

SENATE BILL NO. 110—SENATOR LEE

PREFILED FEBRUARY 2, 2011

Referred to Committee on Government Affairs

SUMMARY—Requires the establishment of a business license to engage in contracting in certain counties and cities in this State. (BDR 20-820)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: 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 businesses; requiring a board of county commissioners and the governing bodies of certain incorporated cities to enter into an agreement to establish a business license to allow a licensed contractor to engage in the business of contracting in the county and cities under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes counties, cities and towns to issue business licenses and
2 permits to operate a business within the limits of the county, city or town and to
3 collect taxes on those licenses. (NRS 244.335, 266.355, 268.095, 269.170) **Sections**
4 **1 and 2** of this bill require the board of county commissioners in a county whose
5 population is 700,000 or more (currently Clark County) and the governing body of
6 each incorporated city whose population is 150,000 or more located in such a
7 county (currently Henderson, Las Vegas and North Las Vegas) to enter into an
8 agreement with each other for the establishment of a business license to allow a
9 licensed contractor to engage in the business of contracting in the county and cities
10 if the contractor: (1) has a place of business in an unincorporated area of the
11 county; or (2) does not have a place of business in the county. **Sections 1 and 2**
12 further require the board of county commissioners and governing body of each
13 incorporated city to establish by ordinance a system for issuing the business license
14 which sets forth the requirements for obtaining the license and the fees for the
15 issuance and renewal of the license.



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 a new section to read as follows:

1. The board of county commissioners in each county whose population is 700,000 or more shall enter into an agreement in accordance with the provisions of NRS 277.080 to 277.180, inclusive, with the governing body of each city whose population is 150,000 or more located within the county for the establishment of a business license to authorize a person who is licensed as a contractor pursuant to chapter 624 of NRS to engage in the business of contracting within the county and each of those cities.

2. The agreement required pursuant to subsection 1 must set forth the purposes, powers, rights, obligations and responsibilities, financial and otherwise, of the county and each city that enters into the agreement.

3. Upon entering into the agreement required pursuant to subsection 1, the board of county commissioners shall establish by ordinance a system for issuing such a business license that authorizes a person who is licensed as a contractor pursuant to chapter 624 of NRS to engage in the business of contracting within the county and each city that entered into the agreement.

4. An ordinance adopted pursuant to the provisions of subsection 3 must include, without limitation:

(a) The requirements for obtaining the business license;

(b) The fees for the issuance and renewal of the business license; and

(c) Any other requirements necessary to establish the system for issuing the business license.

5. A person who is licensed as a contractor pursuant to chapter 624 of NRS is eligible to obtain from the county a business license that authorizes the person to engage in the business of contracting within the county and each city located in the county which enters into an agreement pursuant to subsection 1 if the person meets the requirements set forth in the ordinance to qualify for the license and:

(a) The person maintains only one place of business within the county and the place of business is located within the unincorporated area of the county;

(b) The person maintains more than one place of business within the county and each of those places of business is located within the unincorporated area of the county; or

(c) The person does not maintain any place of business within the county.



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1 **6. A person who obtains a business license described in this**
2 **section is subject to all other licensing and permitting**
3 **requirements of the State and any other counties and cities in**
4 **which the person does business.**

5 **Sec. 1.5.** NRS 244.335 is hereby amended to read as follows:

6 244.335 1. Except as otherwise provided in subsections 2, 3
7 and 4, **and section 1 of this act**, a board of county commissioners
8 may:

9 (a) Except as otherwise provided in NRS 244.331 to 244.3345,
10 inclusive, 598D.150 and 640C.100, regulate all character of lawful
11 trades, callings, industries, occupations, professions and business
12 conducted in its county outside of the limits of incorporated cities
13 and towns.

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

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

26 3. A board of county commissioners shall not require that a
27 person who is licensed as a contractor pursuant to chapter 624 of
28 NRS obtain more than one license to engage in the business of
29 contracting or pay more than one license tax related to engaging in
30 the business of contracting, regardless of the number of
31 classifications or subclassifications of licensing for which the person
32 is licensed pursuant to chapter 624 of NRS.

33 4. The board of county commissioners or county license board
34 shall not require a person to obtain a license or pay a license tax on
35 the sole basis that the person is a professional. No license to engage
36 in any type of business may be granted unless the applicant for the
37 license signs an affidavit affirming that the business has complied
38 with the provisions of chapter 76 of NRS. The county license board
39 shall provide upon request an application for a business license
40 pursuant to chapter 76 of NRS. As used in this subsection,
41 "professional" means a person who:

42 (a) Holds a license, certificate, registration, permit or similar
43 type of authorization issued by a regulatory body as defined in NRS
44 622.060, or who is regulated pursuant to the Nevada Supreme Court
45 Rules; and



(b) Practices his or her profession for any type of compensation as an employee.

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.

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:

(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.

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 239.0115 and 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 NRS 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed by any member, officer or



1 employee of the county fair and recreation board or the county
2 imposing the license tax unless the disclosure is authorized by the
3 affirmative action of a majority of the members of the appropriate
4 county fair and recreation board. Continuing disclosure may be so
5 authorized under an agreement with the Department of Taxation or
6 Secretary of State for the exchange of information concerning
7 taxpayers.

