pursuant to this section must be deposited with the State Treasurer  
32 for credit to the Account for the Regulation and Supervision of  
33 Captive Insurers created pursuant to NRS 694C.460. The remaining  
34 90 percent of the revenues collected must be deposited with the  
35 State Treasurer for credit to the State General Fund.

36 7. As used in this section, unless the context otherwise  
37 requires:

38 (a) “Common ownership and control” means:

39 (1) In the case of a stock insurer, the direct or indirect  
40 ownership of 80 percent or more of the outstanding voting stock of  
41 two or more corporations by the same member or members.

42 (2) In the case of a mutual insurer, the direct or indirect  
43 ownership of 80 percent or more of the surplus and the voting power  
44 of two or more corporations by the same member or members.



1 (b) "Net direct premiums" means the direct premiums collected  
2 or contracted for on policies or contracts of insurance written by a  
3 captive insurer during the preceding calendar year, less the amounts  
4 paid to policyholders as return premiums, including dividends on  
5 unabsorbed premiums or premium deposits returned or credited to  
6 policyholders.

7 **Sec. 186.9.** Section 58.16 of this act is hereby amended to read  
8 as follows:

9 Sec. 58.16. 1. "Business entity" includes:

10 (a) A corporation, partnership, proprietorship, limited-  
11 liability company, business association, joint venture, limited-  
12 liability partnership, business trust and their equivalents  
13 organized under the laws of this state or another jurisdiction  
14 and any other type of entity that engages in business; and

15 (b) A natural person engaging in business if he is deemed  
16 to be a business entity pursuant to section 58.42 of this act.

17 2. The term does not include:

18 (a) A governmental entity;

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

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

27 *(d) A financial institution that is required to pay a*  
28 *franchise tax pursuant to section 24.38 of this act.*

29 **Sec. 187.** Section 66 of this act is hereby amended to read as  
30 follows:

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

34 2. An application for a business license must:

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

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

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

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

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

44 3. The application must be signed by:





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

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

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

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

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

22 6. The business license required to be obtained pursuant  
23 to this section is in addition to any license to conduct business  
24 that must be obtained from the local jurisdiction in which the  
25 business is being conducted.

26 7. For the purposes of sections 61 to 66, inclusive, of  
27 this act, a person shall be deemed to conduct a business in  
28 this state if a business for which the person is responsible:

29 (a) Is organized pursuant to title 7 of NRS, other than a  
30 business organized pursuant to chapter 82 or 84 of NRS:

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

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

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

40 **Sec. 188.** Section 6 of chapter 458, Statutes of Nevada 1999,  
41 at page 2133, is hereby amended to read as follows:

42 Sec. 6. The amendatory provisions of *sections 2 to 5,*  
43 *inclusive, of* this act expire by limitation on October 1, 2029.



1     **Sec. 188.3.** Section 58 of Assembly Bill No. 553 of the 72nd  
2 Session of the Nevada Legislature is hereby amended to read as  
3 follows:

4         Sec. 58. 1. If projections of the ending balance of the  
5 State General Fund fall below the amount estimated by the  
6 ~~[2003]~~ Nevada Legislature for Fiscal Year 2003-2004 or  
7 2004-2005, the Director of the Department of Administration  
8 shall report this information to the State Board of Examiners.

9         2. If the State Board of Examiners determines that the  
10 ending balance of the State General Fund is projected to be  
11 less than \$60,000,000 for Fiscal Year 2003-2004 or 2004-  
12 2005, the Governor, pursuant to NRS 353.225, may direct the  
13 Director of the Department of Administration to require the  
14 State Controller or the head of each department, institution or  
15 agency to set aside a reserve of not more than 15 percent of  
16 the total amount of operating expenses or other appropriations  
17 and money otherwise available to the department, institution  
18 or agency.

19         3. A reserve must not be set aside pursuant to this  
20 section unless:

21             (a) The Governor, on behalf of the State Board of  
22 Examiners, submits a report to the Legislature, or, if the  
23 Legislature is not in session, to the Interim Finance  
24 Committee, stating the reasons why a reserve is needed and  
25 indicating each department, institution or agency that will be  
26 required to set aside a reserve; and

27             (b) The Legislature or Interim Finance Committee  
28 approves the setting aside of the reserve.

29     **Sec. 188.5.** Section 61 of Assembly Bill No. 553 of the 72nd  
30 Session of the Nevada Legislature is hereby amended to read as  
31 follows:

32         Sec. 61. 1. There is hereby appropriated from the  
33 State General Fund to the Interim Finance Committee the  
34 sum of \$12,500,000 in Fiscal Year 2003-2004 and  
35 \$20,000,000 in Fiscal Year 2004-2005 for information  
36 technology and additional operational costs that may be  
37 required by the Department of Taxation or other state agency  
38 to implement or modify the collections of State General Fund  
39 revenues . ~~{approved by the 72nd Session of the Nevada~~  
40 ~~Legislature.}~~

41         2. If the Department of Taxation or other state agency  
42 determines that additional resources are necessary for  
43 information technology or additional operational costs related  
44 to subsection 1 the State Board of Examiners shall consider



1 the request and recommend the amount of the allocation, if  
2 any, to the Interim Finance Committee.

3 3. The Interim Finance Committee is not required to  
4 approve the entire amount of an allocation recommended  
5 pursuant to subsection 2 or to allocate the entire amount  
6 appropriated in subsection 1.

7 4. The sums appropriated by subsection 1 are available  
8 for either fiscal year. Any balance of those sums must not be  
9 committed for expenditure after June 30, 2005, and reverts to  
10 the State General Fund as soon as all payments of money  
11 committed have been made.

12 **Sec. 188.7.** Section 1 of Senate Bill No. 243 of the 72nd  
13 Session of the Nevada Legislature is hereby amended to read as  
14 follows:

15 Section 1. ~~{1. There is hereby appropriated from the~~  
16 ~~State General Fund to the Fund to Stabilize the Operation of~~  
17 ~~State Government created by NRS 353.288 the sum of~~  
18 ~~\$30,000,000.~~

19 ~~—2.~~ Notwithstanding the provisions of NRS 353.235:

20 ~~{(a)}~~ 1. Upon receipt of the projections and estimates of  
21 the Economic Forum required by paragraph (d) of subsection  
22 1 of NRS 353.228 to be reported on or before December 1,  
23 2004, the Interim Finance Committee shall project the ending  
24 balance of the State General Fund for Fiscal Year 2004-2005,  
25 using all relevant information known to it.

26 ~~{(b)}~~ 2. Except as otherwise provided in ~~{paragraph (e),}~~  
27 *subsection 3*, there is hereby contingently appropriated from  
28 the State General Fund to the Fund to Stabilize the Operation  
29 of State Government created by NRS 353.288 the amount, if  
30 any, by which the projection required by ~~{paragraph (a)}~~  
31 *subsection 1* exceeds the amount of the ending balance of the  
32 State General Fund for Fiscal Year 2004-2005 as estimated  
33 by the ~~{2003 Legislature.~~

34 ~~—(e)}~~ *Nevada Legislature.*

35 3. The amount of any appropriation pursuant to  
36 ~~{paragraph (b)}~~ *subsection 2* must not exceed ~~[\$20,000,000.]~~  
37 *\$50,000,000.*

38 **Sec. 189.** 1. NRS 353.272, 364A.160, 375.025 and 375.075  
39 are hereby repealed.

40 2. NRS 463.4001, 463.4002, 463.4004, 463.4006, 463.4008,  
41 463.4009 and 463.4015 are hereby repealed.

42 3. NRS 364A.010, 364A.020, 364A.030, 364A.040, 364A.050,  
43 364A.060, 364A.070, 364A.080, 364A.090, 364A.100, 364A.110,  
44 364A.120, 364A.130, 364A.135, 364A.140, 364A.150, 364A.151,  
45 364A.152, 364A.1525, 364A.170, 364A.175, 364A.180, 364A.190,



1 364A.230, 364A.240, 364A.250, 364A.260, 364A.270, 364A.280,  
2 364A.290, 364A.300, 364A.310, 364A.320, 364A.330, 364A.340,  
3 364A.350, 463.401, 463.402, 463.403, 463.404, 463.4045, 463.405,  
4 463.4055 and 463.406 are hereby repealed.

