ASSEMBLY BILL NO. 497–ASSEMBLYMAN PRICE (BY REQUEST)

MARCH 12, 1999

Referred to Committee on Taxation

SUMMARY—Repeals business tax prospectively. (BDR 32-1224)

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

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

AN ACT relating to taxation; repealing the business tax prospectively; and providing other matters properly relating thereto.

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

Section 1. NRS 360.225 is hereby amended to read as follows:

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

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

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

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

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

the department shall investigate whether the person meets the eligibility requirements for the abatement, partial abatement, exemption or deferral that the person is claiming.

2. If the department finds that the person does not meet the eligibility requirements for the abatement, exemption or deferral which the person is claiming, the department shall report its findings to the commission on economic development and take any other necessary actions.

Sec. 2. NRS 360.300 is hereby amended to read as follows:

360.300 1. If a person fails to file a return or the department is not satisfied with the return or returns of any tax, contribution or premium or amount of tax, contribution or premium required to be paid to the state by any person, in accordance with the applicable provisions of NRS 482.313, this chapter or chapter 362, ~~[364A,]~~ 365, 369, 370, 372, 372A, 373, 374, 377, 377A, 444A, 585, 590 or 680B of NRS as administered or audited by the department, it may compute and determine the amount required to be paid upon the basis of:

(a) The facts contained in the return;

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

(c) Reasonable estimates of the amount.

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

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

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

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

Sec. 3. NRS 360.412 is hereby amended to read as follows:

360.412 If the department believes that the collection of any amount of sales or use tax ~~[, business tax]~~ or other excise due pursuant to this Title, NRS 482.313 or chapter 585 of NRS will be jeopardized by delay, ~~[it]~~ ***the department*** shall make a determination of the amount required to be collected and serve notice of the determination upon the person against whom it is made.

Sec. 4. NRS 360.417 is hereby amended to read as follows:

360.417 Unless a different penalty or rate of interest is specifically provided by statute, any person who fails to pay any tax provided for in chapter 362, ~~[364A,]~~ 365, 369, 370, 372, 373, 374, 377, 377A, 444A or 585 of NRS, or fee provided for in NRS 482.313 or 590.700 to 590.920, inclusive, to the state or a county within the time required ~~[,]~~ shall pay a penalty of not more than 10 percent of the amount of the tax or fee which is owed, as determined by the department, in addition to the tax or fee, plus interest at the rate of 1 percent per month, or fraction of a month, from the last day of the month following the period for which the amount or any portion of the amount should have been reported until the date of payment.

Sec. 5. NRS 360.419 is hereby amended to read as follows:

360.419 1. If the executive director or a designated hearing officer finds that a person's failure to make a timely return or payment of a tax imposed pursuant to NRS 361.320 or chapter 361A, 376A, 377 or 377A of NRS, or by chapter 362, ~~[364A,]~~ 365, 369, 370, 372, 372A, 373, 374, 375A or 375B of NRS, is the result of circumstances beyond his control and occurred despite the exercise of ordinary care and without intent, the department may relieve him of all or part of any interest or penalty or both.

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

3. The department shall disclose, upon the request of any person:

(a) The name of the person to whom relief was granted; and

(b) The amount of the relief.

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

Sec. 6. NRS 360.510 is hereby amended to read as follows:

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

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

(b) Not later than 5 years after the last recording of an abstract of judgment or of a certificate constituting a lien for tax owed,

give a notice of the delinquency and a demand to transmit personally or by registered or certified mail to any person, including, without limitation, any officer or department of the state or any political subdivision or agency of the state, who has in his possession or under his control any credits or other personal property belonging to the delinquent ~~[,]~~ ***taxpayer,*** or owing any debts to the delinquent ***taxpayer*** or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent ***taxpayer*** or that person. In the case of any state officer, department or agency, the notice must be given to the officer, department or agency before it presents the claim of the delinquent taxpayer to the state controller.

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

3. After receiving the demand to transmit, the persons so notified may not transfer or otherwise dispose of the credits, other personal property, or

debts in their possession or under their control at the time they received the notice until the department consents to a transfer or other disposition.

4. All persons so notified shall, within 10 days after receipt of the demand to transmit, inform the department of, and transmit to the department all such credits, other personal property, or debts in their possession, under their control or owing by them within the time and in the manner requested by the department. Except as otherwise provided in subsection 5, no further notice is required to be served to those persons.

