

## Amendment No. 930

Assembly Amendment to Assembly Bill No. 561 (BDR 31-1166)

**Proposed by:** Assembly Committee on Ways and Means**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of A.B. 561 (§§ 4, 7, 10.3, 10.7).

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

SJC/BJE



Date: 6/5/2011

A.B. No. 561—Makes various changes concerning governmental financial administration. (BDR 31-1166)



## ASSEMBLY BILL NO. 561—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

Referred to Committee on Ways and Means

SUMMARY—Makes various changes concerning governmental financial administration. (BDR 31-1166)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: 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 governmental financial administration; delaying the commencement of certain transfers to the Fund to Stabilize the Operation of the State Government; ~~revising the provisions governing the amount and use of certain reserve accounts for bond payments;~~ revising the provisions governing the rate and calculation of the payroll tax imposed on certain businesses other than financial institutions; requiring the deposit of certain fees imposed on the short-term lease of passenger cars into the State General Fund; extending the prospective expiration of certain requirements regarding the imposition and advance payment of ~~the tax imposed on the net proceeds of minerals; temporarily authorizing the securitization of the proceeds of the tax on insurance premiums;~~ certain taxes and fees; requiring the transfer of money from the Fund to Stabilize the Operation of the State Government to the State General Fund; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

The Fund to Stabilize the Operation of the State Government, also known as the Rainy Day Fund, is a special revenue fund into which surplus state revenues are deposited to be used in case of fiscal emergencies. Under existing law, the State Controller is required to transfer from the State General Fund to the Fund to Stabilize the Operation of the State Government at the beginning of each fiscal year that begins on or after July 1, 2011, 1 percent of the total anticipated revenue projected for that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year. (NRS 353.288) **Sections 1 and 10** of this bill delay the commencement of those transfers until July 1, 2013.

~~Under existing law, a school district that issues certain general obligation bonds is required to maintain a reserve account for the payment of those bonds which equals or exceeds the amount of the payments due on those bonds for the next fiscal year or 10 percent of the outstanding principal amount of the bonds, whichever is less. Section 2 of this bill reduces the amount required to be maintained in such a reserve account by 75 percent for~~

~~school districts in counties whose population is less than 100,000 (currently counties other than Clark and Washoe Counties) and by 90 percent for school districts in other counties. Section 14 of this bill requires the transfer of the resulting excess amount into the county school district fund and requires the allocation of that amount as local funds available for the next 2 fiscal years for the purpose of determining the pertinent apportionments from the State Distributive School Account in the State General Fund.)~~ **Section 16 of this bill requires the State Controller to transfer a sum of money from the Fund to Stabilize the Operation of the State Government to the State General Fund.**

Existing law imposes an excise tax on certain businesses other than financial institutions at the rate of 0.5 percent of the total wages paid by the business each calendar quarter that do not exceed \$62,500 and 1.17 percent of those wages paid in excess of \$62,500. (NRS 363B.110) On July 1, 2011, this rate is scheduled to change to 0.63 percent of the total wages paid by the business each calendar quarter. (Chapter 395, Statutes of Nevada 2009, pp. 2190, 2199) **Section 4 of this bill revises that rate change until June 30, 2013, to impose [the tax at the rate of 0.5 percent of the total] no tax on the wages paid by the business each calendar quarter that do not exceed \$62,500 and [0.63] to impose the tax at the rate of 1.17 percent of [those] the total wages paid by the business each calendar quarter in excess of \$62,500. [Section 3 of this bill revises the method for determining the amount of the tax due from a company that leases employees to client companies, by requiring separate calculations of the tax for the wages paid to employees leased to each separate client company.]**

Under existing law, a short-term lessor of passenger cars is required to collect from its customers a governmental services fee of 10 percent of the adjusted total amount of each lease, and to remit the fee to the Department of Taxation. Of the amount remitted to the Department, 90 percent must be deposited in the State General Fund and 10 percent must be deposited in the State Highway Fund. (NRS 482.313) **Section 6 of this bill instead requires the deposit of all of that amount into the State General Fund.**

Existing law requires, until June 30, 2011, the advance payment of the tax on the net proceeds of minerals based upon the estimated net proceeds and royalties of a mining operation for the current calendar year. (Chapter 4, Statutes of Nevada 2008, 25th Special Session, pp. 15-18, 23) **Sections 7, 8, 9 and 11 of this bill delay the expiration of this requirement for advance payment until June 30, 2013.**

~~[— Section 12 of this bill authorizes the State Treasurer to securitize a portion of the proceeds of the tax on insurance premiums for the next 10 fiscal years.]~~