5 **Sec. 190.** Notwithstanding the provisions of NRS 353.288:

6 1. After the close of the 2003-2004 Fiscal Year and after the  
7 close of the 2004-2005 Fiscal Year, the Interim Finance Committee  
8 shall determine the amount, if any, by which the total revenue from  
9 all sources to the State General Fund, excluding reversions to the  
10 State General Fund, exceeds:

11 (a) One hundred seven percent of the total revenue from all  
12 sources to the State General Fund as projected by the Nevada  
13 Legislature for the applicable fiscal year; and

14 (b) The total amount of all applicable contingent appropriations  
15 enacted for the 2003-2004 Fiscal Year and the 2004-2005 Fiscal  
16 Year by the Nevada Legislature for which the conditions for the  
17 contingent appropriations were satisfied.

18 2. Any excess amount of revenue determined pursuant to  
19 subsection 1 must be used as follows:

20 (a) An amount estimated by the Interim Finance Committee to  
21 pay for expenditures that will occur in the next biennium for which  
22 the corresponding expenditures in the current biennium were paid or  
23 are to be paid from a source other than the State General Fund, but  
24 for which the alternative source of revenue likely will not be  
25 available or will not be received during the biennium, must be used  
26 to replace previously used nonrecurring revenue. This amount must  
27 be accounted for separately in the State General Fund.

28 (b) The remaining excess amount of revenue must be transferred  
29 to the Fund to Stabilize the Operation of the State Government  
30 created by NRS 353.288, in such an amount that does not cause the  
31 balance in the Fund to exceed the limitation on that balance set forth  
32 in NRS 353.288.

33 (c) Any remaining excess amount of revenue must be transferred  
34 to the Fund for Tax Accountability created pursuant to section 191  
35 of this act.

36 **Sec. 191.** 1. The Fund for Tax Accountability is hereby  
37 created as a special revenue fund.

38 2. Money from the Fund may be appropriated only for the  
39 purpose of supplementing future revenue of this state to allow the  
40 reduction of the rate or amount of a tax or fee.

41 3. This section does not authorize a refund or other return of  
42 any tax or fee paid to this state pursuant to any statute or regulation  
43 in effect at the time the tax or fee was paid.

44 **Sec. 191.3.** 1. The Legislative Auditor shall conduct a  
45 performance audit of the school districts in this state with more than



1 5,000 enrolled students. The performance audit must include issues  
2 relating to operational accountability, including, without limitation:  
3 (a) Financial management;  
4 (b) Facilities management;  
5 (c) Personnel management;  
6 (d) District organization;  
7 (e) Employee health plans;  
8 (f) Transportation;  
9 (g) Alignment of the organization with the needs and  
10 expectations of the public;  
11 (h) Training and development of management staff;  
12 (i) Establishment of benchmarks for productivity and  
13 performance; and  
14 (j) Examination of unusual or dramatic changes in specific  
15 budgetary line items, including, without limitation, legal expenses.

16 2. The Legislative Auditor shall prepare a final written report  
17 for the audit conducted pursuant to subsection 1 and present the  
18 report to the Audit Subcommittee of the Legislative Commission  
19 not later than February 7, 2005.

20 3. To the extent that the provisions of NRS 218.737 to  
21 218.890, inclusive, are consistent with the requirements of this  
22 section, those provisions apply to the audit conducted pursuant to  
23 this section. For the purposes of this subsection, 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 be deemed to be agencies of the State.

28 4. Upon the request of the Legislative Auditor or his authorized  
29 representative, the officers and employees of the Clark County  
30 School District, Washoe County School District, Carson  
31 City School District, Douglas County School District, Elko County  
32 School District, Lyon County School District and Nye County  
33 School District shall make available to the Legislative Auditor any  
34 of their books, accounts, claims, reports, vouchers or other records  
35 of information, confidential or otherwise and irrespective of their  
36 form or location, which the Legislative Auditor deems necessary to  
37 conduct the audits required by this section.

38 **Sec. 191.5.** 1. The Board of Trustees of the Clark County  
39 School District, Washoe County School District, Carson  
40 City School District, Douglas County School District, Elko County  
41 School District, Lyon County School District and Nye County  
42 School District shall, on or before February 15, 2005, give public  
43 notice of its intention to form a Business Advisory Council on or  
44 before May 15, 2005. Each Board of Trustees shall accept  
45 nominations and applications for membership on the Business



\* S B 6 R 3 \*

1 Advisory Council during the period from March 1 to March 31,  
2 2005.

3 2. On or before May 15, 2005, each Board of Trustees shall,  
4 form a Business Advisory Council. The Board of Trustees shall,  
5 from the nominations and applications received, select the members  
6 of its Business Advisory Council, appoint the members to terms of 2  
7 years, designate a Chairman and Vice-Chairman from among the  
8 members, and designate an employee of the school district to serve  
9 as secretary for the Business Advisory Council. The members of the  
10 Council shall serve without salary or reimbursement for per diem or  
11 travel expenses.

12 3. The Council shall comply with the provisions of chapter 241  
13 of NRS.

14 4. The meetings of each such Business Advisory Council must  
15 be held at a location within the respective school district and at the  
16 date and time determined by the Chairman. In no event may the  
17 Chairman set a meeting of the Council during regular school hours  
18 within the school district. Each such Business Advisory Council  
19 shall:

20 (a) Review the results of the performance audit conducted by the  
21 Legislative Auditor pursuant to section 191.3 of this act, particularly  
22 in regards to the school district for which the Council has been  
23 appointed.

24 (b) Work with the appropriate fiscal and administrative staff of  
25 the school district to form recommendations based upon the findings  
26 of the Legislative Auditor.

27 (c) On or before January 9, 2007, submit a written report of its  
28 findings and recommendations to the Board of Trustees of the  
29 school district, and to the Director of the Legislative Counsel  
30 Bureau for compilation and transmittal to the Legislature.

31 5. On or before May 15, 2007, the Board of Trustees of the  
32 Clark County School District, Washoe County School District,  
33 Carson City School District, Douglas County School District, Elko  
34 County School District, Lyon County School District and Nye  
35 County School District shall, if appropriate, provide for the  
36 continuation of the activities of its Business Advisory Council. The  
37 Board of Trustees may thereafter revise the duties of the Council  
38 and provide for its membership as it deems appropriate.

39 **Sec. 192.** 1. Notwithstanding the provisions of this act and  
40 any other provision of law to the contrary, a public utility or local  
41 government franchisee may increase its previously approved rates  
42 by an amount which is reasonably estimated to produce an amount  
43 of revenue equal to the amount of any tax liability incurred by the  
44 public utility or local government franchisee before January 1, 2005,  
45 as a result of the provisions of this act.



1       2. For the purposes of this section:

2       (a) "Local government franchisee" means a person to whom a  
3 local government has granted a franchise for the provision of  
4 services who is required to obtain the approval of a governmental  
5 entity to increase any of the rates it charges for those services.

6       (b) "Public utility" means a public utility that is required to  
7 obtain the approval of a governmental entity to increase any of the  
8 rates it charges for a utility service.

9       **Sec. 193.** (Deleted by amendment.)

10       **Sec. 194.** 1. There is hereby appropriated from the State  
11 General Fund to the Interim Finance Committee for allocation to the  
12 Legislative Committee on Taxation, Public Revenue and Tax Policy  
13 to exercise its powers pursuant to section 129 of this act, including,  
14 without limitation, to hire a consultant:

15  
16               For the Fiscal Year 2003-2004..... \$125,000  
17               For the Fiscal Year 2004-2005..... \$125,000  
18

19       2. The Interim Finance Committee may allocate to the  
20 Legislative Committee on Taxation, Public Revenue and Tax Policy  
21 all or any portion of the money appropriated by subsection 1.

22       3. The sums appropriated by subsection 1 are available for  
23 either fiscal year. Any balance of those sums must not be committed  
24 for expenditure after June 30, 2005, and reverts to the State General  
25 Fund as soon as all payments of money committed have been made.

26       **Sec. 194.10.** 1. There is hereby appropriated from the State  
27 General Fund to the State Distributive School Account the sum of  
28 \$108,937,389 for distribution by the Superintendent of Public  
29 Instruction to the county school districts for Fiscal Year 2003-2004  
30 which must, except as otherwise provided in sections 194.14 and  
31 194.18 of this act, be used to employ teachers to comply with the  
32 required ratio of pupils to teachers, as set forth in NRS 388.700, in  
33 grades 1 and 2 and in selected kindergartens with pupils who are  
34 considered at risk of failure by the Superintendent of Public  
35 Instruction and to maintain the current ratio of pupils per teacher in  
36 grade 3. Expenditures for the class-size reduction program must be  
37 accounted for in a separate category of expenditure in the State  
38 Distributive School Account.

