

ASSEMBLY BILL NO. 13—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE SECRETARY OF STATE)

PREFILED NOVEMBER 15, 2016

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the annual fee for conducting business in Nevada. (BDR 7-3)

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

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to business; changing the name of the document issued upon payment of the annual fee for conducting business in Nevada from “state business registration” to “state business license”; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires each person conducting a business in this state to obtain a
2 state business registration issued by the Secretary of State and pay an annual fee for
3 such registration. (NRS 76.100) Senate Bill No. 59 of the 2015 Session of the
4 Nevada Legislature changed the name of the “state business license” to the “state
5 business registration.” (Sections 4.3, 4.6, 6.5, 7.5 and 12.5 of chapter 521, Statutes
6 of Nevada 2015, pp. 3362-70 and 3375) This bill changes the name “state business
7 registration” back to “state business license.”

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

1 **Section 1.** NRS 76.030 is hereby amended to read as follows:
2 76.030 “State business ~~registration~~ *license*” means the
3 ~~registration~~ *business license* required pursuant to this chapter.
4 **Sec. 2.** NRS 76.100 is hereby amended to read as follows:
5 76.100 1. A person shall not conduct a business in this State
6 unless and until the person obtains a state business ~~registration~~
7 *license* issued by the Secretary of State. If the person is:



(a) An entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business ~~registration~~ license at the time of filing the initial or annual list.

(b) Not an entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business ~~registration~~ license before conducting a business in this State.

2. An application for a state business ~~registration~~ license must:

(a) Be made upon a form prescribed by the Secretary of State;

(b) Set forth the name under which the applicant transacts or intends to transact business, or if the applicant is an entity organized pursuant to this title and on file with the Secretary of State, the exact name on file with the Secretary of State, the business identification number as assigned by the Secretary of State pursuant to NRS 225.082, and the location in this State of the place or places of business;

(c) Be accompanied by a fee in the amount of \$200, except that if the applicant is a corporation organized pursuant to chapter 78, 78A or 78B of NRS, or a foreign corporation required to file an initial or annual list with the Secretary of State pursuant to chapter 80 of NRS, the application must be accompanied by a fee of \$500; and

(d) Include any other information that the Secretary of State deems necessary.

➔ If the applicant is an entity organized pursuant to this title and on file with the Secretary of State and the applicant has no location in this State of its place of business, the address of its registered agent shall be deemed to be the location in this State of its place of business.

3. The application must be signed pursuant to NRS 239.330 by:

(a) The owner of a business that is owned by a natural person.

(b) A member or partner of an association or partnership.

(c) A general partner of a limited partnership.

(d) A managing partner of a limited-liability partnership.

(e) A manager or managing member of a limited-liability company.

(f) An officer of a corporation or some other person specifically authorized by the corporation to sign the application.

4. If the application for a state business ~~registration~~ license is defective in any respect or the fee required by this section is not paid, the Secretary of State may return the application for correction or payment.



1 5. A state business ~~registration~~ license issued pursuant to this
2 section must contain the business identification number assigned by
3 the Secretary of State pursuant to NRS 225.082.

4 6. The state business ~~registration~~ license required to be
5 obtained pursuant to this section is in addition to any license to
6 conduct business that must be obtained from the local jurisdiction in
7 which the business is being conducted.

8 7. For the purposes of this chapter, a person:

9 (a) Shall be deemed to conduct a business in this State if a
10 business for which the person is responsible:

11 (1) Is organized pursuant to this title, other than a business
12 organized pursuant to:

13 (I) Chapter 82 or 84 of NRS; or

14 (II) Chapter 81 of NRS if the business is a nonprofit unit-
15 owners' association or a nonprofit religious, charitable, fraternal or
16 other organization that qualifies as a tax-exempt organization
17 pursuant to 26 U.S.C. § 501(c);

18 (2) Has an office or other base of operations in this State;

19 (3) Except as otherwise provided in NRS 76.103, has a
20 registered agent in this State; or

21 (4) Pays wages or other remuneration to a natural person
22 who performs in this State any of the duties for which he or she is
23 paid.

24 (b) Shall be deemed not to conduct a business in this State if the
25 business for which the person is responsible:

26 (1) Is not organized pursuant to this title;

27 (2) Does not have an office or base of operations in this
28 State;

29 (3) Does not have a registered agent in this State;

30 (4) Does not pay wages or other remuneration to a natural
31 person who performs in this State any of the duties for which he or
32 she is paid, other than wages or other remuneration paid to a natural
33 person for performing duties in connection with an activity
34 described in subparagraph (5); and

35 (5) Is conducting activity in this State solely to provide
36 vehicles or equipment on a short-term basis in response to a
37 wildland fire, a flood, an earthquake or another emergency.

38 8. As used in this section, "registered agent" has the meaning
39 ascribed to it in NRS 77.230.

40 **Sec. 3.** NRS 244.335 is hereby amended to read as follows:

41 244.335 1. Except as otherwise provided in subsections 2, 3
42 and 4, and NRS 244.33501, a board of county commissioners may:

43 (a) Except as otherwise provided in NRS 244.331 to 244.3345,
44 inclusive, 598D.150 and 640C.100, regulate all character of lawful
45 trades, callings, industries, occupations, professions and business



1 conducted in its county outside of the limits of incorporated cities
2 and towns.

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

7 2. The county license boards have the exclusive power in their
8 respective counties to regulate entertainers employed by an
9 entertainment by referral service and the business of conducting a
10 dancing hall, escort service, entertainment by referral service or
11 gambling game or device permitted by law, outside of an
12 incorporated city. The county license boards may fix, impose and
13 collect license taxes for revenue or for regulation, or for both
14 revenue and regulation, on such employment and businesses.

