

*Appropriate Division of Fiscal Responsibility  
for Programs and Services Between  
the State and Local Governments*



*Legislative Counsel  
Bureau*

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**STUDY TO CONSIDER THE APPROPRIATE  
DIVISION OF FISCAL RESPONSIBILITY FOR  
PROGRAMS AND SERVICES BETWEEN THE  
STATE AND LOCAL GOVERNMENTS**

**BULLETIN NO. 97-9**

**LEGISLATIVE COMMISSION  
OF THE  
LEGISLATIVE COUNSEL BUREAU  
STATE OF NEVADA**

**JANUARY 1997**



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## **SUMMARY OF RECOMMENDATIONS**

This summary represents the recommendations reached by the Legislative Commission's Subcommittee to Study the Appropriate Division of Fiscal Responsibility for Programs and Services Between the State and Local Governments. The Subcommittee recommends:

### **RECOMMENDATIONS RELATED TO THE CREATION OF A STATE DEPARTMENT OF REVENUE**

1. That the *Nevada Revised Statutes* (NRS) be amended to rename the department of taxation as the department of revenue.
2. That NRS 482.313 and chapter 366 of the NRS be amended to transfer responsibility for the collection of the vehicle rental fee and the special fuel tax, respectively, from the department of motor vehicles and public safety to the department of taxation.
3. That the 1997 Legislature direct by resolution that a study be organized by the executive director of the department of taxation and include, at a minimum, the executive director, the director of the department of administration and the state treasurer or his designee to consider issues related to the consolidation of tax and fee collections within a state department of revenue. The study is to include the following:
  - a. An identification of any taxes and fees where the responsibility for collection can be transferred to a department of revenue.
  - b. A review of various issues related to the consolidation, including, but not limited to, budgetary constraints, statutory constraints, staffing needs, space requirements, computer technical requirements and training requirements.
  - c. The cost of and the fees assessed for collecting taxes for other agencies and governments.

Interim reports of the study are to be submitted to the Legislative Commission and a final report is to be submitted to the Senate and Assembly Committees on Taxation by the start of the 1999 Legislative Session.

## **RECOMMENDATIONS RELATED TO THE PROVISION OF SOCIAL SERVICES BY THE STATE AND LOCAL GOVERNMENTS**

- 4. That the 1997 Legislature direct by resolution that the Department of Human Resources conduct a study on issues related to the provision of social services by state and local governments. The study is to include the feasibility of:**
  - a. Requiring that a claim for Aid to Families with Dependent Children be processed within 30 days;**
  - b. Counties contracting with the state to operate certain welfare programs;**
  - c. Amending the statutes to make the responsibility for community health services either a state function or a local function, but not both;**
  - d. Amending the statutes to eliminate state-set eligibility requirements and program determination for county indigent programs and to give counties the requisite level of responsibility and accountability for their welfare programs;**
  - e. Revising the definition of "household" and "income" to broaden the number of persons covered by county social services;**
  - f. Out-stationing employees in community health centers and tribal clinics;**
  - g. Creating a legal status for "court committed to outpatient treatment" to enable a court to order a person to take medication without being confined to a facility when a mechanism or program is in place to provide those services; and**
  - h. Developing a profile of claims to track the processing of accepted and denied claims and the reasons for problems associated with the processing of those claims.**



5. That the statutes be amended to increase by \$50 each year of each biennium the state limit on income for Medicaid eligibility until the limit reaches the 300 percent of Supplemental Security Income standard allowed under federal law.
6. That this report include a resolution of support for the work study group of the juvenile justice commission in developing recommendations to streamline and improve juvenile justice services.

**RECOMMENDATION CONCERNING THE PRINCIPLES TO BE FOLLOWED WHEN  
CONSIDERING LEGISLATION AFFECTING THE DIVISION OF RESPONSIBILITY  
BETWEEN GOVERNMENTS**

7. That the joint rules of the Senate and Assembly be amended to include certain principles when considering legislation that affects the division of fiscal responsibility for programs and services between the state and local governments. The principles involve streamlining programs to eliminate duplication, providing financial incentives and disincentives, eliminating legal and other barriers to the effective delivery of services, creating joint planning and partnership approaches to providing services and creating review and oversight mechanisms.



# **REPORT TO THE 69TH SESSION OF THE NEVADA LEGISLATURE BY THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY THE APPROPRIATE DIVISION OF FISCAL RESPONSIBILITY FOR PROGRAMS AND SERVICES BETWEEN STATE AND LOCAL GOVERNMENTS**

## **1. INTRODUCTION**

The following is submitted in compliance with Assembly Concurrent Resolution No. 33 (File No. 170, Statutes of Nevada 1995) which directed the Legislative Commission to study the appropriate division of fiscal responsibility for programs and services between state and local governments. The resolution requires that the Legislative Commission report the results of the study and any recommended legislation to the 69th session of the Nevada Legislature. (ACR 33 is included as appendix A)

The resolution directed that a subcommittee consisting of five members four of whom were to be appointed by the Legislative Commission with the fifth member designated in the resolution as the Director of the Department of Administration or his designee. The four appointed members were to consist of one member of the Senate, one member of the Assembly, a representative of the Nevada Association of Counties (NACO) and a representative of the Nevada League of Cities (NLC). The chairman of the subcommittee was to be appointed by the commission from one of the two legislative members.

The five persons assigned to conduct the study were:

Assemblywoman Chris Giunchigliani, Chairman

Senator Ann O'Connell

Robert Hadfield, NACO representative, with Michelle Bero as an alternate

Pierre Hascheff, NLC representative, with Tom Grady as an alternate

John P. Comeaux, Director, Department of Administration

Legislative Counsel Bureau staff services for the subcommittee were provided by Ted Zuend, Deputy Fiscal Analyst; Kevin Welsh, Deputy Fiscal Analyst; Tom Linden, Principal Deputy Legislative Counsel; and Denise Nielsen, Management Assistant, Fiscal Analysis Division. This report represents the findings and recommendations of the subcommittee. The information which bears directly upon the recommendations is included either in the narrative or the appendices. All supporting documents and meeting minutes are available from the Fiscal Analysis Division of the Legislative Counsel Bureau. The Legislative Commission at its meeting on October 2, 1996, accepted this report and ordered its recommendations transmitted to the members of the 1997 Legislature for consideration and appropriate action.

## **2. REVIEW AND ANALYSIS**

Assembly Concurrent Resolution No. 33 was approved to allow the Legislature, through its Legislative Commission, to review the evolving relationship between the state and its local governments and the services each should provide. Standing committees of the Legislature did not have the opportunity to fully explore this matter during the legislative session because of the time required to review budgets and process bills that have already been drafted.

The resolution required that a subcommittee of the commission evaluate the current delivery, administration and fiscal responsibility for programs and services and make recommendations to adjust those mechanisms where appropriate. The inclusion of representatives of the cities, counties and state budget office as well as legislators on the subcommittee was designed to ensure that all sides of any issue would be considered.

### **INITIAL FINDINGS**

The Legislature, since at least the time of the 1981 tax shift, has become increasingly aware of the concerns of local governments regarding state and federal mandates and their limited ability to finance the costs of those mandates. In 1993, the Legislature responded in part to those concerns by amending NRS 354.599 to require that if the Legislature "directs one or more local governments to establish a program or provide a service, or to increase a program or service already established which requires additional funding, a specified source for the additional revenue to pay the expense must be authorized by a specific statute."

This statute, however, did not address all of the concerns of local governments regarding unfunded mandates. For example, the proportion of costs of long-term care of individuals in nursing homes were slowly shifted to counties between 1981 and 1995 because the state did not increase the \$714 income limit for eligibility for state Medicaid coverage. Because of rising incomes throughout that period, more and more persons needing care exceeded that income amount, and the costs not borne by the patient became a charge against the counties. As a result, total county expenditures increased from \$2.7 million to \$23.3 million between FY 1990 and FY 1995 alone. The 1995 Legislature did increase the income limit to \$750, thereby transferring 120 cases with total costs of approximately \$2.5 million from the counties to the state.

Another area of county concern which has been expressed to the Legislature is in the area of juvenile justice. Juvenile justice responsibilities have traditionally been shared between the state and the counties. However, because the counties believe the state has not expanded its bed space and programs for juvenile offenders in line with the rapid growth in the number of those offenders, the excess has become the responsibility of the counties. According to the counties, this not only increases their fiscal responsibility, but it also makes it more difficult for both the state and the counties to manage the caseload and to provide different programs and levels of security for different types of offenders.

Helping to alleviate this juvenile justice problem was the approval by the 1995 Legislature of capital improvement project 95-C2, which recommended the construction of an \$8.8 million, 56-bed juvenile treatment facility on the campus of Southern Nevada Child and Adolescent Services. The facility will serve court adjudicated, delinquent youth (ages 13 through 17) exhibiting moderate to severe emotional problems, thus freeing bed space at other state juvenile corrections facilities.

In order to obtain more information about these and other problems relating to the state-local relationship, the ACR 33 Subcommittee, prior to its first public hearing, sent a survey to each county and city. A copy of this survey is included in this report as Appendix C, while a summary of the responses from 10 counties and six cities is included as Appendix D.

The responses (and non-responses) to the survey from the cities made it immediately clear to the subcommittee that there are very few problems in the relationship between the state and the cities that can be addressed with legislation. The few problems noted by the city respondents involved either the costs of complying with federal mandates, which the Legislature has very little influence over, or the city's relationship with its county government.

In addition to the problems of long-term care and juvenile justice in the state-local relationship, county respondents also noted problems relating to the fees assessed for the collection of local taxes by the state, the structure of districts courts and the duplication of efforts and responsibilities in the provision of social services. These and other problems were reviewed by the ACR 33 Subcommittee during the course of eight public hearings.

### **HEARINGS OF SUBCOMMITTEE**

The full subcommittee held four hearings to take testimony on the various issues identified above and a work session to recommend bills for consideration by the 1997 Legislature. In addition, subcommittees of the full subcommittee held three hearings on specific areas of concern that covered social services, transportation and juvenile justice and district courts. The following describes the information reviewed and the testimony received at each of these meetings.

#### **Subcommittee Meeting of December 7, 1995**

At this meeting, the subcommittee devoted much of its time to testimony from state and county representatives on juvenile justice issues in Nevada. These representatives noted a work study group of the Juvenile Justice Commission has been meeting to formulate recommendations to be presented to the Legislature to improve the juvenile justice system in Nevada. It was also noted that the state was considering a proposal to construct a secure facility for chronic and serious offenders in Clark County. In addition, a Clark County public safety bond proposal was being developed that would include the expansion of county facilities for juvenile offenders.

The subcommittee also received a review of the long-term care situation in Nevada from fiscal division staff. The report also discussed the Medicaid reforms that were being discussed by the Congress at that time and noted that the state could not begin to adapt to those reforms until final legislation was approved.

#### Subcommittee Meeting of January 19, 1996

The subcommittee heard from county representatives on their relationship with the district courts. District court judges are state employees whose salary and benefits are paid from state funds. However, the costs associated with district court operations including the compensation of employees working for the court are the responsibility of the county. This arrangement can cause problems for the county not only in its relationship with a judge but also with its employees.

Because the revenues received from district court operations are inadequate to fully fund the operations of the district court, the remainder of funds must come out of county general fund revenue. When a judge demands more resources than a county can afford or asks for special benefits or compensation level for court employees, this places the county in a very difficult position. The county has other competing needs which it must support. In addition, the county also must maintain a personnel and compensation system that is fair for all county employees and cannot favor court employees.

The county representatives acknowledged that these problems vary from time to time and from county to county, but believe that the problems can only increase as more and more judge positions are created. Their recommendation was that a plan should be developed to transfer full responsibility for district court operations to the state.

The subcommittee also received reports from staff concerning the organization and responsibilities of state and local governments across the United States and annexation laws in Nevada and other states. The Executive Director of the Department of Taxation discussed the changing role of the Department of Taxation relative to local government finances.

Representatives from county and city governments in Clark and Washoe counties discussed how regional issues are handled in the respective counties. The officials from Washoe County governments discussed how their regional planning laws have allowed them to formally consider the regional consequences of local decisions.

A spokesperson for the Nevada Taxpayers Association (NTA) noted that the consolidation of state revenue collection efforts through the creation of a department of revenue could provide financial benefits to both state and local governments. The subcommittee believed that this proposal merited further consideration and asked the NTA to provide additional details.

#### Subcommittee Meeting of February 12, 1996

This meeting was devoted to the development of principles to guide the subcommittee in its review of the appropriate division of fiscal responsibilities for programs and services between state and local governments. The subcommittee believed that these principles, once developed, could also be used by others, including the Legislature, to analyze state and local government issues. After settling on a set of recommended principles, the subcommittee identified the programs and services shared by state and local governments to which the principles can be applied.

#### Subcommittee Meeting of March 21, 1996

The subcommittee formally adopted the principles (see Appendix E) that were developed at its previous meeting to guide its decisions. The subcommittee reviewed a variety of programs and services to identify recommendations that fit within the principles adopted by the subcommittee. The programs and services reviewed included adult corrections; juvenile corrections and services; district courts; parks and recreation; indigent medical care, including long-term care; welfare, including aid to families with dependent children; health; mental health; business and industry; housing; transportation and roads; taxation; aid to counties; libraries; airports and hospitals.

#### Meetings of Subcommittees of the Full Subcommittee

The chairman appointed subcommittees of the full subcommittee to further explore issues brought up at earlier meetings of the subcommittee. Sub-subcommittee meetings were held on April 23, 1996, May 16, 1996, and May 23, 1996. The April 23 meeting was held in Reno and was devoted to the consideration of ideas and proposals to improve the provision of social services by the state and local governments. The May 16 meeting was held in Las Vegas and was devoted to a review of issues relating to the division of fiscal responsibility for highway and road projects between the state, counties, cities and regional transportation agencies throughout the state. The May 23 meeting was held in Las Vegas and was devoted to a review of issues and proposals relating to the operations of districts courts, including family courts, and the division of responsibility for youth services and youth corrections between the state and local governments in Nevada.

#### Subcommittee Meeting of June 18, 1996

The final meeting of the subcommittee was a work session to consider various recommendations that fit within the principles adopted by the subcommittee. The subcommittee acted upon a list of 33 recommendations (Appendix F of this report) that had been compiled by staff from proposals reviewed at prior meetings of the subcommittee. The subcommittee also considered a late recommendation concerning an impact fee for roads made by the Regional Transportation Commission of Washoe County. The subcommittee ultimately adopted as recommendations six bill draft requests (BDRs) for submittal to the 1997 Legislature and one resolution of support. The BDRs, which include elements of, but do not necessarily match, the proposed recommendations, and the resolution of support are discussed in the next section of this report.

The subcommittee also spent considerable time and effort on three issues which did not result in recommendations at this time. The subcommittee, nevertheless, wanted this report to reflect that these are important issues which may require legislative action in the future.

--The first issue involved the consolidation and streamlining of district court operations, most likely at the state level. As the state grows and more judgeships are created, problems associated with the present structure of the district court system will increase. Under the present system, there is no centralizing principal surrounding the district courts and the judges can organize and operate their own court operations pretty much as they please. Changes to the current structure will require both the participation and support of the district judges. Currently, a small committee of judges is reviewing the organization of the district courts. The ACR 33 Subcommittee supports these efforts and believes that some formal body composed of judges and state and county officials would be best able to develop the necessary recommendations.

--The second issue touched upon the perceived need to establish some type of State Advisory Commission on Intergovernmental Relations to have an ongoing dialogue between state and local officials on issues of importance that cross jurisdictional lines. The subcommittee does not support the creation of another statutory governmental commission at this time, but believes that the opening of a less formal means of state-local communication through the Governor's office may be appropriate.

--The third issue concerned the confusion that may be created when public officials such as county commissioners participate on a separately titled board or commission. For example, when a highway board or liquor board makes a decision, the public may not realize that most or all the members of that board are their elected county commissioners. The subcommittee believes that this issue should be handled locally, but notes that this is an area of concern and requests that counties, cities and other local governments review the statutes, ordinances and charters and do all they can to limit this source of public confusion.



### **3. FINDINGS AND RECOMMENDATIONS**

- I. The subcommittee believed that the proposal to establish a state department of revenue put forth by the Nevada Taxpayers Association would be beneficial to both state and local governments. This issue indirectly touches on one of the concerns of local governments, which are the fees paid to the state government for the collection of local taxes. In addition, a more efficient revenue collection system may provide additional revenues to help address a small part of the fiscal problems that have arisen in the state-local relationship.

A major problem facing the subcommittee in making the recommendation to establish a state department of revenue was in the approach to be used to consolidate the revenue collection activities. The subcommittee elected to take a three-pronged approach that would allow the consolidation to occur over several years. The first recommendation was simply to rename the Department of Taxation as the Department of Revenue to get the state moving in the proper direction. The second recommendation was to transfer, on a specified schedule, the responsibility for the collection of the vehicle rental fee and the special fuel tax from the Department of Motor Vehicles and Public Safety to the presumably renamed Department of Taxation. The subcommittee believed that these transfers are a logical first step and can be accomplished with relatively little trouble.

To fully accomplish the creation of a consolidated department of revenue, the subcommittee believed that a study should be organized by the director of the Department of Taxation in conjunction with other officials to identify revenues which could be collected by the expanded department, the logistical requirements of such transfers and, most importantly for local governments, the amount of fees that should be assessed for the collection of taxes for other governments and agencies. Results of the study are to be reported to the 1999 Legislative Session.

The final point concerning the assessment of fees for the collection of taxes created considerable discussion at the subcommittee's work session because such fees have not been determined through some formula to offset the costs of collection. In fact, there was no agreement that the only purpose of such fees was to pay for collection costs. The Budget Director pointed out that the fee assessed for the collection of local sales taxes by the Department of Taxation has traditionally been a percentage of the taxes collected. He noted, based on rough estimates, that the former fee of 0.5 percent did not fully compensate the department for its efforts, while the current fee of 1.0 percent may, as argued by local governments, overcompensate the department. Subcommittee members agreed that a systematic study of this issue is called for, which may eliminate some of the disputes that arise not only between the state and local governments but between state departments as well, when fees are assessed for the collection of non-general fund revenues.

To effect the creation of a state department of revenue, the subcommittee, therefore, recommends:

- 1. That the *Nevada Revised Statutes* (NRS) be amended to rename the department of taxation as the department of revenue.**
- 2. That NRS 482.313 and chapter 366 of the NRS be amended to transfer responsibility for the collection of the vehicle rental fee and the special fuel tax, respectively, from the Department of Motor Vehicles and Public Safety to the Department of Taxation.**
- 3. That the 1997 Legislature direct, by resolution, that a study be organized by the Executive Director of the Department of Taxation and include, at a minimum, the Executive Director, the Director of the Department of Administration and the State Treasurer or his designee to consider issues related to the consolidation of tax and fee collections within a state department of revenue. The study is to include the following:**
  - a. An identification of any taxes and fees where the responsibility for collection can be transferred to a department of revenue.**
  - b. A review of various issues related to the consolidation, including, but not limited to, budgetary constraints, statutory constraints, staffing needs, space requirements, computer technical requirements and training requirements.**
  - c. The cost of and the fees assessed for collecting taxes for other agencies and governments.**

**Interim reports of the study are to be submitted to the Legislative Commission and a final report is to be submitted to the Senate and Assembly Committees on Taxation by the start of the 1999 Legislative Session.**

- II. The subcommittee heard testimony on a variety of issues and concerns related to the provision of social services within the State of Nevada. Many of these involved matters that were at the heart of the ACR 33 study. However, it was difficult for the subcommittee to identify specific solutions because the issues were often complex and in dispute between the state and the counties. To move the process forward, the subcommittee believed that a number of the problems should be addressed through a study to be undertaken by the Department of Human Resources in cooperation with the social service departments in the counties.**

One matter that the subcommittee felt could be addressed through specific legislation was the ongoing shift in the responsibility for the costs of long-term nursing home

care from the state to the counties. This shift has not taken place because of legislation that specifically redirected the responsibility, but rather because the state failed for many years to increase the income limits which define the border between state responsibility under the Medicaid program and county responsibility for others in need of such benefits. For the first time in many years, the 1995 Legislature increased the income limit to be eligible under the state program, thereby shifting some of the burden for long-term care back to the state. The subcommittee believes that this process should continue in a predictable manner until the state responsibility for long-term care is back to the full level authorized under federal law.

One bright spot for the subcommittee was the cooperation that seemed to be emerging between state and county officials in the delivery of juvenile justice services. The subcommittee applauds the efforts of the work study group of the Juvenile Justice Commission and approved a recommendation to include a resolution of support for those efforts in this report.

To improve the system for the delivery of social services to Nevada's citizens, the subcommittee, therefore, recommends:

- 4. That the 1997 Legislature direct, by resolution, that the Department of Human Resources conduct a study on issues related to the provision of social services by state and local governments. The study is to include the feasibility of:**
  - a. Requiring that a claim for Aid to Families with Dependent Children be processed within 30 days;**
  - b. Counties contracting with the state to operate certain welfare programs;**
  - c. Amending the statutes to make the responsibility for community health services either a state function or a local function, but not both;**
  - d. Amending the statutes to eliminate state-set eligibility requirements and program determination for county indigent programs and to give counties the requisite level of responsibility and accountability for their welfare programs;**
  - e. Revising the definition of "household" and "income" to broaden the number of persons covered by county social services;**
  - f. Out-stationing employees in community health centers and tribal clinics;**

- [illegible]

Assembly Concurrent Resolution No. 33—Assemblymen Giunchigliani, Freeman, Bache, Monaghan, Manendo, Chowning, Anderson, Perkins, Price, Williams, Schneider, Braunlin, Steel, Goldwater, Bennett, Ohrenschall and Close

FILE NUMBER.....

ASSEMBLY CONCURRENT RESOLUTION—Directing the Legislative Commission to conduct an interim study to consider the appropriate division of fiscal responsibility for programs and services between the state and local governments.

WHEREAS, The creation of unfunded mandates by Congress and the shift of fiscal responsibility for previously adopted policies to the states have resulted in increasing requirements upon the state and local governments to create and carry out a variety of programs and services; and

WHEREAS, In addition to programs and services mandated by the Federal Government, each session of the Nevada Legislature enacts legislation which requires state agencies and local governments to establish or expand various programs and services; and

WHEREAS, In response to an outcry by local governments against the increasing number of unfunded mandates enacted by the Legislature, NRS 354.599 was amended in 1993 to require that if the Legislature “directs one or more local governments to establish a program or provide a service, or to increase a program or service already established which requires additional funding, a specified source for the additional revenue to pay the expense must be authorized by a specific statute”; and

WHEREAS, The residents of this state are recipients of the benefits of a vast number of necessary governmental programs and services, including the protection provided by police and fire services, provision of health care services, operation of libraries and recreational facilities, inspection of restaurants and buildings and monitoring of the quality of the air and water of the State of Nevada; and

WHEREAS, The benefits derived from the provision of these programs and services enhance the life of each resident of the State of Nevada daily; and

WHEREAS, A comprehensive study is necessary to determine which governmental entity should be responsible for the delivery of the various programs and services currently provided in this state; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the Legislative Commission is hereby directed to conduct an interim study to consider the appropriate division of fiscal responsibility between the state and local governments for funding programs and services; and be it further

RESOLVED, That the study include, but not be limited to:

1. An evaluation of the current division of responsibility between the state and the counties and cities for the delivery of services and programs and a determination of the current assignment of fiscal responsibility for those services and programs.

2. The development of a comprehensive plan and recommendations identifying:

## APPENDIX A

(a) The governmental unit which is best suited to provide the most efficient and responsive delivery and administration of the service or program;

(b) The assignment of fiscal responsibility which recognizes the goal of cost efficiency and includes shared fiscal responsibility, if appropriate; and

(c) A proposed schedule for carrying out any recommendations which change the delegation of delivery of or fiscal responsibility for a service or program;

and be it further

RESOLVED, That the committee to conduct the study consist of:

1. One member of the Senate and one member of the Assembly, appointed by the Legislative Commission, from whom the Legislative Commission shall appoint the chairman of the committee;

2. A representative of the Nevada Association of Counties appointed by the Legislative Commission;

3. A representative of the Nevada League of Cities appointed by the Legislative Commission; and

4. The director of the department of administration or his designee;

and be it further

RESOLVED, That the members of the committee who are not legislators shall serve without salary, per diem allowance or reimbursement for travel expenses; and be it further

RESOLVED, That any recommended legislation proposed by the committee must be approved by a majority of any members of the Senate and a majority of any members of the Assembly appointed to the committee; and be it further

RESOLVED, That the Legislative Commission report the results of the study and any recommended legislation to the 69th session of the Nevada Legislature.

## **SPEAKERS AND WITNESSES AT A.C.R. 33 MEETINGS**

Connie Anderson  
Truckee Meadows Regional  
Planning Agency

Dale Askew  
Clark County

Glen Atkinson  
University of Nevada, Reno

Terry Avilla  
Student, Western Nevada  
Community College

Ray Bacon  
Nevada Manufacturing Association

Howard Barrett  
Nevada Taxpayers Association

Larry Barton  
City of Las Vegas

David Bash  
Nevada Youth Corrections

Steve Baxter  
City of North Las Vegas

Victor Beelik  
Tahoe Citizens Committee

Al Bellister  
Nevada State Education Association

Kirby Burgess  
Clark County Family & Youth Services

Sally Clapp  
Clark County Social Services

Pat Coward  
City of Las Vegas

Anthony D. Snowden  
West Las Vegas Community  
Development Corporation

Verlia Davis  
Clark County Social Services

Marilyn Dempster  
Clark County Social Services

Myla Florence  
Nevada State Welfare Division

Betsy Fretwell  
Clark County Administrative Services  
Clark County

Dick Goecke  
City of Las Vegas

Michelle Gordon  
Regional Transportation  
Commission of Washoe County

Tom Grady  
Nevada League of Cities

Terry Graves  
Pioneer, Henderson

## **APPENDIX B**

Bryan Gresh  
Regional Transportation Commission of  
Clark County

Denell Hahn  
Consulting Services, Henderson

Warren Hardy  
City of Mesquite

Martin Hefner  
Nevada Taxpayers Association

Mary Henderson  
Washoe County

Linda Hinson  
City of North Las Vegas

Guy Hobbs  
Hobbs-ONG & Associates

Steve Houchens  
City of Las Vegas

Lorraine Hunt  
Clark County Commission

James Jackson  
Nevada State Public Defender

Joanne Jensen  
Las Vegas Chamber of Commerce &  
McMullen Strategic Group

Ardel Jorgensen  
Clark County

Karen Kamperle  
Douglas County

Celia Kupersmith  
Regional Transportation Commission  
of Washoe County

Bob Langlois  
Tahoe Citizens Committee and Skyland GID

Anita Laruy  
City of North Las Vegas

Marvin Leavitt  
City of Las Vegas

Bill Lewis  
Carson City Juvenile Probation

Rick Loop  
Assistant Court Administrator  
Eight Judicial District Court

Margaret Lowther  
Auditor/Recorder, Storey County

Steve M. Wright  
Management Analyst II, Clark County

Kathy McClain  
Management Analyst, Clark County

LeAnn McElroy  
City of Reno

Barbara McKenzie  
City of Reno

David Merlin  
Private Citizen

Susan Miller  
R. & R. Advertising, Ltd.