39       2. Except as otherwise provided in sections 194.14 and 194.18  
40 of this act, the money appropriated by subsection 1 must be used to  
41 pay the salaries and benefits of not less than 1,887 teachers  
42 employed by school districts to meet the required pupil-teacher  
43 ratios in the 2003-2004 school year.

44       3. Any remaining balance of the sum appropriated by  
45 subsection 1 must not be committed for expenditure after June 30,





1 2004, and must be transferred and added to the money appropriated  
2 to the State Distributive School Account pursuant to section 194.12  
3 of this act for the 2004-2005 fiscal year, and may be expended as  
4 that money is expended.

5 **Sec. 194.12.** 1. There is hereby appropriated from the State  
6 General Fund to the State Distributive School Account the sum of  
7 \$117,142,553 for distribution by the Superintendent of Public  
8 Instruction to the county school districts for Fiscal Year 2004-2005  
9 which must, except as otherwise provided in sections 194.14 and  
10 194.18 of this act, be used to employ teachers to comply with the  
11 required ratio of pupils to teachers, as set forth in NRS 388.700, in  
12 grades 1 and 2 and in selected kindergartens with pupils who are  
13 considered at risk of failure by the Superintendent of Public  
14 Instruction and to maintain the current ratio of pupils per teacher in  
15 grade 3. Expenditures for the class-size reduction program must be  
16 accounted for in a separate category of expenditure in the State  
17 Distributive School Account.

18 2. Except as otherwise provided in sections 194.14 and 194.18  
19 of this act, the money appropriated by subsection 1 must be used to  
20 pay the salaries and benefits of not less than 1,953 teachers  
21 employed by school districts to meet the required pupil-teacher  
22 ratios in the 2004-2005 school year.

23 3. Any remaining balance of the sum appropriated by  
24 subsection 1, including any money added thereto pursuant to section  
25 194.10 of this act, must not be committed for expenditure after  
26 June 30, 2005, and reverts to the State General Fund as soon as all  
27 payments of money committed have been made.

28 **Sec. 194.14.** 1. Except as otherwise provided in subsection  
29 2, the board of trustees of each county school district:

30 (a) Shall file a plan with the Superintendent of Public Instruction  
31 describing how the money appropriated by sections 194.10 and  
32 194.12 of this act will be used to comply with the required ratio of  
33 pupils to teachers in kindergarten and grades 1, 2 and 3; or

34 (b) May, after receiving approval of the plan from the  
35 Superintendent of Public Instruction, use the money appropriated by  
36 sections 194.10 and 194.12 of this act to carry out an alternative  
37 program for reducing the ratio of pupils per teacher or to carry out  
38 programs of remedial education that have been found to be effective  
39 in improving pupil achievement in grades 1, 2 and 3, so long as the  
40 combined ratio of pupils per teacher in the aggregate of kindergarten  
41 and grades 1, 2 and 3 of the school district does not exceed the  
42 combined ratio of pupils per teacher in the aggregate of kindergarten  
43 and grades 1, 2 and 3 of the school district in the 2000-2001 school  
44 year. The plan approved by the Superintendent of Public Instruction  
45 must describe the method to be used by the school district to



1 evaluate the effectiveness of the alternative program or remedial  
2 programs in improving pupil achievement.

3 2. In lieu of complying with subsection 1, the board of trustees  
4 of a school district that is located in a county whose population is  
5 less than 100,000 may, after receiving approval of the plan from the  
6 Superintendent of Public Instruction, use the money appropriated by  
7 sections 194.10 and 194.12 of this act to carry out a program in  
8 which alternative pupil-teacher ratios are carried out in grades 1  
9 through 5 or grades 1 through 6, as applicable. Alternative ratios for  
10 grade 6 may only be approved for those school districts that include  
11 grade 6 in elementary school. The alternative pupil-teacher ratios  
12 shall not:

- 13 (a) Exceed 22 to 1 in grades 1, 2 and 3; and  
14 (b) Exceed 25 to 1 in grades 4 and 5 or grades 4, 5 and 6, as  
15 applicable.

16 3. If a school district receives approval to carry out programs  
17 of remedial education pursuant to paragraph (b) of subsection 1 or to  
18 carry out alternative pupil-teacher ratios pursuant to subsection 2,  
19 the school district shall evaluate the effectiveness of the alternative  
20 program. The evaluation must include, without limitation, the effect  
21 of the alternative program on:

- 22 (a) Team-teaching;  
23 (b) Pupil discipline; and  
24 (c) The academic achievement of pupils.

25 4. A school district shall submit a written report of the results  
26 of the evaluation to the Superintendent of Public Instruction on or  
27 before December 1 of each year for the immediately preceding  
28 school year. The Superintendent of Public Instruction shall  
29 summarize the results of the evaluations and report the findings in  
30 an interim report to the Legislative Committee on Education on or  
31 before February 16, 2004.

32 5. On or before February 1, 2005, the Superintendent of Public  
33 Instruction shall submit a final written report of the results of the  
34 evaluations of alternative class-size reduction programs to the  
35 Legislative Bureau of Educational Accountability and Program  
36 Evaluation. On or before February 15, 2005, the Legislative Bureau  
37 of Educational Accountability and Program Evaluation shall submit  
38 a copy of the written report to the Director of the Legislative  
39 Counsel Bureau for transmission to the 73rd Session of the Nevada  
40 Legislature.

41 6. The interim report required pursuant to subsection 4 and the  
42 final written report required pursuant to subsection 5 must include,  
43 without limitation:

- 44 (a) The number of school districts for which an alternative class-  
45 size reduction program was approved;



1 (b) A description of the approved alternative class-size reduction  
2 programs; and

3 (c) The effect of the alternative class-size reduction programs  
4 on:

5 (1) Team teaching;

6 (2) Pupil discipline; and

7 (3) The academic achievement of pupils.

8 **Sec. 194.16.** 1. During the 2003-2005 biennium, a school  
9 district that is located in a county whose population is 100,000 or  
10 more shall study the current class sizes in the school district for  
11 grades 1 to 5, inclusive, to determine whether alternative pupil-  
12 teacher ratios may:

13 (a) Improve the academic achievement of pupils;

14 (b) Decrease pupil discipline; or

15 (c) Decrease or eliminate team-teaching in grades 1 and 2.

16 2. In conducting the study, the school district shall consider the  
17 costs that would be associated with carrying out the alternative  
18 pupil-teacher ratios, including, without limitation, the:

19 (a) Number of additional classrooms needed; and

20 (b) Number of additional teachers needed.

21 3. On or before February 15, 2005, each school district that  
22 conducts a study of alternative pupil-teacher ratios pursuant to this  
23 section shall submit a written report of its findings concerning  
24 alternative pupil-teacher ratios to the:

25 (a) Director of the Legislative Counsel Bureau for transmission  
26 to the 73rd Session of the Nevada Legislature;

27 (b) Legislative Bureau of Educational Accountability and  
28 Program Evaluation; and

29 (c) State Board of Education.

30 **Sec. 194.18.** 1. The money appropriated for class-size  
31 reduction pursuant to sections 194.10 and 194.12 of this act:

32 (a) May be applied first to pupils considered most at risk of  
33 failure.

34 (b) Must not be used to settle or arbitrate disputes between a  
35 recognized organization representing employees of a school district  
36 and the school district, or to settle any negotiations.

37 (c) Must not be used to adjust the district-wide schedules of  
38 salaries and benefits of the employees of a school district.

39 2. The money appropriated for class-size reduction pursuant to  
40 sections 194.10 and 194.12 of this act must not be distributed to a  
41 school district unless that school district has:

42 (a) Filed with the Department of Education a plan for achieving  
43 the required ratio set forth in NRS 388.700; and

44 (b) Demonstrated that, from resources of the school district  
45 other than allocations received from the State Distributive School



1 Account for class-size reduction, a sufficient number of classroom  
2 teachers have been employed to maintain the average pupil-teacher  
3 ratio that existed for each grade for grades 1, 2 and 3, in that school  
4 district for the 3 school years immediately preceding the start of the  
5 class-size reduction program in the 1990-1991 school year. In  
6 addition, if a school district uses the allocations received from the  
7 State Distributive School Account for class-size reduction to carry  
8 out an alternative class-size reduction program as set forth in  
9 subsection 2 of section 194.14 of this act, a sufficient number of  
10 teachers must have been employed to maintain the average pupil-  
11 teacher ratio that existed in each grade so reduced, in that school  
12 district for the 3 years immediately preceding the implementation of  
13 the alternative program.