**Existing law imposes an annual fee of \$200 for a state business license. (NRS 76.100, 76.130) On July 1, 2011, this fee is scheduled to change to \$100. (Chapter 429, Statutes of Nevada 2009, pp. 2408-10) Section 10.3 of this bill delays this change until July 1, 2013.**

**Existing law requires, until June 30, 2011, an increase in the rate of the Local School Support Tax of 0.35 percent. (Chapter 395, Statutes of Nevada 2009, pp. 2191, 2199) Section 10.7 of this bill delays the expiration of this increase until June 30, 2013.**

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

**Section 1.** NRS 353.288 is hereby amended to read as follows:

353.288 1. The Fund to Stabilize the Operation of the State Government is hereby created as a special revenue fund. Except as otherwise provided in subsections 3 and 4, each year after the close of the previous fiscal year and before the issuance of the State Controller's annual report, the State Controller shall transfer from the State General Fund to the Fund to Stabilize the Operation of the State Government:

(a) Forty percent of the unrestricted balance of the State General Fund, as of the close of the previous fiscal year, which remains after subtracting an amount equal to 7 percent of all appropriations made from the State General Fund during that previous fiscal year for the operation of all departments, institutions and agencies of State Government and for the funding of schools; and

(b) Commencing with the fiscal year that begins on July 1, ~~2011~~ 2013, 1 percent of the total anticipated revenue for the fiscal year in which the transfer will be made, as projected by the Economic Forum for that fiscal year pursuant to paragraph (e) of subsection 1 of NRS 353.228 and as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year.

2. Money transferred pursuant to subsection 1 to the Fund to Stabilize the Operation of the State Government is a continuing appropriation solely for the purpose of authorizing the expenditure of the transferred money for the purposes set forth in this section.

3. The balance in the Fund to Stabilize the Operation of the State Government, excluding the aggregate balance in the Disaster Relief Account and the Emergency Assistance Subaccount, must not exceed 20 percent of the total of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and for the funding of schools and authorized expenditures from the State General Fund for the regulation of gaming for the fiscal year in which that revenue will be transferred to the Fund to Stabilize the Operation of the State Government.

4. Except as otherwise provided in this subsection and NRS 353.2735, beginning with the fiscal year that begins on July 1, 2003, the State Controller shall, at the end of each quarter of a fiscal year, transfer from the State General Fund to the Disaster Relief Account created pursuant to NRS 353.2735 an amount equal to not more than 10 percent of the aggregate balance in the Fund to Stabilize the Operation of the State Government during the previous quarter, excluding the aggregate balance in the Disaster Relief Account and the Emergency Assistance Subaccount created pursuant to NRS 414.135. The State Controller shall not transfer more than \$500,000 for any quarter pursuant to this subsection.

5. The Chief of the Budget Division of the Department of Administration may submit a request to the State Board of Examiners to transfer money from the Fund to Stabilize the Operation of the State Government to the State General Fund:

(a) If the total actual revenue of the State falls short by 5 percent or more of the total anticipated revenue for the biennium in which the transfer will be made, as determined by the Legislature, or the Interim Finance Committee if the Legislature is not in session; or

(b) If the Legislature, or the Interim Finance Committee if the Legislature is not in session, and the Governor declare that a fiscal emergency exists.

6. The State Board of Examiners shall consider a request made pursuant to subsection 5 and shall, if it finds that a transfer should be made, recommend the amount of the transfer to the Interim Finance Committee for its independent evaluation and action. The Interim Finance Committee is not bound to follow the recommendation of the State Board of Examiners.

7. If the Interim Finance Committee finds that a transfer recommended by the State Board of Examiners should and may lawfully be made, the Committee shall by resolution establish the amount and direct the State Controller to transfer that amount to the State General Fund. The State Controller shall thereupon make the transfer.

8. In addition to the manner of allocation authorized pursuant to subsections 5, 6 and 7, the money in the Fund to Stabilize the Operation of the State Government may be allocated directly by the Legislature to be used for any other purpose.

**Sec. 2.** ~~NRS 350.020 is hereby amended to read as follows:~~  
~~350.020 1. Except as otherwise provided by subsections 3 and 4, if a municipality proposes to issue or incur general obligations, the proposal must be~~

~~submitted to the electors of the municipality at a special election called for that purpose or the next general municipal election or general state election.~~

~~2. Such a special election may be held:~~

~~(a) At any time, including, without limitation, on the date of a primary municipal election or a primary state election, if the governing body of the municipality determines, by a unanimous vote, that an emergency exists; or~~

~~(b) On the first Tuesday after the first Monday in June of an odd-numbered year.~~

