ASSEMBLY BILL NO. 646–COMMITTEE ON JUDICIARY

(ON BEHALF OF GAMING CONTROL BOARD)

MARCH 22, 1999

Referred to Committee on Judiciary

SUMMARY—Changes deadline for collection of annual excise tax on slot machines and clarifies statutory provision governing issuance of certain licenses. (BDR 41-416)

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

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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 gaming; changing the deadline for collection of the annual excise tax on slot machines; clarifying a provision governing the issuance and expiration of a manufacturer's, seller's or distributor's license; 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 463.385 is hereby amended to read as follows:

463.385 1. In addition to any other license fees and taxes imposed by this chapter, there is hereby imposed upon each slot machine operated in this state an annual excise tax of $250. If a slot machine is replaced by another, the replacement is not considered a different slot machine for the purpose of imposing this tax.

2. The commission shall:

(a) Collect the tax annually on or before June ~~[20,]~~ ***30,*** as a condition precedent to the issuance of a state gaming license to operate any slot machine for the ensuing fiscal year beginning July 1, from a licensee whose operation is continuing.

(b) Collect the tax in advance from a licensee who begins operation or puts additional slot machines into play during the fiscal year, prorated monthly after July 31.

(c) Include the proceeds of the tax in its reports of state gaming taxes collected.

3. The commission shall pay over the tax as collected to the state treasurer to be deposited to the credit of the state distributive school account in the state general fund, and the capital construction fund for higher education and the special capital construction fund for higher education, which are hereby created in the state treasury as special revenue funds, in the amounts and to be expended only for the purposes specified in this section.

4. During each fiscal year, the state treasurer shall deposit the tax paid over to him by the commission as follows:

(a) The first $5,000,000 of the tax in the capital construction fund for higher education;

(b) Twenty percent of the tax in the special capital construction fund for higher education; and

(c) The remainder of the tax in the state distributive school account in the state general fund.

5. There is hereby appropriated from the balance in the special capital construction fund for higher education on July 31 of each year the amount necessary to pay the principal and interest due in that fiscal year on the bonds issued pursuant to section 5 of chapter 679, Statutes of Nevada 1979, as amended by chapter 585, Statutes of Nevada 1981, at page 1251, the bonds authorized to be issued by section 2 of chapter 643, Statutes of Nevada 1987, the bonds authorized to be issued by section 2 of chapter 614, Statutes of Nevada 1989, the bonds authorized to be issued by section 2 of chapter 718, Statutes of Nevada 1991, and the bonds authorized to be issued by section 2 of chapter 629, Statutes of Nevada 1997. If in any year the balance in that fund is not sufficient for this purpose, the remainder necessary is hereby appropriated on July 31 from the capital construction fund for higher education. The balance remaining unappropriated in the capital construction fund for higher education on August 1 of each year and all amounts received thereafter during the fiscal year must be transferred to the state general fund for the support of higher education. If bonds described in this subsection are refunded and if the amount required to pay the principal of and interest on the refunding bonds in any fiscal year during the term of the bonds is less than the amount that would have been required in the same fiscal year to pay the principal of and the interest on the original bonds if they had not been refunded, there is appropriated to the University and Community College System of Nevada an amount sufficient to pay the principal of and interest on the original bonds, as if they had not been refunded. The amount required to pay the principal of

and interest on the refunding bonds must be used for that purpose from the amount appropriated. The amount equal to the saving realized in that fiscal year from the refunding must be used by the University and Community College System of Nevada to defray, in whole or in part, the expenses of operation and maintenance of the facilities acquired in part with the proceeds of the original bonds.

6. After the requirements of subsection 5 have been met for each fiscal year, when specific projects are authorized by the legislature, money in the capital construction fund for higher education and the special capital construction fund for higher education must be transferred by the state controller and the state treasurer to the state public works board for the construction of capital improvement projects for the University and Community College System of Nevada, including, but not limited to, capital improvement projects for the community colleges of the University and Community College System of Nevada. As used in this subsection, "construction" includes, but is not limited to, planning, designing, acquiring and developing a site, construction, reconstruction, furnishing, equipping, replacing, repairing, rehabilitating, expanding and remodeling. Any money remaining in either fund at the end of a fiscal year does not revert to the state general fund but remains in those funds for authorized expenditure.

7. The money deposited in the state distributive school account in the state general fund under this section must be apportioned as provided in NRS 387.030 among the several school districts of the state at the times and in the manner provided by law.

8. The board of regents of the University of Nevada may use any money in the capital construction fund for higher education and the special capital construction fund for higher education for the payment of interest and amortization of principal on bonds and other securities, whether issued before, on or after July 1, 1979, to defray in whole or in part the costs of any capital project authorized by the legislature.

Sec. 2. NRS 463.660 is hereby amended to read as follows:

463.660 1. The commission shall charge and collect from each applicant a fee of:

(a) For the issuance or renewal of a manufacturer's license, $1,000.

(b) For the issuance or renewal of a seller's or distributor's license, $500.

2. All licenses must be issued for the calendar year ***beginning on January 1*** and ~~[expire]~~ ***expiring*** on December 31. ***If the operation is continuing, the commission shall charge and collect the fee prescribed by subsection 1 on or before December 31 for the ensuing calendar year.*** Regardless of the date of application or issuance of the license, the fee to be charged and collected under this section is the full annual fee.

3. All license fees collected pursuant to this section must be paid over immediately to the state treasurer to be deposited to the credit of the state general fund.

Sec. 3. This act becomes effective upon passage and approval.

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