14 **Sec. 194.20.** In no event may the alternative pupil-teacher  
15 ratios authorized pursuant to subsection 2 of section 194.14 of this  
16 act be carried out beyond the 2003-2005 biennium unless the 73rd  
17 Session of the Nevada Legislature determines that the alternative  
18 pupil-teacher ratios may be carried out after June 30, 2005.

19 **Sec. 194.22.** The basic support guarantee for school districts  
20 for operating purposes for the 2003-2004 Fiscal Year is an estimated  
21 weighted average of \$4,295 per pupil. For each respective school  
22 district, the basic support guarantee per pupil for the 2003-2004  
23 Fiscal Year is:

24	
25	Carson City..... \$4,923
26	Churchill County..... \$5,418
27	Clark County..... \$4,127
28	Douglas County..... \$4,541
29	Elko County..... \$5,307
30	Esmeralda County..... \$9,169
31	Eureka County..... \$3,495
32	Humboldt County..... \$5,362
33	Lander County..... \$4,836
34	Lincoln County..... \$7,943
35	Lyon County..... \$5,553
36	Mineral County..... \$6,012
37	Nye County..... \$5,561
38	Pershing County..... \$6,385
39	Storey County..... \$7,082
40	Washoe County..... \$4,161
41	White Pine County..... \$6,164

42 **Sec. 194.24.** 1. The basic support guarantee for school  
43 districts for operating purposes for the 2004-2005 Fiscal Year is an  
44 estimated weighted average of \$4,424 per pupil.



1       2. On or before April 1, 2004, the Department of Taxation shall  
2 provide a certified estimate of the assessed valuation for each school  
3 district for the 2004-2005 Fiscal Year. The assessed valuation for  
4 each school district must be that which is taxable for purposes of  
5 providing revenue to school districts, including any assessed  
6 valuation attributable to the net proceeds of minerals derived from  
7 within the boundaries of the district.

8       3. Pursuant to NRS 362.115, on or before April 25 of each  
9 year, the Department of Taxation shall provide an estimate of the  
10 net proceeds of minerals based upon statements required of mine  
11 operators.

12       4. For purposes of establishing the basic support guarantee, the  
13 estimated basic support guarantees for each school district for the  
14 2004-2005 Fiscal Year for operating purposes are:

15

	Basic Support Guarantee Before Adjustment	Estimated Ad Valorem Adjustment	Estimated Basic Support Guarantee as Adjusted
20 <u>School District</u>			
21 Carson City	\$4,462	\$643	\$5,105
22 Churchill County	\$5,094	\$514	\$5,608
23 Clark County	\$3,328	\$921	\$4,249
24 Douglas County	\$3,196	\$1,451	\$4,647
25 Elko County	\$5,004	\$508	\$5,512
26 Esmeralda County	\$6,596	\$2,987	\$9,583
27 Eureka County	\$(5,236)	\$9,304	\$4,068
28 Humboldt County	\$5,006	\$642	\$5,648
29 Lander County	\$3,741	\$1,328	\$5,069
30 Lincoln County	\$7,519	\$664	\$8,183
31 Lyon County	\$5,149	\$593	\$5,742
32 Mineral County	\$5,792	\$473	\$6,265
33 Nye County	\$4,888	\$877	\$5,765
34 Pershing County	\$5,714	\$949	\$6,663
35 Storey County	\$5,559	\$1,848	\$7,407
36 Washoe County	\$3,393	\$908	\$4,301
37 White Pine County	\$5,915	\$482	\$6,397

38

39       5. The ad valorem adjustment may be made only to take into  
40 account the difference in the assessed valuation and the estimated  
41 enrollment of the school district between the amount estimated as of  
42 April 1, 2003, and the amount estimated as of April 1, 2004, for the  
43 2004-2005 Fiscal Year. Estimates of net proceeds of minerals  
44 received from the Department of Taxation on or before April 25



1 pursuant to subsection 3 must be taken into consideration in  
2 determining the adjustment.

3 6. Upon receipt of the certified estimates of assessed valuations  
4 as of April 1, 2004, from the Department of Taxation, the  
5 Department of Education shall recalculate the amount of ad valorem  
6 adjustment and the tentative basic support guarantee for operating  
7 purposes for the 2004-2005 Fiscal Year by April 15, 2004. The final  
8 basic support guarantee for each school district for the 2004-2005  
9 Fiscal Year is the amount, which is recalculated for the 2004-2005  
10 Fiscal Year pursuant to this section, taking into consideration  
11 estimates of net proceeds of minerals received from the Department  
12 of Taxation on or before April 25, 2004. The basic support  
13 guarantee recalculated pursuant to this section must be calculated  
14 before May 31, 2004.

15 **Sec. 194.26.** 1. The basic support guarantee for each special  
16 education program unit that is maintained and operated for at least 9  
17 months of a school year is \$31,811 in the 2003-2004 Fiscal Year  
18 and \$32,447 in the 2004-2005 Fiscal Year, except as limited by  
19 subsection 2.

20 2. The maximum number of units and amount of basic support  
21 for special education program units within each of the school  
22 districts, before any reallocation pursuant to NRS 387.1221, for the  
23 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>	



\* S B 6 R 3 \*

1	Reserved by State				
2	Board of Education	40	\$1,272,440	40	\$1,297,880
3	TOTAL	2,615	\$83,185,765	2,708	\$87,866,476

4  
5       3. The State Board of Education shall reserve 40 special  
6 education program units in each fiscal year of the 2003-2005  
7 biennium, to be allocated to school districts by the State Board of  
8 Education to meet additional needs that cannot be met by the  
9 allocations provided in subsection 2 to school districts for that fiscal  
10 year. In addition, charter schools in this state are authorized to apply  
11 directly to the Department of Education for the reserved special  
12 education program units, which may be allocated upon approval of  
13 the State Board of Education.

14       4. Notwithstanding the provisions of subsections 2 and 3, the  
15 State Board of Education is authorized to spend from the State  
16 Distributive School Account up to \$181,067 in the Fiscal Year  
17 2003-2004 for 5.69 special education program units and \$190,877 in  
18 the Fiscal Year 2004-2005 for 5.88 special education program units  
19 for instructional programs incorporating educational technology for  
20 gifted and talented pupils. Any school district may submit a written  
21 application to the Department of Education requesting one or more  
22 of the units for gifted and talented pupils. For each fiscal year of the  
23 2003-2005 biennium, the Department will award the units for gifted  
24 and talented pupils based on a review of applications received from  
25 school districts.

26       **Sec. 194.28.** 1. There is hereby appropriated from the State  
27 General Fund to the State Distributive School Account in the State  
28 General Fund created pursuant to NRS 387.030:

29  
30               For the 2003-2004 Fiscal Year..... \$637,789,627  
31               For the 2004-2005 Fiscal Year..... \$767,086,697  
32

33       2. The money appropriated by subsection 1 must be:

34       (a) Expended in accordance with NRS 353.150 to 353.245,  
35 inclusive, concerning the allotment, transfer, work program and  
36 budget; and

37       (b) Work-programmed for the 2 separate Fiscal Years 2003-  
38 2004 and 2004-2005, as required by NRS 353.215. Work programs  
39 may be revised with the approval of the Governor upon the  
40 recommendation of the Chief of the Budget Division of the  
41 Department of Administration.

42       3. Transfers to and from allotments must be allowed and made  
43 in accordance with NRS 353.215 to 353.225, inclusive, after  
44 separate considerations of the merits of each request.





1     4. The sums appropriated by subsection 1 are available for  
2 either fiscal year or may be transferred to Fiscal Year 2002-2003.  
3 Money may be transferred from one fiscal year to another with the  
4 approval of the Governor upon the recommendation of the Chief of  
5 the Budget Division of the Department of Administration. If funds  
6 appropriated by subsection 1 are transferred to Fiscal Year 2002-  
7 2003, any remaining funds in the State Distributive School Account  
8 after all obligations have been met that are not subject to reversion  
9 to the State General Fund must be transferred back to Fiscal Year  
10 2003-2004. Any amount transferred back to Fiscal Year 2003-2004  
11 must not exceed the amount originally transferred to Fiscal Year  
12 2002-2003.

13     5. Any remaining balance of the appropriation made by  
14 subsection 1 for the 2003-2004 Fiscal Year must be transferred and  
15 added to the money appropriated for the 2004-2005 Fiscal Year and  
16 may be expended as that money is expended.

17     6. Any remaining balance of the appropriation made by  
18 subsection 1 for the 2004-2005 Fiscal Year, including any money  
19 added thereto pursuant to the provisions of subsections 3 and 5,  
20 must not be committed for expenditure after June 30, 2005, and  
21 reverts to the State General Fund as soon as all payments of money  
22 committed have been made.