~~The determination made by the governing body is conclusive unless it is shown that the governing body acted with fraud or a gross abuse of discretion. An action to challenge the determination made by the governing body must be commenced within 15 days after the governing body's determination is final. As used in this subsection, "emergency" means any occurrence or combination of occurrences which requires immediate action by the governing body of the municipality to prevent or mitigate a substantial financial loss to the municipality or to enable the governing body to provide an essential service to the residents of the municipality.~~

~~3. If payment of a general obligation of the municipality is additionally secured by a pledge of gross or net revenue of a project to be financed by its issue, and the governing body determines, by an affirmative vote of two-thirds of the members elected to the governing body, that the pledged revenue will at least equal the amount required in each year for the payment of interest and principal, without regard to any option reserved by the municipality for early redemption, the municipality may, after a public hearing, incur this general obligation without an election unless, within 90 days after publication of a resolution of intent to issue the bonds, a petition is presented to the governing body signed by not less than 5 percent of the registered voters of the municipality. Any member elected to the governing body whose authority to vote is limited by charter, statute or otherwise may vote on the determination required to be made by the governing body pursuant to this subsection. The determination by the governing body becomes conclusive on the last day for filing the petition. For the purpose of this subsection, the number of registered voters must be determined as of the close of registration for the last preceding general election. The resolution of intent need not be published in full, but the publication must include the amount of the obligation and the purpose for which it is to be incurred. Notice of the public hearing must be published at least 10 days before the day of the hearing. The publications must be made once in a newspaper of general circulation in the municipality. When published, the notice of the public hearing must be at least as large as 5 inches high by 4 inches wide.~~

~~4. The board of trustees of a school district may issue general obligation bonds which are not expected to result in an increase in the existing property tax levy for the payment of bonds of the school district without holding an election for each issuance of the bonds if the qualified electors approve a question submitted by the board of trustees that authorizes issuance of bonds for a period of 10 years after the date of approval by the voters. If the question is approved, the board of trustees of the school district may issue the bonds for a period of 10 years after the date of approval by the voters, after obtaining the approval of the debt management commission in the county in which the school district is located and, in a county whose population is 100,000 or more, the approval of the oversight panel for school facilities established pursuant to NRS 292.092 in that county, if the board of trustees of the school district finds that the existing tax for debt service will at least equal the amount required to pay the principal and interest on the outstanding general obligations of the school district and the general obligations proposed to be issued. The finding made by the board of trustees is conclusive in the absence of fraud or gross abuse of discretion. As used in this subsection, "general obligations"~~

1 ~~does not include medium-term obligations issued pursuant to NRS 350.087 to~~  
2 ~~350.095, inclusive.~~

3 ~~5. At the time of issuance of bonds authorized pursuant to subsection 4, the~~  
4 ~~board of trustees shall establish a reserve account in its debt service fund for~~  
5 ~~payment of the outstanding bonds of the school district. [The] In a county whose~~  
6 ~~population:~~

7 ~~(a) Is less than 100,000, the reserve account must be established and~~  
8 ~~maintained in an amount at least equal to the lesser of 25 percent of the amount of~~  
9 ~~principal and interest payments due on all of the outstanding bonds of the school~~  
10 ~~district in the next fiscal year or [10] 2.5 percent of the outstanding principal~~  
11 ~~amount of the outstanding bonds of the school district.~~

12 ~~(b) Is 100,000 or more, the reserve account must be established and~~  
13 ~~maintained in an amount at least equal to the lesser of 10 percent of the amount~~  
14 ~~of principal and interest payments due on all of the outstanding bonds of the~~  
15 ~~school district in the next fiscal year or 1 percent of the outstanding principal~~  
16 ~~amount of the outstanding bonds of the school district.~~

17 ~~6. If the amount in the reserve account required by subsection 5 falls below~~  
18 ~~the amount required by [this] that subsection:~~

19 ~~(a) The board of trustees shall not issue additional bonds pursuant to subsection~~  
20 ~~4 until the reserve account is restored to the level required by this subsection; and~~

21 ~~(b) The board of trustees shall apply all of the taxes levied by the school~~  
22 ~~district for payment of bonds of the school district that are not needed for payment~~  
23 ~~of the principal and interest on bonds of the school district in the current fiscal year~~  
24 ~~to restore the reserve account to the level required pursuant to this subsection.~~

25 ~~[6.] 7. A question presented to the voters pursuant to subsection 4 may~~  
26 ~~authorize all or a portion of the revenue generated by the debt rate which is in~~  
27 ~~excess of the amount required;~~

28 ~~(a) For debt service in the current fiscal year;~~

29 ~~(b) For other purposes related to the bonds by the instrument pursuant to which~~  
30 ~~the bonds were issued; and~~

