SENATE BILL NO. 422–COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE CITY OF RENO)

MARCH 29, 2005

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to regulation of businesses and occupations by governing body of local government. (BDR 20-533)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: No.

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

AN ACT relating to local governments; authorizing the governing body of a local government to adopt an ordinance requiring a person to obtain a certificate to manage certain hotels, motels and apartment complexes; authorizing the governing body of a local government to adopt an ordinance requiring that certain hotels, motels and apartment complexes be managed by a person issued such a certificate; prohibiting the governing body of a local government from requiring that a person who is licensed as a contractor obtain more than one business license or pay more than one license tax relating to engaging in the business of contracting; 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. Chapter 244 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this act.

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Sec. 2. As used in sections 2 to 9, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 7, inclusive, of this act have the meanings ascribed to them in those sections.



Sec. 3. "Apartment complex" means a building or group of buildings, each building of which is arranged in several units of connecting rooms, with each unit designed for independent housekeeping.

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- Sec. 4. "Certificate" means a certificate to engage in property management issued pursuant to section 8 of this act. 6
 - Sec. 5. "Property" means a hotel, motel or apartment complex with three or more units.
 - "Property Sec. 6. management" means the physical, administrative or financial management of a property.
 - Sec. 7. "Unit" means a structure or the part of a structure that is occupied as, or designed or intended for occupancy as, a residence or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.
 - Sec. 8. 1. Except as otherwise provided in subsection 3, the board of county commissioners of each county may, by ordinance, require each person who wishes to engage in property management in an unincorporated area of the county to obtain a certificate issued by the board before engaging in property management.
 - 2. If a board of county commissioners of a county adopts an ordinance pursuant to subsection 1:
 - (a) Each person who engages in property management must make application for a certificate to the board of county commissioners of the county in which the property to be managed is to be located. The application must be in a form and manner prescribed by the board of county commissioners.
 - (b) The board of county commissioners may:
 - (1) Establish and collect a fee for the issuance or renewal of a certificate.
- (2) Grant or deny applications for the issuance or renewal 33 of a certificate.
 - (3) Impose conditions, limitations and restrictions upon a certificate.
- (4) Establish any other requirements necessary to carry out 36 the ordinance, including, without limitation, the imposition of a 37 38 penalty for a violation of the ordinance.
- (5) Adopt, amend and repeal regulations relating to the 40 ordinance.
- 3. An ordinance adopted pursuant to the provisions of this 41 42 section must not apply to:
- 43 (a) A person issued a permit to engage in property 44 management pursuant to the provisions of NRS 645.6052; or



(b) A person engaging in property management of a property where gaming is conducted under a nonrestricted license for gaming issued pursuant to NRS 463.170.

- Sec. 9. 1. Except as otherwise provided in subsection 3, the board of county commissioners of each county may, by ordinance, require that a property which is located in an unincorporated area of the county must be managed by a person issued a certificate pursuant to the provisions of section 8 of this act.
- 2. If a board of county commissioners adopts an ordinance pursuant to the provisions of subsection 1, the board of county commissioners may:
- (a) Establish any other requirements necessary to carry out the ordinance, including, without limitation, the imposition of a penalty for a violation of the ordinance.
- (b) Adopt, amend and repeal regulations relating to the ordinance.
- 3. An ordinance adopted pursuant to the provisions of this section must not apply to:
- (a) A property managed by a person issued a permit to engage in property management pursuant to the provisions of NRS 645.6052; or
- (b) A property where gaming is conducted under a nonrestricted license for gaming issued pursuant to NRS 463.170.
 - Sec. 10. NRS 244.335 is hereby amended to read as follows:
- 244.335 1. Except as otherwise provided in subsection 2 [the] or 3, a board of county commissioners may:
- (a) Except as otherwise provided in NRS 598D.150 [] and sections 2 to 9, inclusive, of this act, 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, 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, on such employment and businesses.
- 3. A board of county commissioners shall not require that a person who is licensed as a contractor pursuant to chapter 624 of



NRS obtain more than one license to engage in the business of contracting or pay more than one license tax related to engaging in the business of contracting, regardless of the number of classifications or subclassifications of licensing for which the person is licensed pursuant to chapter 624 of NRS.