23     **Sec. 194.30.** 1. Expenditure of \$203,448,548 by the  
24 Department of Education from money in the State Distributive  
25 School Account that was not appropriated from the State General  
26 Fund is hereby authorized during the fiscal year beginning July 1,  
27 2003.

28     2. Expenditure of \$142,024,404 by the Department of  
29 Education from money in the State Distributive School Account that  
30 was not appropriated from the State General Fund is hereby  
31 authorized during the fiscal year beginning July 1, 2004.

32     3. For purposes of accounting and reporting, the sums  
33 authorized for expenditure by subsections 1 and 2 are considered to  
34 be expended before any appropriation is made to the State  
35 Distributive School Account from the State General Fund.

36     4. The money authorized to be expended by subsections 1 and  
37 2 must be expended in accordance with NRS 353.150 to 353.245,  
38 inclusive, concerning the allotment, transfer, work program and  
39 budget. Transfers to and from allotments must be allowed and made  
40 in accordance with NRS 353.215 to 353.225, inclusive, after  
41 separate consideration of the merits of each request.

42     5. The Chief of the Budget Division of the Department of  
43 Administration may, with the approval of the Governor, authorize  
44 the augmentation of the amounts authorized for expenditure by the  
45 Department of Education, in subsections 1 and 2, for the purpose of



\* S B 6 R 3 \*

1 meeting obligations of the State incurred under chapter 387 of NRS  
2 with amounts from any other state agency, from any agency of local  
3 government, from any agency of the Federal Government or from  
4 any other source that he determines is in excess of the amount taken  
5 into consideration by this act. The Chief of the Budget Division of  
6 the Department of Administration shall reduce any authorization  
7 whenever he determines that money to be received will be less than  
8 the amount authorized in subsections 1 and 2.

9 **Sec. 194.32.** During each of the Fiscal Years 2003-2004 and  
10 2004-2005, whenever the State Controller finds that current claims  
11 against the State Distributive School Account in the State General  
12 Fund exceed the amount available in the Account to pay those  
13 claims, he may advance temporarily from the State General Fund  
14 to the State Distributive School Account the amount required to pay  
15 the claims, but not more than the amount expected to be received in  
16 the current fiscal year from any source authorized for the State  
17 Distributive School Account. No amount may be transferred unless  
18 requested by the Chief of the Budget Division of the Department of  
19 Administration.

20 **Sec. 194.34.** The Department of Education is hereby  
21 authorized to spend from the State Distributive School Account the  
22 sums of \$16,926,569 for the 2003-2004 Fiscal Year and  
23 \$17,843,596 for the 2004-2005 Fiscal Year for the support of  
24 courses which are approved by the Department of Education as  
25 meeting the course of study for an adult standard high school  
26 diploma as approved by the State Board of Education. In each fiscal  
27 year of the 2003-2005 biennium, the sum authorized must be  
28 allocated among the various school districts in accordance with a  
29 plan or formula developed by the Department of Education to  
30 ensure the money is distributed equitably and in a manner that  
31 permits accounting for the expenditures of school districts.

32 **Sec. 194.36.** The Department of Education is hereby  
33 authorized to provide from the State Distributive School Account  
34 the sum of \$50,000 to each of the 17 school districts in each fiscal  
35 year of the 2003-2005 biennium to support special counseling  
36 services for elementary school pupils at risk of failure.

37 **Sec. 194.38.** The amounts of the guarantees set forth in  
38 sections 194.22 and 194.24 of this act may be reduced to effectuate  
39 a reserve required pursuant to NRS 353.225.

40 **Sec. 194.40.** 1. The Department of Education shall transfer  
41 from the State Distributive School Account to the school districts  
42 specified in this section the following sums for Fiscal Years 2003-  
43 2004 and 2004-2005:



1	School District	2003-2004	2004-2005
2	Clark County School District	\$4,532,532	\$4,552,361
3	Douglas County School District	\$1,146,374	\$1,175,848
4	Elko County School District	\$1,291,907	\$1,295,158
5	Washoe County School District	\$1,847,128	\$1,913,468
6		\$8,817,941	\$8,936,835

7  
8 2. A school district that receives an allocation pursuant to  
9 subsection 1 shall:

10 (a) Use the money to maintain and continue the operation of a  
11 regional training program for the professional development of  
12 teachers and administrators established by the school district  
13 pursuant to NRS 391.512; and

14 (b) Use the money to maintain and continue the operation of the  
15 Nevada Early Literacy Intervention Program through the regional  
16 training program established pursuant to paragraph (a).

17 3. Any remaining balance of the transfers made by subsection  
18 1 for the 2003-2004 Fiscal Year must be added to the money  
19 received by the school districts for the 2004-2005 Fiscal Year and  
20 may be expended as that money is expended. Any remaining  
21 balance of the transfers made by subsection 1 for the 2004-2005  
22 Fiscal Year, including any money added from the transfer for the  
23 previous fiscal year, must not be committed for expenditure after  
24 June 30, 2005, and reverts to the State Distributive School Account  
25 as soon as all payments of money committed have been made.

26 **Sec. 194.42.** 1. The Legislative Bureau of Educational  
27 Accountability and Program Evaluation is hereby authorized to  
28 receive from the State Distributive School Account to spend for an  
29 evaluation of the regional training programs for the professional  
30 development of teachers and administrators established pursuant to  
31 NRS 391.512:

32  
33 For Fiscal Year 2003-2004 ..... \$100,000  
34 For Fiscal Year 2004-2005 ..... \$100,000  
35

36 2. Any remaining balance of the sums authorized for  
37 expenditure by subsection 1 for the 2003-2004 Fiscal Year must be  
38 added to the money authorized for expenditure for the 2004-2005  
39 Fiscal Year and may be expended as that money is expended. Any  
40 remaining balance of the sums authorized for expenditure pursuant  
41 to subsection 1 for the 2004-2005 Fiscal Year, including any money  
42 added from the authorization for the previous fiscal year, must not  
43 be committed for expenditure after June 30, 2005, and reverts to the  
44 State Distributive School Account as soon as all payments of money  
45 committed have been made.



1     **Sec. 194.44.** 1. The Department of Education shall transfer  
2 from the State Distributive School Account to the Statewide Council  
3 for the Coordination of the Regional Training Programs created by  
4 NRS 391.516 the sum of \$80,000 in each Fiscal Year 2003-2004  
5 and 2004-2005 for additional training opportunities for educational  
6 administrators in Nevada.

7     2. The Statewide Council shall use the money:

8     (a) To support the goals of Nevada Project LEAD (Leadership  
9 in Educational Administration Development), as established through  
10 the Department of Educational Leadership in the College of  
11 Education, located at the University of Nevada, Reno. In supporting  
12 the goals of Nevada Project LEAD, the Statewide Council shall:

13         (1) Disseminate research-based knowledge related to  
14 effective educational leadership behaviors and skills; and

15         (2) Develop, support and maintain on-going activities,  
16 programs, training and networking opportunities.

17     (b) For purposes of providing additional training for educational  
18 administrators, including, without limitation, paying:

19         (1) Travel expenses of administrators who attend the training  
20 program;

21         (2) Travel and per-diem expenses for any consultants  
22 contracted to provide additional training; and

23         (3) Any charges to obtain a conference room for the  
24 provision of the additional training.

25     (c) To supplement and not replace the money that the school  
26 district, Nevada Project LEAD or the regional training program  
27 would otherwise expend for training for administrators as described  
28 in this section.

29     3. Any remaining balance of the transfers made by subsection  
30 1 for the 2003-2004 Fiscal Year must be added to the money  
31 received by the Statewide Council for the 2004-2005 Fiscal Year  
32 and may be expended as that money is expended. Any remaining  
33 balance of the transfers made by subsection 1 for the 2004-2005  
34 Fiscal Year, including any money added from the transfer for the  
35 previous fiscal year, must not be committed for expenditure after  
36 June 30, 2005, and reverts to the State Distributive School Account  
37 as soon as all payments of money committed have been made.

38     **Sec. 194.46.** 1. The Department of Education shall transfer  
39 from the State Distributive School Account the following sums for  
40 remedial education programs for certain schools:

41  
42             For Fiscal Year 2003-2004..... \$5,179,109  
43             For Fiscal Year 2004-2005 ..... \$5,013,874



1 The money allocated must be used to provide remedial education  
2 programs that have been approved by the Department as being  
3 effective in improving pupil achievement.

4 2. 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.