31 ~~(c) To maintain the reserve account required pursuant to subsection 5;~~  
32 ~~to be transferred to the county school district's fund for capital projects~~  
33 ~~established pursuant to NRS 387.328 and used to pay the cost of capital projects~~  
34 ~~which can lawfully be paid from that fund. Any such transfer must not limit the~~  
35 ~~ability of the school district to issue bonds during the period of voter authorization~~  
36 ~~if the findings and approvals required by subsection 4 are obtained.~~

37 ~~[7.] 8. A municipality may issue special or medium-term obligations without~~  
38 ~~an election.] (Deleted by amendment.)~~

39 **Sec. 3.** ~~[Chapter 363B of NRS is hereby amended by adding thereto a new~~  
40 ~~section to read as follows:~~

41 ~~1. The amount of the tax imposed by NRS 363B.110 on an employee leasing~~  
42 ~~company for each calendar quarter must be calculated by:~~

43 ~~(a) Determining separately for each client company to whom the employee~~  
44 ~~leasing company leases employees the amount of the tax based upon the sum of~~  
45 ~~all the wages paid by the employee leasing company during that calendar quarter~~  
46 ~~with respect to the employment of its employees for the purpose of leasing those~~  
47 ~~employees to that client company; and~~

48 ~~(b) Determining separately the amount of the tax based upon the sum of all~~  
49 ~~the wages paid by the employee leasing company during that calendar quarter~~  
50 ~~with respect to the employment of its employees in connection with its business~~  
51 ~~activities for any purpose other than the leasing of those employees to a client~~  
52 ~~company.~~

~~2. The Nevada Tax Commission shall adopt such regulations as may be necessary to carry out the provisions of this section, including, without limitation, regulations establishing a formula for the appropriate apportionment by an employee leasing company of any deductions authorized by NRS 363B.115 from the total amount of wages reported by the employee leasing company.~~

~~3. As used in this section, "client company" and "employee leasing company" have the meanings ascribed to them in NRS 616B.670.~~ (Deleted by amendment.)

**Sec. 4.** NRS 363B.110 is hereby amended to read as follows:

363B.110 1. There is hereby imposed an excise tax on each employer at the rate of ~~0.63~~ 1.17 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, ~~fin the amount determined as follows:~~

~~(a) If the sum of all the wages~~ paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer ~~if does not exceed \$62,500, the amount of the tax for that calendar quarter is 0.5 percent of the sum of those wages; or~~

~~(b) If the sum of all the wages paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds \$62,500, the amount of the tax for that calendar quarter is \$312.50 plus 0.63 percent of the amount by which the sum of those wages exceeds \$62,500.~~

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

**Sec. 4.5. NRS 363B.115 is hereby amended to read as follows:**

363B.115 1. Except as otherwise provided in subsection 2, an employer may deduct from the total amount of wages reported ~~(and upon which)~~ for the purpose of calculating the amount of the excise tax ~~(is imposed)~~ required to be paid pursuant to NRS 363B.110 any amount authorized pursuant to this section that is paid by the employer for health insurance or a health benefit plan for its employees in the calendar quarter for which the tax is paid. The amounts for which the deduction is allowed include:

(a) For a self-insured employer, all amounts paid during the calendar quarter for claims, direct administrative services costs, including such services provided by the employer, and any premiums paid for individual or aggregate stop-loss insurance coverage. An employer is not authorized to deduct the costs of a program of self-insurance unless the program is a qualified employee welfare benefit plan pursuant to the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq.

(b) The premiums for a policy of health insurance or reinsurance for a health benefit plan for employees.

(c) Any amounts which are:

(1) Paid by an employer to a Taft-Hartley trust which:

(I) Is formed pursuant to 29 U.S.C. § 186(c)(5); and

(II) Qualifies as an employee welfare benefit plan; and

(2) Considered by the Internal Revenue Service to be fully tax deductible pursuant to the provisions of the Internal Revenue Code.

(d) Such other similar payments for health care or insurance for health care for employees as are authorized by the Department.

2. An employer may not deduct ~~from the wages upon which the excise tax is imposed pursuant to NRS 363B.110.~~ pursuant to subsection 1 any:

(a) Amounts paid for health care or premiums paid for insurance for an industrial injury or occupational disease for which coverage is required pursuant to chapters 616A to 616D, inclusive, or 617 of NRS; or

(b) ~~Any payments~~ Payments made by employees for health care or health insurance or amounts deducted from the wages of employees for such health care or insurance.

3. If the amount of the deduction allowed pursuant to this section to an employer for a calendar quarter exceeds the amount of reported wages for that calendar quarter, the excess amount of that deduction may be carried forward to the following calendar quarter until the deduction is exhausted. An employer claiming the deduction allowed pursuant to this section shall, upon the request of the Department, explain the amount claimed to the satisfaction of the Department and provide the Department with such documentation as the Department deems appropriate for that purpose.

