

SENATE BILL NO. 455—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 17, 1999

Referred to Committee on Government Affairs

SUMMARY—Makes various changes to certain fees and licenses concerning businesses.
(BDR 31-891)

FISCAL NOTE: Effect on Local Government: Yes.
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 local governments; revising the manner in which the revenue from certain fees for business licenses is calculated; revising the provisions for increasing certain taxes or fees on private enterprises; providing additional notification for certain types of changes in fees imposed upon private enterprises; authorizing a county or city to impose a tax or a fee upon a business under certain circumstances; 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.** NRS 354.5989 is hereby amended to read as follows:
2 354.5989 1. A local government shall not increase any fee for a
3 business license or adopt a fee for a business license issued for revenue or
4 regulation, or both, except as permitted by this section. This prohibition
5 does not apply to fees:
6 (a) Imposed by hospitals, county airports, airport authorities, convention
7 authorities, the Las Vegas Valley Water District or the Clark County
8 Sanitation District;
9 (b) Imposed on public utilities for the privilege of doing business
10 pursuant to a franchise;
11 (c) For business licenses which are calculated as a fraction or percentage
12 of the gross revenue of the business;
13 (d) Imposed pursuant to NRS 244.348, 268.0973, 268.821 or 269.182;
14 or

1 (e) Regulated pursuant to NRS 354.59881 to 354.59889, inclusive.

2 2. The amount of revenue the local government derives or is allowed to
3 derive, whichever is greater, from all fees for business licenses except

4 ~~those~~ :

5 (a) *The fees* excluded by subsection 1, for the fiscal year ended on
6 June 30, 1991 ~~it~~ ; and

7 (b) *The fees collected for a particular type of business during the*
8 *immediately preceding fiscal year ending on June 30 that a local*
9 *government will not collect in the next subsequent fiscal year,*

10 is the base from which the maximum allowable revenue from such fees
11 must be calculated for the next subsequent *fiscal* year. To the base must be
12 added the sum of the amounts respectively equal to the product of the base
13 multiplied by the percentage increase in the population of the local
14 government added to the percentage increase in the Consumer Price Index
15 for the year ending on December 31 next preceding the year for which the
16 limit is being calculated. The amount so determined becomes the base for
17 computing the allowed increase for each subsequent year.

18 3. A local government may not increase any fee for a business license
19 which is calculated as a fraction or percentage of the gross revenue of the
20 business if its total revenues from such fees have increased during the
21 preceding fiscal year by more than the increase in the Consumer Price
22 Index during that preceding calendar year. The provisions of this
23 subsection do not apply to a fee imposed pursuant to NRS 244.348,
24 268.0973, 268.821 or 269.182, or regulated pursuant to NRS 354.59881 to
25 354.59889, inclusive.

26 4. A local government may submit an application to increase its
27 revenue from fees for business licenses beyond the amount allowable
28 ~~under~~ *pursuant to* this section to the Nevada tax commission, which may
29 grant the application only if it finds that ~~it~~ :

30 ~~—(a) Emergency conditions exist which impair the ability of the local~~
31 ~~government to perform the basic functions for which it was created; or~~

32 ~~—(b) The~~ *the* rate of a business license of the local government is
33 substantially below that of other local governments in the state.

34 5. The provisions of this section apply to a business license regardless
35 of the fund to which the revenue from it is assigned. An ordinance or
36 resolution enacted by a local government in violation of the provisions of
37 this section is void.

38 6. As used in this section, “fee for a business license” does not include
39 a tax imposed on the revenues from the rental of transient lodging.

1 **Sec. 2.** NRS 364.200 is hereby amended to read as follows:

2 364.200 1. An ordinance adopted by a city or county after July 1,
3 1997, which imposes or increases a tax or fee on a private enterprise that is
4 measured by the income or revenue of the enterprise, including, without
5 limitation, any fee imposed for the regulation and licensing of a business or
6 occupation, must include a statement of:

7 (a) The need for and purpose of the ordinance.

8 (b) The intended use for the revenue to be obtained pursuant to the
9 ordinance.

10 2. An agenda that proposes such an ordinance must include a statement
11 indicating whether the proposed ordinance establishes a new tax or fee, or
12 increases an existing tax or fee.

13 **3. *If a city or county wishes to change a tax or fee on a private***
14 ***enterprise that is not a tax or fee that is measured by the income or***
15 ***revenue of the enterprise to a tax or fee that is measured by the income***
16 ***or revenue of the enterprise, the city or county must send a written notice,***
17 ***at least 14 days before the adoption of the ordinance that changes a tax***
18 ***or fee on a private enterprise to a tax or fee that is measured by the***
19 ***income or revenue of the enterprise, to each enterprise to which the***
20 ***ordinance will apply.***

21 **Sec. 3.** NRS 365.210 is hereby amended to read as follows:

22 365.210 1. No county, city or other political subdivision or municipal
23 corporation may levy or collect any excise, privilege or occupation tax
24 upon or measured by the receipt, storage, sale, distribution, transportation
25 or use of motor vehicle fuel, fuel for jet or turbine-powered aircraft or any
26 other inflammable or combustible liquids except:

27 (a) The county motor vehicle fuel tax authorized by chapter 373 of
28 NRS.

29 (b) A tax on fuel for jet or turbine-powered aircraft authorized by NRS
30 365.203.

31 (c) A tax on aviation fuel authorized by NRS 365.203.

32 (d) Any motor vehicle fuel taxation in effect on January 1, 1935, in any
33 city or town.

34 ***(e) A tax or fee imposed upon a business by a county or city that is***
35 ***authorized by law, except as otherwise provided in subsection 2 or***
36 ***pursuant to subsection 1 of NRS 364.210.***

37 2. After March 25, 1991, no county, city or other political subdivision
38 or municipal corporation responsible for the operation of an airport may
39 impose a new tax or fee upon the sale or distribution of fuel for jet or
40 turbine-powered aircraft except:

41 (a) A tax on fuel for jet or turbine-powered aircraft authorized by NRS
42 365.203.

- 1 (b) Any fuel flowage fee imposed upon aircraft or organizations
- 2 servicing aircraft in lieu of rent for use of the terminal, landing fees or other
- 3 airport charges.
- 4 **Sec. 4.** This act becomes effective upon passage and approval.

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