- 4. 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 NRS 360.780. The county license board shall provide upon request an application for a business license pursuant to NRS 360.780.
- [4.] 5. 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.] 6. Any license tax levied for the purposes of 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;
- 31 (3) A description of the property sufficient for identification; 32 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.] 7. The board of county commissioners may delegate the authority to enforce liens from taxes levied for the purposes of 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 purpose of 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. 11. NRS 244.33506 is hereby amended to read as follows:

244.33506 1. If a board of county commissioners requires a person to obtain a license, permit or certificate to practice a profession or occupation pursuant to NRS 244.335 [] or section 8 of this act, an applicant for the issuance or renewal of such a license, certificate or permit shall submit to the board of county commissioners the statement prescribed by the Welfare Division of the Department of Human Resources pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

- 2. The board of county commissioners shall include the statement required pursuant to subsection 1 in:
 - (a) The application or any other forms that must be submitted for the issuance or renewal of the license, certificate or permit; or
- (b) A separate form prescribed by the board of county commissioners.
- 3. A license, certificate or permit may not be issued or renewed by a board of county commissioners pursuant to NRS 244.335 *or section 8 of this act* if the applicant:
- (a) Fails to submit the statement required pursuant to subsection 1; or
- (b) Indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.
- 4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for



the repayment of the amount owed pursuant to the order, the board of county commissioners shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 12. NRS 244.33507 is hereby amended to read as follows:

244.33507 An application for the issuance of a license, permit or certificate to practice a profession or occupation pursuant to NRS 244.335 or section 8 of this act must include the social security number of the applicant.

Sec. 13. NRS 244.3525 is hereby amended to read as follows:

- 244.3525 1. The chairman or clerk of the board of county commissioners to enforce NRS 244.335 to 244.340, inclusive, and sections 2 to 9, inclusive, of this act, the chairman or clerk of the license board of the county to enforce NRS 244.345 and the chairman or clerk of the liquor board of the county to enforce NRS 244.350, 244.3501 and 244.351 may:
 - (a) Administer oaths and require testimony under oath;
- (b) Pay witnesses a reasonable allowance for travel and subsistence; and
- (c) Appoint hearing officers who may administer oaths and receive testimony given under oath.
- 2. Each hearing officer appointed pursuant to paragraph (c) of subsection 1 must be a resident of this State who is a graduate of:
 - (a) An accredited law school: or

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- 27 (b) An accredited, 4-year college and has at least 5 years' 28 experience in public administration,
 - → and who has completed a course of instruction in administrative law, relating to the provisions of this chapter, offered by the office of the district attorney for the county. This course must consist of at least 4 hours of instruction in a classroom.
- 3. Any notice given by the board must be served in the manner 34 required for civil actions.
 - **Sec. 14.** NRS 266.355 is hereby amended to read as follows:
 - 266.355 1. Except as otherwise provided in subsection 3 the or 4, a city council may:
- (a) Except as otherwise provided in NRS 598D.150 [and 38 sections 19 to 26, inclusive, of this act, regulate all businesses, 39 40 trades and professions.
- 41 (b) Except as otherwise provided in NRS 576.128, fix, impose 42 and collect a license tax for revenue upon all businesses, trades and 43 professions.



2. The city council may establish any equitable standard to be used in fixing license taxes required to be collected pursuant to this section.

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- 3. The city council may license insurance agents, brokers, analysts, adjusters and managing general agents within the limitations and under the conditions prescribed in NRS 680B.020.
- 4. A city council shall not require that a person who is licensed as a contractor pursuant to chapter 624 of NRS obtain more than one license to engage in the business of contracting or pay more than one license tax related to engaging in the business of contracting, regardless of the number of classifications or subclassifications of licensing for which the person is licensed pursuant to chapter 624 of NRS.
 - **Sec. 15.** NRS 266.358 is hereby amended to read as follows:
- 266.358 1. If a city council requires a person to obtain a license, permit or certificate to practice a profession or occupation pursuant to NRS 266.355 [...] or section 25 of this act, an applicant for the issuance or renewal of such a license, certificate or permit shall submit to the city council the statement prescribed by the Welfare Division of the Department of Human Resources pursuant to NRS 425.520. The statement must be completed and signed by the applicant.
- 2. The city council shall include the statement required pursuant to subsection 1 in:
- (a) The application or any other forms that must be submitted for the issuance or renewal of the license, certificate or permit; or
 - (b) A separate form prescribed by the city council.
- 3. A license, certificate or permit may not be issued or renewed by the city council pursuant to NRS 266.355 *or section 25 of this act* if the applicant:
- (a) Fails to submit the statement required pursuant to subsection 1; or
- (b) Indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.
- 4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the city council shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.