4. As used in this section:

(a) "Claims" means claims for those categories of health care expenses that are generally deductible by employees on their individual federal income tax returns pursuant to the provisions of 26 U.S.C. § 213 and any federal regulations relating thereto, if those expenses had been borne directly by those employees.

(b) "Direct administrative services costs" means, if borne directly by a self-insured employer and reasonably allocated to the direct administration of claims:

(1) Payments for medical or office supplies that will be consumed in the course of the provision of medical care or the direct administration of claims;

(2) Payments to third-party administrators or independent contractors for the provision of medical care or the direct administration of claims;

(3) Rent and utility payments for the maintenance of medical or office space used for the provision of medical care or the direct administration of claims;

(4) Payments for the maintenance, repair and upkeep of medical or office space used for the provision of medical care or the direct administration of claims;

(5) Salaries and wages paid to medical, clerical and administrative staff and other personnel employed to provide medical care or directly to administer claims; and

(6) The depreciation of property other than medical or office supplies, used for the provision of medical care or the direct administration of claims.

(c) "Employee welfare benefit plan" has the meaning ascribed to it in 29 U.S.C. § 1002.

(d) "Employees" means employees whose wages are included within the ~~measure~~ calculation of the amount of the excise tax imposed upon an employer by NRS 363B.110, and their spouses, children and other dependents who qualify for coverage under the terms of the health insurance or health benefit plan provided by that employer.

(e) "Health benefit plan" means a health benefit plan that covers only those categories of health care expenses that are generally deductible by employees on their individual federal income tax returns pursuant to the provisions of 26 U.S.C. §



213 and any federal regulations relating thereto, if those expenses had been borne directly by those employees.

(f) "Self-insured employer" means an employer that provides a program of self-insurance for its employees.

**Sec. 5.** NRS 408.235 is hereby amended to read as follows:

408.235 1. There is hereby created the State Highway Fund.

2. Except as otherwise provided by a specific statute, the proceeds from the imposition of any:

(a) License or registration fee and other charges with respect to the operation of any motor vehicle upon any public highway, city, town or county road, street, alley or highway in this State; and

(b) Excise tax on gasoline or other motor vehicle fuel, must be deposited in the State Highway Fund and must, except for costs of administering the collection thereof, be used exclusively for the administration, construction, reconstruction, improvement and maintenance of highways as provided for in this chapter.

3. The interest and income earned on the money in the State Highway Fund, after deducting any applicable charges, must be credited to the Fund.

4. Costs of administration for the collection of the proceeds for any license or registration fees and other charges with respect to the operation of any motor vehicle must be limited to a sum not to exceed 22 percent of the total proceeds so collected.

5. Costs of administration for the collection of any excise tax on gasoline or other motor vehicle fuel must be limited to a sum not to exceed 1 percent of the total proceeds so collected.

6. All bills and charges against the State Highway Fund for administration, construction, reconstruction, improvement and maintenance of highways under the provisions of this chapter must be certified by the Director and must be presented to and examined by the State Board of Examiners. When allowed by the State Board of Examiners and upon being audited by the State Controller, the State Controller shall draw his or her warrant therefor upon the State Treasurer.

7. The money deposited in the State Highway Fund pursuant to NRS 244A.637 and 354.59815 must be maintained in a separate account for the county from which the money was received. The interest and income on the money in the account, after deducting any applicable charges, must be credited to the account. Any money remaining in the account at the end of each fiscal year does not revert to the State Highway Fund but must be carried over into the next fiscal year. The money in the account:

(a) Must be used exclusively for the construction, reconstruction, improvement and maintenance of highways in that county as provided for in this chapter;

(b) Must not be used to reduce or supplant the amount or percentage of any money which would otherwise be made available from the State Highway Fund for projects in that county; and

(c) Must not be used for any costs of administration or to purchase any equipment.

~~{8. The money deposited in the State Highway Fund pursuant to NRS 482.313 must be maintained in a separate account. The interest and income on the money in the account, after deducting any applicable charges, must be credited to the account. Any money remaining in the account at the end of each fiscal year does not revert to the State Highway Fund but must be carried over into the next fiscal year. The money in the account:~~

~~—(a) Must be used exclusively for the construction, reconstruction, improvement and maintenance of highways as provided for in this chapter; and~~

~~1 (b) Must not be used for any costs of administration or to purchase any~~  
~~2 equipment.]~~

3 **Sec. 6.** NRS 482.313 is hereby amended to read as follows:

4 482.313 1. Upon the lease of a passenger car by a short-term lessor in this  
5 State, the short-term lessor shall charge and collect from the short-term lessee:

6 (a) A governmental services fee of 10 percent of the total amount for which the  
7 passenger car was leased, excluding the items described in subsection 7; and

8 (b) Any fee required pursuant to NRS 244A.810 or 244A.860.