10 (b) Did not receive a designation as demonstrating need for  
11 improvement, but the school failed to meet adequate yearly  
12 progress; or

13 (c) Did not receive a designation as demonstrating need for  
14 improvement, but more than 40 percent of the pupils enrolled in the  
15 school received an average score below the 26th percentile on all  
16 four subjects tested pursuant to NRS 389.015.

17 3. The Department of Education shall, in consultation with the  
18 Budget Division of the Department of Administration and the  
19 Legislative Bureau of Educational Accountability and Program  
20 Evaluation, develop a form for such applications. The form must  
21 include, without limitation, a notice that money received by a school  
22 to implement or continue remedial education programs that have  
23 been approved by the Department as being effective in improving  
24 pupil achievement will be used to implement or continue the  
25 programs in a manner that has been approved by the vendor of the  
26 remedial program.

27 4. Upon receipt of an application submitted pursuant to  
28 subsection 2, the Department of Education shall review the  
29 application jointly with the Budget Division of the Department of  
30 Administration and the Legislative Bureau of Educational  
31 Accountability and Program Evaluation. The Department  
32 of Education shall transmit the application to the State Board of  
33 Examiners with the recommendation of the Department of  
34 Education concerning the allocation of money based upon each  
35 application so received. The State Board of Examiners, or the Clerk  
36 of the Board if authorized by the Board to act on its behalf, shall  
37 consider each such application and, if it finds that an allocation  
38 should be made, recommend the amount of the allocation to the  
39 Interim Finance Committee. The Interim Finance Committee shall  
40 consider each such recommendation, but is not bound to follow the  
41 recommendation of the State Board of Examiners when determining  
42 the allocation to be received by a school. In determining the amount  
43 of the allocation, the State Board of Examiners and the Interim  
44 Finance Committee shall consider:



1 (a) The total number of pupils enrolled in the school who failed  
2 to meet adequate yearly progress;

3 (b) The percentage of pupils enrolled in the school who failed to  
4 meet adequate yearly progress;

5 (c) The total number of subgroups of pupils, as prescribed by the  
6 No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301 et seq.,  
7 enrolled in the school who failed to meet adequate yearly progress;  
8 and

9 (d) The financial need of the particular school.

10 5. In addition to the considerations set forth in subsection 4, in  
11 determining whether to approve an application for a school that has  
12 received an allocation in the immediately preceding year and in  
13 determining the amount of the allocation for such a school, the State  
14 Board of Examiners and the Interim Finance Committee shall  
15 consider whether the school has carried out the program of remedial  
16 study for which it received an allocation in a manner that has been  
17 approved by the vendor of the remedial program and whether the  
18 program has been successful, as measured by the academic  
19 achievement of the pupils enrolled in the school on the examinations  
20 administered pursuant to NRS 389.015 or 389.550 and any  
21 assessments related to the program of remedial study.

22 6. A school that receives an allocation of money pursuant to  
23 this section shall use the money to:

24 (a) Pay the costs incurred by the school in providing the  
25 program of remedial study required by NRS 385.389. The money  
26 must first be applied to those pupils who failed to meet adequate  
27 yearly progress.

28 (b) Pay for the salaries, training or other compensation of  
29 teachers and other educational personnel to provide the program  
30 of remedial study, instructional materials required for the program  
31 of remedial study, equipment necessary to offer the program of  
32 remedial study and all other additional operating costs attributable to  
33 the program of remedial study, to the extent that the training,  
34 materials and equipment are those that are approved by the vendor  
35 of the remedial program.

36 (c) Supplement and not replace the money the school would  
37 otherwise expend for programs of remedial study.

38 7. Before a school amends a plan for expenditure of an  
39 allocation of money received pursuant to this section, the school  
40 district in which the school is located must submit the proposed  
41 amendment to the Department of Education to receive approval  
42 from the Department of Education, the Budget Division of the  
43 Department of Administration and the Legislative Bureau of  
44 Educational Accountability and Program Evaluation, or the Interim  
45 Finance Committee.



1       8. The sums authorized for expenditure in subsection 1 are  
2 available for either fiscal year. Any remaining balance of those sums  
3 must not be committed for expenditure after June 30, 2005, and  
4 reverts to the State Distributive School Account as soon as all  
5 payments of money committed have been made.

6       **Sec. 194.48.** 1. The Department of Education shall transfer  
7 from the State Distributive School Account the following sums for  
8 supplemental services or tutoring for pupils in non-Title I schools  
9 that failed to meet adequate yearly progress on the examinations  
10 administered pursuant to NRS 389.550:

11  
12               For the Fiscal Year 2003-2004..... \$1,000,000  
13               For the Fiscal Year 2004-2005 ..... \$1,500,000  
14

15       2. The supplemental services or tutoring for which money is  
16 provided pursuant to this section must:

17       (a) Be conducted before or after school, on weekends, during the  
18 summer or between sessions in schools with year-round school  
19 calendars; and

20       (b) Be selected by the Department as an approved provider in  
21 accordance with the No Child Left Behind Act of 2001, 20 U.S.C.  
22 §§ 6301 et seq.

23       3. A school may submit an application to the Department of  
24 Education on or before November 1 of each fiscal year for  
25 transmission to the State Board of Examiners for an allocation from  
26 the amount authorized by subsection 1 if the school:

27       (a) Receives a designation as demonstrating need for  
28 improvement; and

29       (b) Is not receiving money from Title I, 20 U.S.C. §§ 6301 et  
30 seq.

31       4. The Department of Education shall, in consultation with the  
32 Budget Division of the Department of Administration and the  
33 Legislative Bureau of Educational Accountability and Program  
34 Evaluation, develop a form for such applications.

35       5. Upon receipt of an application submitted pursuant to  
36 subsection 3, the Department of Education shall review the  
37 application jointly with the Budget Division of the Department of  
38 Administration and the Legislative Bureau of Educational  
39 Accountability and Program Evaluation. The Department  
40 of Education shall transmit the application to the State Board of  
41 Examiners with the recommendation of the Department of  
42 Education concerning the allocation of money based upon each  
43 application so received. The State Board of Examiners, or the Clerk  
44 of the Board if authorized by the Board to act on its behalf, shall  
45 consider each such application and, if it finds that an allocation



\* S B 6 R 3 \*



1 should be made, recommend the amount of the allocation to the  
2 Interim Finance Committee. The Interim Finance Committee shall  
3 consider each such recommendation, but is not bound to follow the  
4 recommendation of the State Board of Examiners when determining  
5 the allocation to be received by a school district.

6 6. A school that receives an allocation of money pursuant to  
7 this section shall use the money to:

8 (a) Provide supplemental services or tutoring that has been  
9 selected and approved by the Department of Education.

10 (b) Pay the costs incurred by the school in providing the  
11 supplemental services or tutoring. The money must be applied to  
12 those pupils who failed to meet adequate yearly progress.

13 (c) Pay for the salaries, training or other compensation of  
14 teachers and other educational personnel to provide the  
15 supplemental services or tutoring, instructional materials required  
16 for the program, equipment necessary to offer the program and all  
17 other additional operating costs attributable to the program.

18 (d) Supplement and not replace the money the school district  
19 would otherwise expend for supplemental services or tutoring.

20 7. Before a school amends a plan for expenditure of an  
21 allocation of money received pursuant to this section, the school  
22 district in which the school is located must submit the proposed  
23 amendment to the Department of Education to receive approval  
24 from the Department of Education, the Budget Division of the  
25 Department of Administration and the Legislative Bureau of  
26 Educational Accountability and Program Evaluation, or the Interim  
27 Finance Committee.

28 8. The sums transferred pursuant to subsection 1 are available  
29 for either fiscal year. Any remaining balance of those sums must not  
30 be committed for expenditure after June 30, 2005, and reverts to the  
31 State Distributive School Account as soon as all payments of money  
32 committed have been made.

33 **Sec. 194.50.** 1. The Department of Education shall transfer  
34 from the State Distributive School Account the following sums for  
35 early childhood education:

36  
37 For the Fiscal Year 2003-2004..... \$2,896,583  
38 For the Fiscal Year 2004-2005..... \$2,896,583  
39

40 2. Of the sums transferred pursuant to subsection 1, \$301,000  
41 in each fiscal year of the 2003-2005 biennium must be used for the  
42 Classroom on Wheels Program.

43 3. The remaining money transferred by subsection 1 must be  
44 used by the Department of Education for competitive state grants to



1 school districts and community-based organizations for early  
2 childhood education programs.