5. If the property of the delinquent taxpayer consists of a series of payments owed to him, the person who owes or controls the payments shall transmit the payments to the department until otherwise notified by the department. If the debt of the delinquent taxpayer is not paid within 1 year after the department issued the original demand to transmit, ~~[it]~~ ***the department*** shall issue another demand to transmit to the person responsible for making the payments informing him to continue to transmit payments to the department or that his duty to transmit the payments to the department has ceased.

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

7. If any person so notified makes any transfer or other disposition of the property or debts required to be withheld or transmitted, to the extent of the value of the property or the amount of the debts thus transferred or paid, he is liable to the state for any indebtedness due pursuant to NRS 482.313, this chapter or chapter 362, ~~[364A,]~~ 365, 369, 370, 372, 372A, 373, 374, 377, 377A, 444A, 585, 590 or 680B of NRS from the person with respect to whose obligation the notice was given if solely by reason of the transfer or other disposition the state is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

Sec. 7. NRS 244.335 is hereby amended to read as follows:

244.335 1. Except as otherwise provided in subsection 2, the board of county commissioners may:

(a) Regulate all character of lawful trades, callings, industries, occupations, professions and business conducted in its county outside of the limits of incorporated cities and towns.

(b) Except as otherwise provided in NRS 244.3359 and 576.128, fix, impose and collect a license tax for revenue or for regulation, or ~~[for both revenue and regulation,]~~ ***both,*** on such trades, callings, industries, occupations, professions and business.

2. The county license boards have the exclusive power in their respective counties to regulate entertainers employed by an entertainment by referral service **,** and the business of conducting a dancing hall, escort service, entertainment by referral service or gambling game or device permitted by law, outside of an incorporated city. The county license boards may fix, impose and collect license taxes for revenue or for regulation, or ~~[for both revenue and regulation,]~~ ***both,*** on such employment and businesses.

3. ~~[No license to engage in any type of business may be granted unless the applicant for the license signs an affidavit affirming that the business has complied with the provisions of chapter 364A of NRS. The county license board shall provide upon request an application for a business license pursuant to chapter 364A of NRS.~~

~~4.]~~ No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license presents written evidence that:

(a) The department of taxation has issued or will issue a permit for this activity, and this evidence clearly identifies the business by name; or

(b) Another regulatory agency of the state has issued or will issue a license required for this activity.

~~[5.]~~ ***4.*** Any license tax levied ~~[for the purposes of]~~ ***pursuant to*** NRS 244.3358 or 244A.597 to 244A.655, inclusive, constitutes a lien upon the real and personal property of the business upon which the tax was levied until the tax is paid. The lien has the same priority as a lien for general taxes. The lien must be enforced in the following manner:

(a) By recording in the office of the county recorder, within 6 months after the date on which the tax became delinquent or was otherwise determined to be due and owing, a notice of the tax lien containing the following:

(1) The amount of tax due and the appropriate year;

(2) The name of the record owner of the property;

(3) A description of the property sufficient for identification; and

(4) A verification by the oath of any member of the board of county commissioners or the county fair and recreation board; and

(b) By an action for foreclosure against the property in the same manner as an action for foreclosure of any other lien, commenced within 2 years after the date of recording of the notice of the tax lien, and accompanied by appropriate notice to other lienholders.

~~[6.]~~ ***5.*** The board of county commissioners may delegate the authority to enforce liens from taxes levied ~~[for the purposes of]~~ ***pursuant to*** NRS 244A.597 to 244A.655, inclusive, to the county fair and recreation board. If the authority is so delegated, the board of county commissioners shall revoke or suspend the license of a business upon certification by the county fair and recreation board that the license tax has become delinquent ~~[,]~~ and shall not reinstate the license until the tax is paid. Except as otherwise provided in NRS 244.3357, all information concerning license taxes levied by an ordinance authorized by this section or other information concerning the business affairs or operation of any licensee obtained as a result of the payment of such license taxes or as the result of any audit or examination of the books by any authorized employee of a county fair and recreation board of the county for any license tax levied ~~[for the purpose of]~~ ***pursuant to*** NRS 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed by any member, officer or employee of the county fair and recreation board or the county imposing the license tax unless the disclosure is authorized by the affirmative action of a majority of the members of the appropriate county fair and recreation board. Continuing disclosure may be so authorized under an agreement with the department of taxation for the exchange of information concerning taxpayers.