9 ~~➤~~ The amount of each fee charged pursuant to this subsection must be indicated in  
10 the lease agreement.

11 2. The fees due from a short-term lessor to the Department of Taxation  
12 pursuant to subsection 1 are due on the last day of each calendar quarter. On or  
13 before the last day of the month following each calendar quarter, the short-term  
14 lessor shall:

15 (a) File with the Department of Taxation, on a form prescribed by the  
16 Department of Taxation, a report indicating the total amount of each of the fees  
17 collected by the short-term lessor pursuant to subsection 1 during the immediately  
18 preceding calendar quarter; and

19 (b) Remit to the Department of Taxation the fees collected by the short-term  
20 lessor pursuant to subsection 1 during the immediately preceding calendar quarter.

21 3. Except as otherwise provided in a contract made pursuant to NRS  
22 244A.820 or 244A.870, the Department of Taxation shall deposit ~~+~~

23 ~~—(a) All~~ *all* money received from short-term lessors pursuant to the provisions  
24 of ~~[paragraph (b) of]~~ subsection 1 with the State Treasurer for credit to the State  
25 General Fund. ~~+~~

26 ~~—(b) Nine tenths of the money received from short term lessors pursuant to the~~  
27 ~~terms of paragraph (a) of subsection 1 with the State Treasurer for credit to the~~  
28 ~~State General Fund; and~~

29 ~~—(c) One tenth of the money received from short term lessors pursuant to the~~  
30 ~~terms of paragraph (a) of subsection 1 with the State Treasurer for credit to the~~  
31 ~~State Highway Fund for administration pursuant to subsection 8 of NRS 408.235.]~~

32 4. To ensure compliance with this section, the Department of Taxation may  
33 audit the records of a short-term lessor.

34 5. The provisions of this section do not limit or affect the payment of any  
35 taxes or fees imposed pursuant to the provisions of this chapter.

36 6. The Department of Motor Vehicles shall, upon request, provide to the  
37 Department of Taxation any information in its records relating to a short-term  
38 lessor that the Department of Taxation considers necessary to collect the fees  
39 described in subsection 1.

40 7. For the purposes of charging and collecting the governmental services fee  
41 described in paragraph (a) of subsection 1, the following items must not be included  
42 in the total amount for which the passenger car was leased:

43 (a) The amount of any fee charged and collected pursuant to paragraph (b) of  
44 subsection 1;

45 (b) The amount of any charge for fuel used to operate the passenger car;

46 (c) The amount of any fee or charge for the delivery, transportation or other  
47 handling of the passenger car;

48 (d) The amount of any fee or charge for insurance, including, without  
49 limitation, personal accident insurance, extended coverage or insurance coverage  
50 for personal property; and

51 (e) The amount of any charges assessed against a short-term lessee for  
52 damages for which the short-term lessee is held responsible.

53 8. The Executive Director of the Department of Taxation shall:

(a) Adopt such regulations as the Executive Director determines are necessary to carry out the provisions of this section; and

(b) Upon the request of the Director of the Department of Motor Vehicles, provide to the Director of the Department of Motor Vehicles a copy of any record or report described in this section.

**Sec. 6.5. NRS 701A.370 is hereby amended to read as follows:**

701A.370 1. If the Commissioner approves an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, of:

(a) Property taxes imposed pursuant to chapter 361 of NRS, the partial abatement must:

(1) Be for a duration of the 20 fiscal years immediately following the date of approval of the application;

(2) Be equal to 55 percent of the taxes on real and personal property payable by the facility each year; and

(3) Not apply during any period in which the facility is receiving another abatement or exemption from property taxes imposed pursuant to chapter 361 of NRS, other than any partial abatement provided pursuant to NRS 361.4722.

(b) Local sales and use taxes:

(1) The partial abatement must:

(I) Be for the 3 years beginning on the date of approval of the application;

(II) Be equal to that portion of the combined rate of all the local sales and use taxes payable by the facility each year which exceeds ~~0.25~~ 0.6 percent; and

(III) Not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes.

(2) The Department of Taxation shall issue to the facility a document certifying the abatement which can be presented to retailers at the time of sale. The document must clearly state that the purchaser is only required to pay sales and use taxes imposed in this State at the rate of ~~2.25~~ 2.6 percent.

2. Upon approving an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, the Commissioner shall immediately notify the Director of the terms of the abatement and the Director shall immediately forward a certificate of eligibility for the abatement to:

(a) The Department of Taxation;

(b) The board of county commissioners;

(c) The county assessor;

(d) The county treasurer; and

(e) The Commission on Economic Development.