3 4. To receive a grant of money pursuant to subsections 2 and 3,  
4 school districts, community-based organizations and the Classroom  
5 on Wheels Program must submit a comprehensive plan to the  
6 Department of Education that includes, without limitation:

7 (a) A detailed description of the proposed early childhood  
8 education program;

9 (b) A description of the manner in which the money will be  
10 used, which must supplement and not replace the money that would  
11 otherwise be expended for early childhood education programs; and

12 (c) A plan for the longitudinal evaluation of the program to  
13 determine the effectiveness of the program on the academic  
14 achievement of children who participate in the program.

15 5. A school district, community-based organization or  
16 Classroom on Wheels Program that receives a grant of money shall:

17 (a) Use the money to initiate or expand prekindergarten  
18 education programs that meet the criteria set forth in the publication  
19 of the Department of Education, entitled "August 2000 Public  
20 Support for Prekindergarten Education For School Readiness in  
21 Nevada."

22 (b) Use the money to supplement and not replace the money that  
23 the school district, community-based organization or Classroom on  
24 Wheels Program would otherwise expend for early childhood  
25 education programs, as described in this section.

26 (c) Use the money to pay for the salaries and other items directly  
27 related to the instruction of pupils in the classroom.

28 (d) Submit a longitudinal evaluation of the program in  
29 accordance with the plan submitted pursuant to paragraph (c) of  
30 subsection 4.

31 The money must not be used to remodel classrooms or facilities or  
32 for playground equipment.

33 6. The Department of Education shall develop statewide  
34 performance and outcome indicators to measure the effectiveness of  
35 the early childhood education programs for which grants of money  
36 were awarded pursuant to this section. The indicators must include,  
37 without limitation:

38 (a) Longitudinal measures of the developmental progress of  
39 children before and after their completion of the program;

40 (b) Longitudinal measures of parental involvement in the  
41 program before and after completion of the program; and

42 (c) The percentage of participants who drop out of the program  
43 before completion.

44 7. The Department of Education shall review the evaluations of  
45 the early childhood education programs submitted by each school



1 district, community-based organization and the Classroom on  
2 Wheels Program pursuant to paragraph (d) of subsection 5 and  
3 prepare a compilation of the evaluations for inclusion in the report  
4 submitted pursuant to subsection 8.

5 8. The Department of Education shall, on an annual basis,  
6 provide a written report to the Governor, Legislative Committee on  
7 Education and the Legislative Bureau of Educational Accountability  
8 and Program Evaluation regarding the effectiveness of the early  
9 childhood programs for which grants of money were received. The  
10 report must include, without limitation:

11 (a) The number of grants awarded;

12 (b) An identification of each school district, community-based  
13 organization and the Classroom on Wheels Program that received a  
14 grant of money and the amount of each grant awarded;

15 (c) For each school district, community based-organization and  
16 the Classroom on Wheels Program that received a grant of money:

17 (1) The number of children who received services through a  
18 program funded by the grant for each year that the program received  
19 funding from the State for early childhood programs; and

20 (2) The average per child expenditure for the program for  
21 each year the program received funding from the State for early  
22 childhood programs;

23 (d) A compilation of the evaluations reviewed pursuant to  
24 subsection 7 that includes, without limitation:

25 (1) A longitudinal comparison of the data showing the  
26 effectiveness of the different programs; and

27 (2) A description of the programs in this state that are the  
28 most effective; and

29 (e) Any recommendations for legislation.

30 9. Any balance of the sums transferred pursuant to subsection 1  
31 remaining at the end of the respective fiscal years must not be  
32 committed for expenditure after June 30 of the respective fiscal  
33 years and reverts to the State Distributive School Account as soon as  
34 all payments of money committed have been made.

35 **Sec. 194.52.** 1. The Department of Education shall transfer  
36 from the State Distributive School Account the following sums to  
37 purchase one-fifth of a year of service for certain teachers in  
38 accordance with NRS 391.165:

39  
40 For the Fiscal Year 2003-2004..... \$2,689,206  
41 For the Fiscal Year 2004-2005..... \$7,045,056  
42

43 2. The Department of Education shall distribute the money  
44 appropriated by subsection 1 to the school districts to assist the  
45 school districts with paying for the retirement credit for certain



\* S B 6 R 3 \*

1 teachers in accordance with NRS 391.165. The amount of money  
2 distributed to each school district must be proportionate to the total  
3 costs of paying for the retirement credit pursuant to NRS 391.165  
4 for each fiscal year. If insufficient money is available from the  
5 appropriation to pay the total costs necessary to pay the retirement  
6 credit for each fiscal year, the school district shall pay the difference  
7 to comply with NRS 391.165.

8 3. Any balance of the sums appropriated by subsection 1  
9 remaining at the end of the respective fiscal years must not be  
10 committed for expenditure after June 30 of the respective fiscal  
11 years and reverts to the State General Fund as soon as all payments  
12 of money committed have been made.

13 **Sec. 194.54.** 1. The Department of Education shall transfer  
14 from the State Distributive School Account the following sum to  
15 purchase one-fifth of a year of service for certain licensed  
16 educational personnel in accordance with NRS 391.165:

17  
18 For the Fiscal Year 2004-2005..... \$5,732,643  
19

20 2. The Department of Education shall distribute the money  
21 appropriated by subsection 1 to the school districts to assist the  
22 school districts with paying for the retirement credit for certain  
23 licensed educational personnel in accordance with NRS 391.165.  
24 The amount of money distributed to each school district must be  
25 proportionate to the total costs of paying for the retirement credit  
26 pursuant to NRS 391.165 for each fiscal year. If insufficient money  
27 is available to pay the total costs necessary to pay the retirement  
28 credit for each fiscal year, the school district shall pay the difference  
29 to comply with NRS 391.165.

30 3. Any remaining balance of the appropriation made by  
31 subsection 1 must not be committed for expenditure after June 30,  
32 2005, and reverts to the State General Fund as soon as all payments  
33 of money committed have been made.

34 **Sec. 194.56.** Of the amounts included in the basic support  
35 guarantee amounts enumerated in sections 194.22 and 194.24 of this  
36 act, \$64,425,447 for Fiscal Year 2003-2004 and \$66,721,434 for  
37 Fiscal Year 2004-2005 must be expended for the purchase of  
38 textbooks, instructional supplies and instructional hardware as  
39 prescribed in section 165.2 of this act.

40 **Sec. 194.58.** All funding remaining in the Fund for School  
41 Improvement at the close of Fiscal Year 2002-2003 shall be  
42 transferred to the budget for the State Distributive School Account  
43 and shall be authorized for expenditure in that account.

44 **Sec. 194.60.** The sums appropriated or authorized in sections  
45 194.40 to 194.54, inclusive, of this act:



\* S B 6 R 3 \*

1       1. Must be accounted for separately from any other money  
2 received by the school districts of this state and used only for the  
3 purposes specified in the applicable section of this act.

4       2. May not be used to settle or arbitrate disputes between a  
5 recognized organization representing employees of a school district  
6 and the school district, or to settle any negotiations.

7       3. May not be used to adjust the district-wide schedules of  
8 salaries and benefits of the employees of a school district.

9       **Sec. 194.62.** 1. The Department of Education shall transfer  
10 from the State Distributive School Account the following sums for  
11 special transportation costs to school districts:

12  
13               For the 2003-2004 school year..... \$47,715  
14               For the 2004-2005 school year..... \$47,715  
15

16       2. Pursuant to NRS 392.015, the Department of Education shall  
17 use the money transferred in subsection 1 to reimburse school  
18 districts for the additional costs of transportation for any pupil to a  
19 school outside the school district in which his residence is located.

20       **Sec. 194.64.** There is hereby appropriated from the State  
21 General Fund to the State Distributive School Account created by  
22 NRS 387.030 in the State General Fund the sum of \$3,152,559 for  
23 an unanticipated shortfall in money in Fiscal Year 2002-2003. This  
24 appropriation is supplemental to that made by section 4 of chapter  
25 565, Statutes of Nevada 2001, at page 2832 and to that made  
26 pursuant to Assembly Bill No. 253 of the 72nd Legislative Session.

27       **Sec. 194.66.** Each school district shall expend the revenue  
28 made available through this act, as well as other revenue from state,  
29 local and federal sources, in a manner that is consistent with NRS  
30 288.150 and that is designed to attain the goals of the Legislature  
31 regarding educational reform in this state, especially with regard to  
32 assisting pupils in need of remediation and pupils who are not  
33 proficient in the English language. Materials and supplies for  
34 classrooms are subject to negotiation by employers with recognized  
35 employee organizations.