Gary Milliken  
University Medical Center Las Vegas

Carol Morrison  
Student, Western Nevada  
Community College

Terry Murphy  
Clark County



Lorraine Noble  
Student, Western Nevada  
Community College

Ted Oleson  
University of Nevada, Reno

Maureen Parco  
Clark County Social Services

Dave Parks  
Regional Transportation Commission  
Las Vegas

Joel Pinkerton  
State of Nevada Budget Office

Michael Pitlock  
State of Nevada Department of Taxation

Michael Popp  
City of Las Vegas

Leonard Pugh  
Washoe County Juvenile Services

Alan Pulsipher  
Clark County Department of Family  
and Youth Services

Terry Reynolds  
City of Sparks

Linda Ritter  
Elko County

Susan Robinson  
Clark County Social Services

Marguerite Russell  
Nevada Power Company

Cy Ryan  
Capitol Press

Stephen Shaw  
Deputy Director  
Department of Human Resources

Stephanie Tyler  
Regional Transportation Commission  
City of Sparks

Vytas Vaitkus  
City of North Las Vegas

Carole Vilardo  
Nevada Taxpayers Association

Randall Walker  
Clark County

Chris Weiss  
Southern Nevada Water Authority



## A.C.R. 33 SURVEY OF CITIES AND COUNTIES

Date \_\_\_\_\_

Name \_\_\_\_\_, Title \_\_\_\_\_  
Entity \_\_\_\_\_  
Address \_\_\_\_\_

Dear \_\_\_\_\_:

The 1995 Legislature approved Assembly Concurrent Resolution No. 33 which directed the Legislative Commission to conduct an interim study to consider the appropriate division of fiscal responsibility for programs and services between the state and local governments. A copy of ACR 33 is enclosed for your reference. The Legislative Commission appointed a five-member committee, which I will chair, to conduct the study. Other members of the committee include:

Senator Ann O'Connell  
Perry Comeaux, Director of the Nevada Department of Administration  
Bob Hadfield, Executive Director of the Nevada Association of Counties  
Pierre Hascheff, Reno City Councilman

Before holding the first hearing of the committee, I would like to receive information from the counties and cities concerning the issues to be addressed in the ACR 33 study. Attached is a survey designed to solicit your government's opinion on these matters. Only one survey has been sent to each county and city, so please share the survey as necessary with other appropriate persons to ensure its completion. Please return your completed survey in the enclosed envelope to the Legislative Counsel Bureau by October 25. If you have any questions concerning this survey or the ACR 33 study, please call Ted Zuend, Deputy Fiscal Analyst, at 687-6821. Thank you in advance for your response.

Sincerely,

Assemblywoman Chris Giunchigliani, Chairman  
A.C.R. 33 Interim Committee

## APPENDIX C

## **A.C.R. 33 Survey of Cities and Counties**

- 1. What are the most fiscally significant programs and services which your government shares responsibility with the state or other local governments? Please identify and discuss the nature of the shared responsibility.**
- 2. Are any of the programs or services identified in question 1 particularly inefficient or burdensome on your government because of the current division of responsibility between your government and the state or other local governments? Please explain.**
- 3. In what ways can the delivery, administration or fiscal responsibility of the programs or services identified in question 2 be modified to make them more efficient or less burdensome on your government? Please discuss in detail.**
- 4. Are there any programs or services for which your government now has principal or sole responsibility where the delivery, administration or financing would be improved if the responsibility was shared with or transferred to the state or another local government? Please explain.**
- 5. Are there any programs or services for which the state or another local government now has principal or sole responsibility where the delivery, administration or financing would be improved if the responsibility was shared with or transferred to your government? Please explain.**
- 6. Are there any other issues or concerns related to the division of responsibility for programs and services between the state and local governments which the ACR 33 committee should evaluate during the course of its study? Please discuss in detail.**

## **ISSUES AND PROBLEMS IDENTIFIED IN ACR 33 SURVEY RESPONSES**

### **Carson City**

- ▶ State Medicaid cap on income for long-term care eligibility creates problems for the city.
- ▶ Location of state prison facilities increases city justice system costs.
- ▶ State sales tax collection fee is too high and should only reflect costs associated with collection of the tax.
- ▶ State juvenile justice system is under funded creating additional burdens at local level.

### **Clark County**

- ▶ State 5-month limit and support for services to SSI clients with HIV/AIDS is inadequate.
- ▶ State under funding of homemaker health services requires the county to pay for services to persons who are otherwise state-eligible.
- ▶ Nevada Welfare Division should provide more assistance for potentially Medicaid-eligible long-term care placements.
- ▶ State is very slow in determining eligibility for special medical assistance.
- ▶ State should be required to approve or deny AFDC claims within 30 days.
- ▶ State juvenile justice system is under funded creating additional burdens at local level.
- ▶ The statute providing for the use of proceeds from the residential construction tax is too restrictive.
- ▶ The definition of "park project" by law needs to be broadened.
- ▶ Funds appropriated by the Legislature such as the \$250,000 to the Clark County Fairgrounds should require a county match to force the county to reprioritize its capital needs.
- ▶ Population-based distribution of room tax revenues by should be adjusted twice a year.

### **Eureka County**

Identified no issues or problems.

### **Elko County**

- ▶ Operations of district court should be completely funded by state.
- ▶ Community health should be either a state or a local responsibility, but not both.
- ▶ Indigent benefits should be solely a state responsibility to avoid indigents "shopping" from county to county for the best package of benefits.
- ▶ Juvenile probation, family services and the state parole office should be consolidated under one agency improve efficiency and avoid "buck-passing."

## **APPENDIX D**

### **Humboldt County**

- ▶ The county portion of long-term care costs is rising rapidly and becoming a problem.
- ▶ Part of the administrative fees collected from district court actions should be retained by the county for local court-related needs rather than returned to the state for distribution by the Administrative Office of the Courts.
- ▶ Funding and operation of the district court should be consolidated at the state level.
- ▶ County responsibility for the community health nurse has increased but available funding has not.
- ▶ Loss of the probation subsidy from state has been difficult for the county to absorb.

### **Lander County**

- ▶ Landfill mandates should be eliminated.
- ▶ Change the water treatment threshold to apply only to locations with more than 20 households.
- ▶ The share of intergovernmental revenues is inadequate.
- ▶ Senior Center reporting mandates are too costly.
- ▶ Motor vehicle licensing and administration is difficult without computers.
- ▶ Mandated data collection is tedious and should be automated.
- ▶ Setting of property tax rates should have county participation at every step.
- ▶ Responsibility for control of water pollution and mine permitting should be the county's.

### **Lyon County**

- ▶ Extension of existing landfills should not require an additional site study.
- ▶ State should assist counties with waste disposal.
- ▶ Long-term care should be state responsibility.
- ▶ State should eliminate mandates concerning inmate medical expenses.

### **Mineral County**

- ▶ DMV services are time consuming and costly for the county and should be provided by state.

### **Nye County**

- ▶ Local government should participate in statewide planning for economic development coming from the federal government.
- ▶ State juvenile justice system is under funded creating additional burdens at local level.

### **Washoe County**

- ▶ Social services and medical assistance should be handled at local level.
- ▶ State should discourage competition between counties for funding.

### **City of Ely**

- ▶ Negotiations between city and county for fire and police services are difficult.

### **City of Las Vegas**

- ▶ Tax distribution formula should be adjusted to differentiate between urban and regional services.
- ▶ A clear assignment of urban and regional services to cities and counties needs to be made.
- ▶ Annexation laws should be changed to eliminate county islands and provide for city annexation of urban towns.
- ▶ A statewide emergency response system and 911 system should be developed.

### **City of Lovelock**

- ▶ State should provide assistance to municipal court because of location of prison.

### **City of North Las Vegas**

- ▶ Sharing of 800MHZ radio system with state agencies does not work very well.
- ▶ The Storm Water Permitting Program should be turned over to local government.

### **City of Winnemucca**

- ▶ State costs of water quality testing and sewer discharge are excessive and should be reduced or assumed by state personnel.
- ▶ Federal mandates are overwhelming the city's ability to pay.

### **City of Yerington**

- ▶ The medical indigent fund is inadequate.
- ▶ Federal mandates regarding wastewater treatment and landfills do not consider Nevada's arid climate.
- ▶ Mobile home depreciation is too generous and is eroding the local revenue base.





**PRINCIPLES ADOPTED  
BY THE SUBCOMMITTEE TO STUDY THE APPROPRIATE  
DIVISION OF FISCAL RESPONSIBILITY BETWEEN THE STATE  
AND LOCAL GOVERNMENTS FOR PROGRAMS AND SERVICES  
(ASSEMBLY CONCURRENT RESOLUTION NO. 33)**

**Adopted Principles**

When reviewing and identifying the responsibility of state and local governments for programs and services, will the arrangement:

1. Streamline and eliminate duplicative services by defining responsibility to provide:
  - a. Flexibility in how to deliver the service;
  - b. Funding that follows the delivery of service;
  - c. Consistency in the delivery of service; and
  - d. Efficient delivery of service.
2. Have the ability to establish both financial incentives and disincentives.
3. Eliminate legal and other barriers to the effective delivery of services.
4. Create joint planning and partnership approaches that provide, as a minimum:
  - a. Master planning;
  - b. Accountability standards;
  - c. Oversight and open communications;
  - d. The ability to develop cost-effective, user-friendly service; and
  - e. Methods to determine the best qualified and most appropriate deliverer of service.
5. Create review and oversight mechanisms that include:
  - f. State regulations;
  - g. Local ordinances;
  - h. Minimum standards for the provision of basic services;
  - i. Equitable funding approaches; and
  - j. Audit capability.

**APPENDIX E**



**ACR 33 Interim Subcommittee  
Recommendations for Possible Subcommittee Action at  
June 18, 1996, Work Session**

The following represents recommendations made to the ACR 33 Subcommittee in writing or during any public meeting of the subcommittee, including its sub-subcommittees. This list will be used as a basis for the subcommittee's actions. If any recommendation made previously has been overlooked, the sponsor may restate the recommendation during the public segment of the meeting for discussion and for later consideration by the subcommittee during its work session. Many of the following recommendations will need to be more completely developed during the public segment of the meeting before any action can be taken. Supporters of those recommendations should be prepared to offer more specific information to the subcommittee. All recommendations will be considered and accepted or rejected, with or without amendment, during the work session.

1. Amend the statutes to create a state department of revenue by merging the Department of Taxation and the revenue sections of the Department of Motor Vehicles and Public Safety.
2. Statutorily direct the Welfare Division of the Department of Human Services to explore the possibility of contracting with Clark and Washoe counties to operate state welfare programs.
3. Amend the statutes to provide additional criteria for the creation of special districts.
4. Amend the statutes to require a Legislative Counsel Bureau staff review of special districts every two years.
5. Amend the statutes to define "business process re-engineering study," establish criteria for the conduct and goals of such studies and to require the Budget Director to follow the definition and criteria when recommending appropriations for such studies.
- 6A. Statutorily create a state Advisory Commission on Intergovernmental Relations dedicated to studying state-local government issues and resolving problems related to the division of fiscal responsibility for programs and services between state and local governments.
- 6B. Amend the statutes to require that claims for Aid to Families with Dependent Children be approved or denied within 30 days of the filing of the claim.
7. Amend the statutes to eliminate the state limit on income for Medicaid long-term care eligibility. One proposal offered would allow the limit to increase \$100 per year until the amount reaches the Medicaid eligibility limit.

**APPENDIX F**

8. Amend the statutes to change the fees paid by local governments to the state for tax collection to reflect only the costs of collecting the taxes for local governments.
9. Amend NRS 244A.039 to expand the definition of “park project” to include all activities and facilities maintained by parks departments including cultural facilities and community centers.
10. Amend NRS 278.4983 to allow the residential construction tax to be used for parks of any size and for any legitimate park purpose.
11. Amend the statutes to consolidate the funding and operation of the district court system at the state level.
12. Amend the statutes to make the responsibility for community health services either a state function or a local function, but not both.
13. Amend the statutes to consolidate the operation of juvenile probation, family services and the state parole office to improve efficiency.
14. Amend the statutes to increase the proportion of the administrative assessment retained by local governments for the use of local courts.
15. Amend the statutes to eliminate state mandates concerning inmate medical expenses.
16. Amend the statutes to eliminate any county role relating to motor vehicle registration and fee collection.
17. Amend the statutes to allow cities to annex county islands and urban towns.
18. Provide statutorily for the establishment of a statewide emergency response and 911 system.
19. Provide statutory financial assistance to local courts in counties and cities where state prisons are located.
20. Amend the statutes to reduce the allowable depreciation on mobile homes for property tax purposes.
21. Amend the statutes to eliminate state-set eligibility requirements, tax levy formulas and program determination for county indigent programs and give counties the requisite level of responsibility and accountability for its welfare programs.

22. Amend the statutes to expand the current definition of "household" used to determine medical eligibility and eliminate the requirement that all classes of the needy must receive equal benefits.
23. Statutorily require that the Division of Mental Hygiene and Mental Retardation and the Nevada Medicaid Office out-station employees in community health centers and tribal clinics to provide more cost-effective services to recipients of social services.
24. Amend chapter 433A of the NRS to provide for the legal status of "court committed to outpatient treatment" to allow courts to order patients to maintain their treatment program and mandate services for these patients.
25. Amend the statutes to allow counties and cities the flexibility to enter into agreements to change the division of fiscal responsibility for programs and services.
26. Support the process of the Work Study Group of the Juvenile Justice Commission in developing recommendations to streamline and improve juvenile justice services.
27. Enact a concurrent resolution supporting the Nevada Public Lands Act.
28. Request that the Legislature review the various local government commissions whose membership consists of an identical group of elected officials such as county commissioners to determine whether the existence of these commissions confuses governmental responsibility in the public's mind.
29. Amend chapter 278 of the NRS to enact regional planning statutes for counties with a population of 400,000 (Clark) or more similar to those applicable for counties with a population of between 100,000 and 400,000 (Washoe).
30. Amend the joint rules of the Legislature to include the principles adopted by the ACR 33 Subcommittee for purposes of considering legislation affecting the fiscal responsibility for programs and services between state and local governments.
31. Amend the statutes to require that any use of funds collected regionally for regional purposes only be administered by a regional board comprised of representatives from the appropriate political jurisdictions.
32. Amend the statutes to require that any road or highway that is of regional significance be placed on the state system if it meets state standards and if it can be exchanged for properly maintained local roads that are on the state system.



## SUGGESTED LEGISLATION

|            | <u>Page</u>   |
|------------|---|
| BDR 32-300 | Changes name of Department of Taxation to<br>Department of Revenue. . . . . 31  |
| BDR R -298 | Amends Joint Rules of Senate and Assembly to<br>establish standards for determining division of fiscal<br>responsibility for programs and services provided by<br>state and local governments. . . . . 187          |
| BDR S -299 | Creates committee to conduct study of welfare<br>programs provided by state and Local Government . . . 189  |
| BDR 32-301 | Transfers responsibility for collection of certain fees<br>and taxes from Department of Motor Vehicles and<br>Public Safety to Department of Taxation. . . . . 193  |
| BDR S-297  | Provides for study of feasibility of consolidating<br>collections of taxes and fees within Department<br>of Taxation and of actual cost of collecting taxes<br>and fees on behalf of local Governments. . . . . 209 |
| BDR 38-296 | Requires payment by counties of nonfederal share<br>of expenditures for certain medically indigent<br>persons covered by state plan for assistance to the<br>medically indigent. . . . . 213                        |

## APPENDIX G





SUMMARY—Changes name of department of taxation to department of revenue.

(BDR 32-300)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to state financial administration; changing the name of the department of taxation to the department of revenue; 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.** NRS 360.001 is hereby amended to read as follows:

360.001 As used in this Title, except as otherwise provided in chapters 364, 366 and 371 of NRS and unless the context requires otherwise:

1. “Department” means the department of [taxation.] *revenue*.
2. “Executive director” means the executive director of the department . [of taxation.]

**Sec. 2.** NRS 360.120 is hereby amended to read as follows:

360.120 1. The department of [taxation] *revenue* is hereby created.

2. The head of the department is the Nevada tax commission. The chief administrative officer of the department is the executive director, who is appointed by the governor.

3. The executive director is in the unclassified service of the state.

4. The executive director shall devote his entire time and attention to the business of his office and shall not pursue any other business or occupation or hold any other office of profit which detracts from the full and timely performance of his duties.

**Sec. 3.** NRS 361.295 is hereby amended to read as follows:

361.295 When real property is assessed by the county assessors of two counties on territory claimed by both, the department [of taxation] shall examine the property and determine the county to which the taxes must be paid.

**Sec. 4.** NRS 364A.153 is hereby amended to read as follows:

364A.153 1. The division of motion pictures of the commission on economic development, as an agent of the department , [of taxation,] shall collect the tax imposed by this chapter from those businesses that engage in the business of creating or producing motion pictures, as that term is defined in NRS 231.020, that are not residents or do not have a permanent place of business in Nevada. All taxes collected by the division of motion pictures must be immediately forwarded to the department upon receipt.

2. The tax must be calculated pursuant to NRS 364A.140 and 364A.150 upon the number of hours worked in this state, but a person who conducts a business described in subsection 1 need not obtain a business license under this chapter.

**Sec. 5.** NRS 372.805 is hereby amended to read as follows:

372.805 The department [of taxation] shall not collect the tax imposed by this chapter on the sale of tangible personal property on an Indian reservation or Indian colony on which a tax has been imposed pursuant to NRS 372.800 if:

1. The tax is equal to or greater than the tax imposed by this chapter; and
2. A copy of an approved tribal tax ordinance imposing the tax has been filed with the department . [of taxation.]

**Sec. 6.** NRS 374.070 is hereby amended to read as follows:

374.070 1. "Sales price" means the total amount for which tangible property is sold, valued in money, whether paid in money or otherwise, without any deduction on account of any of the following:

- (a) The cost of the property sold.
  - (b) The cost of the materials used, labor or service cost, interest charged, losses [,] or any other expenses.
  - (c) The cost of transportation of the property before its purchase.
2. The total amount for which property is sold includes all of the following:
- (a) Any services that are a part of the sale.
  - (b) Any amount for which credit is given to the purchaser by the seller.
3. "Sales price" does not include any of the following:
- (a) Cash discounts allowed and taken on sales.

(b) The amount charged for property returned by customers when the entire amount charged therefor is refunded [either] in cash or credit , [;] but this exclusion does not apply in any instance when the customer, in order to obtain the refund, is required to purchase other property at a price greater than the amount charged for the property that is returned.

(c) The amount charged for labor or services rendered in installing or applying the property sold.

(d) The amount of any tax , [(] not including [, however,] any manufacturers' or importers' excise tax , [)] imposed by the United States upon or with respect to retail sales, whether imposed upon the retailer or the consumer.

(e) The amount of any tax imposed by the State of Nevada upon or with respect to the storage, use or other consumption of tangible personal property purchased from any retailer.

(f) The amount of any allowance against the selling price given by a retailer for the value of a used vehicle which is taken in trade on the purchase of another vehicle.

4. For the purpose of a sale of a vehicle by a seller who is not required to be registered with the department , [of taxation,] the sales price is the value established in the manner set forth in NRS 374.112.

**Sec. 7.** NRS 374.112 is hereby amended to read as follows:

374.112 1. For the purposes of this section, "authorized appraisal" means an appraisal of the value of a motor vehicle made by:

- (a) An employee of the department of motor vehicles and public safety on its behalf;
- (b) A county assessor or his employee as an agent of the department of motor vehicles and public safety;
- (c) A person licensed by the department of motor vehicles and public safety as a dealer;
- or
- (d) An independent appraiser authorized by the department of motor vehicles and public safety.

2. When computing the tax on the sale of a vehicle by a seller who is not required to be registered by the department of [taxation,] *revenue*, the department of motor vehicles and public safety or county assessor as an agent of the department of [taxation] *revenue* shall, if an authorized appraisal is submitted, use as the vehicle's sales price the amount stated on the authorized appraisal or \$100, whichever is greater.

3. The department of motor vehicles and public safety shall establish by regulation the procedure for appraising vehicles and establish and make available a form for an authorized appraisal.

4. The department of motor vehicles and public safety shall retain a copy of the appraisal considered pursuant to subsection 2 with its record of the collection of the tax.

5. A fee which does not exceed \$10 may be charged and collected for each authorized appraisal made. Any money so collected by the department of motor vehicles and public safety for such an appraisal made by its employees must be deposited with the state

treasurer to the credit of the motor vehicle fund. Any money so collected by a county assessor must be deposited with the county treasurer to the credit of the county's general fund.

6. If an authorized appraisal is not submitted, the department of motor vehicles and public safety or the county assessor as an agent of the department of [taxation] *revenue* shall establish the sales price as a value which is based on the depreciated value of the vehicle as determined in accordance with the schedule in NRS 374.113. To determine the original price from which the depreciation is calculated, the department of motor vehicles and public safety shall use:

(a) The manufacturer's suggested retail price in Nevada, excluding options and extras, as of the time the particular make and year model is first offered for sale in Nevada;

(b) If the vehicle is specially constructed, the original retail price to the original purchaser of the vehicle as evidenced by such document or documents as the department may require;

(c) The procedures set forth in subsections 3 and 4 of NRS 371.050; or

(d) If none of these applies, its own estimate from any available information.

**Sec. 8.** NRS 374.805 is hereby amended to read as follows:

374.805 The department [of taxation] shall not collect the tax imposed by this chapter on the sale of tangible personal property on an Indian reservation or Indian colony on which a tax has been imposed pursuant to NRS 374.800 if:

1. The tax is equal to or greater than the tax imposed by this chapter; and
2. A copy of an approved tribal tax ordinance imposing the tax has been filed with the department . [of taxation.]

**Sec. 9.** NRS 376A.040 is hereby amended to read as follows:

376A.040 1. In addition to all other taxes imposed on the revenues from retail sales, a board of county commissioners of a county whose population is 100,000 or more but less than 400,000, may by ordinance, but not as in a case of emergency, impose a tax at the rate of up to [1/4] *one-fourth* of 1 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the county, after receiving the approval of a majority of the registered voters of the county voting on the question at a primary, general or special election. The question may be combined with questions submitted pursuant to NRS 375.025, 376A.050 and 376A.070 or any combination thereof.

2. If a county imposes a sales tax pursuant to this section and NRS 376A.050, the combined additional sales tax must not exceed [1/4] *one-fourth* of 1 percent. A tax imposed pursuant to this section applies throughout the county, including incorporated cities in the county.

3. Before the election may occur, an open-space plan must be adopted by the board of county commissioners pursuant to NRS 376A.020 and the adopted open-space plan must be endorsed by resolution by the city council of each incorporated city within the county.

4. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid pursuant to this section must be paid to the department [of taxation] in the form of remittances payable to the department . [of taxation.] The department [of taxation] shall deposit the payments with the state treasurer for credit to the sales and use tax account in the state general fund. The state controller, acting upon the collection data furnished by the department , [of taxation,] shall transfer monthly all fees, taxes, interest and penalties collected during the preceding month to the intergovernmental fund and remit the money to the county treasurer.

5. The money received from the tax imposed pursuant to subsection 4 must be retained by the county, or remitted to a city or general improvement district in the county. The money received by a county, city or general improvement district pursuant to this section must only be used to pay the cost of:

- (a) The acquisition of land in fee simple for development and use as open-space land;
- (b) The acquisition of the development rights of land identified as open-space land;
- (c) The creation of a trust fund for the acquisition of land or development rights of land pursuant to paragraphs (a) and (b);
- (d) The principal and interest on notes, bonds or other obligations issued by the county, city or general improvement district for the acquisition of land or development rights of land pursuant to paragraphs (a) and (b); or
- (e) Any combination of the uses set forth in paragraphs (a) to (d), inclusive.



6. The money received from the tax imposed pursuant to this section and any applicable penalty or interest must not be used for any neighborhood or community park or facility.

7. Any money used for the purposes described in this section must be used in a manner:

(a) That is consistent with the provisions of the open-space plan adopted pursuant to NRS 376A.020; and

(b) That provides an equitable allocation of the money among the county and the incorporated cities within the county.

**Sec. 10.** NRS 376A.050 is hereby amended to read as follows:

376A.050 1. Except as otherwise provided in subsection 2, in addition to all other taxes imposed on the revenues from retail sales, a board of county commissioners in each county whose population is 100,000 or more but less than 400,000, may by ordinance, but not as in a case of emergency, impose a tax at the rate of up to [1/4] *one-fourth* of 1 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the county, after receiving the approval of a majority of the registered voters of the county voting on the question at a primary, general or special election. The question may be combined with questions submitted pursuant to NRS 375.025, 376A.040 and 376A.070 or any combination thereof.

2. If a county imposes a sales tax pursuant to this section and NRS 376A.040, the combined additional sales tax must not exceed [1/4] *one-fourth* of 1 percent. A tax imposed pursuant to this section applies throughout the county, including incorporated cities in the county.

3. Before the election occurs, an open-space plan must be adopted by the board of county commissioners pursuant to NRS 376A.020 and the adopted open-space plan must be endorsed by resolution by the city council of each incorporated city in the county.

4. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid pursuant to this section must be paid to the department [of taxation] in the form of remittances payable to the department . [of taxation.] The department [of taxation] shall deposit the payments with the state treasurer for credit to the sales and use tax account in the state general fund. The state controller, acting upon the collection data furnished by the department , [of taxation,] shall transfer monthly all fees, taxes, interest and penalties collected during the preceding month to the intergovernmental fund and remit the money to the county treasurer.

**Sec. 11.** NRS 376A.070 is hereby amended to read as follows:

376A.070 1. The board of county commissioners in a county whose population is 100,000 or more but less than 400,000 [,] may levy an ad valorem tax at the rate of up to 1 cent on each \$100 of assessed valuation upon all taxable property in the county after receiving the approval of a majority of the registered voters of the county voting on the

question at a primary, general or special election. The question may be combined with questions submitted pursuant to NRS 375.025, 376A.040 and 376A.050 or any combination thereof. A tax imposed pursuant to this section applies throughout the county, including incorporated cities in the county.

2. The department [of taxation] shall add an amount equal to the rate of any tax imposed pursuant to this section multiplied by the total assessed valuation of the county to the allowed revenue from taxes ad valorem of the county.

3. Before the tax is imposed, an open-space plan must be adopted by the board of county commissioners pursuant to NRS 376A.020 and the adopted open-space plan must be endorsed by resolution by the city council of each incorporated city within the county.

**Sec. 12.** NRS 4.065 is hereby amended to read as follows:

4.065 1. The justice of the peace shall, on the commencement of any action or proceeding in the justice's court for which a fee is required, and on the answer or appearance of any defendant in any such action or proceeding for which a fee is required, charge and collect a fee of \$1 from the party commencing, answering or appearing in the action or proceeding. These fees are in addition to any other fee required by law.

2. On or before the first Monday of each month, the justice of the peace shall pay over to the county treasurer the amount of all fees collected by him pursuant to subsection 1 for credit to the state general fund. Quarterly, the county treasurer shall remit all money so collected to the state treasurer, who shall place the money in an account in the state general

fund for use by the *executive* director of the department of [taxation] *revenue* to administer the provisions of NRS 360.283.

**Sec. 13.** NRS 118.165 is hereby amended to read as follows:

118.165 1. Unless exempted by subsection 3, every landlord of real property leased or otherwise rented to a tenant, including every landlord of a mobile home park, shall deliver to the tenant in July of each year, and whenever the periodic rent changes, a statement which shows separately for each periodic payment of rent:

- (a) The amount which represents property taxes paid by the landlord; and
- (b) The remainder of that payment.

2. If the property rented is one of several upon which the landlord pays taxes together, the amount which represents property taxes must be calculated by:

- (a) Apportioning the total property tax paid for the year upon the entire property among the individual properties rented according to their respective areas.
- (b) Reducing the amount so apportioned to each particular property for the year by the appropriate fraction to correspond to the period for which rent on it is paid.