Sec. 8. NRS 268.095 is hereby amended to read as follows:

268.095 1. The city council or other governing body of each incorporated city in this state, whether organized under general law or special charter, may:

(a) Except as otherwise provided in NRS 268.0968 and 576.128, fix, impose and collect for revenues or for regulation, or both, a license tax on all character of lawful trades, callings, industries, occupations, professions and businesses conducted within its corporate limits.

(b) Assign the proceeds of any one or more of such license taxes to the county within which the city is situated ~~[for the purpose or purposes of making]~~ ***to make*** the proceeds available to the county:

(1) As a pledge as additional security for the payment of any general obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

(2) For redeeming any general obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

(3) For defraying the costs of collecting or otherwise administering any such license tax so assigned, of the county fair and recreation board and of officers, agents and employees hired thereby, and of incidentals incurred thereby;

(4) For operating and maintaining recreational facilities under the jurisdiction of the county fair and recreation board;

(5) For improving, extending and bettering recreational facilities authorized by NRS 244A.597 to 244A.655, inclusive; and

(6) For constructing, purchasing or otherwise acquiring such recreational facilities.

(c) Pledge the proceeds of any tax imposed on the revenues from the rental of transient lodging pursuant to this section for the payment of any general obligations issued by the city for a purpose authorized by the City Bond Law, NRS 268.672 to 268.740, inclusive.

(d) Use the proceeds of any tax imposed pursuant to this section on the revenues from the rental of transient lodging:

(1) To pay the principal, interest or any other indebtedness on any general or special obligations issued by the city pursuant to the City Bond Law, NRS 268.672 to 268.740, inclusive;

(2) For the expense of operating or maintaining, or both, any facilities of the city; and

(3) For any other purpose for which other money of the city may be used.

2. The proceeds of any tax imposed pursuant to this section that are pledged for the repayment of general obligations may be treated as "pledged revenues" for the purposes of NRS 350.020.

3. ~~[No license to engage in any type of business may be granted unless the applicant for the license signs an affidavit affirming that the business has complied with the provisions of chapter 364A of NRS. The city licensing agency shall provide upon request an application for a business license pursuant to chapter 364A of NRS.~~

~~4.]~~ No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license presents written evidence that:

(a) The department of taxation has issued or will issue a permit for this activity, and this evidence clearly identifies the business by name; or

(b) Another regulatory agency of the state has issued or will issue a license required for this activity.

~~[5.]~~ ***4.*** Any license tax levied under the provisions of this section constitutes a lien upon the real and personal property of the business upon which the tax was levied until the tax is paid. The lien has the same priority as a lien for general taxes. The lien must be enforced in the following manner:

(a) By recording in the office of the county recorder, within 6 months ~~[following]~~ ***after*** the date on which the tax became delinquent or was otherwise determined to be due and owing, a notice of the tax lien containing the following:

(1) The amount of tax due and the appropriate year;

(2) The name of the record owner of the property;

(3) A description of the property sufficient for identification; and

(4) A verification by the oath of any member of the board of county commissioners or the county fair and recreation board; and

(b) By an action for foreclosure against such property in the same manner as an action for foreclosure of any other lien, commenced within 2 years after the date of recording of the notice of the tax lien ~~[,]~~ and accompanied by appropriate notice to other lienholders.

~~[6.]~~ ***5.*** The city council or other governing body of each incorporated city may delegate the power and authority to enforce such liens to the county fair and recreation board. If the authority is so delegated, the governing body shall revoke or suspend the license of a business upon certification by the board that the license tax has become delinquent ~~[,]~~ and shall not reinstate the license until the tax is paid. Except as otherwise provided in NRS 268.0966, all information concerning license taxes levied by an ordinance authorized by this section or other information concerning the business affairs or operation of any licensee obtained as a result of the payment of those license taxes or as the result of any audit or examination of the books of the city by any authorized employee of a county fair and recreation board for any license tax levied ~~[for the purpose of]~~ ***pursuant to*** NRS 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed by any member, official or employee of the county fair and recreation board or the city imposing the license tax unless the disclosure is authorized by the affirmative action of a majority of the members of the appropriate county fair and recreation board. Continuing disclosure may be so authorized under an agreement with the department of taxation for the exchange of information concerning taxpayers.