36       **Sec. 195.** The provisions of:

37       1. Section 173 of this act does not apply to any taxes  
38 precollected pursuant to chapter 463 of NRS on or before the  
39 effective date of that section.

40       2. Sections 80, 82 and 83 of this act do not apply to any taxes  
41 precollected pursuant to chapter 370 of NRS on or before the  
42 effective date of those sections.

43       3. Sections 77, 78 and 172 of this act do not affect the amount  
44 of any license fees or taxes due for any period ending on or before  
45 July 31, 2003.



1       4. Sections 26 to 58, inclusive, of this act apply to any taxable  
2 admission charge that is collected pursuant to the provisions of  
3 those sections on or after January 1, 2004.

4       5. Section 144 of this act do not apply to any contracts made  
5 before the effective date of that section.

6       **Sec. 196.** The provisions of subsection 3 of section 189 of this  
7 act do not:

8       1. Affect any rights, duties or liability of any person relating to  
9 any taxes imposed pursuant to chapter 364A of NRS for any period  
10 ending before January 1, 2004.

11       2. Apply to the administration, collection and enforcement of  
12 any taxes imposed pursuant to chapter 364A of NRS for any period  
13 ending before January 1, 2004.

14       **Sec. 196.1** Notwithstanding the provisions of section 165.2 of  
15 this act, the Department of Education, the Budget Division of the  
16 Department of Administration and the Fiscal Analysis Division of  
17 the Legislative Counsel Bureau shall carry out the provisions of  
18 subsections 1 and 2 of that section for fiscal year 2003-2004 as soon  
19 as practicable after the effective date of that section.

20       **Sec. 196.3.** 1. Notwithstanding the provisions of sections  
21 58.12 to 58.80, inclusive, of this act, a financial institution is exempt  
22 from the franchise fee imposed pursuant to section 58.44 of this act  
23 for the calendar quarter ending on December 31, 2003.

24       2. As used in this section:

25       (a) Except as otherwise provided in paragraph (b), "financial  
26 institution" means:

27       (1) An institution licensed, registered or otherwise authorized  
28 to do business in this state pursuant to the provisions of chapter 604,  
29 645B, 645E or 649 of NRS or title 55 or 56 of NRS, or a similar  
30 institution chartered or licensed pursuant to federal law and doing  
31 business in this state;

32       (2) Any other person conducting loan or credit card  
33 processing activities in this state; and

34       (3) Any other bank, bank holding company, national bank,  
35 savings association, federal savings bank, trust company, credit  
36 union, building and loan association, investment company,  
37 registered broker or dealer in securities or commodities, finance  
38 company, dealer in commercial paper or other business entity  
39 engaged in the business of lending money, providing credit,  
40 securitizing receivables or fleet leasing, or any related business  
41 entity, doing business in this state.

42       (b) "Financial institution" does not include:

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



1 (2) A credit union organized under the provisions of chapter  
2 678 of NRS or the Federal Credit Union Act.

3 **Sec. 196.5.** 1. The franchise tax imposed by section 24.38 of  
4 this act applies to any Nevada taxable income earned by a financial  
5 institution on or after November 1, 2003.

6 2. Notwithstanding the provisions of section 24.38 of this act,  
7 the tax return and remittance of the tax required pursuant to section  
8 24.38 of this act for any taxable year ending before November 1,  
9 2004, is due on January 15, 2005.

10 3. As used in this section:

11 (a) "Financial institution" has the meaning ascribed to it in  
12 section 24.18 of this act.

13 (b) "Nevada taxable income" has the meaning ascribed to it in  
14 section 24.22 of this act.

15 (c) "Taxable year" has the meaning ascribed to it in section  
16 24.24 of this act.

17 **Sec. 196.7.** The Legislative Committee on Taxation, Public  
18 Revenue and Tax Policy established by the provisions of section  
19 127 of this act shall:

20 1. Review and study:

21 (a) The impact, if any, that the imposition of the tax on live  
22 entertainment imposed pursuant to section 36 of this act has had on  
23 revenue received by the state and local governments from special  
24 events conducted in this state.

25 (b) Whether promoters of special events are contracting with  
26 entities in other states to hold the special events in those other states  
27 as a result of the imposition of the tax.

28 (c) The loss of revenue, if any, from special events resulting  
29 from the imposition of the tax.

30 (d) The feasibility and need for exempting such special events  
31 from the tax.

32 (e) Standards and procedures that may be adopted for  
33 determining whether special events should be exempt from the tax  
34 and the qualifications for such an exemption.

35 2. Submit a report of the results of its review and any  
36 recommendations for legislation to the 73rd Session of the Nevada  
37 Legislature.

38 **Sec. 197.** The Budget Division of the Department of  
39 Administration and the Fiscal Analysis Division of the Legislative  
40 Counsel Bureau shall jointly:

41 1. Identify all departments, institutions and agencies of the  
42 Executive Department of the State Government that administer  
43 programs for the treatment of alcohol and drug abuse or provide  
44 funding to local governments for such programs;





1       2. Develop a proposal for coordinating such programs,  
2 reducing the administrative costs associated with such programs and  
3 maximizing the use of state revenue being expended for such  
4 programs; and

5       3. Report their recommendations to the Governor and the  
6 Director of the Legislative Counsel Bureau not later than  
7 December 1, 2004.

8       **Sec. 198.** 1. This section and sections 59, 60, 67, 69, 75,  
9 75.3, 75.7, 76, 80, 82, 83, 86, 87, 88, 90 to 93, inclusive, 98, 101,  
10 112, 114, 116, 125 to 132, inclusive, 144 to 165, inclusive, 168,  
11 173, 178, 188 to 188.7, inclusive, 190 to 193, inclusive, 194.10,  
12 194.14 to 194.56, inclusive, 194.60, 194.62, 195, 196, 196.1, 196.7  
13 and 197 of this act and subsection 1 of section 189 of this act  
14 become effective upon passage and approval.

15       2. Sections 194.58 and 194.64 of this act become effective  
16 upon passage and approval and apply retroactively to June 30, 2003.

17       3. Sections 165.2, 165.4, 165.6, 166.2, 194 and 194.66 of this  
18 act become effective upon passage and approval and apply  
19 retroactively to July 1, 2003.

20       4. Sections 77, 78, 79, 81, 84, 85, 172, 174, 175 and 177 of this  
21 act and subsection 2 of section 189 of this act become effective:

22       (a) Upon passage and approval for the purpose of adopting  
23 regulations and performing any other preparatory administrative  
24 tasks that are necessary to carry out the provisions of this act; and

25       (b) On August 1, 2003, for all other purposes.

26       5. Sections 58.10 to 58.80, inclusive, 70, 71, 72, 73, 186.3,  
27 186.5, 186.7 and 196.3 of this act become effective:

28       (a) Upon passage and approval for the purpose of adopting  
29 regulations and performing any other preparatory administrative  
30 tasks that are necessary to carry out the provisions of this act; and

31       (b) On October 1, 2003, for all other purposes.

32       6. Sections 24.10 to 24.74, inclusive, 185.30 to 186, inclusive,  
33 186.4, 186.6, 186.8, 186.9 and 196.5 of this act become effective:

34       (a) Upon passage and approval for the purpose of adopting  
35 regulations and performing any other preparatory administrative  
36 tasks that are necessary to carry out the provisions of this act; and

37       (b) On November 1, 2003, for all other purposes.

38       7. Sections 1 to 24, inclusive, 25 to 58, inclusive, 61 to 66,  
39 inclusive, 68, 70.5, 71.5, 72.5, 73.5, 74, 89, 94 to 97, inclusive, 99,  
40 100, 102 to 111, inclusive, 118 to 124, inclusive, 133 to 143,  
41 inclusive, 166, 167, 169, 170, 171, 176 and 179 to 185, inclusive, of  
42 this act and subsection 3 of section 189 of this act become effective:

43       (a) Upon passage and approval for the purpose of adopting  
44 regulations and performing any other preparatory administrative  
45 tasks that are necessary to carry out the provisions of this act; and



- 1 (b) On January 1, 2004, for all other purposes.  
2 8. Sections 80.5, 82.5, 83.5, 166.4, 187 and 194.12 of this act  
3 become effective on July 1, 2004.  
4 9. Sections 113, 115 and 117 of this act become effective at  
5 12:01 a.m. on October 1, 2029.  
6 10. Sections 126 to 131, inclusive, of this act expire by  
7 limitation on June 30, 2005.  
8 11. Sections 112, 114 and 116 of this act expire by limitation  
9 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.  
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.



\* S B 6 R 3 \*

**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.



\* S B 6 R 3 \*

- 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.