3. This section does not apply to:

- (a) Any property covered by a written agreement which requires the tenant to pay the property tax or otherwise provides for calculation and notice to the tenant of its amount.
- (b) Any lodging unless it contains its own cooking and toilet facilities, separate from other living quarters.

(c) Any room in a hotel or motel.

(d) Any concession within a larger commercial enterprise, or any other property not customarily used separately from adjacent units.

(e) Any property for which the rent is a share of sales or profit.

4. The statements required in July 1981 by subsection 1 must show, in addition to the information required as of the date the statement is prepared, the comparable information as of July 1980. Each landlord of property which is subject to this section shall reduce the periodic rent otherwise payable by an amount equal to 90 percent of any reduction from 1980 to 1981 of the amount which represents property taxes as shown in the statements required by that subsection.

5. This section does not purport to regulate the total amount of rent payable.

6. A landlord who fails to reduce the periodic rent in accordance with subsection 4 is liable to each tenant whose rent was not properly reduced for an amount equal to three times the amount which was overpaid by the tenant, unless the landlord shows good cause for the failure. If the tenant made written demand upon his landlord at least 20 days before bringing his action under this subsection, a judgment for the tenant must include costs and a reasonable attorney's fee.

7. The department of [taxation] *revenue* is responsible for enforcing the provisions of this section.

**Sec. 14.** NRS 234.250 is hereby amended to read as follows:

234.250 1. In addition to any other requirement of law, each local government, as defined in NRS 354.474, shall file a copy of its official plat with:

(a) The county recorder, the county clerk or the registrar of voters, and the county assessor of each county in which its territory or any part thereof is situated.

(b) The department of [taxation.] *revenue*.

2. All changes in boundaries made [subsequent to] *after* the original filing and recording of [such plat shall] *the plat must* be recorded and filed immediately with the offices with which copies of the original plat were filed.

3. Until a local government complies with the requirements of subsections 1 and 2 , it shall not levy or receive any ad valorem or other tax or any other mandatory assessment.

4. This section applies to all local governments receiving and expending [funds] *money* on behalf of the public, regardless of their designation.

**Sec. 15.** NRS 239A.070 is hereby amended to read as follows:

239A.070 This chapter does not apply to any subpoena issued pursuant to Title 14 or chapters 616A to 616D, inclusive, of NRS or prohibit:

1. Dissemination of any financial information which is not identified with or identifiable as being derived from the financial records of a particular customer.

2. The attorney general, district attorney, department of [taxation,] *revenue*, public administrator, sheriff or a police department from requesting of a financial institution, and the institution from responding to the request, as to whether a person has an account or

accounts with that financial institution and, if so, any identifying numbers of the account or accounts.

3. A financial institution, in its discretion, from initiating contact with and thereafter communicating with and disclosing the financial records of a customer to appropriate governmental agencies concerning a suspected violation of any law.

4. Disclosure of the financial records of a customer incidental to a transaction in the normal course of business of the financial institution if the director, officer, employee or agent of the financial institution who makes or authorized the disclosure has no reasonable cause to believe that such records will be used by a governmental agency in connection with an investigation of the customer.

5. A financial institution from notifying a customer of the receipt of a subpoena or a search warrant to obtain his financial records, except when ordered by a court to withhold such notification.

6. The examination by or disclosure to any governmental regulatory agency of financial records which relate solely to the exercise of its regulatory function if the agency is specifically authorized by law to examine, audit or require reports of financial records of financial institutions.

7. The disclosure to any governmental agency of any financial information or records whose disclosure to that particular agency is required by the tax laws of this state.

8. A governmental agency from obtaining a credit report or consumer credit report from anyone other than a financial institution.

**Sec. 16.** NRS 244.335 is hereby amended to read as follows:

244.335 1. Except as otherwise provided in subsection 2, the board of county commissioners may:

(a) 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, 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. 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 chapter 364A of NRS. The county license board shall provide upon request an application for a business license pursuant to chapter 364A of NRS.



4. 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] *revenue* 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. 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;

(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.

6. 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 the 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] *revenue* for the exchange of information concerning taxpayers.

**Sec. 17.** NRS 244.3354 is hereby amended to read as follows:

244.3354 1. The proceeds of the tax imposed pursuant to NRS 244.3352 and any applicable penalty or interest must be distributed as follows:

(a) Three-eighths must be paid to the department of [taxation] *revenue* for deposit with the state treasurer for credit to the fund for the promotion of tourism.

(b) Five-eighths must be deposited with the county fair and recreation board created pursuant to NRS 244A.599 or, if no such board is created, with the board of county commissioners, to be used to advertise the resources of that county related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, and to promote special events related thereto.

2. In a county whose population is 400,000 or more, the money deposited pursuant to paragraph (b) of subsection 1 may also be used in the manner authorized by NRS 244A.622.

**Sec. 18.** NRS 244.3357 is hereby amended to read as follows:

244.3357 On or before August 15 of each year, the board of county commissioners in each county shall submit a report to the department of [taxation] *revenue* which states:

1. The rate of all taxes imposed on the revenues from the rental of transient lodging pursuant to NRS 244.335 and 244.3352 and any special act in the preceding fiscal year;

2. The total amount of revenue collected from all taxes imposed on the revenues from the rental of transient lodging pursuant to NRS 244.335 and 244.3352 and any special act in the preceding fiscal year; and

3. The manner in which the revenue was used in the previous fiscal year.

**Sec. 19.** NRS 250.065 is hereby amended to read as follows:

250.065 No person may be appointed as a deputy county assessor with appraising responsibility unless he holds a valid appraiser's certificate issued by the department of [taxation.] *revenue*.

**Sec. 20.** NRS 266.0261 is hereby amended to read as follows:

266.0261 Upon receipt of a petition that has been certified as sufficient by the county clerk, the board of county commissioners shall:

1. Within 30 days request a report on the advisability of incorporation and the feasibility of the proposed city, including, but not limited to, the factors set forth in NRS 266.0285 and a determination of whether the requirements set forth in NRS 266.017 have been satisfied, from the committee on local government finance. The report must be in writing and be delivered to the board of county commissioners not later than 90 days after the report is requested, unless the committee determines the requirements set forth in NRS 266.017 have not been satisfied. Upon receipt of the report, the board shall supply a copy of the report upon request to any person for the cost of reproduction.

2. Within 30 days transmit a copy of the petition to the executive director of the department of [taxation.] *revenue*.

3. Transmit a copy of the petition to any state, county or regional planning commission or agency that exercises planning authority over any part of the area proposed to be incorporated and to every other local government within the county.

**Sec. 21.** NRS 266.0263 is hereby amended to read as follows:

266.0263 1. The department of [taxation] *revenue* shall prepare a concise statement concerning the estimated fiscal effect of the incorporation on the residents of the proposed city, including an estimated tax rate and an example of that tax rate applied for 1 year to a median-priced home in the area of the proposed city compared to an example of the present tax rate in the area applied for the same period to the same home.

2. Within 30 days after receipt of the petition from the board of county commissioners, the department of [taxation] *revenue* shall file with the committee on local government finance a statement of estimated fiscal effect prepared pursuant to subsection 1, and any explanatory material and calculations.

3. The committee on local government finance shall:

(a) Approve or revise and approve the statement of estimated fiscal effect at a public meeting; and

(b) Transmit the statement to the county clerk within 30 days after receipt of the statement from the department of [taxation.] *revenue*.

4. The statement of estimated fiscal effect prepared by the department of [taxation] *revenue* must not affect any subsequent calculations made by the department if the city is incorporated.

**Sec. 22.** NRS 267.125 is hereby amended to read as follows:

267.125 1. The governing body of a city having the type of commission form of government described in paragraph (b) of subsection 1 of NRS 267.010, which has acquired by the provisions of any federal or any other law real property within its corporate boundaries, and which has adopted a policy, by its charter, of leasing or selling such real property, or portions thereof, in a manner that will result in the maximum benefit accruing to the city from such leases and sales, may, by ordinance, with the approval of the department of [taxation,] *revenue*, create a land improvement fund, which fund [shall not be] *is not* subject to the provisions of chapter 354 of NRS.

2. The land improvement fund may be composed of:

(a) [Moneys] *Money* transferred from any capital improvement fund existing pursuant to the provisions of the charter when so authorized by the registered voters of the city at an election.

(b) [Moneys] *Money* contributed from the general fund of the city by action of the governing body, which contributions need not be repaid to the general fund of the city.

(c) Such portion of the proceeds received by the city from the lease and sale of the real property as may be provided for by the charter or by city ordinance.

(d) Any other [moneys] *money* the deposit of which in the land improvement fund is budgeted for by the governing body or authorized by the registered voters of the city.

3. [Moneys] *Money* in the land improvement fund may be expended for:

(a) Preparation of real property for sale or lease and costs incidental thereto.

(b) Acquisition and construction of improvements on [such] *that* real property [prior to] *before* its sale or lease.

**Sec. 23.** 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 the State of Nevada, whether organized under general law or special charter, may:

(a) Except as otherwise provided in NRS 268.0968, 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 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] *those* 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 obligations issued by the city for a purpose authorized by the City Bond Law, NRS 268.672 to 268.740, inclusive.

(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 City Bond Law, NRS 268.672 to 268.740, inclusive;

(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 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. 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 chapter 364A of NRS. The city licensing agency shall provide upon request an application for a business license pursuant to chapter 364A of NRS.

4. 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] *revenue* 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. 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;
- (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.

6. 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] *officer* 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] *revenue* for the exchange of information concerning taxpayers.

7. 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. 24.** NRS 268.0962 is hereby amended to read as follows:

268.0962 1. The proceeds of the tax imposed pursuant to NRS 268.096 and any applicable penalty or interest must be distributed as follows:

(a) Three-eighths must be paid to the department of [taxation] *revenue* for deposit with the state treasurer for credit to the fund for the promotion of tourism.

(b) Five-eighths must be deposited with the county fair and recreation board created pursuant to NRS 244A.599 or, if no such board is created, with the city council or other governing body of the incorporated city, to be used to advertise the resources of that county or incorporated city related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, and to promote special events related thereto.

2. In a county whose population is 400,000 or more, the money deposited pursuant to paragraph (b) of subsection 1 may also be used in the manner authorized by NRS 244A.622.

**Sec. 25.** NRS 268.0966 is hereby amended to read as follows:

268.0966 On or before August 15 of each year, the governing body of each city shall submit a report to the department of [taxation] *revenue* which states:

1. The rate of all taxes imposed on the revenues from the rental of transient lodging pursuant to NRS 268.095 and 268.096 and any special act in the preceding fiscal year;
2. The total amount of revenue collected from all taxes imposed on the revenues from the rental of transient lodging pursuant to NRS 268.095 and 268.096 and any special act in the preceding fiscal year; and
3. The manner in which the revenue was used in the previous fiscal year.

**Sec. 26.** NRS 268.600 is hereby amended to read as follows:

268.600 Whenever the corporate limits of any city are extended in accordance with the provisions of NRS 268.570 to 268.608, inclusive, the governing body of [such] *that* city shall cause an accurate map or plat of the annexed territory, prepared under the supervision of a competent surveyor or engineer, together with a certified copy of the annexation ordinance in respect thereof, to be recorded in the office of the county recorder of the county in which [such] *the* territory is situated, which recording [shall be done prior to] *must be done before* the effective date of the annexation as specified in the annexation

ordinance. A duplicate copy of [such] *the* map or plat and [such] *the* annexation ordinance [shall] *must* be filed with the department of [taxation.] *revenue*.

**Sec. 27.** NRS 269.170 is hereby amended to read as follows:

269.170 1. The town board or board of county commissioners may in any unincorporated town:

(a) Fix and collect a license tax on, and regulate, having due regard to the amount of business done by each person or firm so licensed, all places of business and amusement so licensed, as follows:

(1) Artisans, artists, assayers, auctioneers, bakers, banks and bankers, barbers, boilermakers, cellars and places where soft drinks are kept or sold, clothes cleaners, foundries, laundries, lumberyards, manufacturers of soap, soda, borax or glue, markets, newspaper publishers, pawnbrokers, funeral directors , and wood and coal dealers.

(2) Bootmakers, cobblers, dressmakers, milliners, shoemakers [,] *and* tailors.

(3) Boardinghouses, hotels, lodginghouses, restaurants and refreshment saloons.

(4) Barrooms, gaming, manufacturers of liquors and other beverages, *and* saloons.

(5) Billiard tables, bowling alleys, caravans, circuses, concerts and other exhibitions, dance houses, melodeons, menageries, shooting galleries, skating rinks [,] *and* theaters.

(6) Corrals, hay yards, livery and sale stables, *and* wagon yards.

(7) Electric light companies, illuminating gas companies, power companies, telegraph companies, telephone companies [,] *and* water companies.

(8) Carts, drays, express companies, freight companies, job wagons, omnibuses and stages.

(9) Brokers, commission merchants, factors, general agents, mercantile agents, merchants and traders, *and* stockbrokers.

(10) Drummers, hawkers, peddlers [,] *and* solicitors.

(11) Insurance agents, brokers, analysts, adjusters and managing general agents within the limitations and under the conditions prescribed in NRS 680B.020.

(b) Fix and collect a license tax upon all professions, trades or business within the town not specified in paragraph (a).

2. 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] *revenue* 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.

3. Any license tax levied for the purposes of NRS 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 must be enforced in the same manner as liens for ad valorem taxes on real and personal property. The town board or other governing body of

the unincorporated town may delegate the power to enforce such liens to the county fair and recreation board.

4. The governing body or the county fair and recreation board may agree with the department of [taxation] *revenue* for the continuing exchange of information concerning taxpayers.

**Sec. 28.** NRS 274.200 is hereby amended to read as follows:

274.200 1. Approval of designated specially benefited zones must be made by the governor by certification of the designating ordinance. The governor shall promptly issue a certificate for each specially benefited zone upon his approval. The certificate must be signed by the governor, must make specific reference to the designating ordinance, which must be attached thereto, and must be filed in the office of the secretary of state. A certified copy of the certificate, or a duplicate original thereof, must be filed with the county recorder of the county in which the specially benefited zone lies.

2. A specially benefited zone is effective upon its certification. The administrator shall transmit a copy of the certification to the department of [taxation,] *revenue*, the employment security division of the department of employment, training and rehabilitation and [to] the designating municipality. The terms and provisions of the designating ordinance become effective upon certification of the specially benefited zone, and may not be amended or repealed except as otherwise provided in NRS 274.280.

3. Except as otherwise provided in NRS 274.280, the designating ordinance and the certification remain in effect for 20 years, or for a lesser number of years specified in the ordinance, and terminate at midnight [of] on December 31 of the final year of the certified term.

4. No more than eight specially benefited zones may be approved by the governor in any year. In any year, the governor may not approve more than three zones located within the same county, whether within its cities or within the unincorporated areas, nor more than three zones in the same city. The governor may approve specially benefited zones in each of the 6 years commencing with 1984. Thereafter, the governor may not approve any additional specially benefited zones, but may amend or rescind certifications of existing zones as provided in NRS 274.280.

**Sec. 29.** NRS 274.270 is hereby amended to read as follows:

274.270 1. The governing body shall investigate the proposal made by a business pursuant to NRS 274.260, and if it finds that the business is qualified by financial responsibility and business experience to create and preserve employment opportunities in the specially benefited zone and improve the economic climate of the municipality and finds further that the business did not relocate from a depressed area in this state or reduce employment elsewhere in Nevada in order to expand in the specially benefited zone, the governing body may, on behalf of the municipality, enter into an agreement with the business, for a period of not more than 20 years, under which the business agrees in return



for one or more of the benefits authorized in this chapter and NRS 374.643 for qualified businesses, as specified in the agreement, to establish, expand, renovate or occupy a place of business within the specially benefited zone and hire new employees at least 35 percent of whom at the time they are employed are at least one of the following:

- (a) Unemployed persons who have resided at least 6 months in the municipality.
- (b) Persons eligible for employment or job training under any federal program for employment and training who have resided at least 6 months in the municipality.
- (c) Recipients of benefits under any state or county program of public assistance, including aid to families with dependent children, aid to the medically indigent and unemployment compensation who have resided at least 6 months in the municipality.
- (d) Persons with a physical or mental handicap who have resided at least 6 months in the state.
- (e) Residents for at least 1 year of the area comprising the specially benefited zone.

2. To determine whether a business is in compliance with an agreement, the governing body:

- (a) Shall each year require the business to file proof satisfactory to the governing body of its compliance with the agreement.
- (b) May conduct any necessary investigation into the affairs of the business and may inspect at any reasonable hour its place of business within the specially benefited zone.

If the governing body determines that the business is in compliance with the agreement, it shall issue a certificate to that effect to the business. The certificate expires 1 year after the date of its issuance.

3. The governing body shall file with the administrator, the department of [taxation] *revenue* and the employment security division of the department of employment, training and rehabilitation a copy of each agreement, the information submitted under paragraph (a) of subsection 2 and the current certificate issued to the business under that subsection. The governing body shall immediately notify the administrator, the department of [taxation] *revenue* and the employment security division of the department of employment, training and rehabilitation whenever the business is no longer certified.

**Sec. 30.** NRS 277.185 is hereby amended to read as follows:

277.185 1. The agencies of this state, and the local governments within this state, that collect taxes or fees from persons engaged in business, or require [such] *those* persons to provide related information and forms, shall coordinate their collection of information and forms so that each enterprise is required to furnish information in as few separate reports as possible. This section applies specifically, but is not limited, to the department of [taxation,] *revenue*, the employment security division of the department of employment, training and rehabilitation, the state department of conservation and natural resources, the state industrial insurance system [,] and the counties and cities that require a business license.

2. On or before October 1 of each year, the executive director of the department of [taxation] *revenue* shall convene the heads, or persons designated by the respective heads, of the state agencies named in subsection 1 and the appropriate officers of the cities and counties that require a business license. The secretary of state, a representative of the Nevada Association of Counties and a representative of the Nevada League of Cities must be invited to attend the meeting. If [he] *the executive director of the department of revenue* knows, or is made aware by persuasive information furnished by any enterprise required to pay a tax or fee or to provide information, that any other state or local agency needs to participate to accomplish the purpose set forth in subsection 1, he shall also invite the head of that agency or the appropriate officer of the local government, and the person so invited shall attend. The director of the department of information services shall assist in effecting the consolidation of the information and the creation of the forms.

3. The persons so assembled shall design and modify, as appropriate, the necessary joint forms for use during the ensuing fiscal year to accomplish the purpose set forth in subsection 1. If any dispute cannot be resolved by the participants, it must be referred to the Nevada tax commission for a decision that is binding on all parties.

**Sec. 31.** NRS 286.462 is hereby amended to read as follows:

286.462 If a public employer is delinquent by more than 90 days in submitting a report or paying an amount due pursuant to subsection 3 of NRS 286.460, the system shall submit

a written complaint to the department of [taxation] *revenue* asking it to take such actions as are necessary in accordance with NRS 354.665.

**Sec. 32.** NRS 318.275 is hereby amended to read as follows:

318.275 1. Upon the conditions and under the circumstances set forth in this chapter, a district may borrow money and issue the following securities to evidence such borrowing:

- (a) Short-term notes, warrants and interim debentures.
- (b) General obligation bonds.
- (c) Revenue bonds.
- (d) Special assessment bonds.

2. The board of trustees of a district whose population within its boundaries is less than 5,000 [,] shall not borrow money or issue securities to evidence such borrowing unless the board has obtained the approval of the debt management commission of the county in which the district is located.

3. The board of trustees of a district whose population within its boundaries is less than 5,000 [,] shall not forward a resolution authorizing medium-term obligations to the executive director of the department of [taxation] *revenue* unless such financing is approved by the commission.

**Sec. 33.** NRS 318.515 is hereby amended to read as follows:

318.515 1. Upon notification by the department of [taxation] *revenue* or upon receipt of a petition signed by 20 percent of the qualified electors of the district, that:

(a) A district of which the board of county commissioners is not the board of trustees is not being properly managed;

(b) The board of trustees of the district is not complying with the provisions of this chapter or with any other law; or

(c) The service plan established for the district is not being complied with,  
the board of county commissioners of the county in which the district is located shall hold a hearing to consider the notification or petition.

2. The county clerk shall mail written notice to all persons who own property within the district and to all qualified electors of the district, which notice [shall] *must* set forth the substance of the notification or petition and the time and place of the hearing.

3. At the place, date and hour specified for the hearing, or at any subsequent time to which the hearing may be adjourned, the board of county commissioners shall give full consideration to all persons desiring to be heard and shall thereafter:

(a) Adopt an ordinance constituting the board of county commissioners, ex officio, as the board of trustees of the district;

(b) Adopt an ordinance providing for the merger, consolidation or dissolution of the district pursuant to NRS 318.490 to 318.510, inclusive;

(c) File a petition in the district court for the county in which the district is located for the appointment of a receiver for the district; or

(d) Determine by resolution that management and organization of the district will remain unchanged.

4. The department of [taxation] *revenue* or any interested person may, within 30 days immediately following the effective date of the ordinance adopted under paragraph (a) or resolution adopted under paragraph (d) of subsection 3, commence an action in any court of competent jurisdiction to set aside the ordinance or resolution. After the expiration of 30 days, all actions attacking the regularity, validity and correctness of that ordinance or resolution are barred.

**Sec. 34.** NRS 328.510 is hereby amended to read as follows:

328.510 1. The state land registrar shall:

(a) Create and maintain a registry of all lands and interests in land in Nevada, other than the unreserved, unappropriated public lands, owned or held in trust by an agency or instrumentality of the Federal Government.

(b) With the advice and assistance of the attorney general and the district attorneys, determine and state in the registry the nature and extent of the Federal Government's jurisdiction over each tract of land or interest in land entered in the registry.

2. The department of [taxation,] *revenue*, with the cooperation of the state land registrar, shall advise the county assessors of:

(a) Those lands and interests in land in the registry which may be taxed and the taxable activities conducted on them; and

(b) Any changes in the taxable status of those lands and interests when the changes come to their knowledge.

**Sec. 35.** NRS 344.140 is hereby amended to read as follows:

344.140 All officers, boards, commissioners, trustees, superintendents, regents and directors required by law to make reports to the governor or to the legislature, except the state controller, the state treasurer, the department of [taxation,] *revenue*, the commissioner of insurance, the board of control of the agricultural experiment station, and the commissioners on uniform state laws, shall send the original drafts of their reports to the superintendent, who shall order such a number of each of the reports, or part or parts of each of the reports, printed as in his judgment will meet the requirements of law. The superintendent shall especially see that no matter be printed in more than one report, unless of great public interest.

**Sec. 36.** NRS 350.0035 is hereby amended to read as follows:

350.0035 1. Except as otherwise provided in this section, on or before July 1 of each year, the governing body of a municipality which proposes to issue or has outstanding any general obligation debt, other general obligations or special obligations, or which levies or proposes to levy any special elective tax, shall submit to the department of [taxation] *revenue* and the commission:

(a) A complete statement of current and contemplated general obligation debt and special elective taxes, and a report of current and contemplated debt and special

assessments and retirement schedules, in the detail and form established by the committee on local government finance.

(b) A written statement of the debt management policy of the municipality, which must include, without limitation:

(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;

(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;

(3) A discussion of its general obligation debt that is payable from ad valorem taxes per capita as compared with such debt of other municipalities in this state;

(4) A discussion of its general obligation debt that is payable from ad valorem taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;

(5) Policy regarding the manner in which the municipality expects to sell its debt;

(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and

(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (c), if those costs and revenues are expected to affect the tax rate.



(c) Its plan for capital improvement for the ensuing 3 fiscal years, which must include any contemplated issuance of general obligation debt during this period and the sources of money projected to be available to pay the debt.

(d) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.

2. The governing body of a municipality may combine a statement or plan required by subsection 1 with the corresponding statement or plan of another municipality if both municipalities have the same governing body or the governing bodies of both municipalities agree to such a combination.

3. The governing body of each municipality shall update all statements and plans required by subsection 1 not less frequently than annually.

4. The provisions of this section do not apply to the Airport Authority of Washoe County [so long as] *if* the authority does not have any general obligation bonds outstanding and does not issue or propose to issue any such bonds. At least 30 days before each annual meeting of the commission, the authority shall submit to the department of [taxation] *revenue* a written statement regarding whether the authority is planning to propose to issue any general obligation bonds before the next following annual meeting of the commission.

**Sec. 37.** NRS 350.004 is hereby amended to read as follows:

350.004 1. Before any proposal to incur a general obligation debt or levy a special elective tax may be submitted to the electors of a municipality, or before any other formal

action may be taken preliminary to the incurrence of any general obligation debt, the proposed incurrence or levy must receive the favorable vote of two-thirds of the members of the commission of each county in which the municipality is situated.

2. Before the board of trustees of a district organized or reorganized pursuant to chapter 318 of NRS whose population within its boundaries is less than 5,000 [,] borrows money or issues securities to evidence such borrowing, other than securities representing a general obligation debt, the proposed borrowing or issuing of securities must receive the favorable vote of a majority of the members of the commission of each county in which the district is situated.

3. When any municipality other than a general improvement district whose population within its boundaries is less than 5,000 [,] issues any special obligations, it shall so notify in its annual report the commission of each county in which any of its territory is situated.

4. The commission shall not approve any proposal submitted to it pursuant to this section by a municipality:

(a) Which, if the proposal is for the financing of a capital improvement, is not included in its plan for capital improvement submitted pursuant to NRS 350.0035, if such a plan is required to be submitted; or

(b) If, based upon:

(1) Estimates of the amount of tax revenue from ad valorem taxes needed for the special elective tax, or to repay the general obligation debt, and the dates that revenue will be needed, as provided by the municipality;

(2) Estimates of the assessed valuation of the municipality for each of the years in which tax revenue is needed, as provided by the municipality;

(3) The amount of any other required levies of ad valorem taxes, as shown on the most recently filed final budgets of each entity authorized to levy ad valorem taxes on any property within the municipality submitting the proposal; and

(4) Any other factor the municipality discloses to the commission, the proposal would result in a combined property tax rate in any of the overlapping entities within the county which exceeds the limit provided in NRS 361.453, unless the proposal also includes an agreement approved by the governing bodies of all affected municipalities within the area as to how the combined property tax rates will be brought into compliance with the statutory limitation.

5. If general obligation debt is to be incurred more than 36 months after the approval of that debt by the commission, the governing body of the municipality shall obtain the approval of the executive director of the department of [taxation] *revenue* before incurring the general obligation debt. The executive director shall approve the proposal if, based on the information set forth in paragraph (b) of subsection 4 that is accurate as of the date on which the governing body submits its request for approval to the executive director:

(a) Incurrence of the general obligation debt will not result in a combined property tax rate in any of the overlapping entities within the county which exceeds the limit provided in NRS 361.453; or

(b) The proposal includes an agreement approved by the governing bodies of all affected municipalities within the area as to how the combined tax rates will be brought into compliance with the statutory limitation.

The approval of the executive director is effective for 18 months. The governing body of the municipality may renew that approval for successive periods of 18 months by filing an application for renewal with the executive director. Such an application must be accompanied by the information set forth in paragraph (b) of subsection 4 that is accurate as of the date the governing body files the application for renewal.

6. If the executive director does not approve a proposal submitted to him pursuant to subsection 5, the governing body of the municipality may appeal his decision to the Nevada tax commission.

**Sec. 38.** NRS 350.089 is hereby amended to read as follows:

350.089 Except as otherwise provided in NRS 496.155:

1. Upon the adoption of a resolution for a medium-term obligation, as provided in NRS 350.087, by a local government, a certified copy thereof must be forwarded to the executive director of the department of [taxation.] *revenue*. As soon as is practicable, the executive director of the department of [taxation] *revenue* shall, after consideration of the

tax structure of the local government concerned and the probable ability of the local government to repay the requested medium-term obligation, approve or disapprove the resolution in writing to the governing board. No such resolution is effective until approved by the executive director of the department of [taxation.] *revenue*. The written approval of the executive director of the department of [taxation] *revenue* must be recorded in the minutes of the governing board.