15 3. A board of county commissioners shall not require that a
16 person who is licensed as a contractor pursuant to chapter 624 of
17 NRS obtain more than one license to engage in the business of
18 contracting or pay more than one license tax related to engaging in
19 the business of contracting, regardless of the number of
20 classifications or subclassifications of licensing for which the person
21 is licensed pursuant to chapter 624 of NRS.

22 4. The board of county commissioners or county license board
23 shall not require a person to obtain a license or pay a license tax on
24 the sole basis that the person is a professional. As used in this
25 subsection, "professional" means a person who:

26 (a) Holds a license, certificate, registration, permit or similar
27 type of authorization issued by a regulatory body as defined in NRS
28 622.060 or who is regulated pursuant to the Nevada Supreme Court
29 Rules; and

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

32 5. The county license board shall provide upon request an
33 application for a state business ~~registration~~ **license** pursuant to
34 chapter 76 of NRS. No license to engage in any type of business
35 may be granted unless the applicant for the license:

36 (a) Signs an affidavit affirming that the business has complied
37 with the provisions of chapter 76 of NRS; or

38 (b) Provides to the county license board the business
39 identification number of the applicant assigned by the Secretary of
40 State pursuant to NRS 225.082 which the county may use to
41 validate that the applicant is currently in good standing with the
42 State and has complied with the provisions of chapter 76 of NRS.

43 6. No license to engage in business as a seller of tangible
44 personal property may be granted unless the applicant for the
45 license:



(a) Presents written evidence that:

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

(2) Another regulatory agency of the State has issued or will issue a license required for this activity; or

(b) Provides to the county license board the business identification number of the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the county may use to validate that the applicant is currently in good standing with the State and has complied with the provisions of paragraph (a).

7. 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.

8. 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



1 confidential and must not be disclosed by any member, officer or
2 employee of the county fair and recreation board or the county
3 imposing the license tax unless the disclosure is authorized by the
4 affirmative action of a majority of the members of the appropriate
5 county fair and recreation board. Continuing disclosure may be so
6 authorized under an agreement with the Department of Taxation or
7 Secretary of State for the exchange of information concerning
8 taxpayers.

9 **Sec. 4.** NRS 268.095 is hereby amended to read as follows:

10 268.095 1. Except as otherwise provided in subsection 4 and
11 NRS 268.0951, the city council or other governing body of each
12 incorporated city in this State, whether organized under general law
13 or special charter, may:

14 (a) Except as otherwise provided in subsection 2 and NRS
15 268.0968 and 576.128, fix, impose and collect for revenues or for
16 regulation, or both, a license tax on all character of lawful trades,
17 callings, industries, occupations, professions and businesses
18 conducted within its corporate limits.

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

22 (1) As a pledge as additional security for the payment of any
23 general obligation bonds issued pursuant to NRS 244A.597 to
24 244A.655, inclusive;

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

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

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

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

35 (6) For constructing, purchasing or otherwise acquiring such
36 recreational facilities.

37 (c) Pledge the proceeds of any tax imposed on the revenues from
38 the rental of transient lodging pursuant to this section for the
39 payment of any general or special obligations issued by the city for
40 a purpose authorized by the laws of this State.

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

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



(2) For the expense of operating or maintaining, or both, any 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.

4. The city council or other governing body of an incorporated city shall not require a person to obtain a license or pay a license tax on the sole basis that the person is a professional. As used in this subsection, "professional" means a person who:

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

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

5. The city licensing agency shall provide upon request an application for a state business ~~registration~~ *license* pursuant to chapter 76 of NRS. No license to engage in any type of business may be granted unless the applicant for the license:

(a) Signs an affidavit affirming that the business has complied with the provisions of chapter 76 of NRS; or

(b) Provides to the city licensing agency the business identification number of the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the city may use to validate that the applicant is currently in good standing with the State and has complied with the provisions of chapter 76 of NRS.

6. No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license:

(a) Presents written evidence that:

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

(2) Another regulatory agency of the State has issued or will issue a license required for this activity; or



(b) Provides to the city licensing agency the business identification number of the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the city may use to validate that the applicant is currently in good standing with the State and has complied with the provisions of paragraph (a).

7. 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.

8. 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.



1 9. The powers conferred by this section are in addition and
2 supplemental to, and not in substitution for, and the limitations
3 imposed by this section do not affect the powers conferred by, any
4 other law. No part of this section repeals or affects any other law or
5 any part thereof, it being intended that this section provide a
6 separate method of accomplishing its objectives, and not an
7 exclusive one.

8 **Sec. 5.** The Legislative Counsel shall:

9 1. In preparing the Nevada Revised Statutes, use the authority
10 set forth in subsection 10 of NRS 220.120 to substitute
11 appropriately the term "state business license" for the term "state
12 business registration" as previously used and to substitute
13 appropriately the terms "license," "licensed" or "licensing" for the
14 terms "register," "registered" or "registration" as previously used in
15 reference to the issuance of a state business registration; and

16 2. In preparing supplements to the Nevada Administrative
17 Code, substitute appropriately the term "state business license" for
18 the term "state business registration" as previously used and
19 substitute appropriately the terms "license," "licensed" or
20 "licensing" for the terms "register," "registered" and "registration"
21 as previously used in reference to the issuance of a state business
22 registration.

23 **Sec. 6.** This act becomes effective on July 1, 2017.