~~[7.]~~ ***6.*** The powers conferred by this section are in addition and supplemental to, and not in substitution for, and the limitations imposed by this section do not affect the powers conferred by, any other law. No part of this section repeals or affects any other law or any part thereof, it being intended that this section provide a separate method of accomplishing its objectives, and not an exclusive one.

Sec. 9. NRS 459.3824 is hereby amended to read as follows:

459.3824 1. The owner of a regulated facility shall pay to the division an annual fee based on the fiscal year. The annual fee for each facility is the sum of a base fee set by the state environmental commission and any additional fee imposed by the commission pursuant to subsection 2. The annual fee must be prorated and may not be refunded.

2. The state environmental commission may impose an additional fee upon the owner of a regulated facility in an amount determined by the commission to be necessary to enable the division to carry out its duties pursuant to NRS 459.380 to 459.3874, inclusive. The additional fee must be based on a graduated schedule adopted by the commission which takes into consideration the quantity of hazardous substances located at each facility.

3. After the payment of the initial annual fee, the division shall send the owner of a regulated facility a bill in July for the annual fee for the fiscal year then beginning which is based on the applicable reports for the preceding year.

4. ~~[The owner of a regulated facility shall submit, with any payment required by this section, the number assigned by the department of taxation, for the imposition and collection of taxes pursuant to chapter 364A of NRS, to the business for which the payment is made.~~

~~5.]~~ All fees collected pursuant to this section and any interest earned thereon must be deposited with the state treasurer for credit to the fund for precaution against chemical accidents, which is hereby created as a special revenue fund.

Sec. 10. NRS 612.265 is hereby amended to read as follows:

612.265 1. Except as otherwise provided in this section, information obtained from any employing unit or person pursuant to the administration of this chapter and any determination as to the benefit rights of any person is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's or employing unit's identity.

2. Any claimant or his legal representative is entitled to information from the records of the division, to the extent necessary for the proper presentation of his claim in any proceeding pursuant to this chapter. A claimant or an employing unit is not entitled to information from the records of the division for any other purpose.

3. Subject to such restrictions as the administrator may by regulation prescribe, the information obtained by the division may be made available to:

(a) Any agency of this or any other state or any federal agency charged with the administration or enforcement of laws relating to unemployment compensation, public assistance, workers' compensation or labor and industrial relations, or the maintenance of a system of public employment offices;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The department of taxation; and

(e) The state contractors' board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

Information obtained in connection with the administration of the employment service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or a public assistance program.

4. Upon written request made by a public officer of a local government, the administrator shall furnish from the records of the division the name, address and place of employment of any person listed in

the records of employment of the division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. The information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The administrator may charge a reasonable fee for the cost of providing the requested information.

5. The administrator may publish or otherwise provide information on the names of employers, their addresses, their type or class of business or industry, and the approximate number of employees employed by each such employer ~~[,]~~ if the information released will assist unemployed persons to obtain employment or will be generally useful in developing and diversifying the economic interests of this state. Upon request by a state agency which is able to demonstrate that its intended use of the information will benefit the residents of this state, the administrator may, in addition to the information listed in this subsection, disclose the number of employees employed by each employer and the total wages paid by each employer. The administrator may charge a fee to cover the actual costs of any administrative expenses relating to the disclosure of this information to a state agency. The administrator may require the state agency to certify in writing that the agency will take all actions necessary to maintain the confidentiality of the information and prevent its unauthorized disclosure.

6. Upon request therefor the administrator shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment ~~[,]~~ and may furnish to any state agency similarly charged, the name, address, ordinary occupation, and employment status of each recipient of benefits and the recipient's rights to further benefits pursuant to this chapter.

7. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this state may submit a written request to the administrator that he furnish, from the records of the division, the name, address and place of employment of any person listed in the records of employment of the division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of such a request, the administrator shall furnish the information requested. He may charge a fee to cover the actual costs of any related administrative expenses.