2. If the executive director of the department of [taxation] *revenue* does not approve the resolution for the medium-term obligation, the governing board of the local government may appeal the executive director's decision to the Nevada tax commission.

**Sec. 39.** NRS 350.093 is hereby amended to read as follows:

350.093 1. After a medium-term obligation has been authorized as provided in NRS 350.089 and if, in the judgment of the governing board of the local government, the fiscal affairs of the local government can be carried on without impairment and there is sufficient money in the general fund or a surplus in any other fund, with the exception of the bond interest and redemption fund, of the local government, the governing board may transfer from the general fund or from the surplus appearing in any fund, with the exception of the bond interest and redemption fund, money sufficient to meet the purpose of the medium-term obligation.

2. When such a transfer is made, the governing board of the local government shall comply with the provisions of NRS 350.095, and when the special tax is thereafter

collected, the amount so collected must be placed immediately in the fund from which the loan was made.

3. In cases where the fund from which the loan was made, at the time of the transfer of [funds] *money* therefrom, contains a surplus that in the judgment of the executive director of the department of [taxation] *revenue* is or will not be needed for the purposes of the fund in the ordinary course of events, the special tax need not be levied, collected and placed in the fund from which the loan was made, but the transfer shall be deemed refunded for all purposes of NRS 350.089 to 350.095, inclusive.

**Sec. 40.** NRS 350.155 is hereby amended to read as follows:

350.155 1. Except as otherwise provided in subsection 2, a municipality shall sell the bonds it issues by competitive bid if the credit rating for the bonds or any other bonds of the municipality with the same security, determined without regard to insurance for the bonds or any other independent enhancement of credit, is rated by a nationally recognized rating service as "A-," "A," "AA," "AAA," or their equivalents, 90 days before and on the day the bonds are sold and:

- (a) The bonds are general obligation bonds;
- (b) The primary security for the bonds is an excise tax; or
- (c) The bonds are issued pursuant to chapter 271 of NRS and are secured by a pledge of the taxing power and the general fund of the municipality.

2. The provisions of subsection 1 and NRS 350.175 and 350.185 do not apply to:

- (a) Any bond which is issued with a variable rate of interest.
- (b) A bond issue whose principal amount is \$1,000,000 or less.
- (c) A bond issue with a term of 3 years or less.
- (d) A bond issue for which an invitation for competitive bids was issued and for which no bids were received or all bids were rejected.
- (e) Leases, contracts for purchase by installment and certificates of participation if the obligations of the municipality thereunder will terminate when the municipality fails to appropriate money to pay that obligation for the next fiscal year.
- (f) Economic development revenue bonds issued pursuant to the city economic development revenue bond law or the county economic development revenue bond law.
- (g) Bonds sold by the municipality to:
  - (1) The United States or any agency or instrumentality thereof;
  - (2) The State of Nevada;
  - (3) Any other municipality; or
  - (4) Not more than 10 investors each of whom certifies that he:
    - (I) Has a net worth of \$500,000 or more; and
    - (II) Is purchasing for investment and not for resale.
- (h) Bonds which require unusual methods of financing, if the chief administrative officer of the municipality certifies in writing that the proposed method of financing:
  - (1) Has not been used previously by any municipality in this state; and

(2) May provide a substantial benefit to the municipality.

(i) Refunding bonds, if the chief administrative officer of the municipality certifies in writing that the use of a negotiated sale may provide a substantial benefit to the municipality which would not be available if the bonds were sold by competitive bid.

(j) Bonds which are sold at a time when, because of particular conditions in the market, a negotiated sale may provide a benefit to the municipality which would not be available if the bonds were sold by competitive bid, if the chief administrative officer of the municipality so certifies in writing.

(k) Bonds which are issued pursuant to chapter 271 of NRS and are not secured by a pledge of the taxing power and general fund of the municipality.

(l) Revenue bonds which are issued pursuant to chapter 350A of NRS and are secured by a pledge of the allocable local revenues of the municipality.

3. The certificate required by paragraph (h) of subsection 2 must specifically describe the proposed method of financing. The certificate required by paragraph (i) of subsection 2 must specifically describe the circumstances that may provide a substantial benefit if the refunding bonds are negotiated. The certificate required by paragraph (j) of subsection 2 must specifically describe the particular conditions in the market which indicate that a negotiated sale of the bonds may provide a benefit to the municipality. Each certificate required pursuant to subsection 2 must be submitted to the governing body of the municipality at a regularly scheduled meeting of that body and include:



(a) The estimated amount of the benefit which will accrue to the municipality.

(b) If the municipality has a financial adviser, a written report prepared by that financial adviser which specifically describes the method of sale which will be used for the proposed financing.

4. A copy of:

(a) The certificate required by paragraph (h), (i) or (j) of subsection 2; and

(b) The report required pursuant to subsection 3,

must be filed with the general obligation bond commission of the county where the municipality is located, the county clerk and the department of [taxation.] *revenue*. Before entering into a contract to sell bonds, at least two-thirds of the members of the governing body of the municipality must approve the certificate.

5. If a municipality is required to sell the bonds it issues by competitive bid pursuant to the provisions of this section, it must cause an invitation for competitive bids, or notice thereof, to be published before the date of the sale in the daily or weekly version of the Bond Buyer, published at One State Street Plaza in New York City, New York, or any successor publication.

6. As used in this section "invitation for competitive bids" means a process by which sealed bids or the reasonable equivalent thereof, as approved by the governing body of a municipality, are solicited, received and publicly opened at a specified time, place and date.

**Sec. 41.** NRS 350.575 is hereby amended to read as follows:

350.575 1. Upon the adoption of a resolution to finance the preservation or restoration of a historic structure, in the manner provided in NRS 350.087, by a municipality, a certified copy thereof must be forwarded to the executive director of the department of [taxation,] *revenue*, accompanied by a letter from the office of historic preservation of the department of museums, library and arts certifying that the preservation or restoration conforms to accepted standards for such work. As soon as is practicable, the executive director of the department of [taxation] *revenue* shall, after consideration of the tax structure of the municipality concerned and the probable ability of the municipality to repay the requested financing, approve or disapprove the resolution in writing to the governing board. No such resolution is effective until approved by the executive director of the department of [taxation.] *revenue*. The written approval of the executive director of the department of [taxation] *revenue* must be recorded in the minutes of the governing board.

2. If the executive director of the department of [taxation] *revenue* does not approve the financing resolution, the governing board of the municipality may appeal the executive director's decision to the Nevada tax commission.

3. As used in this section, "historic structure" means a building, facility or other structure which is eligible for listing in the state register of historic places under NRS 383.085.

**Sec. 42.** NRS 350A.153 is hereby amended to read as follows:

350A.153 1. This chapter does not confer upon a municipality authority to pledge revenues for the payment of revenue securities. Any such authority must be derived from other law.

2. No state securities may be issued pursuant to this chapter for the purpose of acquiring revenue securities unless the governing body of the municipality issuing the revenue securities includes within the ordinance, resolution or other instrument authorizing the issuance of the revenue securities a statement authorizing the state treasurer and any other appropriate state officer to withhold from any allocable local revenues to which the municipality is otherwise entitled an amount necessary and legally available to pay the principal and interest due on the revenue securities if the municipality fails to pay timely [such] *the* principal and interest. The governing body of the municipality shall provide to the state treasurer:

(a) A copy of the ordinance, resolution or other instrument authorizing the issuance of the revenue securities;

(b) A schedule of payments for the revenue securities; and

(c) The name and address of the person from whom payments of principal and interest on the revenue securities will be received by the state treasurer.

3. Payments of principal and interest on revenue securities must be due not later than 1 working day before the payments of principal and interest are due on the state securities issued to acquire the revenue securities. If a payment of the principal or interest on revenue

securities is not received by the state treasurer by the date on which the payment is due, the state treasurer shall immediately notify the municipality to determine if the payment will be immediately forthcoming. If the payment will not be immediately forthcoming, the state treasurer shall:

(a) Forward the amount necessary to make the payment from any legally available money in the reserve fund created for that purpose in the bond bank fund; and

(b) Withhold that amount from the next payment to the municipality of allocable local revenues legally available therefor. If the amount so withheld is insufficient to pay the amount due, the state treasurer may continue to withhold any amounts necessary from subsequent payments to the municipality until the amount due is paid.

4. If, after being notified pursuant to this section, a municipality fails to make a payment of principal or interest on any revenue securities issued by it, the state treasurer shall notify the department of [taxation] *revenue* and request that action be taken pursuant to the provisions of NRS 354.685.

5. The state controller and the director of the department of administration shall approve requisitions or transfers required pursuant to this section and take such other action as is necessary to carry out the provisions of this section.

**Sec. 43.** NRS 354.474 is hereby amended to read as follows:

354.474 1. Except as otherwise provided in subsections 2 and 3, the provisions of NRS 354.470 to 354.626, inclusive, apply to all local governments. For the purpose of NRS 354.470 to 354.626, inclusive:

(a) "Local government" means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 309, 318, 379, 474, 541, 543 and 555 of NRS, NRS 450.550 to 450.700, inclusive, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision.

(b) "Local government" does not include the Nevada rural housing authority.

2. An irrigation district organized pursuant to chapter 539 of NRS shall fix rates and levy assessments as provided in NRS 539.667 to 539.683, inclusive. The levy of such assessments and the posting and publication of claims and annual financial statements as required by chapter 539 of NRS shall be deemed compliance with the budgeting, filing and publication requirements of NRS 354.470 to 354.626, inclusive, but any such irrigation district which levies an ad valorem tax shall comply with the filing and publication requirements of NRS 354.470 to 354.626, inclusive, in addition to the requirements of chapter 539 of NRS.

3. An electric light and power district created pursuant to chapter 318 of NRS shall be deemed to have fulfilled the requirements of NRS 354.470 to 354.626, inclusive, for a year in which the district does not issue bonds or levy an assessment if the district files with the department of [taxation] *revenue* a copy of all documents relating to its budget for that year which the district submitted to the Rural Electrification Administration of the United States Department of Agriculture.

**Sec. 44.** NRS 354.475 is hereby amended to read as follows:

354.475 1. All special districts subject to the provisions of the Local Government Budget Act with annual total expenditures of less than \$100,000 may petition the department of [taxation] *revenue* for exemption from the requirements of the Local Government Budget Act for the filing of certain budget documents and audit reports. [Such] *Those* districts may further petition to return to a cash method of accounting. The minimum required of [such] *those* districts is the filing with the department of [taxation] *revenue* of an annual budget on or before April 15 of each year and the filing of quarterly reports in accordance with NRS 354.602. [Such] *The* petitions must be received by the department of [taxation] *revenue* before December 31 to be effective for the succeeding fiscal year or, in a case of an annual audit exemption, to be effective for the current fiscal year. A board of county commissioners may request the department of [taxation] *revenue* to audit the financial records of such an exempt district.

2. Such districts are exempt from all publication requirements of the Local Government Budget Act, except that the department of [taxation] *revenue* by regulation shall require an annual publication of a notice of budget adoption and filing. The department of [taxation] *revenue* shall adopt regulations pursuant to NRS 354.594 which are necessary to carry out the purposes of this section.

3. The revenue recorded in accounts that are kept on a cash basis must consist of cash items.

4. As used in this section, “cash basis” means the system of accounting under which revenues are recorded only when received and expenditures or expenses are recorded only when paid.

**Sec. 45.** NRS 354.524 is hereby amended to read as follows:

354.524 “Final budget” means the budget that has been adopted by a local governing body or adopted by default as defined by NRS 354.470 to 354.626, inclusive, and approved by the department of [taxation] *revenue* for the ensuing fiscal year.

**Sec. 46.** NRS 354.578 is hereby amended to read as follows:

354.578 “Tentative budget” means the budget that is prepared initially, published and recorded by each local government for an ensuing fiscal year [prior to] *before* its approval by the department of [taxation] *revenue* and such other supervisory bodies as are charged by law with the examination of tentative budgets, and [prior to] *before* its subsequent adoption.

**Sec. 47.** NRS 354.594 is hereby amended to read as follows:

354.594 The department of [taxation] *revenue* shall determine and advise local government officers of regulations, procedures and report forms for compliance with NRS 354.470 to 354.626, inclusive. It shall make such determinations after hearing the advice and recommendations of the committee on local government finance.

**Sec. 48.** NRS 354.595 is hereby amended to read as follows:

354.595 Whenever any document, supporting information or related schedule concerning the budget of a local government is filed with the department of [taxation] *revenue* or the Nevada tax commission, the executive director of *the department of revenue* shall immediately deliver a copy to the legislative counsel bureau.

**Sec. 49.** NRS 354.596 is hereby amended to read as follows:

354.596 1. On or before April 15 of each year, the officer charged by law shall prepare, or the governing body shall cause to be prepared, on appropriate forms prescribed by the department of [taxation] *revenue* for the use of local governments, a tentative budget for the ensuing fiscal year. The tentative budget and a copy of the local government's report of its proposed expenditures for the following fiscal year must be submitted to the county auditor and filed for public record and inspection in the office of:

- (a) The clerk or secretary of the governing body; and
- (b) The county clerk.



The report must be written in the same detail as its chart of accounts. The total amount of the expenditures contained in this report [equal] *equals* the total amount of expenditures contained in its tentative budget for each department and fund listed in that budget.

2. At the time of filing the tentative budget, the governing body shall give notice of the time and place of a public hearing on the tentative budget and shall cause a notice of the hearing to be published once in a newspaper of general circulation within the area of the local government not more than 14 nor less than 7 days before the date set for the hearing.

The notice of public hearing must state:

- (a) The time and place of the public hearing.
- (b) That a tentative budget has been prepared in such detail and on appropriate forms as prescribed by the department of [taxation.] *revenue*.
- (c) The places where copies of the tentative budget are on file and available for public inspection.

3. Budget hearings must be held:

- (a) For county budgets, on the third Monday in May;
- (b) For cities, on the third Tuesday in May;
- (c) For school districts, on the third Wednesday in May; and
- (d) For all other local governments, on the third Thursday in May,

except that the board of county commissioners may consolidate the hearing on all local government budgets administered by the board of county commissioners with the county budget hearing.

4. On or before April 15, a copy of the tentative budget and notice of public hearing must be submitted:

(a) To the department of [taxation;] *revenue*; and

(b) In the case of school districts, to the [state] department of education.

5. The department of [taxation] *revenue* shall examine the submitted documents for compliance with law and with appropriate regulations and shall submit to the governing body , at least 3 days before the public hearing , a written certificate of compliance or a written notice of lack of compliance. The written notice must indicate the manner in which the submitted documents fail to comply with law or appropriate regulations.

6. Whenever the governing body receives from the department of [taxation] *revenue* a notice of lack of compliance, the governing body shall forthwith proceed to amend the tentative budget to effect compliance with the law and with the appropriate regulation.

7. If any change which results in an increase in the amount of revenue required from property taxes is made in a tentative budget after it has been submitted to the county auditor pursuant to subsection 1, the amended tentative budget must be submitted to the county auditor at least 30 days before it may be adopted as the final budget.

**Sec. 50.** NRS 354.598 is hereby amended to read as follows:

354.598 1. At the time and place advertised for public hearing, or at any time and place to which the public hearing is from time to time adjourned, the governing body shall hold a public hearing on the tentative budget, at which time interested persons must be given an opportunity to be heard.

2. At the public hearing, the governing body shall indicate changes, if any, to be made in the tentative budget, and shall adopt a final budget by the favorable votes of a majority of all members of the governing body. Except as otherwise provided in this subsection, the final budget must be adopted on or before June 1 of each year. The final budgets of school districts must be adopted on or before June 8 of each year. [Should] *If* the governing body [fail] *fails* to adopt a final budget that complies with the requirements of law and the regulations of the department of [taxation] *revenue* on or before the required date, the budget adopted and approved by the department of [taxation] *revenue* for the current year, adjusted as to content and rate in such a manner as the department [of taxation] may consider necessary, automatically becomes the budget for the ensuing fiscal year. When a budget has been so adopted by default, the governing body may not reconsider the budget without the express approval of the department of [taxation.] *revenue*. If the default budget creates a combined ad valorem tax rate in excess of the limit imposed by NRS 361.453, the Nevada tax commission shall adjust the budget as provided in NRS 361.4547 or 361.455.

3. The final budget must be certified by a majority of all members of the governing body and a copy of it, together with an affidavit of proof of publication of the notice of the

public hearing, must be transmitted to the Nevada tax commission. If a tentative budget is adopted by default as provided in subsection 2, the clerk of the governing body shall certify the budget and transmit to the Nevada tax commission a copy of the budget, together with an affidavit of proof of the notice of the public hearing, if that notice was published. Certified copies of the final budget must be distributed as determined by the department of [taxation.] *revenue*.

4. Upon the adoption of the final budget or the amendment of the budget in accordance with NRS 354.606, the several amounts stated in it as proposed expenditures are appropriated for the purposes indicated in the budget.

5. No governing body may adopt any budget which appropriates for any fund any amount in excess of the budget resources of that fund.

**Sec. 51.** NRS 354.59803 is hereby amended to read as follows:

354.59803 1. In each year in which the legislature convenes, a local government which expends more than \$6,000 on activities designed to influence the passage or defeat of any legislation shall file with the department of [taxation] *revenue* within 30 days after the close of the legislative session a report supplemental to its final budget which includes separate items for expenses relating to that activity, including:

(a) Transportation.

(b) The lodging and meals of its officers, lobbyists or employees.

(c) The amount of money spent on entertainment, gifts or other expenses which are required to be reported pursuant to NRS 218.900 to 218.944, inclusive.

(d) The amount of money spent in Carson City on supplies, equipment, facilities, personnel and services needed to support the activity.

(e) An identification of the fund, account or other source against which the expenses were charged.

2. The local government shall make a copy of the supplemental report available for inspection within 30 days after the close of the legislative session.

**Sec. 52.** NRS 354.59813 is hereby amended to read as follows:

354.59813 1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811, when the estimate of the revenue available from the supplemental city-county relief tax as determined by the executive director of the department of [taxation] *revenue* pursuant to the provisions of NRS 377.057 is less than the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the state, the governing body of each local government may levy an additional tax ad valorem for operating purposes. The total tax levied pursuant to this section must not exceed a rate calculated to produce revenue equal to the difference between the amount of revenue from supplemental city-county relief tax estimated to be received by that local government and the tax that it would have been estimated to receive if the estimate for the total revenue available from the tax was equal to

the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the state.

2. Any additional taxes ad valorem levied as a result of the application of this section must not be included in the base from which the allowed revenue from taxes ad valorem for the next subsequent year is computed.

**Sec. 53.** NRS 354.5982 is hereby amended to read as follows:

354.5982 1. The local government may exceed the limit imposed by NRS 354.59811 upon the calculated receipts from taxes ad valorem only if its governing body proposes to its registered voters an additional levy ad valorem, specifying the amount of money to be derived, the purpose for which it is to be expended and the duration of the levy, and the proposal is approved by a majority of the voters voting on the question at a primary or general election or a special election called for that purpose. The duration of the levy must not exceed 30 years. The governing body may discontinue the levy before it expires and may not thereafter reimpose it in whole or in part without following the procedure required for its original imposition.

2. A special election may be held only if the governing body of the local government determines, by a unanimous vote, that an emergency exists. 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 unexpected occurrence or combination of occurrences which requires immediate action by the governing body of the local government to prevent or mitigate a substantial financial loss to the local government or to enable the governing body to provide an essential service to the residents of the local government.

3. To the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811 for a local government, the executive director of the department of [taxation] *revenue* shall add any amount approved by the legislature for the cost to that local government of any substantial program or expense required by legislative enactment.

4. Except as otherwise provided in this subsection, if one or more local governments take over the functions previously performed by a local government which no longer exists, the Nevada tax commission shall add to the allowed revenue from taxes ad valorem and the basic ad valorem revenue, respectively, otherwise allowable to the local government or local governments pursuant to NRS 354.59811 and 377.057, an amount equal to the allowed revenue from taxes ad valorem and the basic ad valorem revenue, respectively, for the last fiscal year of existence of the local government whose functions were assumed. If more than one local government assumes the functions, the additional revenue must be divided among the local governments on the basis of the proportionate costs of the functions assumed. The Nevada tax commission shall not allow any increase in the allowed revenue from taxes ad valorem or basic ad valorem revenue if the increase would result in a

decrease in revenue of any local government in the county which does not assume those functions.

**Sec. 54.** NRS 354.59872 is hereby amended to read as follows:

354.59872 1. A local government may apply to the committee on local government finance for a determination of the amount of revenue from population-based taxes the local government lost as a result of the incorporation of a new city on or after July 1, 1989.

2. Within 60 days after the receipt of a request made pursuant to subsection 1, the committee on local government finance shall make a determination of the amount of revenue from population-based taxes the local government lost as a result of the incorporation of a new city on or after July 1, 1989, and transmit it to the department of [taxation] *revenue* and the local government which made the request.

3. Upon receipt of the determination of the committee on local government finance, the local government may petition the Nevada tax commission for approval of the determination. As soon as practicable after receipt of such a request, the Nevada tax commission shall review the determination and may accept, reject or amend the determination. The decision of the Nevada tax commission is final.

4. Upon receipt of a final determination from the Nevada tax commission pursuant to this section, the executive director of the department of [taxation] *revenue* shall add the amount approved by the Nevada tax commission to the allowed revenue from taxes ad valorem of the local government.



**Sec. 55.** NRS 354.59874 is hereby amended to read as follows:

354.59874 Except as otherwise provided in subsection 4 of NRS 354.5982 and subsection 2 of NRS 354.5987, if one local government takes over a function or provides a service previously performed by another local government pursuant to an agreement between the local governments, upon petition by the participating local governments, the executive director of the department of [taxation] *revenue* shall:

1. Reduce the allowed revenue from taxes ad valorem calculated pursuant to NRS 354.59811 of the local government which previously performed the function or provided the service, for the first year the service is provided or the function is performed by an amount equal to the cost of performing the function or providing the service; and

2. Increase the allowed revenue from taxes ad valorem calculated pursuant to NRS 354.59811 of the local government which assumed the performance of the function or the provision of the service, for the first year the service is provided or the function is performed by an amount equal to the amount by which the reduction was made pursuant to subsection 1.

**Sec. 56.** NRS 354.59891 is hereby amended to read as follows:

354.59891 1. As used in this section:

- (a) "Building permit basis" means the combination of the rate and the valuation method used to calculate the total building permit fee.

(b) "Building permit" means the official document or certificate issued by the building officer of a local government which authorizes the construction of a structure.

(c) "Building permit fee" means the total fees that must be paid before the issuance of a building permit, including, without limitation, all permit fees and inspection fees. The term does not include, without limitation, fees relating to water, sewer or other utilities, residential construction tax, tax for the improvement of transportation imposed pursuant to NRS 278.710, any fee imposed pursuant to NRS 244.386 or any amount expended to change the zoning of the property.

2. Except as otherwise provided in subsections 3 and 4, a local government shall not increase its building permit basis by more than an amount equal to the building permit basis on June 30, 1989, multiplied by a percentage equal to the percentage increase in the consumer price index from January 1, 1988, to the January 1 next preceding the fiscal year for which the calculation is made.

3. A local government may submit an application to increase its building permit basis by an amount greater than otherwise allowable pursuant to subsection 2 to the Nevada tax commission. The Nevada tax commission may allow the increase only if it finds that:

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

(b) The building permit basis of the local government is substantially below that of other local governments in the state and the cost of providing the services associated with

the issuance of building permits in the previous fiscal year exceeded the total revenue received from building permit fees, excluding any amount of residential construction tax collected, for that fiscal year.

4. Upon application by a local government, the Nevada tax commission shall exempt the local government from the limitation on the increase of its building permit basis if:

(a) The local government creates an enterprise fund exclusively for fees for building permits;

(b) Any interest or other income earned on the money in the enterprise fund is credited to the fund; and

(c) The local government does not use any of the money in the enterprise fund for any purpose other than the actual direct and indirect costs of the program for the issuance of building permits, including, without limitation, the cost of checking plans, issuing permits, inspecting buildings and administering the program. The executive director of the department of [taxation] *revenue* shall adopt regulations governing the permissible expenditures from an enterprise fund pursuant to this paragraph.

**Sec. 57.** NRS 354.599 is hereby amended to read as follows:

354.599 1. If the legislature directs one or more local governments to establish a program or provide a service, or to increase a program or service already established which requires additional funding, a specified source for the additional revenue to pay the expense must be authorized by a specific statute. The additional revenue may only be used to pay

expenses directly related to the program or service. If a local government has money from any other source available to pay [such] *those* expenses, that money must be applied to the expenses before any money from the revenue source specified by statute.

2. In any year in which the legislature by law increases or decreases the revenues of a local government, and that increase or decrease was not included or anticipated in the local government's final budget as adopted pursuant to NRS 354.598, the governing body of any such local government may, before August 15 of the budget year, file an amended budget with the department of [taxation] *revenue* increasing or decreasing its anticipated revenues and expenditures from that contained in its final budget to the extent of the actual increase or decrease of revenues resulting from the legislative action.

3. In any year in which the legislature enacts a law requiring an increase or decrease in expenditures of a local government, which was not anticipated or included in its final budget as adopted pursuant to NRS 354.598, the governing body of any such local government may, before August 15 of the budget year, file an amended budget with the department of [taxation] *revenue* providing for an increase or decrease in expenditures from that contained in its final budget to the extent of the actual amount made necessary by the legislative action.

4. The amended budget, as approved by the department of [taxation,] *revenue*, is the budget of the local government for the current fiscal year.

**Sec. 58.** NRS 354.600 is hereby amended to read as follows:

354.600 1. Each budget [shall] *must* include detailed estimates of budget resources for the budget year classified by funds and sources in a manner and on forms prescribed by the department of [taxation.] *revenue*.

2. Each budget [shall] *must* include detailed estimates of expenditures for the budget year classified in a manner and on forms prescribed by the department of [taxation.] *revenue*.

**Sec. 59.** NRS 354.602 is hereby amended to read as follows:

354.602 1. Within 45 days after September 30, December 31 and March 31 and within 5 months, or in the case of a school district 4 months, after June 30 of each year, the governing board of each local government shall cause to be published a report in the form prescribed by the department of [taxation] *revenue* showing, for each item of detailed estimate required by NRS 354.600, the amount estimated and the amount actually received or expended. Any approved budget augmentation or medium-term obligations received must be included and briefly explained in a footnote. A copy of the report must be filed immediately:

- (a) With the department of [taxation;] *revenue*;
- (b) In the case of school districts, with the [state] department of education;
- (c) With any employee organization upon the written request of the employee organization recognized by the local government; and

(d) In the office of the clerk or secretary of the governing body, as a public record available for inspection by any interested person.

2. The governing board of each local government employer shall also supply, upon request by any organization entitled to request a report pursuant to paragraph (c) of subsection 1, a copy of each preliminary budget report or other fiscal report pertaining to the financial status of the local government, as those reports are prepared for use and consideration by the local government in the preparation of the budget or its amendments. The contents of those reports [shall] *must* be superseded as to the period covered by any final budget or amendment thereof.