**Sec. 7.** Section 16 of chapter 4, Statutes of Nevada 2008, 25th Special Session, as amended by chapter 387, Statutes of Nevada 2009, at page 2097, is hereby amended to read as follows:

Sec. 16. 1. This section and sections 2, 4, 14 and 15 of this act become effective upon passage and approval.

2. Sections 6 to 12, inclusive, of this act become effective on January 1, 2009.

3. Sections 4 and 12 of this act expire by limitation on June 30, 2009.

4. Sections 1, 3, 5 and 13 of this act become effective on July 1, 2009.

5. Sections 1, 2, 3 and 5 of this act expire by limitation on June 30, ~~2011~~ 2013.

**Sec. 8.** Section 29 of chapter 287, Statutes of Nevada 2009, at page 1233, is hereby amended to read as follows:

Sec. 29. ~~++~~ NRS 361A.155 is hereby repealed.

~~[2. Section 5 of chapter 4, Statutes of Nevada 2008, 25th Special Session, at page 17, is hereby repealed.]~~

**Sec. 9.** Section 31 of chapter 287, Statutes of Nevada 2009, at page 1233, is hereby amended to read as follows:

Sec. 31. 1. This section and sections 3, 4, 27 ~~[, 28, subsection 2 of section 29 and section]~~ and 30 of this act become effective upon passage and approval.

2. Sections 1, 2, ~~[and]~~ 5 to 26, inclusive, and ~~[subsection 1 of section]~~ 29 of this act become effective on July 1, 2009.

**Sec. 10.** Section 3 of chapter 322, Statutes of Nevada 2009, at page 1415, is hereby amended to read as follows:

Sec. 3. 1. The Governor shall provide initially for the reserve required pursuant to paragraph (b) of subsection 3 of NRS 353.213, as amended by section 1 of this act, in the proposed biennial budget for the period that begins on July 1, 2011, and ends on June 30, 2013.

2. The fiscal year that begins on July 1, ~~[2011,]~~ 2013, is the initial fiscal year in which a transfer of money must be made from the State General Fund to the Fund to Stabilize the Operation of the State Government pursuant to paragraph (b) of subsection 1 of NRS 353.288, as amended by section 2 of this act.

**Sec. 10.3. Section 47 of chapter 381, Statutes of Nevada 2009, as amended by chapter 429, Statutes of Nevada 2009, at page 2410, is hereby amended to read as follows:**

Sec. 47. 1. This section and section 45.5 of this act become effective upon passage and approval.

2. Sections 1 to 44, inclusive, 45, 46 and 46.5 of this act become effective:

(a) Upon passage and approval for the purposes of adopting regulations and performing any other preparatory actions that are necessary to carry out the provisions of this act; and

(b) On October 1, 2009, for all other purposes.

3. Sections 44.3 and 44.7 of this act become effective on July 1, ~~[2011,]~~ 2013.

**Sec. 10.7. Section 20 of chapter 395, Statutes of Nevada 2009, at page 2199, is hereby amended to read as follows:**

Sec. 20. 1. This section and section 19 of this act become effective upon passage and approval.

2. Sections 1 ~~[, 2, 3 and 6 to 12, inclusive,]~~ and 2 of this act become effective on July 1, 2009.

3. Section 3 of this act ~~[become]~~ becomes effective on July 1, 2009, and ~~[expire]~~ expires by limitation on June 30, 2011.

~~[4.]~~ 4. Sections 6 to 12, inclusive, of this act become effective on July 1, 2009, and expire by limitation on June 30, 2013.

5. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act become effective:

(a) Upon passage and approval for the purpose of performing any preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On September 1, 2009, for all other purposes.

~~[4.]~~ 6. Sections 15.5 and 18.5 of this act become effective on July 1, 2013.

~~[5.]~~ 7. Section 18 of this act expires by limitation on June 30, 2013.

1       **Sec. 11.** Section 28 of chapter 287, Statutes of Nevada 2009, at page 1232, is  
2 hereby repealed.

3       **Sec. 12.** ~~["The State Treasurer may securitize any portion of the proceeds of~~  
4 ~~the tax imposed by NRS 680B.027 that the State Treasurer determines to be~~  
5 ~~appropriate for the benefit of the State.]" (Deleted by amendment.)~~

6       **Sec. 13.** ~~["Sections 3 and"]~~ The amendatory provisions of section 4 of this  
7 act ~~do~~ :

8       1. Do not apply to any taxes due for any period ending on or before June 30,  
9 2011. ~~;~~ and

10       2. Except as otherwise provided in subsection 1 and notwithstanding the  
11 expiration of that section by limitation pursuant to section 17 of this act, apply  
12 to taxes due pursuant to NRS 363B.110 for each calendar quarter ending on or  
13 before June 30, 2013.