8. ~~[In addition to the provisions of subsection 5, the administrator shall provide lists containing the names and addresses of employers, the number~~

~~of employees employed by each employer and the total wages paid by each employer to the department of taxation, upon request, for use in verifying returns for the business tax. The administrator may charge a fee to cover the actual costs of any related administrative expenses.~~

~~9.]~~ The manager of the state industrial insurance system or a private carrier that provides industrial insurance in this state shall submit to the administrator a list containing the name of each person who received benefits pursuant to chapters 616A to 616D, inclusive, or 617 of NRS during the preceding month and request that he compare the information so provided with the records of the division regarding persons claiming benefits pursuant to chapter 612 of NRS for the same period. The information submitted by the manager or the private carrier must be in a form determined by the administrator and must contain the social security number of each such person. Upon receipt of the request, the administrator shall make such a comparison and, if it appears from the information submitted that a person is simultaneously claiming benefits under chapter 612 of NRS and under chapters 616A to 616D, inclusive, or 617 of NRS, the administrator shall notify the attorney general or any other appropriate law enforcement agency. The administrator shall charge a fee to cover the actual costs of any related administrative expenses.

~~[10.]~~ ***9.*** The administrator may request the Comptroller of the Currency of the United States to cause an examination of the correctness of any return or report of any national banking association rendered pursuant to the provisions of this chapter ~~[,]~~ and may ***,*** in connection with the request ***,*** transmit any such report or return to the Comptroller of the Currency of the United States as provided in Section 3305(c) of the Internal Revenue Code of 1954.

~~[11.]~~ ***10.*** If any employee or member of the board of review or the administrator or any employee of the administrator, in violation of the provisions of this section, discloses information obtained from any employing unit or person in the administration of this chapter, or if any person who has obtained a list of applicants for work, or of claimants or recipients of benefits pursuant to this chapter uses or permits the use of the list for any political purpose, he is guilty of a gross misdemeanor.

~~[12.]~~ ***11.*** All letters, reports or communications of any kind, oral or written, from the employer or employee to each other or to the division or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of this chapter.

Sec. 11. NRS 616B.012 is hereby amended to read as follows:

616B.012 1. Except as otherwise provided in this section and in NRS 616B.015, 616B.021 and 616C.205, information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's identity.

2. Any claimant or his legal representative is entitled to information from the records of the insurer ~~[,]~~ to the extent necessary for the proper presentation of a claim in any proceeding under chapters 616A to 616D, inclusive, of NRS.

3. The division and administrator are entitled to information from the records of the insurer which is necessary for the performance of their duties. The administrator may, by regulation, prescribe the manner in which otherwise confidential information may be made available to:

(a) Any agency of this or any other state charged with the administration or enforcement of laws relating to industrial insurance, unemployment compensation, public assistance or labor law and industrial relations;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The department of taxation; and

(e) The state contractors' board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

Information obtained in connection with the administration of a program of industrial insurance may be made available to persons or agencies for purposes appropriate to the operation of a program of industrial insurance.

4. Upon written request made by a public officer of a local government, an insurer shall furnish from its records, the name, address and place of employment of any person listed in its records. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. The information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The insurer may charge a reasonable fee for the cost of providing the requested information.

5. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this state may submit to the administrator a written request for the name, address and place of employment of any person listed in the records of an insurer. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of a request, the

administrator shall instruct the insurer to furnish the information requested. Upon receipt of such an instruction, the insurer shall furnish the information requested. The insurer may charge a reasonable fee to cover any related administrative expenses.

6. ~~[The administrator shall provide lists containing the names and addresses of employers, the number of employees employed by each employer and the total wages paid by each employer to the department of taxation, upon request, for its use in verifying returns for the business tax. The administrator may charge a reasonable fee to cover any related administrative expenses.~~

~~7.]~~ Any person who, in violation of this section, discloses information obtained from files of claimants or policyholders, or obtains a list of claimants or policyholders under chapters 616A to 616D, inclusive, of NRS and uses or permits the use of the list for any political purposes, is guilty of a gross misdemeanor.

~~[8.]~~ ***7.*** All letters, reports or communications of any kind, oral or written, from the insurer, or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of chapters 616A to 616D, inclusive, of NRS.

Sec. 12. NRS 616B.679 is hereby amended to read as follows:

616B.679 1. Each application must include:

(a) The applicant's name and title of his position with the employee leasing company.

(b) The applicant's age, place of birth and social security number.

(c) The applicant's address.

(d) The business address of the employee leasing company.

(e) The business address of the resident agent of the employee leasing company ~~[,]~~ if the applicant is not the resident agent.