**Sec. 60.** NRS 354.615 is hereby amended to read as follows:

354.615 1. If anticipated resources actually available during a budget period exceed those estimated, a local government may augment a budget in the manner provided [below:] *in this subsection:*

(a) If it is desired to augment the appropriations of a fund to which ad valorem taxes are allocated as a source of revenue, the governing body shall, by majority vote of all members of the governing body, adopt a resolution reciting the appropriations to be augmented, and the nature of the unanticipated resources intended to be used for the augmentation. Before the adoption of the resolution, the governing body shall publish notice of its intention to act thereon in a newspaper of general circulation in the county for at least one publication. No vote may be taken upon the resolution until 3 days after the publication of the notice.

(b) If it is desired to augment the budget of any other fund, the governing body shall adopt, by majority vote of all members of the governing body, a resolution providing therefor at a regular meeting of the body.

2. A budget augmentation becomes effective upon delivery to the department of [taxation] *revenue* of an executed copy of the resolution providing therefor.

**Sec. 61.** NRS 354.621 is hereby amended to read as follows:

354.621 Any ending balance of the general or a special revenue fund, other than those established solely for the purpose of administering federal, state or private grants in aid, which exceeds the sum of the money appropriated for the opening balance of that fund for the succeeding fiscal year and one-twelfth of the expenditures from that fund for the fiscal year just ended may only be used to augment the appropriations of the succeeding year upon the favorable vote of a majority of the members of the governing body and upon the consent of the executive director of the department of [taxation.] *revenue*. The executive director shall not approve such an application for augmentation unless it is for the sole purpose of replacing an identifiable appropriation for a specified purpose which lapsed at the end of the preceding fiscal year and which has not been reappropriated in the year in which the augmentation is to become effective. The local government may appeal the decision of the executive director to the Nevada tax commission, whose decision is final. If the executive director or the tax commission approves the augmentation, it must make written findings of the facts supporting its action.

**Sec. 62.** NRS 354.6215 is hereby amended to read as follows:

354.6215 Except as otherwise provided in NRS 354.6241, if a local government provides a fund for self-insurance of property, for any form of insurance for the benefit of its employees, or for any other risk that it is permitted by law to assume, the reserves or balance of a fund thus provided must not be expended for any purpose other than that for which the fund was established, except that when the governing body deems the reserve or balance to be no longer required, [either] in whole or in part, it shall transfer the excess balance to the general fund of the local government. Any such transfer must be reported to the department of [taxation] *revenue* within 30 days. Money so transferred is not available as a basis for augmentation of the local government's budget during the year of transfer.

**Sec. 63.** NRS 354.624 is hereby amended to read as follows:

354.624 1. Each local government shall provide for an annual audit of all of its:

- (a) Funds;
- (b) Account groups; and
- (c) Separate accounts established pursuant to NRS 354.603.

A local government may provide for more frequent audits as it deems necessary. Except as *otherwise* provided in subsection 2, each annual audit must be concluded and the report of the audit submitted to the governing body as provided in subsection 5 not later than 5 months after the close of the fiscal year for which the audit is conducted. An extension [of this time] may be granted by the department of [taxation] *revenue* to any local government



which makes application for an extension. If the local government fails to provide for an audit in accordance with the provisions of this section, the department of [taxation] *revenue* shall cause the audit to be made at the expense of the local government. All audits must be made by a public accountant certified or registered or by a partnership or professional corporation registered under the provisions of chapter 628 of NRS.

2. The annual audit of a school district must be concluded and the report submitted to the board of trustees as provided in subsection 5 not later than 4 months after the close of the fiscal year for which the audit is conducted.

3. The governing body may, without requiring competitive bids, designate the auditor or firm annually. The auditor or firm must be designated not later than 3 months before the close of the fiscal year for which the audit is to be made.

4. Each annual audit must cover the business of the local government during the full fiscal year. It must be a financial audit conducted in accordance with generally accepted auditing standards, including comment on compliance with statutes and regulations, recommendations for improvements and any other comments deemed pertinent by the auditor, including his expression of opinion on the financial statements. The form of the financial statements must be prescribed by the department of [taxation,] *revenue*, and the chart of accounts must be as nearly as possible the same as that used in the preparation and publication of the annual budget. The report of the audit must include:

(a) A schedule of all fees imposed by the local government which were subject to the provisions of NRS 354.5989;

(b) A comparison of operations of the local government with the approved budget and a statement from the auditor that previously noted deficiencies in operations and previously made recommendations for improvements contained in previous reports have been acted upon by adoption as recommended, adoption with modifications or rejection; and

(c) A statement from the auditor indicating whether each of the following funds established by the local government is being used expressly for the purposes for which it was created, in the form required by NRS 354.6241:

(1) An enterprise fund.

(2) An internal service fund.

(3) A trust and agency fund.

(4) A self-insurance fund.

(5) A fund whose balance is required by law to be:

(I) Used only for a specific purpose other than the payment of compensation to a bargaining unit, as defined in NRS 288.028; or

(II) Carried forward to the succeeding fiscal year in any designated amount.

5. The recommendations and the summary of the narrative comments contained in the report of the audit must be read in full at a meeting of the governing body held not more than 30 days after the report is submitted to it. Immediately thereafter, the entire report,

together with any related letter to the governing body required by generally accepted auditing standards or by regulations adopted pursuant to NRS 354.594, must be filed as a public record with:

- (a) The clerk or secretary of the governing body;
- (b) The county clerk;
- (c) The department of [taxation;] *revenue*; and
- (d) In the case of a school district, the department of education.

6. The governing body shall act upon the recommendations of the report of the audit within 3 months after receipt of the report, unless prompter action is required concerning violations of law or regulation, by setting forth in its minutes its intention to adopt the recommendations, to adopt them with modifications or to reject them for reasons shown in the minutes.

**Sec. 64.** NRS 354.6245 is hereby amended to read as follows:

354.6245 1. The department of [taxation] *revenue* shall review each annual audit to determine whether it complies with regulations adopted pursuant to NRS 354.594. Any independent auditor's report, whether upon financial position and results of operations or upon internal financial controls, which the department *of revenue* believes may not comply with those regulations must be referred by the department to the *Nevada* state board of accountancy for investigation and such action in respect to the issuing accountant as the board may find appropriate in the circumstances.

2. In its review of the annual audits submitted, the department *of revenue* shall identify all violations of statute and regulation reported therein. Within 60 days after the delivery of the annual audit to the local government, the governing body shall advise the department *of revenue* what action has been taken to prevent recurrence of each violation of law or regulation or to correct each continuing violation. The department *of revenue* shall evaluate the local government's proposed plan of correction and, if the plan is satisfactory, shall so advise the governing body. If the plan is not satisfactory, the department *of revenue* shall advise the governing body that it deems the plan inadequate and propose an alternative plan. Within 30 days thereafter the governing body shall report its assent to the [department's] *alternate* plan or request a hearing before the Nevada tax commission. This hearing must be held at the next meeting of the commission, but the hearing must not be held more than 90 days after such a request is received. The determination of the Nevada tax commission is final.

3. If the governing body fails to submit a proposed plan of correction pursuant to subsection 2, or the executive director *of the department of revenue* determines that the plan established is not being complied with, he must, through the office of the attorney general, seek a writ from a court of competent jurisdiction to compel compliance.

**Sec. 65.** NRS 354.625 is hereby amended to read as follows:

354.625 The governing body of every local government shall:

1. Cause to be established and maintained adequate property and equipment records and, where appropriate, adequate inventory controls. Any local government created after July 1, 1975, shall establish such records and controls within 1 year after its creation unless the department of [taxation] *revenue* grants an extension . [of time.]

2. Require that all such property, equipment and inventory records clearly indicate specific ownership.

3. Designate, by entry in the minutes of the governing body, the officer, employee or officers or employees responsible for the maintenance of property and equipment records and, where appropriate, inventory records, and notify the department of [taxation of such] *revenue of that* designation.

**Sec. 66.** NRS 354.655 is hereby amended to read as follows:

354.655 As used in NRS 354.655 to 354.725, inclusive, unless the context requires otherwise:

1. "Committee" means the committee on local government finance.
2. "Department" means the department of [taxation.] *revenue*.
3. "Executive director" means the executive director of the department . [of taxation.]
4. "Local government" means any local government subject to the provisions of the Local Government Budget Act.

5. The words and terms defined in the Local Government Budget Act have the meanings ascribed to them in that act.

**Sec. 67.** NRS 354.725 is hereby amended to read as follows:

354.725 1. The Nevada tax commission may, on its own motion or at the request of a local government, terminate the management of a local government by the department at any time upon a finding that the severe financial emergency has ceased to exist.

2. The governing body of a local government which has complied with all requests made by the department pursuant to NRS 354.695 may petition the Nevada tax commission for termination or modification of the management of the local government by the department or of any request made by the department pursuant to NRS 354.695.

3. The Nevada tax commission shall provide notice, a hearing and a written decision on each such petition.

4. In determining whether a condition of severe financial emergency should be terminated, the Nevada tax commission shall give consideration to the following:

(a) The local governing body has shown a desire and capability to manage the financial affairs of the local government in accordance with the provisions of NRS.

(b) The local government has staff available with sufficient financial expertise that they can adequately control the finances of the local government.

(c) All violations of statutes have been corrected.

(d) The local government has no funds with deficit fund balances.

(e) The local government has increased [their] *its* revenues or made appropriate expenditure reductions so that it is anticipated [they] *it* can operate for the next fiscal year in a positive cash and fund balance position.

(f) The governing body has expressed a determination through a resolution submitted to the department [of taxation] to manage [their] *its* affairs in accordance with NRS relating to financial matters and utilizing sound accounting and financial management practices.

5. The Nevada tax commission may require the governing body to submit special reports to the department for a period not to exceed 5 years as a condition of terminating the management of the local government by the department.

6. When a petition relating to a specific request is denied, the governing body may not resubmit a petition to terminate or modify that request until 3 months following the date of denial.

**Sec. 68.** NRS 356.200 is hereby amended to read as follows:

356.200 1. With unanimous consent of their bondsmen, county officers, other than county treasurers, may deposit county money received in their respective offices in any insured bank [,] or any insured savings and loan association located in the State of Nevada.

2. Whenever the written consent of any bondsman to such a deposit has not been obtained, the bondsman must, upon giving notice as required by law, be released from all responsibility on the bond of such an officer.

3. The accounts must be kept in the name of the county in such manner as the board of county commissioners may prescribe.

4. The balances in the insured banks or savings and loan associations, as certified by the proper officer thereof, and by oath of the county treasurer, may be counted as cash.

5. All money deposited in any depository bank or savings and loan association by such a county officer may be drawn out by him on check or order payable only to the county treasurer or his order, but every county assessor may also withdraw money received in payment for license fees for motor vehicles by check or order payable to the department of motor vehicles and public safety, and may also withdraw money received in payment for use taxes for motor vehicles by check or order payable to the department of [taxation.] *revenue.*

6. The county officer shall keep a register which shows the amount of county money on deposit and lists every check or order drawn upon the depository bank or savings and loan association, numbering the items consecutively.

7. The county officer maintaining a deposit in any depository bank shall draw upon the deposit not later than the 1st Monday of each month and whenever the deposit exceeds \$100 for the full amount of county money deposited therein, a withdrawal to be by check or order payable to the county treasurer, and shall thereupon deliver the withdrawal to the county treasurer.



8. This section does not apply to any deposit made by the clerk of any court pursuant to NRS 355.210

**Sec. 69.** NRS 387.1235 is hereby amended to read as follows:

387.1235 Local funds available are the sum of:

1. The amount computed by multiplying .0025 times the assessed valuation of the school district as certified by the department of [taxation] *revenue* for the concurrent school year; and

2. The proceeds of the local school support tax imposed by chapter 374 of NRS. The department of [taxation] *revenue* shall furnish an estimate of these proceeds to the superintendent of public instruction on or before July 15 for the fiscal year then begun, and the superintendent shall adjust the final apportionment of the current school year to reflect any difference between the estimate and actual receipts.

**Sec. 70.** NRS 387.303 is hereby amended to read as follows:

387.303 1. Not later than November 15 of each year, the board of trustees of each school district shall submit to the superintendent of public instruction and the department of [taxation] *revenue* a report which includes the following information:

(a) For each fund within the school district, including, without limitation, the school district's general fund and any special revenue fund which receives state money, the total number and salaries of licensed and nonlicensed persons whose salaries are paid from the fund and who are employed by the school district in full-time positions or in part-time

positions added together to represent full-time positions. Information must be provided for the current school year based upon the school district's final budget, including any amendments and augmentations thereto, and for the preceding school year. An employee must be categorized as filling an instructional, administrative, instructional support or other position.

(b) The count of pupils computed pursuant to paragraph (a) of subsection 1 of NRS 387.1233.

(c) The average daily attendance for the preceding school year and the estimated average daily attendance for the current school year of part-time pupils enrolled in courses which are approved by the department as meeting the requirements for an adult to earn a high school diploma.

(d) The school district's actual expenditures in the fiscal year immediately preceding the report.

(e) The school district's proposed expenditures for the current fiscal year.

(f) The salary schedule for licensed employees in the current school year and a statement of whether salary negotiations for the current school year have been completed. If salary negotiations have not been completed at the time the salary schedule is submitted, the board of trustees shall submit a supplemental report to the superintendent upon completion of negotiations or the determination of an arbitrator concerning the negotiations that includes the salary schedule agreed to or required by the arbitrator.

(g) The number of employees eligible for health insurance within the school district for the current and preceding fiscal years and the amount paid for health insurance for each such employee during those years.

(h) The rates for fringe benefits, excluding health insurance, paid by the school district for its licensed employees in the preceding and current fiscal years.

(i) The amount paid for extra duties, supervision of extracurricular activities and supplemental pay, and the number of employees receiving that pay in the preceding and current fiscal years.

2. On or before November 25 of each year, the superintendent of public instruction shall submit to the department of administration and the fiscal analysis division of the legislative counsel bureau, in a format approved by the director of the department of administration, a compilation of the reports made by each school district pursuant to subsection 1.

3. The superintendent shall, in the compilation required by subsection 2, reconcile the revenues and expenditures of the school districts with the apportionment received by those districts from the state distributive school account for the preceding year.

**Sec. 71.** NRS 444.616 is hereby amended to read as follows:

444.616 1. The state controller shall allocate and remit, on a quarterly basis, the money in the solid waste management account as follows:

(a) To the department of [taxation,] *revenue*, 0.5 percent.

(b) To the state department of conservation and natural resources, 44.5 percent.

(c) To the district board of health of the health district which has the largest population in this state, 30 percent.

(d) To the district board of health of the health district which has the second largest population in this state, 25 percent.

If more than two health districts are created within this state, the state department of conservation and natural resources shall transfer to the district boards of health of those additional districts an amount determined by the department to be necessary to carry out the health district's duties pursuant to NRS 444.440 to 444.620, inclusive. If less than two health districts are created within this state, the amount otherwise allocated to a health district must be allocated to the state department of conservation and natural resources.

2. The money allocated pursuant to subsection 1 to the state department of conservation and natural resources and the district boards of health must be used for solid waste management in accordance with NRS 444.440 to 444.620, inclusive.

3. The state department of conservation and natural resources shall transfer to the division of environmental protection of that department a portion of the money it receives pursuant to this section it deems necessary for use in educating the public concerning the objectives and functioning of the state's plan for solid waste management.

**Sec. 72.** NRS 444A.090 is hereby amended to read as follows:

444A.090 1. A person who sells a new tire for a vehicle to a customer for any purpose other than for resale by the customer in the ordinary course of business shall collect from the purchaser at the time he collects the applicable sales taxes for the sale a fee of \$1 per tire. A person who did not pay the fee imposed by this section at the time of purchase because he purchased the new tire for resale and who then makes any use of that tire other than to resell it in the ordinary course of business, shall pay the fee imposed by this section to the department of [taxation] *revenue* at the time of the first use of that tire for a purpose other than holding it for resale.

2. The seller shall account separately for all money received pursuant to subsection 1 as a deposit to be held in trust for the state. In accordance with the regulations adopted pursuant to subsection 3, the seller shall transmit 95 percent of the money held in trust pursuant to this section to the department of [taxation] *revenue* for deposit with the state treasurer for credit to the solid waste management account in the state general fund. The remaining 5 percent and all interest and income which accrued on the money while in trust with the seller become the property of the seller on the day the balance for the month is transmitted to the department of [taxation] *revenue* and may be retained by the seller to cover his related administrative costs.

3. The *executive* director of the department of [taxation] *revenue* shall adopt regulations establishing acceptable methods for accounting for and transmitting to the department money collected or required to be paid by retailers pursuant to subsection 1.

The regulations must include a designation of the persons responsible for payment. The regulations must, in appropriate situations, allow for the transmission of that money together with the payment of the applicable sales and use taxes.

4. In collecting the fee, the department of [taxation] *revenue* may employ any administrative and legal powers conferred upon it for the collection of the sales and use taxes by chapters 360 and 372 of NRS.

5. The fee imposed pursuant to subsection 1 does not apply to any tire included in the sale of a new or used vehicle unless the tire is sold in a separate transaction.

**Sec. 73.** NRS 450.240 is hereby amended to read as follows:

450.240 1. In all counties where a tax for the establishment and maintenance of a public hospital has been authorized by a majority of the voters voting for a bond issue in accordance with law, the supervision, management, government and control of the county hospital vests in and must be exercised by the board of hospital trustees for the county public hospital, and the institution must thereafter be operated by the board of hospital trustees.

2. Annually, upon the request of the board of hospital trustees, the board of county commissioners may levy a tax for the maintenance and operation of the county public hospital, excluding the establishment, maintenance or operation of any facility located outside the county or counties where the county hospital is established.

3. The resolution adopted by the board of county commissioners imposing a tax levy for a county public hospital must state:

(a) The portion of the levy which is necessary to retire hospital bonds and any other outstanding hospital securities, and to pay interest thereon;

(b) The portion of the levy which is necessary to pay for the care of indigent patients; and

(c) The portion of the levy which is necessary to pay for the cost of new equipment, replacement of old equipment and other improvements to the hospital not covered by specific bond issues or other securities and not included in the cost of care of indigent patients as provided in paragraph (b). The cost must be prorated to the county in accordance with the number of patient days of care of county patients.

4. The board of county commissioners may not levy a tax for the care of indigents in the county public hospital as a hospital expense unless the levy and its justification are included in the budget for the hospital fund submitted to the department of [taxation] *revenue* as provided by law.

**Sec. 74.** NRS 459.3824 is hereby amended to read as follows:

459.3824 1. The owner of a regulated facility shall pay to the division an annual fee based on the fiscal year. The annual fee for each facility is the sum of a base fee set by the state environmental commission and any additional fee imposed by the commission pursuant to subsection 2. The annual fee must be prorated and may not be refunded.

2. The state environmental commission may impose an additional fee upon the owner of a regulated facility in an amount determined by the commission to be necessary to enable the division to carry out its duties pursuant to NRS 459.380 to 459.3874, inclusive. The additional fee must be based on a graduated schedule adopted by the commission which takes into consideration the quantity of hazardous substances located at each facility.

3. After the payment of the initial annual fee, the division shall send the owner of a regulated facility a bill in July for the annual fee for the fiscal year then beginning which is based on the applicable reports for the preceding year.

4. The owner of a regulated facility shall submit, with any payment required by this section, the number assigned by the department of [taxation,] *revenue*, for the imposition and collection of taxes pursuant to chapter 364A of NRS, to the business for which the payment is made.

5. All fees collected pursuant to this section and any interest earned thereon must be deposited with the state treasurer for credit to the fund for precaution against chemical accidents, which is hereby created as a special revenue fund.

**Sec. 75.** NRS 482.225 is hereby amended to read as follows:

482.225 1. When application is made to the department for registration of a vehicle purchased in this state from a person other than a retailer required to be registered with the department of [taxation] *revenue* or of a vehicle purchased outside this state and not previously registered within this state where the registrant or owner at the time of purchase



was not a resident of or employed in this state, the department or its agent shall determine and collect any sales or use tax due and shall remit the tax to the department of [taxation] *revenue* except as otherwise provided in NRS 482.260.

2. If the registrant or owner of the vehicle was a resident of the state, or employed within the state, at the time of the purchase of that vehicle, it is presumed that the vehicle was purchased for use within the state and the representative or agent of the department of [taxation] *revenue* shall collect the tax and remit it to the department of [taxation.] *revenue*.

3. Until all applicable taxes and fees are collected, the department shall refuse to register the vehicle.

4. In any county whose population is less than 35,000, the department shall designate the county assessor as the agent of the department for the collection of any sales or use tax.

5. If the registrant or owner desires to refute the presumption stated in subsection 2 that he purchased the vehicle for use in this state, he must pay the tax to the department and [then] may submit his claim for exemption in writing, signed by him or his authorized representative, to the department together with his claim for refund of tax erroneously or illegally collected.

6. If the department finds that the tax has been erroneously or illegally collected, the tax must be refunded.

**Sec. 76.** NRS 482.260 is hereby amended to read as follows:

482.260 1. When registering a vehicle, the department and its agents or a registered dealer shall:

- (a) Collect the fees for license plates and registration as provided for in this chapter.
- (b) Collect the privilege tax on the vehicle, as agent for the county where the applicant intends to base the vehicle for the period of registration, unless the vehicle is deemed to have no base.
- (c) Collect the applicable taxes imposed pursuant to chapters 372, 374, 377 and 377A of NRS.
- (d) Issue a certificate of registration.
- (e) If the registration is performed by the department, issue the regular license plate or plates.
- (f) If the registration is performed by a registered dealer, provide information to the owner regarding the manner in which the regular license plate or plates will be made available to him.

2. Upon proof of ownership satisfactory to the director, he shall cause to be issued a certificate of ownership as provided in this chapter.

3. Every vehicle being registered for the first time in Nevada must be taxed for the purposes of the privilege tax for a 12-month period.

4. The department shall deduct and withhold 2 percent of the taxes collected pursuant to paragraph (c) of subsection 1 and remit the remainder to the department of [taxation.] *revenue.*

5. A registered dealer shall forward all fees and taxes collected for the registration of vehicles to the department.

**Sec. 77.** NRS 488.075 is hereby amended to read as follows:

488.075 1. The owner of each motorboat requiring numbering by this state shall file an application for a number and for a certificate of ownership with the division of wildlife of the state department of conservation and natural resources on forms approved by it accompanied by:

(a) Proof of payment of Nevada sales or use tax as evidenced by proof of sale by a Nevada dealer or by a certificate of use tax paid issued by the department of [taxation,] *revenue*, or by proof of exemption from those taxes as provided in NRS 372.320.

(b) Such evidence of ownership as the division of wildlife may require.

The division of wildlife shall not issue a number, a certificate of number or a certificate of ownership until this evidence is presented to it.

2. The application must be signed by the owner of the motorboat and must be accompanied by a fee of \$15 for the certificate of ownership and a fee according to the following schedule as determined by the straight line length which is measured from the tip of the bow to the back of the transom of the motorboat:

|   |      |
|---|------|
| Less than 13 feet.....                      | \$10 |
| 13 feet or more but less than 18 feet ..... | 15   |
| 18 feet or more but less than 22 feet ..... | 30   |
| 22 feet or more but less than 26 feet ..... | 45   |
| 26 feet or more but less than 31 feet ..... | 60   |
| 31 feet or more .....                       | 75   |

Except as otherwise provided in this subsection, all fees received by the division of wildlife under the provisions of this chapter must be deposited in the wildlife account in the state general fund and may be expended only for the administration and enforcement of the provisions of this chapter. On or before December 31 of each year, the division of wildlife shall deposit with the respective county school districts 50 percent of each fee collected according to the motorboat's length for every motorboat registered from their respective counties. Upon receipt of the application in approved form, the division of wildlife shall enter the application upon the records of its office and issue to the applicant a certificate of number stating the number awarded to the motorboat, a certificate of ownership stating the same information and the name and address of the registered owner and the legal owner.

3. A certificate of number may be renewed each year by the purchase of a validation decal. The fee for a validation decal is determined by the straight line length of the

motorboat and is equivalent to the fee set forth in the schedule provided in subsection 2.

The fee for issuing a duplicate validation decal is \$10.

4. The owner shall paint on or attach to each side of the bow of the motorboat the identification number in such manner as may be prescribed by regulations of the commission in order that the number may be clearly visible. The number must be maintained in legible condition.

5. The certificate of number must be pocket size and must be available at all times for inspection on the motorboat for which issued, whenever the motorboat is in operation.

6. The commission shall provide by regulation for the issuance of numbers to manufacturers and dealers which may be used interchangeably upon motorboats operated by the manufacturers and dealers in connection with the demonstration, sale or exchange of those motorboats. The fee for each such number is \$15.

**Sec. 78.** NRS 539.430 is hereby amended to read as follows:

539.430 The proposed local improvement, accompanied by the estimated cost thereof, a report of the district engineer, and the proposed method of financing the improvement, [shall] *must* be submitted by the board of directors of the district to the department of [taxation] *revenue* for its approval.

**Sec. 79.** NRS 539.433 is hereby amended to read as follows:

539.433 After approval by the department of [taxation,] *revenue*, the board of directors shall submit the question of whether the proposed improvement shall be authorized by the

electors of the affected improvement district at a special election or the next district election or primary or general state election.

**Sec. 80.** NRS 539.440 is hereby amended to read as follows:

539.440 After the plan has been approved by the department of [taxation] *revenue* and the bond issue or other indebtedness has been authorized at the election, the board of directors of the district shall proceed to apportion the benefits in the manner prescribed in this chapter.

**Sec. 81.** NRS 539.447 is hereby amended to read as follows:

539.447 1. Upon confirmation by the district court of the proceedings in respect to such local improvement, including all assessments of benefits, and upon the approval of the department of [taxation] *revenue* and the certification of the state controller, as provided for in NRS 539.640 to 539.665, inclusive, the board of directors shall negotiate the sale of the securities so authorized in the manner prescribed in this chapter for the sale of district bonds.

2. The proceeds of the sale [shall] *must* be deposited in a special fund to be designated Improvement District No. .... Fund, and thereupon the board of directors shall proceed with the improvement.

**Sec. 82.** NRS 539.463 is hereby amended to read as follows:

539.463 1. The board of directors of any irrigation district may cause funding or refunding bonds to be issued for the purpose of funding or refunding any or all outstanding

bonds, notes or certificates of indebtedness of any improvement district in the irrigation district.

2. [Such] *The* funding or refunding bonds [shall,] *must*, except as otherwise provided in NRS 539.463 to 539.475, inclusive, be issued in substantially the manner and form prescribed by this chapter for the issuance of other bonds of improvement districts in irrigation districts, and the provisions of this chapter concerning the authorization, certification, issuance and sale of bonds of improvement districts in irrigation districts are applicable to bonds issued under NRS 539.463 to 539.475, inclusive , [;] but no plan, estimate or report of the district engineer is required to be made or approved as provided in NRS 539.427 and 539.430, nor may any new apportionment of benefits in respect of [such] *those* bonds be required to be made or confirmed by the district court, but instead the board of directors of any irrigation district desiring to fund or refund any of the bonds, notes or certificates of indebtedness of any improvement district in the irrigation district may submit its proposed plan for the funding or refunding of [such] *those* bonds, notes or certificates of indebtedness to the department of [taxation.] *revenue*.

**Sec. 83.** NRS 539.465 is hereby amended to read as follows:

539.465 1. If the proposed plan for the funding or refunding of bonds, notes or certificates of indebtedness is approved by the department of [taxation,] *revenue*, the board of directors of the irrigation district shall submit the question concerning authorization of

the plan for the funding or refunding of bonds to the electors of the district at a special election or the next district election or primary or general state election.

2. The result of the election must be determined and declared substantially in the same manner as provided by this chapter for the issuance of other bonds of improvement districts in irrigation districts, except that a majority vote only is required for the authorization of those funding or refunding bonds.