Sec. 16. NRS 266.362 is hereby amended to read as follows:

 266.362 1. If a city council receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a license, certificate or permit to practice a profession or occupation issued by the city council pursuant to NRS 266.355 [...] or section 25 of this act, the city council shall deem the license, certificate or permit issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the city council receives a letter issued to the holder of the license, certificate or permit by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the license, certificate or permit has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

- 2. A city council shall reinstate a license, certificate or permit to practice a profession or occupation issued by the city council pursuant to NRS 266.355 *or section 25 of this act* that has been suspended by a district court pursuant to NRS 425.540 if the city council receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose license, certificate or permit was suspended stating that the person whose license, certificate or permit was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.
 - **Sec. 17.** NRS 266.368 is hereby amended to read as follows:
- 266.368 An application for the issuance of a license, permit or certificate to practice a profession or occupation pursuant to NRS 266.355 *or section 25 of this act* must include the social security number of the applicant.
- **Sec. 18.** Chapter 268 of NRS is hereby amended by adding thereto the provisions set forth as sections 19 to 26, inclusive, of this act.
- Sec. 19. As used in sections 19 to 26, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 20 to 24, inclusive, of this act have the meanings ascribed to them in those sections.
- Sec. 20. "Apartment complex" means a building or group of buildings, each building of which is arranged in several units of connecting rooms, with each unit designed for independent housekeeping.
- 42 Sec. 21. "Certificate" means a certificate to engage in 43 property management issued pursuant to section 25 of this act.
- 44 Sec. 22. "Property" means a hotel, motel or apartment 45 complex with three or more units.



Sec. 23. "Property management" means the physical, administrative or financial management of a property.

 Sec. 24. "Unit" means a structure or the part of a structure that is occupied as, or designed or intended for occupancy as, a residence or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.

- Sec. 25. 1. Except as otherwise provided in subsection 3, the city council or other governing body of any incorporated city in the State of Nevada, whether organized under general law or special charter, may, by ordinance, require each person who wishes to engage in property management in the incorporated area of the city to obtain a certificate issued by the city council or other governing body before engaging in property management.
- 2. If a city council or other governing body of an incorporated city adopts an ordinance pursuant to subsection 1:
- (a) Each person who engages in property management must make application for a certificate to the city council or other governing body of the incorporated city in which the property to be managed is to be located. The application must be in a form and manner prescribed by the city council or other governing body.
- (b) The city council or other governing board of an incorporated city may:
- (1) Establish and collect a fee for the issuance or renewal of a certificate.
- (2) Grant or deny applications for the issuance or renewal of a certificate.
- (3) Impose conditions, limitations and restrictions upon a certificate.
- (4) Establish any other requirements necessary to carry out the ordinance, including, without limitation, the imposition of a penalty for a violation of the ordinance.
- (5) Adopt, amend and repeal regulations relating to the ordinance.
- 35 3. An ordinance adopted pursuant to the provisions of this section must not apply to:
 - (a) A person issued a permit to engage in property management pursuant to the provisions of NRS 645.6052; or
 - (b) A person engaging in property management of a property where gaming is conducted under a nonrestricted gaming license issued pursuant to NRS 463.170.
 - Sec. 26. 1. Except as otherwise provided in subsection 3, the city council or other governing body of any incorporated city in the State of Nevada, whether organized under general law or special charter may, by ordinance, require that a property which is



located in the incorporated area of the city must be managed by a person issued a certificate pursuant to the provisions of section 25 of this act.

- 2. If a city council or other governing body adopts an ordinance pursuant to the provisions of subsection 1, the city council or other governing body may:
- (a) Establish any other requirements necessary to carry out the ordinance, including, without limitation, the imposition of a penalty for a violation of the ordinance.
- (b) Adopt, amend and repeal regulations relating to the ordinance.
- 3. An ordinance adopted pursuant to the provisions of this section must not apply to:
- (a) A property managed by a person issued a permit to engage in property management pursuant to the provisions of NRS 645.6052; or
- (b) A property where gaming is conducted under a nonrestricted license for gaming issued pursuant to NRS 463.170.

Sec. 27. 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 *subsection 2 and* 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 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 or special obligations issued by the city for a purpose authorized by the laws of this State.

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- (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 laws of this State;
- 10 (2) For the expense of operating or maintaining, or both, any 11 facilities of the city; and
 - (3) For any other purpose for which other money of the city may be used.
 - 2. The city council or other governing body of an incorporated city shall not require that a person who is licensed as a contractor pursuant to chapter 624 of NRS obtain more than one license to engage in the business of contracting or pay more than one license tax related to engaging in the business of contracting, regardless of the number of classifications or subclassifications of licensing for which the person is licensed pursuant to chapter 624 of NRS.
 - 3. 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.] 4. 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 NRS 360.780. The city licensing agency shall provide upon request an application for a business license pursuant to NRS 360.780.
 - [4.] 5. 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.] 6. 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 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;

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- (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.
- 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 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.] 8. 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. 28. 1. This act becomes effective on July 1, 2005.
- 2. Sections 11, 12, 15, 16 and 17 of this act expire by limitation on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has



authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

- (a) Have failed to comply with the subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

 (b) Are in arrears in the payment for the support of one or more
- children.
- → are repealed by the Congress of the United States.

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