(f) If the applicant is a:

(1) Partnership, the name of the partnership and the name, address, age, social security number and title of each partner.

(2) Corporation, the name of the corporation and the name, address, age, social security number and title of each officer of the corporation.

(g) Proof of:

(1) ~~[The payment of any taxes required by chapter 364A of NRS.~~

~~(2)]~~ The payment of any premiums for industrial insurance required by chapters 616A to 617, inclusive, of NRS.

~~[(3)]~~ ***(2)*** The payment of contributions or payments in lieu of contributions required by chapter 612 of NRS.

~~[(4)]~~ ***(3)*** Insurance coverage for any benefit plan from an insurer authorized pursuant to Title 57 of NRS that is offered by the employee leasing company to its employees.

~~[(5)]~~ ***(4)*** Membership in the National ~~[Staff Leasing Association,]~~ ***Association of Professional Employer Organizations,*** or its successor organization.

(h) Any other information the manager requires.

2. Each application must be notarized and signed under penalty of perjury:

(a) If the applicant is a sole proprietorship, by the sole proprietor.

(b) If the applicant is a partnership, by each partner.

(c) If the applicant is a corporation, by each officer of the corporation.

3. An applicant shall submit to the manager any change in the information required by this section within 30 days after the change occurs. The manager may revoke the certificate of insurance of an employee leasing company which fails to comply with provisions of this subsection. If the manager revokes the certificate of insurance and cancels the employee leasing company's policy, the manager shall immediately notify the administrator, who shall proceed in accordance with the provisions of NRS 616D.110.

Sec. 13. NRS 616B.691 is hereby amended to read as follows:

616B.691 1. For the purposes of chapters ~~[364A,]~~ 612 and 616A to 617, inclusive, of NRS, an employee leasing company which complies with the provisions of NRS 616B.670 to 616B.697, inclusive, shall be deemed to be the employer of the employees it leases to a client company.

2. An employee leasing company shall be deemed to be the employer of its leased employees ~~[for the purposes of sponsoring and maintaining]~~ ***to sponsor and maintain*** any benefit plans.

3. An employee leasing company shall not offer its employees any self-funded insurance program. An employee leasing company shall not act as a self-insured employer or be a member of an association of self-insured public or private employers pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS or pursuant to Title 57 of NRS.

4. If an employee leasing company fails to:

(a) Pay any contributions, premiums, forfeits or interest due; or

(b) Submit any reports or other information required,

pursuant to this chapter or chapter 612, 616A, 616C, 616D or 617 of NRS, the client company is jointly and severally liable for the contributions, premiums, forfeits or interest attributable to the wages of the employees leased to it by the employee leasing company.

Sec. 14. NRS 364A.010, 364A.020, 364A.030, 364A.040, 364A.050, 364A.060, 364A.070, 364A.080, 364A.090, 364A.100, 364A.110, 364A.120, 364A.130, 364A.135, 364A.140, 364A.150, 364A.151, 364A.152, 364A.1525, 364A.153, 364A.160, 364A.170, 364A.175, 364A.180, 364A.190, 364A.230, 364A.240, 364A.250, 364A.260, 364A.270, 364A.280, 364A.290, 364A.300, 364A.310, 364A.320, 364A.330, 364A.340 and 364A.350 are hereby repealed.

Sec. 15. This act becomes effective on July 1, 2001.

LEADLINES OF REPEALED SECTIONS

364A.010 Definitions.

364A.020 "Business" defined.

364A.030 "Commission" defined.

364A.040 "Employee" defined. [Effective July 1, 1999.]

364A.050 "Wages" defined.

364A.060 Regulations of 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. [Effective July 1, 1999.]

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 of tax; tax returns; payment by direct deposit.

364A.150 Calculation of total number of equivalent full-time employees; exclusion of hours of certain employees with lower incomes who received free child care from business.

364A.151 Exclusion of hours from calculation for employment of pupil as part of program that combines work and study.

364A.152 Responsibility of operator of facility for trade shows or conventions to pay tax on behalf of participants who do not have business license; exception.

364A.1525 Requirements to qualify as organization created for religious, charitable or educational purposes.

364A.153 Responsibility of certain agencies to collect tax from out-of-state businesses engaged in creating or producing motion pictures in Nevada.

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