3. The maturity of the funding or refunding bonds must be fixed by the board of directors of the irrigation district, subject to the approval of the department of [taxation,] *revenue*, but in no case may the maturity of any of the bonds be more than 40 years from the date thereof. The rate of interest on those bonds must not exceed by more than 5 percent the Index of Revenue Bonds which was most recently published before the bids are received or a negotiated offer is accepted, payable semiannually.

**Sec. 84.** NRS 539.473 is hereby amended to read as follows:

539.473 If the proposed plan for the funding or refunding of such bonds, notes or certificates of indebtedness is approved by the department of [taxation,] *revenue*, and the funding or refunding bonds are authorized as provided in NRS 539.463 to 539.475, inclusive, the funding or refunding bonds [shall] *must* be certified by the state controller in the manner and with the effect prescribed in NRS 539.640 to 539.665, inclusive.

**Sec. 85.** NRS 539.575 is hereby amended to read as follows:



539.575 1. The board *of directors* may use any bonds of the district which have been offered for sale at public sale and remain unsold in payment for construction of canals, storage reservoirs or other works of the district, without the necessity of calling for bids for [such] *that* construction, and may enter into contracts providing for the payment of [such] *that* construction in bonds, which contracts may provide for the payment of a fixed contract price or the cost of [such] *that* construction plus a fixed percentage thereof, or the cost of [such] *that* construction plus a fixed sum.

2. Ninety percent of their par value and interest accrued thereon is the minimum price at which the bonds may be used in payment for [such] *that* construction.

3. Such use of bonds and any such contract must be approved by the department of [taxation.] *revenue*.

**Sec. 86.** NRS 539.595 is hereby amended to read as follows:

539.595 1. Whenever an election has been held in any irrigation district and bonds have been authorized to be issued having the maturities prescribed in NRS 539.615 to 539.635, inclusive, which bonds have likewise been authorized to be issued by the board of directors of [such] *the* district but have not been delivered, the board of directors, subject to the approval of the department of [taxation.] *revenue*, may agree with any prospective purchaser of [such bonds prior to] *those bonds before* delivery and payment of the purchase price, that the irrigation district will, during the life of the bonds, levy a minimum tax in each year [prior to] *before* the fixed maturity date of [such] *those* bonds, or any of them,

which agreement [shall] *must* be in writing signed by the president and secretary of the district, and bearing upon its face the approval of the department of [taxation, and shall] *revenue and* be filed in the office of the county recorder of each county in which the district is located.

2. When so filed for record, the agreement constitutes a binding and irrevocable agreement on the part of the district that such taxes will be levied, and the agreement inures to the benefit of the holders or owners of each of the bonds at any time outstanding, so as to give to them, or either of them, a right of action against the district to compel the levy of [such] *those* taxes as provided in the agreement.

3. A copy of the agreement, certified by each of the county recorders in whose office the agreement is recorded, [shall] *must* be filed with the county auditor of each county in which the agreement is recorded.

**Sec. 87.** NRS 539.620 is hereby amended to read as follows:

539.620 The board of directors may, with the approval of the department of [taxation,] *revenue*, fix and determine otherwise than as provided in NRS 539.617 the time for the issuance and maturity of the bonds, the manner, method, terms and conditions of their payment, and provide for the calling and redeeming of the bonds before maturity at a premium not in excess of 9 percent above par , [;] but in no case may the maturity of any bond be more than 50 years after the date thereof.

**Sec. 88.** NRS 539.640 is hereby amended to read as follows:

539.640 Whenever the board of directors of any irrigation district organized and existing [under and] pursuant to the laws of the State of Nevada by resolution declares that it deems it desirable that any contemplated or outstanding bonds of the district, including any of its bonds authorized but not sold, be made available for the purposes provided for in NRS 539.660, the board of directors shall file a certified copy of [such] *the* resolution with the department of [taxation.] *revenue*.

**Sec. 89.** NRS 539.643 is hereby amended to read as follows:

539.643 The department of [taxation,] *revenue*, upon the receipt of a certified copy of such resolution, shall, without delay, investigate the affairs of the district and report in writing upon such matters as it may deem essential, and particularly upon the following points:

1. The supply of water available for the project and the right of the district to so much water as may be needed.
2. The nature of the soil as to its fertility and susceptibility to irrigation, the probable amount of water needed for its irrigation [,] and the probable need of drainage.
3. The feasibility of the district's irrigation system and of the specific project for which the bonds under consideration are desired or have been used, whether [such] *the* system and project is constructed, projected or partially completed.

4. The reasonable market value of the water, water rights, canals, reservoirs, reservoir sites and irrigation works owned by the district or to be acquired or constructed by it with the proceeds of any of [such] *the* bonds.

5. The reasonable market value of the lands included within the boundaries of the district.

6. Whether or not the aggregate amount of the bonds under consideration and any other outstanding bonds of the district, including bonds authorized but not sold, exceeds 50 percent of the aggregate market value of the lands within the district and of the water, water rights, canals, reservoirs, reservoir sites and irrigation works owned, or to be acquired or constructed with the proceeds of any of the bonds, by the district, as determined in accordance with subsections 4 and 5.

7. The numbers, date or dates of issue, and denominations of the bonds, if any, which the department of [taxation] *revenue* finds are available for the purpose provided for in NRS 539.660, and, if the investigation has covered contemplated bonds, the total amount of bonds which the district can issue without exceeding the limitation expressed in subsection 6.

**Sec. 90.** NRS 539.645 is hereby amended to read as follows:

539.645 The provisions of NRS 539.643 as to the points upon which the department of [taxation] *revenue* shall report are directory, and the department may authorize such

certification when in its opinion, subject to the provisions otherwise contained in NRS 539.640 to 539.665, inclusive, its findings justify such action.

**Sec. 91.** NRS 539.647 is hereby amended to read as follows:

539.647 1. The written report of the investigation provided for in NRS 539.640 to 539.665, inclusive, [shall] *must* be filed in the office of the state controller, and a copy of the report [shall] *must* be forwarded by the department of [taxation] *revenue* to the secretary of the district for which the investigation has been made.

2. If the department *of revenue* finds, as set out in the report, that the irrigation system of the district and the specific project for which the bonds under consideration are desired or have been used, whether [such] *the* project is constructed, projected or partially completed, are feasible and that the aggregate amount of the bonds under consideration and any other outstanding bonds of the district, including bonds authorized but not sold, does not exceed 50 percent of the aggregate market value of the lands within the district and of the water, water rights, canals, reservoirs, reservoir sites and irrigation works owned or to be acquired or constructed with the proceeds of any of the bonds by the district, the bonds of [such] *the* irrigation district, as described and enumerated in the report filed with the state controller, [shall] *must* be certified by the state controller, as provided for in NRS 539.640 to 539.665, inclusive.

3. If the department *of revenue* is notified by the board of directors of any district whose irrigation system has been found in such *a* report to be feasible that the district has

issued bonds and the department finds that the bonds are for any project or projects approved in [such] *that* report and the amount of the bonds does not exceed the limitation stated in [such] *that* report, the department shall prepare and file with the state controller a supplementary report giving the numbers, date or dates of issue, and denominations of the bonds which [shall then be] *are then* entitled to certification by the state controller as provided for in NRS 539.640 to 539.665, inclusive.

4. Subsequent issues of bonds may be made available for the purpose specified in NRS 539.640 to 539.665, inclusive, upon like proceedings by the district, but, after any of the bonds of an irrigation district have been enumerated and described as entitled to certification by the state controller, it is unlawful for that district to issue bonds that will not be entitled to such certification.

5. The state controller shall:

- (a) Provide for filing and preserving the reports mentioned in this section; and
- (b) Make, keep and preserve a record of the bonds certified by him in accordance with the provisions of NRS 539.655, including the date of certification, the legal title of the district, the number of each bond, its par value, the date of its issue and that of its maturity.

**Sec. 92.** NRS 539.650 is hereby amended to read as follows:

539.650 After the bonds of any irrigation district have been certified, as provided in NRS 539.640 to 539.665, inclusive, no expenditure of any kind may be made from the construction fund of [such] *that* district without the consent of the department of [taxation,]

*revenue*, and no obligation may be incurred chargeable against [such] *that* fund without previous authorization of the department, nor may any expense of any kind be incurred in excess of money actually provided by levy of assessment or otherwise.

**Sec. 93.** NRS 539.653 is hereby amended to read as follows:

539.653 1. Whenever the survey, examinations, drawings and plans of an irrigation district, and the estimate of cost provides that the works necessary for a completed project [shall] *must* be constructed progressively over a period of years in accordance with a plan or schedule adopted by resolution of the board of directors of the district, it is not necessary for the department of [taxation] *revenue* to certify at one time all of the bonds that have been voted for the completed project [; but such] , *but those* bonds may be certified from time to time as needed by the district.

2. If the department certifies all of the bonds necessary for the completed project, even if the project is to be constructed progressively over a period of years in accordance with the resolution of the board of directors, the bonds so voted and certified [shall] *must* only be sold after prior written approval of the department.

**Sec. 94.** NRS 539.655 is hereby amended to read as follows:

539.655 1. Whenever any bond of an irrigation district organized and existing [under and] pursuant to the laws of the State of Nevada, including any bond authorized in any such district but not sold, which is eligible to certification by the state controller under NRS

539.647, is presented to the state controller, he shall attach a certificate in substantially the following form:

Carson City, Nevada ..... (insert date).

I, ....., state controller of the State of Nevada, do hereby certify that the within bond, No. .... of issue No. .... of the ..... Irrigation District, issued ..... (insert date), is, in accordance with NRS 539.640 to 539.665, inclusive, a legal investment for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, trust companies, and any funds which may be invested in county, municipal or school district bonds, and it may be deposited as security for the performance of any act whenever the bonds of any county, city or school district may be so deposited, it being entitled to such privileges by virtue of an examination by the department of [taxation] *revenue* in pursuance of NRS 539.640 to 539.665, inclusive. The within bond may also be used as security for the deposit of public money in banks in this state.

.....

State Controller of the State of Nevada



2. In case of a change in the constitution or any of the laws of this state relating to the bonds of irrigation districts, the state controller shall, if necessary, modify the [above] certificate *set forth in subsection 1* so that it conforms to the facts.

3. A facsimile of the state controller's signature, printed or otherwise, impressed upon the certificate is a sufficient signing thereof.

**Sec. 95.** NRS 539.657 is hereby amended to read as follows:

539.657 All necessary expenses incurred in making the investigation and report provided for in NRS 539.640 to 539.665, inclusive, [shall] *must* be paid as the department of [taxation] *revenue* may require by the irrigation district whose property has been investigated and reported on by the department , [;] but the benefit of any services that have been performed and any data that have been obtained by the department or any other public [official,] *officer*, in pursuance of the requirements of any law other than NRS 539.640 to 539.665, inclusive, [shall] *must* be made available for the use of the department of [taxation] *revenue* without charge to the district whose affairs are under investigation.

**Sec. 96.** NRS 539.677 is hereby amended to read as follows:

539.677 1. In case of failure or refusal of the board of directors to levy an assessment as provided in NRS 539.670, [then, if such] *if that* assessment has not otherwise been levied, the board of county commissioners of the county in which the office of the district is located shall levy [such] *that* assessment at its next regular meeting or at a special meeting called for [such] *that* purpose.

2. The department of [taxation,] *revenue*, at any time upon obtaining knowledge of such a failure or refusal, shall levy [such] *the* assessment forthwith.

3. The district attorney of the county in which the office of any irrigation district is located, at the time [such] *the* assessment should be made, shall ascertain the fact in respect to the same, and if [such] *the* assessment has not been made by the board of directors as required, he shall immediately notify the board of county commissioners, the department of [taxation] *revenue* and the attorney general in respect to [such] *that* failure. The district attorney and the attorney general shall aid in obtaining the earliest possible assessment following [such] *the* failure or refusal of the district board to act.

**Sec. 97.** NRS 585.497 is hereby amended to read as follows:

585.497 1. An assessment of 10 percent, payable quarterly to the department of [taxation,] *revenue*, is imposed upon the gross receipts of a manufacturer from the sale of each substance licensed for manufacture pursuant to NRS 585.495.

2. The Nevada tax commission shall prescribe by regulation appropriate forms for reporting such gross receipts, and shall , when appropriate , recompute the assessment and collect any deficiency in the manner provided for taxes required to be paid pursuant to Title 32 of NRS. Each manufacturer shall report his sales and pay the assessment during the months of January, April, July and October for the respective preceding calendar quarters.

3. As used in this section:

(a) "Gross receipts" means the total amount of the sale of each substance, valued in money, whether received in money or otherwise, without deduction for any of the following:

(1) The cost of the substance sold.

(2) The cost of the materials used, labor or service, any interest paid or any losses or other expense.

(3) The cost of marketing the substance.

(4) The cost of transporting the substance before its sale to the purchaser.

(b) "Sale" includes any transfer of title or possession, exchange or barter, whether conditional or otherwise, of a substance for a consideration.

(c) "Total amount of the sale" includes:

(1) Any services that are a part of the sale; and

(2) All receipts, cash, credits and property of any kind.

**Sec. 98.** NRS 590.120 is hereby amended to read as follows:

590.120 1. Every person, or any officer, agent or employee thereof, shipping or transporting any gasoline or lubricating oil into this state for sale or consignment, or with intent to sell or consign the same, shall pay to the department of [taxation] *revenue* an inspection fee of 0.055 of a cent per gallon for every gallon of gasoline or lubricating oil so shipped or transported into the state, or that is held for sale within this state. [Nothing in this section requires] *This section does not require* the payment of an inspection fee on any

shipment or consignment of gasoline or lubricating oil when [such] *the* inspection fee has already been paid.

2. Of each inspection fee paid to the department of [taxation] *revenue* pursuant to this section, 0.005 of a cent per gallon must be transferred quarterly to an account in the state general fund for the state board of agriculture. The state board of agriculture shall use all money transferred pursuant to this subsection to pay the expenses incurred in enforcing the provisions of NRS 590.070.

3. On or before the 25th day of each calendar month, every person, or any officer, agent or employee thereof, required to pay the inspection fee mentioned in subsection 1 shall send to the department of [taxation] *revenue* a correct report of the gasoline or oil volumes for the preceding month. The report must include a list of distributors or retailers distributing or selling the products and must be accompanied by the required fees.

4. Failure to send the report and remittance as specified in subsections 1 and 3 is a violation of NRS 590.010 to 590.150, inclusive, punishable as provided in NRS 590.150.

**Sec. 99.** NRS 590.130 is hereby amended to read as follows:

590.130 Except as otherwise provided in subsection 2 of NRS 590.120, all inspection fees received by the department of [taxation] *revenue* must be deposited with the state treasurer for credit to the state general fund, and all expenses incurred in carrying out the provisions of NRS 590.010 to 590.150, inclusive, must be paid out of [funds] *money* provided by direct legislative appropriation.

**Sec. 100.** NRS 590.720 is hereby amended to read as follows:

590.720 "Department" means the department of [taxation.] *revenue*.

**Sec. 101.** NRS 590.840 is hereby amended to read as follows:

590.840 1. Except as otherwise provided in subsection 3, the department shall collect for deposit in the fund a fee of 0.75 cent for each gallon of motor vehicle fuel, diesel fuel of grade number 1, diesel fuel of grade number 2 and heating oil imported into this state in one of those forms or refined in this state. The fee imposed by this section is in addition to the taxes imposed by chapters 365 and 366 of NRS.

2. The department of motor vehicles and public safety shall cooperate with the department of [taxation] *revenue* in ascertaining the amount of diesel fuel so imported and the identity of each person liable for payment of the fee upon it.

3. The fee imposed by subsection 1 does not apply to motor vehicle fuel, diesel fuel of grade number 1, diesel fuel of grade number 2 or heating oil that is:

(a) Imported or refined by the United States, its unincorporated agencies and instrumentalities, or any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States;

(b) Exported from the state;

(c) Imported or refined by railroad companies for use in locomotive engines;

(d) Being transported through the state in interstate commerce; or

(e) Used as fuel for jet or turbine-powered aircraft.

4. The fee is payable on or before the 25th day of each calendar month for those products subject to the fee that are handled during the preceding calendar month. The department shall prescribe by regulation the manner of payment of the fee and for this purpose may reasonably classify the persons liable for payment. The department may, in collecting the fee, employ any administrative power conferred upon it by chapter 365 of NRS.

5. The expenses incurred by the department in performing its duties under NRS 590.700 to 590.920, inclusive, are a charge against the fund.

**Sec. 102.** NRS 612.260 is hereby amended to read as follows:

612.260 1. Each employing unit shall keep true and accurate work records, containing such information as the administrator may prescribe. [Such] *The* records must be open to inspection and may be copied by the administrator or his authorized representatives or the department of [taxation] *revenue* at any reasonable time and as often as may be necessary.

2. The administrator, the board of review [,] or any appeal tribunal may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which he or the board of review deems necessary for the effective administration of this chapter.

3. Except as limited by this subsection, the administrator may:

(a) Destroy any letter of the unemployment compensation service or employment service and any form, benefit determination or redetermination, ruling, employer's status or contribution report, wage slip report, claim record, wage list or any auxiliary computer file related thereto at the expiration of 4 years after the record was originated or filed with the service; or

(b) Destroy such records at any time after having microphotographed them in the manner and on film or paper that complies with the minimum standards of quality approved for such photographic records by the American National Standards Institute. The microphotographed records must be retained for not less than 4 years.

This subsection does not apply to records pertaining to grants, accounts or expenditures for administration, or to the records of the unemployment compensation administration fund.

**Sec. 103.** NRS 612.265 is hereby amended to read as follows:

612.265 1. Except as otherwise provided in this section, information obtained from any employing unit or person pursuant to the administration of this chapter and any determination as to the benefit rights of any person is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's or employing unit's identity.

2. Any claimant or his legal representative is entitled to information from the records of the division, to the extent necessary for the proper presentation of his claim in any

proceeding pursuant to this chapter. A claimant or an employing unit is not entitled to information from the records of the division for any other purpose.

3. Subject to such restrictions as the administrator may by regulation prescribe, the information obtained by the division may be made available to:

(a) Any agency of this or any other state or any federal agency charged with the administration or enforcement of an unemployment compensation law, public assistance law, [workman's] *workers'* compensation or labor law, or the maintenance of a system of public employment offices;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The department of [taxation;] *revenue*; and

(e) The state contractors' board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

Information obtained in connection with the administration of the employment service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or a public assistance program.

4. Upon written request made by a public officer of a local government, the administrator shall furnish from the records of the division the name, address and place of employment of any person listed in the records of employment of the division. The request must set forth the social security number of the person about whom the request is made and



contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. The information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The administrator may charge a reasonable fee for the cost of providing the requested information.

5. The administrator may publish or otherwise provide information on the names of employers, their addresses, their type or class of business or industry, and the approximate number of employees employed by each such employer, if the information released will assist unemployed persons to obtain employment or will be generally useful in developing and diversifying the economic interests of this state. Upon request by a state agency which is able to demonstrate that its intended use of the information will benefit the residents of this state, the administrator may, in addition to the information listed in this subsection, disclose the number of employees employed by each employer and the total wages paid by each employer. The administrator may charge a fee to cover the actual costs of any administrative expenses relating to the disclosure of this information to a state agency. The administrator may require the state agency to certify in writing that the agency will take all actions necessary to maintain the confidentiality of the information and prevent its unauthorized disclosure.

6. Upon request therefor , the administrator shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment, and may furnish to any state agency similarly charged, the name, address, ordinary occupation [,] and employment status of each recipient of benefits and the recipient's rights to further benefits pursuant to this chapter.

7. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this state may submit a written request to the administrator that he furnish, from the records of the division, the name, address and place of employment of any person listed in the records of employment of the division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of such a request, the administrator shall furnish the information requested. He may charge a fee to cover the actual costs of any related administrative expenses.

8. In addition to the provisions of subsection 5, the administrator shall provide lists containing the names and addresses of employers, the number of employees employed by each employer and the total wages paid by each employer to the department of [taxation,] *revenue*, upon request, for use in verifying returns for the business tax. The administrator may charge a fee to cover the actual costs of any related administrative expenses.

9. The manager of the state industrial insurance system shall submit to the administrator a list containing the name of each person who received benefits pursuant to chapters 616A to 616D, inclusive, or 617 of NRS during the preceding month and request that he compare the information so provided with the records of the division regarding persons claiming benefits pursuant to chapter 612 of NRS for the same period. The information submitted by the manager must be in a form determined by the administrator and must contain the social security number of each such person. Upon receipt of such a request, the administrator shall make such a comparison and provide to the manager a list containing the name, address and social security number of each person who appears, from the information submitted, to be simultaneously claiming benefits under chapter 612 of NRS and under chapters 616A to 616D, inclusive, or 617 of NRS. The administrator shall charge a fee to cover the actual costs of any related administrative expenses. The manager shall use the information obtained pursuant to this subsection only to further a current investigation. The manager shall not disclose the information for any other purpose.

10. The administrator may request the Comptroller of the Currency of the United States to cause an examination of the correctness of any return or report of any national banking association rendered pursuant to the provisions of this chapter, and may , in connection with the request , transmit any such report or return to the Comptroller of the Currency of the United States as provided in Section 3305(c) of the Internal Revenue Code of 1954.

11. If any employee or member of the board of review or the administrator or any employee of the administrator, in violation of the provisions of this section, discloses information obtained from any employing unit or person in the administration of this chapter, or if any person who has obtained a list of applicants for work, or of claimants or recipients of benefits pursuant to this chapter uses or permits the use of the list for any political purpose, he is guilty of a gross misdemeanor.

12. All letters, reports or communications of any kind, oral or written, from the employer or employee to each other or to the division or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of this chapter.

**Sec. 104.** NRS 616A.485 is hereby amended to read as follows:

616A.485 The books, records and payrolls of the employer pertinent to the administration of chapters 616A to 616D, inclusive, of NRS must always be open to inspection by the administrator, the system or its auditor, agent or assistant, or by auditors of the department of [taxation] *revenue* for the purpose of ascertaining the correctness of the payroll, the men employed, and such other information as may be necessary for the system and its administration.

**Sec. 105.** NRS 616B.012 is hereby amended to read as follows:

616B.012 1. Except as otherwise provided in this section and in NRS 616B.015, 616B.021 and 616C.205, information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's identity.

2. Any claimant or his legal representative is entitled to information from the records of the insurer, to the extent necessary for the proper presentation of a claim in any proceeding under chapters 616A to 616D, inclusive, of NRS.

3. The division and administrator are entitled to information from the records of the insurer which is necessary for the performance of their duties. The manager may, by regulation, prescribe the manner in which otherwise confidential information may be made available to:

(a) Any agency of this or any other state charged with the administration or enforcement of workers' compensation law, unemployment compensation law, public assistance law or labor law;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The department of [taxation;] *revenue*; and

(e) The state contractors' board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

Information obtained in connection with the administration of a workers' compensation program may be made available to persons or agencies for purposes appropriate to the operation of a workers' compensation program.

4. Upon written request made by a public officer of a local government, the manager shall furnish from the records of the insurer, the name, address and place of employment of any person listed in the records of the insurer. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. The information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The manager may charge a reasonable fee for the cost of providing the requested information.

5. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this state may submit a written request to the manager that he furnish from the records of the insurer, the name, address and place of employment of any person listed in the records of the insurer. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of a request, the

manager shall furnish the information requested. He may charge a reasonable fee to cover any related administrative expenses.

6. The manager shall provide lists containing the names and addresses of employers, the number of employees employed by each employer and the total wages paid by each employer to the department of [taxation,] *revenue*, upon request, for its use in verifying returns for the business tax. The manager may charge a reasonable fee to cover any related administrative expenses.

7. If the manager or any employee of the manager, in violation of this section, discloses information obtained from files of claimants or policyholders, or if any person who has obtained a list of claimants or policyholders under chapters 616A to 616D, inclusive, of NRS uses or permits the use of the list for any political purposes, he is guilty of a gross misdemeanor.

8. All letters, reports or communications of any kind, oral or written, from the insurer, or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of chapters 616A to 616D, inclusive, of NRS.

**Sec. 106.** NRS 616D.250 is hereby amended to read as follows:

616D.250 1. Any employer who refuses to submit his books, records and payrolls for inspection, as provided by NRS 616A.485, to a representative of the system or the

administrator, or to an auditor from the department of [taxation,] *revenue*, presenting written authority for the inspection, is subject to a penalty of \$100 for each offense, to be collected by civil action in the name of the system or the administrator.

2. The person who gives such refusal is guilty of a misdemeanor.

**Sec. 107.** NRS 616D.260 is hereby amended to read as follows:

616D.260 1. If an employer refuses to produce any book, record, payroll report or other document in conjunction with an audit conducted by the system or the department of [taxation] *revenue* to verify the employer's premium, the manager may issue a subpoena to require the production of that document.

2. If an employer refuses to produce any document as required by the subpoena, the manager may report to the district court by petition, setting forth that:

(a) [Due notice] *Notice* has been given of the time and place of the production of the document;

(b) The employer has been subpoenaed by the manager pursuant to this section; and

(c) The employer has failed or refused to produce the document required by the subpoena,

and asking for an order of the court compelling the employer to produce the document.

3. Upon such petition, the court shall enter an order directing the employer to appear before the court at a time and place to be fixed by the court in its order, the time to be not



more than 10 days from the date of the order, and to show cause why he has not produced the document. A certified copy of the order must be served upon the employer.

4. If it appears to the court that the subpoena was regularly issued by the manager, the court shall enter an order that the employer produce the required document at the time and place fixed in the order. Failure to obey the order constitutes contempt of court.

**Sec. 108.** NRS 680A.330 is hereby amended to read as follows:

680A.330 1. When, by or pursuant to the laws of any other state or foreign country or province, any taxes, licenses and other fees in the aggregate, and any fines, penalties, deposit requirements or other material requirements, obligations, prohibitions or restrictions are or would be imposed upon Nevada insurers doing business or that might seek to do business in such state, country or province, or upon the agents or representatives of such insurers or upon brokers or adjusters, which are in excess of such taxes, licenses and other fees in the aggregate, or which are in excess of the fines, penalties, deposit requirements or other requirements, obligations, prohibitions or restrictions directly imposed upon similar insurers, or upon the agents or representatives of such insurers, or upon brokers, or upon adjusters, of such other state, country or province under the statutes of this state, so long as such laws of such other state, country or province continue in force or are so applied, the same taxes, licenses and other fees in the aggregate, or fines, penalties or deposit requirements or other material requirements, obligations, prohibitions or restrictions of whatever kind must be imposed by the commissioner or the department of

[taxation] *revenue* upon the insurers, or upon the agents or representatives of such insurers, or upon brokers, of such other state, country or province doing business or seeking to do business in Nevada. Any tax, license or other fee or other obligation imposed by any city, county or other political subdivision or agency of such other state, country or province on Nevada insurers or their agents, representatives or adjusters shall be deemed to be imposed by such state, country or province within the meaning of this section.

2. This section does not apply to:

(a) Personal income taxes;

(b) Ad valorem taxes on real or personal property; or

(c) Special purpose obligations or assessments imposed by another state in connection with particular kinds of insurance other than property insurance, except that deductions, from premium taxes or other taxes otherwise payable, allowed on account of real or personal property taxes paid must be taken into consideration by the commissioner and the executive director of the department of [taxation] *revenue* in determining the propriety and extent of retaliatory action under this section.

3. For the purposes of this section the domicile of an alien insurer, other than insurers formed under the laws of Canada or a province thereof, is that state designated by the insurer in writing filed with the commissioner at the time of admission to this state or within 6 months after January 1, 1972, whichever date is the later, and may be any one of the following states:

- (a) That in which the insurer was first authorized to transact insurance;
- (b) That in which is located the insurer's principal place of business in the United States ; [of America;] or
- (c) That in which is held the largest deposit of trustee assets of the insurer for the protection of its policyholders in the United States . [of America.]