8 **Sec. 2.** Chapter 268 of NRS is hereby amended by adding
9 thereto a new section to read as follows:

10 *1. The governing body of each incorporated city whose*
11 *population is 150,000 or more and which is located in a county*
12 *whose population is 700,000 or more, whether organized under*
13 *general law or special charter, shall enter into an agreement in*
14 *accordance with the provisions of NRS 277.080 to 277.180,*
15 *inclusive, with the board of county commissioners of the county in*
16 *which the city is located and the governing body of every other city*
17 *located within the county whose population is 150,000 or more for*
18 *the establishment of a business license to authorize a person who*
19 *is licensed as a contractor pursuant to chapter 624 of NRS to*
20 *engage in the business of contracting within the county and each*
21 *of those cities.*

22 *2. The agreement required pursuant to subsection 1 must set*
23 *forth the purposes, powers, rights, obligations and responsibilities,*
24 *financial and otherwise, of the county and each city that enters*
25 *into the agreement.*

26 *3. Upon entering into the agreement required pursuant to*
27 *subsection 1, the governing body of the city shall establish by*
28 *ordinance a system for issuing such a business license that*
29 *authorizes a person who is licensed as a contractor pursuant to*
30 *chapter 624 of NRS to engage in the business of contracting*
31 *within the county and cities that entered into the agreement*
32 *pursuant to subsection 1.*

33 *4. An ordinance adopted pursuant to the provisions of*
34 *subsection 3 must include, without limitation:*

35 *(a) The requirements for obtaining the business license;*

36 *(b) The fees for the issuance and renewal of the business*
37 *license; and*

38 *(c) Any other requirements necessary to establish the system*
39 *for issuing the business license.*

40 *5. A person who is licensed as a contractor pursuant to*
41 *chapter 624 of NRS is eligible to obtain from the city a business*
42 *license that authorizes the person to engage in the business of*
43 *contracting within the county and each city located in the county*
44 *which enters into an agreement pursuant to subsection 1 if the*



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1 *person meets the requirements set forth in the ordinance to qualify*
2 *for the license and:*


3 *(a) The person maintains only one place of business within the*
4 *county and the place of business is located within the jurisdiction*
5 *of the city;*

6 *(b) The person maintains more than one place of business*
7 *within the county and each of those places of business is located*
8 *within the jurisdiction of the city; or*

9 *(c) The person does not maintain any place of business within*
10 *the county.*

11 *6. A person who obtains a business license described in this*
12 *section is subject to all other licensing and permitting*
13 *requirements of the State and any other counties and cities in*
14 *which the person does business.*

15 **Sec. 3.** NRS 268.095 is hereby amended to read as follows:

16 268.095 1. Except as otherwise provided in subsection 4 
17 *and section 2 of this act*, the city council or other governing body of
18 each incorporated city in this State, whether organized under general
19 law or special charter, may:

20 (a) Except as otherwise provided in subsection 2 and NRS
21 268.0968 and 576.128, fix, impose and collect for revenues or for
22 regulation, or both, a license tax on all character of lawful trades,
23 callings, industries, occupations, professions and businesses
24 conducted within its corporate limits.

25 (b) Assign the proceeds of any one or more of such license taxes
26 to the county within which the city is situated for the purpose or
27 purposes of making the proceeds available to the county:

28 (1) As a pledge as additional security for the payment of any
29 general obligation bonds issued pursuant to NRS 244A.597 to
30 244A.655, inclusive;

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

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

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

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

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

43 (c) Pledge the proceeds of any tax imposed on the revenues from
44 the rental of transient lodging pursuant to this section for the



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1 payment of any general or special obligations issued by the city for
2 a purpose authorized by the laws of this State.

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

5 (1) To pay the principal, interest or any other indebtedness
6 on any general or special obligations issued by the city pursuant to
7 the laws of this State;

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

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

12 2. The city council or other governing body of an incorporated
13 city shall not require that a person who is licensed as a contractor
14 pursuant to chapter 624 of NRS obtain more than one license to
15 engage in the business of contracting or pay more than one license
16 tax related to engaging in the business of contracting, regardless of
17 the number of classifications or subclassifications of licensing for
18 which the person is licensed pursuant to chapter 624 of NRS.

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

22 4. The city council or other governing body of an incorporated
23 city shall not require a person to obtain a license or pay a license tax
24 on the sole basis that the person is a professional. No license to
25 engage in any type of business may be granted unless the applicant
26 for the license signs an affidavit affirming that the business has
27 complied with the provisions of chapter 76 of NRS. The city
28 licensing agency shall provide upon request an application for a
29 business license pursuant to chapter 76 of NRS. As used in this
30 subsection, "professional" means a person who:

31 (a) Holds a license, certificate, registration, permit or similar
32 type of authorization issued by a regulatory body as defined in NRS
33 622.060, or who is regulated pursuant to the Nevada Supreme Court
34 Rules; and

35 (b) Practices his or her profession for any type of compensation
36 as an employee.

37 5. No license to engage in business as a seller of tangible
38 personal property may be granted unless the applicant for the license
39 presents written evidence that:

40 (a) The Department of Taxation has issued or will issue a permit
41 for this activity, and this evidence clearly identifies the business by
42 name; or

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



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:

(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;
- (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.

7. 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 239.0115 and 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 or the Secretary of State for the exchange of information concerning taxpayers.

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



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1 separate method of accomplishing its objectives, and not an
2 exclusive one.

3 **Sec. 4.** (Deleted by amendment.)

4 **Sec. 4.5.** The governing body of a county whose population is
5 700,000 or more and each city whose population is 150,000 or more
6 located in the county shall:

7 1. Enter into the agreements required pursuant to sections 1
8 and 2 of this act; and

9 2. Adopt the ordinances required pursuant to section 1 and 2 of
10 this act,

11 ➤ on or before 1 year after the effective date of this act.

12 **Sec. 5.** This act becomes effective upon passage and approval.