14       **Sec. 14.** ~~["Notwithstanding any other statutory provision to the contrary,~~  
15 ~~the board of trustees of a school district that maintains a separate account in its debt~~  
16 ~~service fund pursuant to subsection 5 of NRS 350.020 shall transfer from that~~  
17 ~~account to the county school district fund the amount contained in that account on~~  
18 ~~July 1, 2011, which is not required by subsection 5 of NRS 350.020, as amended by~~  
19 ~~section 2 of this act, to be maintained in that account on that date.~~

20       ~~2. From the amount of any money transferred to a county school district fund~~  
21 ~~pursuant to subsection 1:~~

22       ~~(a) Fifty percent of that amount shall be deemed, for the purposes of NRS~~  
23 ~~387.124, to constitute local funds available pursuant to NRS 387.1235 for the fiscal~~  
24 ~~year beginning on July 1, 2011; and~~

25       ~~(b) Fifty percent of that amount shall be deemed, for the purposes of NRS~~  
26 ~~387.124, to constitute local funds available pursuant to NRS 387.1235 for the fiscal~~  
27 ~~year beginning on July 1, 2012.]" (Deleted by amendment.)~~

28       **Sec. 15.** 1. When preparing its certificate of the tax due from a taxpayer  
29 pursuant to NRS 362.130 during the calendar year 2014, the Department of  
30 Taxation shall reduce the amount of the tax due from the taxpayer by the amount  
31 of:

32       (a) Any estimated payments of the tax made by or on behalf of the taxpayer  
33 during the calendar year 2013 pursuant to NRS 362.115, as that section read on  
34 January 1, 2013; and

35       (b) Any unused credit to which the taxpayer may be entitled as a result of any  
36 previous overpayment of the tax.

37       2. Notwithstanding any provision of NRS 362.170 to the contrary:

38       (a) The amount appropriated to each county pursuant to that section for  
39 distribution to the county during the calendar year 2014 must be reduced by the  
40 amount appropriated to the county pursuant to that section for distribution to the  
41 county during the calendar year 2013, excluding any portion of the amount  
42 appropriated to the county pursuant to that section for distribution to the county  
43 during the calendar year 2013 which is attributable to a pro rata share of any  
44 penalties and interest collected by the Department of Taxation for the late payment  
45 of taxes distributed to the county.

46       (b) In calculating the amount required to be apportioned to each local  
47 government or other local entity pursuant to subsection 2 of that section for the  
48 calendar year 2014, the county treasurer shall reduce the amount required to be  
49 determined pursuant to paragraph (a) of that subsection for that calendar year by the  
50 amount determined pursuant to that paragraph for the calendar year 2013.

51       **Sec. 16.** The State Controller shall transfer from the Fund to Stabilize  
52 the Operation of the State Government to the State General Fund the sum of  
53 \$41,321,014 for unrestricted State General Fund use.

1 ~~{Sec. 16.}~~ **Sec. 17.** 1. This section and sections 1 ~~{,}~~ **and** 7 to ~~{11,}~~ **16,**  
2 inclusive, ~~{and 15}~~ of this act become effective upon passage and approval.  
3 2. Sections ~~{2, 3, 4, 6, 13 and 14}~~ **4.5 and 6** of this act become effective on  
4 July 1, 2011.  
5 3. ~~{Section 12}~~ **Sections 4 and 6.5** of this act ~~{becomes}~~ **become** effective on  
6 July 1, 2011, and ~~{expires}~~ **expire** by limitation on June 30, ~~{2021,}~~ **2013.**  
7 4. Section 5 of this act becomes effective on the date that the balance of the  
8 separate account required by subsection 8 of NRS 408.235 is reduced to zero.

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### TEXT OF REPEALED SECTION

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#### **Section 28 of chapter 287, Statutes of Nevada 2009:**

Sec. 28. Section 16 of chapter 4, Statutes of Nevada 2008, 25th Special Session, at page 23, is hereby amended to read as follows:

Sec. 16. 1. This section and sections 2, 4, 14 and 15 of this act become effective upon passage and approval.

2. Sections 6 to 12, inclusive, of this act become effective on January 1, 2009 ~~{,~~

~~— 3. — Sections 4 and 6 to 12, inclusive, of this act}~~ **, and** expire by limitation on June 30, 2009.

~~{4.}~~ **3.** Sections 1, 3 ~~{, 5}~~ and 13 of this act become effective on July 1, 2009.

~~{5.}~~ **4.** Sections 1 ~~{, 2, 3 and 5}~~ **to 4, inclusive,** of this act expire by limitation on June 30, 2011.