If the insurer makes no such designation, its domicile shall be deemed to be that state in which is located its principal place of business in the United States . [of America.]

4. The domicile of a Canadian insurer is the province of Canada in which its head office is located.

**Sec. 109.** NRS 680B.027 is hereby amended to read as follows:

680B.027 1. Except as otherwise provided in NRS 680B.033 and 680B.050, for the privilege of transacting business in this state, each insurer shall pay to the department of [taxation] *revenue* a tax upon his net direct premiums and net direct considerations written at the rate of 3.5 percent.

2. The tax must be paid in the manner required by NRS 680B.030 and 680B.032.

3. The commissioner or the executive director of the department of [taxation] *revenue* may require at any time verified supplemental statements with reference to any matter pertinent to the proper assessment of the tax.

**Sec. 110.** NRS 680B.027 is hereby amended to read as follows:

680B.027 1. Except as otherwise provided in NRS 680B.033, for the privilege of transacting business in this state, each insurer shall pay to the department of [taxation] *revenue* a tax upon his net direct premiums and net direct considerations written at the rate of 3.5 percent.

2. The tax must be paid at the same time the report required by NRS 680B.030 is filed.

3. On or before March 1 of each year, each insurer who , pursuant to subsection 1, paid or is required to pay a tax of at least \$2,000 on net premiums and net direct considerations written during the preceding calendar year [,] shall pay to the department of [taxation] *revenue* a prepayment of the tax imposed by subsection 1 in an amount equal to at least 50 percent of the tax he estimates he will owe pursuant to subsection 1 for that calendar year. The remainder of the prepayment of the estimated tax must be made on or before June 15 of that calendar year. The total of the prepayments must not be less than the actual tax pursuant to subsection 1 for the preceding calendar year. The department of [taxation] *revenue* shall accept a subsequent prepayment of the estimated tax from an insurer if the insurer files with the department of [taxation] *revenue* a statement under oath setting forth the facts requiring the additional payment.

4. If an overpayment of the insurer's actual tax liability results from his prepayment of the tax pursuant to subsection 3 in the preceding year, the insurer shall apply the overpayment to the prepayment due pursuant to subsection 3 in succeeding years until the overpayment has been extinguished.

5. Except as otherwise provided in subsection 7, if the prepayment made pursuant to subsection 3 is less than 85 percent of the tax that was actually owed by the insurer for the calendar year in which the prepayment was made, the insurer shall pay to the department of [taxation:] *revenue*:

- (a) A penalty in an amount equal to 5 percent of the underpayment; and
- (b) An administrative fine of \$2,000.

6. Except as otherwise provided in subsection 7 and in addition to the penalty and fine provided by subsection 5:

(a) An insurer whose prepayment is less than 85 percent of the tax that was actually owed by the insurer for the calendar year in which the prepayment was made shall pay interest on the difference between the total amount of the prepayment and 85 percent of the amount actually owed at the rate of 1.5 percent per month, or fraction of a month, from the March 1 on which the initial prepayment became due until the date of payment.

(b) An insurer who does not make a prepayment required by subsection 3 when due shall pay interest at the rate of 1.5 percent per month, or fraction of a month, on the amount of the prepayment owed from the date on which the prepayment became due until the date of payment.

(c) An insurer who does not make any payment of the tax imposed pursuant to this section when due shall pay interest at the rate of 1.5 percent per month, or fraction of a

month, on the amount owed from the date on which the payment became due until the date of payment.

7. The executive director of the department of [taxation] *revenue* may, for good cause shown, waive or reduce the penalty, fine or interest imposed by subsection 5 or 6. Any insurer seeking relief from the penalty, fine or interest must file with the department of [taxation] *revenue* a statement under oath setting forth the facts upon which he bases his claim for relief.

8. The commissioner or the executive director of the department of [taxation] *revenue* may require at any time verified supplemental statements with reference to any matter pertinent to the proper assessment of the tax.

9. A newly admitted insurer who receives a certificate of authority after January 1 from the commissioner is not required to make a prepayment of the premium tax pursuant to subsection 3 for the year in which he is admitted. The tax for the insurer's first calendar year must be paid at the time that the report required by NRS 680B.030 is filed.

**Sec. 111.** NRS 680B.027 is hereby amended to read as follows:

680B.027 1. Except as otherwise provided in NRS 680B.033, for the privilege of transacting business in this state, each insurer shall pay to the department of [taxation] *revenue* a tax upon his net direct premiums and net direct considerations written at the rate of 3.5 percent.

2. The tax must be paid at the same time the report required by NRS 680B.030 is filed.

3. On or before March 1 of each year, each insurer who, pursuant to subsection 1, paid or is required to pay a tax of at least \$2,000 on net premiums and net direct considerations written during the preceding calendar year [,] shall pay to the department of [taxation] *revenue* a prepayment of the tax imposed by subsection 1 in an amount equal to at least 50 percent of the tax he estimates he will owe pursuant to subsection 1 for that calendar year. The remainder of the prepayment of the estimated tax must be made on or before June 15 of that calendar year. The total of the prepayments must not be less than the actual tax pursuant to subsection 1 for the preceding calendar year. The department of [taxation] *revenue* shall accept a subsequent prepayment of the estimated tax from an insurer if the insurer files with the department of [taxation] *revenue* a statement under oath setting forth the facts requiring the additional payment.

4. If an overpayment of the insurer's actual tax liability results from his prepayment of the tax pursuant to subsection 3 in the preceding year, the insurer shall apply the overpayment to the prepayment due pursuant to subsection 3 in succeeding years until the overpayment has been extinguished.

5. Except as otherwise provided in subsection 7, if the prepayment made pursuant to subsection 3 is less than 85 percent of the tax that was actually owed by the insurer for the calendar year in which the prepayment was made, the insurer shall pay to the department of [taxation:] *revenue*:

(a) A penalty in an amount equal to 5 percent of the underpayment; and

(b) An administrative fine of \$2,000.

6. Except as otherwise provided in subsection 7 and in addition to the penalty and fine provided by subsection 5:

(a) An insurer whose prepayment is less than 85 percent of the tax that was actually owed by the insurer for the calendar year in which the prepayment was made shall pay interest on the difference between the total amount of the prepayment and 85 percent of the amount actually owed at the rate of 1.5 percent per month, or fraction of a month, from the March 1 on which the initial prepayment became due until the date of payment.

(b) An insurer who does not make a prepayment required by subsection 3 when due shall pay interest at the rate of 1.5 percent per month, or fraction of a month, on the amount of the prepayment owed from the date on which the prepayment became due until the date of payment.

(c) An insurer who does not make any payment of the tax imposed pursuant to this section when due shall pay interest at the rate of 1.5 percent per month, or fraction of a month, on the amount owed from the date on which the payment became due until the date of payment.

7. The executive director of the department of [taxation] *revenue* may, for good cause shown, waive or reduce the penalty, fine or interest imposed by subsection 5 or 6. Any insurer seeking relief from the penalty, fine or interest must file with the department of



[taxation] *revenue* a statement under oath setting forth the facts upon which he bases his claim for relief.

8. The commissioner or the executive director of the department of [taxation] *revenue* may require at any time verified supplemental statements with reference to any matter pertinent to the proper assessment of the tax.

9. A newly admitted insurer who receives a certificate of authority after January 1 from the commissioner is not required to make a prepayment of the premium tax pursuant to subsection 3 for the year in which he is admitted. The tax for the insurer's first calendar year must be paid at the time that the report required by NRS 680B.030 is filed.

10. For the purposes of this section, "insurer" includes the state industrial insurance system.

**Sec. 112.** NRS 680B.030 is hereby amended to read as follows:

680B.030 1. Each insurer and each formerly authorized insurer with respect to insurance transacted while an authorized insurer and property bondsman shall, on or before March 1 each year, or within any reasonable extension [of time] therefor which the executive director of the department of [taxation] *revenue* may for good cause have granted on or before that date, file with the department of [taxation] *revenue* a report in such form as prescribed by the executive director of the department of [taxation] *revenue* in cooperation with the commissioner, showing total income derived from direct premiums written, including policy, membership and other fees and assessments, and all other

considerations for insurance, bail or annuity contracts written during the next preceding calendar year on account of policies and contracts covering property, subjects or risks located, resident or to be performed in this state, with proper proportionate allocation of premiums as to such persons, property, subjects or risks in this state insured under policies and contracts covering persons, property, subjects or risks located or resident in more than one state, after deducting from the total income derived from direct premiums written:

- (a) The amount of return premiums; and
- (b) Dividends, savings and unabsorbed premium deposits returned to policyholders in cash or credited to their accounts.

2. The report must be:

- (a) Accompanied by a payment made payable to the department of [taxation] *revenue* in an amount equal to all of the tax required to be paid on net direct premiums and net direct considerations written during the preceding calendar year, less any quarterly payments made for the same period pursuant to NRS 680B.032; and

- (b) Verified by the oath or affirmation of the insurer's president, vice president, secretary, treasurer or manager.

**Sec. 113.** NRS 680B.030 is hereby amended to read as follows:

680B.030 1. Each insurer and each formerly authorized insurer with respect to insurance transacted while an authorized insurer and property bondsman shall, on or before March 1 each year, or within any reasonable extension [of time] therefor which the

executive director of the department of [taxation] *revenue* may for good cause have granted on or before that date, file with the department of [taxation] *revenue* a report in such form as prescribed by the executive director of the department of [taxation] *revenue* in cooperation with the commissioner, showing total income derived from direct premiums written, including policy, membership and other fees and assessments, and all other considerations for insurance, bail or annuity contracts written during the next preceding calendar year on account of policies and contracts covering property, subjects or risks located, resident or to be performed in this state, with proper proportionate allocation of premiums as to such persons, property, subjects or risks in this state insured under policies and contracts covering persons, property, subjects or risks located or resident in more than one state, after deducting from the total income derived from direct premiums written:

(a) The amount of return premiums; and

(b) Dividends, savings and unabsorbed premium deposits returned to policyholders in cash or credited to their accounts.

2. The report must be verified by the oath or affirmation of the insurer's president, vice president, secretary, treasurer or manager.

**Sec. 114.** NRS 680B.032 is hereby amended to read as follows:

680B.032 1. Each insurer which, pursuant to NRS 680B.027, paid or is required to pay a tax of at least \$2,000 on net direct premiums and net direct considerations written during the preceding calendar year, shall file a quarterly report in such form as prescribed

by the executive director of the department of [taxation.] *revenue*. Each report must be accompanied by a payment made payable to the department of [taxation] *revenue* in an amount equal to 25 percent of the tax paid or required to be paid on net direct premiums and net direct considerations written during the preceding calendar year. Each quarterly payment is due on the last day of the last month in each calendar quarter.

2. If an overpayment of the tax imposed by NRS 680B.027 results from the payments made pursuant to this section, the insurer shall apply the overpayment against each succeeding quarterly estimated payment due in the current calendar year until the overpayment has been extinguished.

**Sec. 115.** NRS 680B.039 is hereby amended to read as follows:

680B.039 Any insurer that fails to file the report or pay the tax as required by NRS 680B.025 to 680B.039, inclusive, within the time for filing and payment as provided in those sections shall , in addition to any other applicable penalty , pay a penalty of not more than 10 percent of the amount of the tax which is owed, as determined by the department of [taxation.] *revenue*, in addition to the tax, plus interest at the rate of 1.5 percent per month, or fraction of a month, from the date on which the tax should have been paid until the date of payment.

**Sec. 116.** NRS 680B.040 is hereby amended to read as follows:

680B.040 1. Every insured in this state who procures or causes to be procured or continues or renews insurance in an unauthorized alien or foreign insurer, or any self-

insurer in this state who so procures or continues excess loss, catastrophe or other insurance, upon a subject of insurance resident, located or to be performed within this state, other than insurance procured through a surplus line broker pursuant to chapter 685A of NRS or exempted from that chapter, shall within 30 days after the date [such] *the* insurance was so procured, continued or renewed, file a written report with the department of [taxation] *revenue* on forms prescribed by the executive director of the department of [taxation] *revenue* in cooperation with the commissioner and furnished to such an insured upon request. The report must show:

(a) The name and address of the insured or insureds.

(b) The name and address of the insurer.

(c) The subject of the insurance.

(d) A general description of the coverage.

(e) The premium currently charged therefor.

(f) Such additional pertinent information as is reasonably requested by the commissioner or the executive director of the department of [taxation.] *revenue*.

If any such insurance covers also a subject of insurance resident, located or to be performed outside of this state, for the purposes of this section a proper pro rata portion of the entire premium payable for all such insurance must be allocated as to the subjects of insurance resident, located or to be performed in this state.

2. Any insurance in an unauthorized insurer procured through negotiations or an application in whole or in part occurring or made within or from within this state, or for which premiums in whole or in part are remitted directly or indirectly from within this state, shall be deemed to be insurance procured or continued or renewed in this state within the intent of subsection 1.

3. For the general support of the government of this state , there is levied upon the obligation, chose in action or right represented by the premium charged or payable for such insurance a tax at the rate prescribed in NRS 680B.027. The insured shall withhold the amount of the tax from the amount of premium charged by and otherwise payable to the insurer for such insurance, and within 30 days after the insurance was so procured, continued or renewed, and coincidentally with the filing of the report provided for in subsection 1, the insured shall pay the amount of the tax to the state treasurer through the department of [taxation.] *revenue*.

4. If the insured fails to withhold from the premium the amount of tax levied in this section, the insured is liable for the amount of the tax and shall pay it to the department of [taxation] *revenue* within the time stated in subsection 3.

5. If the insured fails to pay the tax imposed by this section, the insured shall , in addition to any other applicable penalty , pay a penalty of not more than 10 percent of the amount of the tax which is owed, as determined by the department of [taxation,] *revenue*, in

addition to the tax, plus interest at the rate of 1.5 percent per month, or fraction of a month, from the date on which the tax should have been paid until the date of payment.

6. The tax is collectible from the insured by civil action brought by the department of [taxation,] *revenue*, and by the seizure, distraint and sale of any property of the insured situated in this state.

7. This section does not abrogate or modify any other provision of this code.

8. This section does not apply to life or disability insurances.

9. The provisions of this section do not prohibit the procurement of insurance from an unauthorized alien or foreign insurer by a person in accordance with the requirements of subsection 9 of NRS 680A.070.

10. The department of [taxation] *revenue* shall report to the commissioner concerning independently procured insurance transactions reported to the department of [taxation] *revenue* pursuant to this section.

**Sec. 117.** NRS 680B.050 is hereby amended to read as follows:

680B.050 1. Except as otherwise provided in this section, a domestic or foreign insurer which owns and substantially occupies and uses any building in this state as its home office or as a regional home office, as defined in subsection 2, is entitled to the following credits against the tax otherwise imposed by NRS 680B.027:

(a) An amount equal to 50 percent of the aggregate amount of the tax as determined under NRS 680B.025 to 680B.039, inclusive; and

(b) An amount equal to the full amount of ad valorem taxes paid by the insurer during the calendar year next preceding the filing of the report required by NRS 680B.030, upon the home office or regional home office together with the land, as reasonably required for the convenient use of the office, upon which the home office or regional home office is situated.

These credits must not reduce the amount of tax payable to less than 20 percent of the tax otherwise payable by the insurer under NRS 680B.027.

2. For the purposes of this section, a “regional home office” means an office of the insurer performing for an area covering two or more states, with a minimum of 25 employees on its office staff, the supervision, underwriting, issuing and servicing of the insurance business of the insurer.

3. The insurer shall , on or before March 1 of each year , furnish proof to the satisfaction of the executive director of the department of [taxation,] *revenue*, on forms furnished by or acceptable to the executive director, as to its entitlement to the tax reduction provided for in this section. A determination of the executive director of the department of [taxation] *revenue* pursuant to this section is not binding upon the commissioner for the purposes of NRS 682A.240.

4. An insurer is not entitled to the credits provided in this section unless:

(a) The insurer owned the property upon which the reduction is based for the entire year for which the reduction is claimed; and



(b) The insurer occupied at least 70 percent of the usable space in the building to transact insurance or the insurer is a general or limited partner and occupies 100 percent of its ownership interest in the building.

5. If two or more insurers under common ownership or management and control jointly own in equal interest, and jointly occupy and use such a home office or regional home office in this state for the conduct and administration of their respective insurance businesses as provided in this section, each of the insurers is entitled to the credits provided for by this section if otherwise qualified therefor under this section.

**Sec. 118.** NRS 680B.060 is hereby amended to read as follows:

680B.060 1. The taxes imposed under NRS 680B.027 must be collected by the department of [taxation] *revenue* and promptly deposited with the state treasurer for credit to the state general fund.

2. If the tax is not paid by the insurer on or before the date required for payment, the tax [then] becomes delinquent, and payment thereof may be enforced by court action instituted on behalf of the state by the attorney general. The attorney general may employ additional counsel in the city where the home office of the insurer is located, subject to approval of compensation for such services by the state board of examiners. The administrative and substantive enforcement provisions of chapters 360 and 372 of NRS apply to the enforcement of the taxes imposed under NRS 680B.027.

3. Upon the tax becoming delinquent , the executive director of the department of [taxation] *revenue* shall notify the commissioner, who shall suspend or revoke the insurer's certificate of authority pursuant to NRS 680A.190.

4. If a dispute arises between an insurer and the state as to the amount of tax, if any, payable, the insurer is entitled to pay under protest the tax in the amount assessed by the department of [taxation,] *revenue*, without waiving or otherwise affecting any right of the insurer to recover any amount determined, through appropriate legal action taken by the insurer against the department of [taxation,] *revenue*, to have been in excess of the amount of tax lawfully payable.

5. All taxes, fees, licenses, fines and charges collected under this code, including the general premium tax provided for under NRS 680B.027 and as increased in any instances pursuant to NRS 680A.330, must be promptly deposited with the state treasurer for credit to the state general fund.

**Sec. 119.** NRS 680B.120 is hereby amended to read as follows:

680B.120 1. Any person from whom fees, charges or taxes imposed by this code have been erroneously collected may apply for refund at any time within 1 year after the date [such] *those* fees, charges or taxes were originally required to be paid or within 30 days after the date of payment of any additional tax, charge or fee.

2. If the amount of taxes, charges or fees due are found to be less than the amount paid, either by examination of the return or by allowance of a claim for overpayment filed

by the payer, [then] upon presentation of proper vouchers, the state controller shall issue his warrants upon the appropriate fund and the state treasurer shall pay them out of the money credited to that fund.

3. Whenever such a refund is found to be due an insurer, the executive director of the department of [taxation,] *revenue*, in lieu of preparing the proper vouchers for a cash refund, may authorize the insurer to credit the amount of the refund against the premium tax payable by it under NRS 680B.027 in the next following calendar year.

4. No cash refund may be made unless the amount to be so refunded is \$10 or more.

5. Claims for refund pursuant to this section must be submitted:

(a) In the case of refunds of taxes payable to the department of [taxation,] *revenue*, to the executive director of the department of [taxation,] *revenue*.

(b) In the case of refunds of taxes, fees or charges payable to the commissioner, to the commissioner.

**Sec. 120.** NRS 686C.280 is hereby amended to read as follows:

686C.280 1. The association shall issue to each insurer paying an assessment under this chapter a certificate of contribution, in a form prescribed by the commissioner, for the amount so paid. All outstanding certificates are of equal dignity and priority without reference to the amounts or dates of issue. A member insurer may show a certificate of contribution as an asset in its financial statement in such form, for such amount, if any, and for such period as the commissioner may approve.

2. A member insurer may offset against its liability for premium tax to this state, accrued with respect to business transacted in a calendar year, an amount equal to 20 percent of the amount certified pursuant to subsection 1 in each of the 5 calendar years following the year in which the assessment was paid. If an insurer ceases to transact business, it may offset all uncredited assessments against its liability for premium tax for the year in which it so ceases.

3. Any sum acquired by refund from the association pursuant to NRS 686C.260 which previously had been written off by the contributing insurer and offset against premium taxes as provided in subsection 2 must be paid to the department of [taxation] *revenue* and deposited by it with the state treasurer for credit to the state general fund. The association shall notify the commissioner and the department of [taxation] *revenue* of each refund made.

**Sec. 121.** NRS 695C.230 is hereby amended to read as follows:

695C.230 1. Every health maintenance organization subject to this chapter shall pay to the commissioner the following fees:

- (a) For filing an application for a certificate of authority, \$2,450.
- (b) For issuance of a certificate of authority, \$250.
- (c) For an amendment to a certificate of authority, \$100.
- (d) For the renewal of a certificate of authority, \$2,450.
- (e) For filing each annual report, \$25.

2. At the time of filing the annual report , the health maintenance organization shall forward to the department of [taxation] *revenue* the tax and any penalty for nonpayment or delinquent payment of the tax in accordance with the provisions of chapter 680B of NRS.

3. All fees paid pursuant to this section shall be deemed earned when paid and may not be refunded.

**Sec. 122.** NRS 695D.260 is hereby amended to read as follows:

695D.260 1. Every organization for dental care shall file with the commissioner on or before March 1 of each year a report covering its activities for the preceding calendar year. The report must be verified by at least two officers of the organization.

2. The report must be on a form prescribed by the commissioner and must include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding calendar year.

(b) Any material changes in the information given in the previous report.

(c) The number of members enrolled in that year, the number of members whose coverage has been terminated in that year and the total number of members at the end of the year.

(d) The costs of all goods, services and dental care provided that year.

(e) Any other information relating to the plan for dental care requested by the commissioner.

3. Every organization for dental care shall file with the commissioner annually an audited financial statement prepared by an independent certified public accountant. The statement must cover the most recent fiscal year of the organization and must be filed with the commissioner within 120 days after the end of that fiscal year.

4. If an organization fails to file timely the report or financial statement required by this section, it shall pay an administrative penalty of \$100 per day until the report or statement is filed, except that the total penalty must not exceed \$3,000. The attorney general shall recover the penalty in the name of the State of Nevada.

5. The commissioner may grant a reasonable extension [of time] for filing the report or financial statement required by this section, if the request for an extension is submitted in writing and shows good cause.

6. The organization shall pay the department of [taxation] *revenue* the annual tax, any penalty for nonpayment or delinquent payment of the tax imposed in chapter 680B of NRS [,] and a filing fee of \$25 to the commissioner [,] at the time the annual report is filed.

**Sec. 123.** NRS 695F.330 is hereby amended to read as follows:

695F.330 At the time of filing the annual report pursuant to NRS 695F.320 , the prepaid limited health service organization shall forward to the department of [taxation] *revenue* the tax and any penalty for nonpayment or delinquent payment of the tax in accordance with the provisions of chapter 680B of NRS.

**Sec. 124.** NRS 705.425 is hereby amended to read as follows:

705.425 1. A state program for the physical preservation, in place, of property of lines of railroad, while service on [such] *those* lines is discontinued, is hereby established to provide an alternative to actual abandonment.

2. The department of transportation shall determine whether a line of railroad is eligible for admission to the program. A rail line may be admitted if:

(a) The Interstate Commerce Commission has approved the line for abandonment or discontinuance of service or the department of transportation has determined that the line is potentially subject to abandonment;

(b) The owners, operators and users of the line, the department of transportation and all counties and cities affected have agreed to the admission of the line to the program; and

(c) The owners and operators of the line agree to suspend service on the line for 5 years without removing or disposing of any of the trackage or other operating rail properties of the line, as an alternative to abandonment, to permit consideration by interested parties of means of preventing the ultimate abandonment of the line.

3. At the end of 5 years , the department of transportation may grant an extension, admitting the line of railroad to the program for not more than 5 additional years, if, in the judgment of the director of the department of transportation:

(a) The line is still potentially subject to abandonment; and

(b) The extension will facilitate the restoration of service on the line.

4. The owner of a line of railroad which has been admitted to the program is entitled to an allowance for taxes on the trackage and other operating rail properties of the line admitted. The department of transportation shall provide to the department of [taxation] *revenue* all information requested by the department of [taxation] *revenue* to carry out the system of allowances for taxes on the operating property of lines admitted to the program.

**Sec. 125.** Section 1 of chapter 580, Statutes of Nevada 1995, at page 1997, is hereby amended to read as follows:

Section 1. NRS 612.265 is hereby amended to read as follows:

612.265 1. Except as otherwise provided in this section, information obtained from any employing unit or person pursuant to the administration of this chapter and any determination as to the benefit rights of any person is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's or employing unit's identity.

2. Any claimant or his legal representative is entitled to information from the records of the division, to the extent necessary for the proper presentation of his claim in any proceeding pursuant to this chapter. A claimant or an employing unit is not entitled to information from the records of the division for any other purpose.

3. Subject to such restrictions as the administrator may by regulation prescribe, the information obtained by the division may be made available to:



(a) Any agency of this or any other state or any federal agency charged with the administration or enforcement of [an] *laws relating to* unemployment compensation , [law,] public assistance , [law,] workers' compensation or labor [law,] *and industrial relations*, or the maintenance of a system of public employment offices;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The department of revenue; and

(e) The state contractors' board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

Information obtained in connection with the administration of the employment service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or a public assistance program.

4. The administrator may publish or otherwise provide information on the names of employers, their addresses, their type or class of business or industry, and the approximate number of employees employed by each such employer, if the information released will assist unemployed persons to obtain employment or will be generally useful in developing and diversifying the economic interests of this state. Upon request by a state agency which is able to demonstrate that its intended use of the information will benefit the residents of this state, the

administrator may, in addition to the information listed in this subsection, disclose the number of employees employed by each employer and the total wages paid by each employer. The administrator may charge a fee to cover the actual costs of any administrative expenses relating to the disclosure of this information to a state agency. The administrator may require the state agency to certify in writing that the agency will take all actions necessary to maintain the confidentiality of the information and prevent its unauthorized disclosure.

5. Upon request therefor, the administrator shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment, and may furnish to any state agency similarly charged, the name, address, ordinary occupation and employment status of each recipient of benefits and the recipient's rights to further benefits pursuant to this chapter.

6. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this state may submit a written request to the administrator that he furnish, from the records of the division, the name, address and place of employment of any person listed in the records of employment of the division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation

currently being conducted by the agency. Upon receipt of such a request, the administrator shall furnish the information requested. He may charge a fee to cover the actual costs of any related administrative expenses.

7. The provisions of subsection 4 notwithstanding, the administrator shall provide lists containing the names and addresses of employers, the number of employees employed by each employer and the total wages paid by each employer to the department of revenue, upon request, for use in verifying returns for the business tax. The administrator may charge a fee to cover the actual costs of any related administrative expenses.

8. The manager of the state industrial insurance system *or a private carrier that provides industrial insurance in this state* shall submit to the administrator a list of each person who received benefits pursuant to chapters 616A to 616D, inclusive, or 617 of NRS during the preceding month and request that he compare the information so provided with the records of the division regarding persons claiming benefits pursuant to chapters 612 of NRS for the same period. The information submitted by the manager *or the private carrier* must be in a form determined by the administrator and must contain the social security number of each such person. Upon receipt of [such a] *the* request, the administrator shall make such a comparison and [provide to the manager a list of the name, address and social security number of each person who appears,] , *if it appears* from the

information submitted [, to be] *that a person is* simultaneously claiming benefits under chapter 612 of NRS and under chapters 616A to 616D, inclusive, or 617 of NRS [.] , *the administrator shall notify the attorney general or any other appropriate law enforcement agency.* The administrator shall charge a fee to cover the actual costs of any related administrative expenses. [The manager shall use the information obtained pursuant to this subsection only to further a current investigation. The manager shall not disclose the information for any other purpose.]

9. The administrator may request the Comptroller of the Currency of the United States to cause an examination of the correctness of any return or report of any national banking association rendered pursuant to the provisions of this chapter, and may, in connection with the request, transmit any such report or return to the Comptroller of the Currency of the United States as provided in Section 3305(c) of the Internal Revenue Code of 1954.

10. If any employee or member of the board of review or the administrator or any employee of the administrator, in violation of the provisions of this section, discloses information obtained from any employing unit or person in the administration of this chapter, or if any person who has obtained a list of applicants for work, or of claimants or recipients of benefits pursuant to this

chapter uses or permits the use of the list for any political purpose, he is guilty of a gross misdemeanor.

11. All letters, reports or communications of any kind, oral or written, from the employer or employee to each other or to the division or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of this chapter.

**Sec. 126.** Section 54 of chapter 580, Statutes of Nevada 1995, at page 2011, is hereby amended to read as follows:

**Sec. 54.** NRS 616.192 is hereby amended to read as follows:

616.192 1. Except as otherwise provided in this section and in NRS 616B.015, 616B.021 and 616C.205, information obtained from any employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's identity.

2. Any claimant or his legal representative is entitled to information from the records of the insurer, to the extent necessary for the proper presentation of a claim in any proceeding [under] *pursuant to* chapters 616A to 616D, inclusive, of NRS.

3. The division and administrator are entitled to information from the records of the insurer which is necessary for the performance of their duties. The

[manager] *administrator* may, by regulation, prescribe the manner in which otherwise confidential information may be made available to:

(a) Any agency of this or any other state charged with the administration or enforcement of [workers' compensation law,] *laws relating to industrial insurance*, unemployment compensation , [law,] public assistance [law] or labor [law;] *and industrial relations*;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The department of revenue; and

(e) The state contractors' board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

Information obtained in connection with the administration of a [workers' compensation] program *of industrial insurance* may be made available to persons or agencies for purposes appropriate to the operation of a [workers' compensation program.] *program of industrial insurance*.

4. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this state may submit a written request to the [manager] *administrator* that he furnish from the records of the insurer, the name, address and place of employment of any person listed in the records of the insurer. The request must set forth the social security number of the person about whom

the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of a request, the [manager] *administrator* shall furnish the information requested. He may charge a reasonable fee to cover any related administrative expenses.

5. The [manager] *administrator* shall provide lists containing the names and addresses of employers, the number of employees employed by each employer and the total wages paid by each employer to the department of revenue, upon request, for its use in verifying returns for the business tax. The [manager] *administrator* may charge a reasonable fee to cover any related administrative expenses.

6. If the [manager or] *administrator*, any employee of the [manager,] *division or the commissioner* in violation of this section, discloses information obtained from files of claimants or policyholders, or if any person who has obtained a list of claimants or policyholders [under] *pursuant to* chapters 616A to 616D, inclusive, of NRS uses or permits the use of the list for any political purposes, he is guilty of a gross misdemeanor.

7. All letters, reports or communications of any kind, oral or written, from the insurer, or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or

communication is written, sent, delivered or prepared pursuant to the requirements of chapters 616A to 616D, inclusive, of NRS.

**Sec. 127.** Section 80 of chapter 580, Statutes of Nevada 1995, at page 2022, is hereby amended to read as follows:

**Sec. 80.** NRS 616.335 is hereby amended to read as follows:

616.335 1. The books, records and payrolls of [the employer pertinent to the administration of chapters 616A to 616D, inclusive, of NRS must always] *an employer insured by the system must* be open to inspection by the administrator, the system or its auditor [, agent or assistant,] *or agent* or by auditors of the department of revenue [for the purpose of ascertaining the correctness of the payroll, the men employed, and such] *to determine:*

(a) *The accuracy of the payroll;*

(b) *The number of persons employed; and*

(c) *Any other information [as may be] necessary for the [system and its administration.] administration of chapters 616A to 616D, inclusive, and chapter 617 of NRS.*

2. *The books, records and payroll of an employer who is self-insured, a member of an association of self-insured public or private employers or insured by a private carrier must be open to inspection by the administrator or his auditor or agent in the manner prescribed in subsection 1.*



**Sec. 128.** Section 107 of chapter 580, Statutes of Nevada 1995, at page 2034, is hereby amended to read as follows:

Sec. 107. NRS 616.645 is hereby amended to read as follows:

616.645 1. Any employer *insured by the system* who refuses to submit his books, records and [payrolls] *payroll* for inspection, as provided by NRS 616A.485, to a representative of the system or the administrator, or to an auditor from the department of revenue, presenting written authority for the inspection, is subject to a penalty of [\$100] *\$1,000* for each offense, to be collected by a civil action in the name of the system or the administrator.

2. *A self-insured employer, a member of an association of self-insured public or private employers or an employer insured by a private carrier who refuses to submit his books, records and payroll to the administrator for inspection as provided by NRS 616A.485, is subject to a penalty of \$1,000 for each offense, to be collected by a civil action in the name of the administrator.*

3. The person who gives such refusal is guilty of a misdemeanor.

**Sec. 129.** Section 130.6 of chapter 587, Statutes of Nevada 1995, at page 2166, is hereby amended to read as follows:

Sec. 130.6. NRS 680B.060 is hereby amended to read as follows:

680B.060 1. [The] *Except as otherwise provided in subsection 6, the taxes imposed [under] pursuant to NRS 680B.027* must be collected by the department

of revenue and promptly deposited with the state treasurer for credit to the state general fund.

2. If the tax is not paid by the insurer on or before the date required for payment, the tax becomes delinquent, and payment thereof may be enforced by court action instituted on behalf of the state by the attorney general. The attorney general may employ additional counsel in the city where the home office of the insurer is located, subject to approval of compensation for such services by the state board of examiners. The administrative and substantive enforcement provisions of chapters 360 and 372 of NRS apply to the enforcement of the taxes imposed under NRS 680B.027.

3. Upon the tax becoming delinquent, the executive director of the department of revenue shall notify the commissioner, who shall suspend or revoke the insurer's certificate of authority pursuant to NRS 680A.190.

4. If a dispute arises between an insurer and the state as to the amount of tax, if any, payable, the insurer is entitled to pay under protest the tax in the amount assessed by the department of revenue, without waiving or otherwise affecting any right of the insurer to recover any amount determined, through appropriate legal action taken by the insurer against the department of revenue, to have been in excess of the amount of tax lawfully payable.

5. [All] *Except as otherwise provided in subsection 6, all taxes, fees, licenses, fines and charges collected under this code, including the general premium tax provided for under NRS 680B.027 and as increased in any instances pursuant to NRS 680A.330, must be promptly deposited with the state treasurer for credit to the state general fund.*

6. *The taxes collected pursuant to NRS 680B.027 from insurers that are writing industrial insurance in this state, including the state industrial insurance system, which are attributable to industrial insurance must be promptly deposited with the state treasurer for credit to the state insurance fund until the commissioner notifies the state treasurer that the balance in the state insurance fund is sufficient to ensure the solvency of the state industrial insurance system. Upon receipt of such a notice, the state treasurer shall discontinue depositing the taxes in the state insurance fund and shall deposit the taxes collected from these insurers for credit to the state general fund.*

**Sec. 130.** 1. This section and sections 1 to 109, inclusive, 112, 114 to 129, inclusive, and 131 of this act become effective on October 1, 1997.

2. Sections 110 and 113 of this act become effective at 12:01 a.m. on January 1, 1998.

3. Section 111 of this act becomes effective at 12:01 a.m. on July 1, 1999.

4. Sections 109 and 112 of this act expire by limitation on January 1, 1998.

5. Section 110 of this act expires by limitation on July 1, 1999.

**Sec. 131.** The legislative counsel shall:

1. In preparing the reprint and supplements to NRS, with respect to any section that is not amended by this act or is further amended by another act, appropriately change any reference to “department of taxation” to “department of revenue.”

2. In preparing supplements to NAC, appropriately change any reference to “department of taxation” to “department of revenue.”

SUMMARY—Amends Joint Rules of Senate and Assembly to establish standards for determining division of fiscal responsibility for programs and services provided by state and local governments. (BDR R-298)

ASSEMBLY CONCURRENT RESOLUTION—Amending the Joint Rules of the Senate and Assembly for the 69th legislative session to establish standards for determining the division of fiscal responsibility for programs and services provided by the state and local governments.

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING,  
That the Joint Rules of the Senate and Assembly as adopted by the 69th session of the Legislature are amended by the following addition:

23

***STANDARDS FOR DETERMINING DIVISION OF FISCAL RESPONSIBILITY  
FOR PROGRAMS AND SERVICES PROVIDED BY  
STATE AND LOCAL GOVERNMENTS***

***Rule No. 23. Duties of Standing Committees.***

*Any standing committee of the Assembly or Senate to which a bill is referred that proposes or revises a division of fiscal responsibility between the state and a local*

*government for a program or service shall review the bill by considering whether the division of fiscal responsibility will:*

*1. Eliminate duplicative services by defining fiscal responsibility to ensure:*

*(a) That the governmental entity required to operate the program or service has the authority to fund that program or service; and*

*(b) Flexibility, consistency and efficiency in the operation of the program or service.*

*2. Provide financial incentives for the operation of the program or service.*

*3. Eliminate restrictions that prevent the efficient operation of the program or service.*

*4. Ensure cooperative arrangements for the operation of the program or service, including, without limitation, the establishment of:*

*(a) A master plan for the operation of the program or service;*

*(b) A plan for the efficient operation of the program or service;*

*(c) Standards for determining the appropriate operator of the program or service;*

*(d) Standards of accountability for the operation of the program or service; and*

*(e) A plan to evaluate the operation of the program or service, including, without limitation:*

*(1) A review of the applicable provisions of NRS and NAC;*

*(2) A review of the applicable ordinances of local governments;*

*(3) The requirements for the operation of the program or service; and*

*(4) The requirement for an audit of the program or service on a regular basis.*

**SUMMARY—Creates committee to conduct study of welfare programs provided by state and local governments. (BDR S-299)**

**FISCAL NOTE: Effect on Local Government: No.**

**Effect on the State or on Industrial Insurance: Yes.**

**AN ACT relating to welfare; creating a committee to conduct a study of the welfare programs provided by the state and local governments; 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. 1. The Committee to Study the Welfare Programs Provided by the State and Local Governments, consisting of five members, is hereby created. The following persons shall serve as members of the committee:**

- (a) The Director of the Department of Human Resources;**
- (b) The Director of the Department of Social Services of Clark County;**
- (c) The Director of the Department of Social Services of Washoe County;**
- (d) A member who is appointed by the governing body of the Nevada League of Cities;**

**and**

(e) A member of an organization that provides legal services to persons of low income who is appointed by the Director of the Department of Human Resources.

2. The members of the committee serve without additional compensation and are entitled to receive the per diem allowance or travel expenses to which they would otherwise be entitled from their state or local governmental employer for state or local business, if any, for each day or portion thereof on which they conduct business of the committee.

3. The Director of the Department of Human Resources shall provide the necessary staff for the committee.

**Sec. 2.** The Committee to Study Welfare Programs Provided by the State and Local Governments shall study the welfare programs provided by the state and local governments, including the feasibility of:

1. Requiring that applications for temporary assistance for needy families, formerly known as aid to families with dependent children, be processed within 30 days after the applications are filed.

2. Transferring the responsibility for the operation of certain welfare programs from the state to the counties.

3. Requiring the state or the counties to be responsible for the provision of public health services.

4. Abolishing the requirements imposed by the state concerning indigent care and transferring the responsibility for providing indigent care to the counties.



5. Revising the definitions of “household” and “income” as set forth in NRS 428.015 to increase the number of indigent persons eligible to receive medical assistance.

6. Assigning state employees to work in public health centers and tribal health clinics.

7. Authorizing district courts to order outpatient treatment for former patients of a mental health facility without requiring the patients to be committed to a mental health facility for treatment.

8. Developing a system to report the processing of applications for temporary assistance for needy families, including, without limitation:

(a) The number of applications that were approved and denied;

(b) The average number of days to process an application; and

(c) A summary of the reasons for the denial of applications.

**Sec. 3.** All agencies of the state shall cooperate with the Committee to Study Welfare Programs Provided by the State and Local Governments and provide to the committee any information or material that the committee requests to conduct its study and prepare its reports.

**Sec. 4.** The Committee to Study Welfare Programs Provided by the State and Local Governments shall prepare and submit:

1. An initial report to the Legislative Commission not later than 30 days after the effective date of this act. The report must include recommendations, if any, concerning the feasibility of transferring the responsibility for the operation of a specific welfare program from the state to the counties.

2. An intermediate report to the Legislative Commission and the Director of the Department of Administration not later than January 1, 1998. The report must include:

- (a) A summary of the progress of the study; and
- (b) Any recommendations concerning the study, including any recommendations that may affect the preparation of the executive budget of the state.

3. A final report of its findings and recommendations for legislation to the Legislative Commission before the commencement of the 70th session of the Nevada Legislature.

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

SUMMARY—Transfers responsibility for collection of certain fees and taxes from department of motor vehicles and public safety to department of taxation.  
(BDR 32-301)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: No.

AN ACT relating to taxation; transferring the responsibility for the collection of the taxes imposed on the sale or use of special fuel and the fees imposed on leases of passenger cars by short-term lessors from the department of motor vehicles and public safety to the department of taxation; 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.** NRS 360.001 is hereby amended to read as follows:

360.001 As used in this Title, except as otherwise provided in chapters 364 [, 366] and 371 of NRS and unless the context requires otherwise:

1. “Department” means the department of taxation.
2. “Executive director” means the executive director of the department . [of taxation.]

**Sec. 2.** NRS 360.300 is hereby amended to read as follows:

360.300 1. If a person fails to file a return or the department is not satisfied with the return or returns of any tax, contribution or premium or amount of tax, contribution or premium required to be paid to the state by any person, in accordance with the applicable provisions of *NRS 482.313*, this chapter or chapter 362, 364A, 365, 366, 369, 370, 372, 372A, 373, 374, 377, 377A, 444A, 585, 590 or 680B of NRS as administered or audited by the department, it may compute and determine the amount required to be paid upon the basis of:

- (a) The facts contained in the return;
- (b) Any information within its possession or that may come into its possession; or
- (c) Reasonable estimates of the amount.

2. One or more deficiency determinations may be made of the amount due for one or for more than one period.

3. When a business is discontinued, a determination may be made at any time thereafter within the time prescribed in NRS 360.355 as to liability arising out of that business, irrespective of whether the determination is issued before the due date of the liability.

**Sec. 3.** NRS 360.410 is hereby amended to read as follows:

360.410 1. If the department finds that a person's failure to make a timely return or payment of a tax imposed [by] *pursuant to NRS 482.313* or this Title, except for chapters 364 [, 366] and 371, is due to circumstances beyond his control and occurred

notwithstanding the exercise of ordinary care and in the absence of willful neglect, the department may relieve [such] *that* person of all or part of any penalty imposed.

2. Any person seeking relief from such *a* penalty shall file with the department a statement under oath setting forth the facts upon which he bases his claim for relief.

**Sec. 4.** NRS 360.412 is hereby amended to read as follows:

360.412 If the department believes that the collection of any amount of sales or use tax, business tax [,] or other excise due [under] *pursuant to* this Title [or] , *NRS 482.313 or* chapter 585 of NRS will be jeopardized by delay, it shall make a determination of the amount required to be collected and serve notice of the determination upon the person against whom it is made.

**Sec. 5.** NRS 360.417 is hereby amended to read as follows:

360.417 Unless a different penalty or rate of interest is specifically provided, any person who fails to pay any tax provided for in chapter 362, 364A, 365, *366*, 369, 370, 372, 373 or 374 of NRS, or fee provided for in NRS *482.313 or* 590.700 to 590.920, inclusive, to the state or a county within the time required, shall pay a penalty of not more than 10 percent of the amount of the tax or fee which is owed, as determined by the department, in addition to the tax or fee, plus interest at the rate of 1.5 percent per month, or fraction of a month, from the last day of the month following the period for which the amount or any portion of the amount should have been reported until the date of payment.

**Sec. 6.** NRS 360.419 is hereby amended to read as follows:

360.419 1. The department may, for good cause shown, waive or reduce the payment of the interest or penalty, or both, on any tax which is owed to the state or to a county by any person. The department shall, upon the request of any person, disclose the:

- (a) Name of the person whose interest or penalty was waived or reduced; and
- (b) Amount so waived or the amount of the reduction.

2. This section applies to all taxes imposed [under] *pursuant to* this Title except for those imposed pursuant to chapter 364, [366,] 371 or 375 of NRS.

**Sec. 7.** NRS 360.510 is hereby amended to read as follows:

360.510 1. If any person is delinquent in the payment of any tax or fee administered by the department or if a determination has been made against him which remains unpaid, the department may:

(a) Not later than 3 years after the payment became delinquent or the determination became final; or

(b) Not later than 5 years after the last recording of an abstract of judgment or of a certificate constituting a lien for tax owed,

give a notice of the delinquency and a demand to transmit personally or by registered or certified mail to any person, including, without limitation, any officer or department of the state or any political subdivision or agency of the state, who has in his possession or under his control any credits or other personal property belonging to the delinquent, or owing any debts to the delinquent or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or that person. In the case of any state

officer, department or agency, the notice must be given to the officer, department or agency before it presents the claim of the delinquent taxpayer to the state controller.

2. A state officer, department or agency which receives such a notice may satisfy any debt owed to it by that person before it honors the department's notice.

3. After receiving the demand to transmit, the persons so notified may not transfer or otherwise dispose of the credits, other personal property, or debts in their possession or under their control at the time they received the notice until the department consents to a transfer or other disposition.

4. All persons so notified shall, within 10 days after receipt of the demand to transmit, inform the department of, and transmit to the department all such credits, other personal property, or debts in their possession, under their control or owing by them within the time and in the manner requested by the department. Except as otherwise provided in subsection 5, no further notice is required to be served to [such] *those* persons.

5. If the property of the delinquent taxpayer consists of a series of payments owed to him, the person who owes or controls the payments shall transmit the payments to the department until otherwise notified by the department. If the debt of the delinquent taxpayer is not paid within 1 year after the department issued the original demand to transmit, it shall issue another demand to transmit to the person responsible for making the payments informing him to continue to transmit payments to the department or that his duty to transmit the payments to the department has ceased.

6. If the notice of the delinquency seeks to prevent the transfer or other disposition of a deposit in a bank or other credits or personal property in the possession or under the control of a bank or other depository institution, the notice must be delivered or mailed to the branch or office of the bank or other depository institution at which the deposit is carried or at which the credits or personal property is held.

7. If any person so notified makes any transfer or other disposition of the property or debts required to be withheld or transmitted, to the extent of the value of the property or the amount of the debts thus transferred or paid, he is liable to the state for any indebtedness due [under] *pursuant to NRS 482.313*, this chapter or chapter 362, 364A, 365, 366, 369, 370, 372, 372A, 373, 374, 377, 377A, 444A, 585, 590 or 680B of NRS from the person with respect to whose obligation the notice was given if solely by reason of the transfer or other disposition the state is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

**Sec. 8.** NRS 360.530 is hereby amended to read as follows:

360.530 1. At any time within 3 years after any person has become delinquent in the payment of any amount of sales or use tax or other excise due [under] *pursuant to this Title*, *NRS 482.313* or chapter 585 of NRS, the department may seize any property, real or personal, of the person and sell the property, or a sufficient part of it, at public auction to pay the amount due, together with any interest or penalties imposed for the delinquency and any costs incurred on account of the seizure and sale.



2. Any seizure made to collect a tax due may be only of the property of the person not exempt from execution under the provisions of law.

**Sec. 9.** NRS 366.020 is hereby amended to read as follows:

366.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS [366.025] 366.030 to 366.100, inclusive, have the meanings ascribed to them in those sections.

**Sec. 10.** NRS 366.175 is hereby amended to read as follows:

366.175 1. To the extent permitted by federal law, the department may enter into cooperative agreements with other states and countries for the exchange of information regarding, and the auditing of, persons who use special fuel in motor vehicles operated or intended to operate interstate. Any agreement, arrangement or declaration, or any amendment thereto, is not effective until reduced to writing and signed by the parties thereto or their authorized representatives.

2. An agreement may include, with respect to persons who use special fuel, provisions:

- (a) For determining the domicile of those persons;
- (b) Specifying the records which are required to be kept by those persons;
- (c) Relating to audit procedures, the exchange of information and persons eligible for licensing;
- (d) Defining various words and terms;

(e) Setting forth the procedure for collecting special fuel taxes owing to another jurisdiction and forwarding those taxes to that jurisdiction; and

(f) Designed to facilitate the administration of the agreement.

3. The department may, pursuant to the terms of an agreement, forward to the designated representatives of another jurisdiction any information in its possession relating to the manufacture, transportation, shipment, sale or use of special fuel by any person, and the location within this state of any motor vehicles owned by a person who has been identified by another jurisdiction as a user of special fuel.

4. An agreement may provide that each jurisdiction shall audit the records of persons residing or doing business within that jurisdiction to determine if the special fuel taxes owing to each jurisdiction have been properly reported and paid, and requiring each jurisdiction to forward the findings of its audits to every other jurisdiction in which the person who is the subject of an audit has incurred tax liability as a result of his use of special fuel. The audit findings received from another jurisdiction may be used by the department as the basis for [an estimated assessment] *a determination of the amount of the* tax due from a person pursuant to the provisions of NRS [366.405.] *360.300.*

5. Any agreement entered into pursuant to the provisions of this section does not preclude the department from auditing the records of any person subject to the provisions of this chapter.

**Sec. 11.** NRS 366.620 is hereby amended to read as follows:

366.620 1. If the ownership of a motor vehicle subject to the lien provided for by NRS [366.590] 360.473 is transferred, whether by operation of law or otherwise, no certificate of registration or certificate of ownership with respect to the motor vehicle may be issued by the department *of motor vehicles and public safety* to the transferee or person otherwise entitled thereto until the department *of taxation* has issued a certificate that the lien has been removed.

2. No license issued [under] *pursuant to* chapter 706 of NRS with respect to a motor vehicle which becomes subject to the lien provided for by NRS [366.590] 360.473 may be transferred until the department *of taxation* has issued a certificate that the lien has been removed.

**Sec. 12.** NRS 481.023 is hereby amended to read as follows:

481.023 Except as otherwise provided therein, the department shall execute, administer and enforce, and perform the functions and duties provided in:

1. Title 43 of NRS relating to vehicles.
2. Chapter 706 of NRS relating to licensing of motor vehicle carriers and the use of public highways by those carriers.
3. [Chapter 366 of NRS relating to imposition and collection of taxes on special fuels used for motor vehicles.
- 4.] Chapter 453 of NRS relating to controlled substances and chapter 454 of NRS relating to dangerous drugs.
- [5.] 4. Chapter 459 of NRS relating to the transportation of hazardous materials.

[6.] 5. Chapter 414 of NRS relating to emergency management.

[7.] 6. Chapter 477 of NRS relating to the state fire marshal.

[8.] 7. Chapters 176 and 213 of NRS relating to parole and probation.

**Sec. 13.** NRS 481.071 is hereby amended to read as follows:

481.071 1. Any change in the organization of the department may include the divisions, functions and responsibilities described in subsection 2 but must not include those described in paragraph (e), (h) or (i) of that subsection.

2. Unless the organization of the department is changed by the director, the primary functions and responsibilities of the specified divisions of the department are as follows:

(a) The registration division shall:

(1) Execute, administer and enforce the provisions of chapter 482 of NRS and perform such duties and exercise such powers as may be conferred upon it pursuant to chapter 482 of NRS and the provisions of any other laws;

(2) Execute and administer the laws relative to the licensing of motor vehicle carriers and the use of public highways by those carriers as contained in chapter 706 of NRS;

(3) Perform such duties and exercise such powers as may be conferred upon it pursuant to chapter 706 of NRS and the provisions of any other laws;

(4) [Execute and administer the provisions of chapter 366 of NRS, relating to the imposition and collection of taxes on special fuels used for motor vehicles; and

(5)] Perform such duties and exercise such powers as may be conferred upon it pursuant to chapter 366 of NRS and the provisions of any other laws.

(b) The drivers' license division shall execute, administer and enforce the provisions of chapter 483 of NRS and perform such duties and exercise such powers as may be conferred upon it pursuant to chapter 483 of NRS and the provisions of any other laws.

(c) The administrative services division shall furnish fiscal and accounting services to the director and the various divisions and advise and assist the director and the various divisions in carrying out their functions and responsibilities.

(d) The investigation division shall:

(1) Execute, administer and enforce the provisions of chapter 453 of NRS relating to controlled substances and chapter 454 of NRS relating to dangerous drugs;

(2) Assist the secretary of state in carrying out an investigation pursuant to NRS 293.124; and

(3) Perform such duties and exercise such powers as may be conferred upon it pursuant to this chapter and any other laws.

(e) The Nevada highway patrol division shall execute, administer and enforce the provisions of chapter 484 of NRS and perform such duties and exercise such powers as may be conferred upon it pursuant to NRS 481.180 and the provisions of any other laws.

(f) The division of emergency management shall execute, administer and enforce the provisions of chapter 414 of NRS and perform such duties and exercise such powers as may be conferred upon it pursuant to chapter 414 of NRS and the provisions of any other laws.

(g) The state fire marshal division shall execute, administer and enforce the provisions of chapter 477 of NRS and perform such duties and exercise such powers as may be conferred upon it pursuant to chapter 477 of NRS and the provisions of any other laws.

(h) The division of parole and probation shall execute, administer and enforce the provisions of chapters 176 and 213 of NRS relating to parole and probation and perform such duties and exercise such powers as may be conferred upon it pursuant to those chapters and the provisions of any other law.

(i) The capitol police division shall assist the chief of the buildings and grounds division of the department of administration in the enforcement of subsection 1 of NRS 331.140.

**Sec. 14.** NRS 482.313 is hereby amended to read as follows:

482.313 1. Upon the lease of a passenger car by a short-term lessor in this state, the short-term lessor shall charge and collect from the short-term lessee a fee of 6 percent of the total amount for which the passenger car was leased, excluding any taxes or other fees imposed by a governmental entity. The amount of the fee must be indicated in the lease agreement.

2. On or before January 31 of each year, the short-term lessor shall:

(a) File with the department [,] *of taxation and the department of motor vehicles and public safety*, on a form prescribed by the department [,] *of taxation*, a report indicating the total amount of:

(1) Fees collected by the short-term lessor during the immediately preceding year pursuant to this section; and

(2) Vehicle licensing fees and taxes paid by the short-term lessor during the immediately preceding year pursuant to this chapter.

(b) Remit to the department [:] *of taxation*:

(1) One-third of the fees collected by the short-term lessor during the immediately preceding year pursuant to this section; and

(2) Of the remainder of [such] *those* fees, any amount in excess of the total amount of vehicle licensing fees and taxes paid by the short-term lessor during the immediately preceding year pursuant to this chapter.

3. The department *of taxation* shall deposit all money received from short-term lessors pursuant to the provisions of this section with the state treasurer for credit to the state general fund.

4. To ensure compliance with this section, the department *of taxation* may audit the records of a short-term lessor.

5. [Nothing in this section limits or affects] *The provisions of this section do not limit or affect* the payment of any taxes or fees imposed pursuant to the provisions of this chapter.

6. *The department of motor vehicles and public safety shall, upon request, provide to the department of taxation any information in its records relating to a short-term lessor*

*that the department of taxation considers necessary to collect the fee required by this section.*

7. As used in this section, "vehicle licensing fees and taxes" means:

(a) The fees paid by a short-term lessor for the registration of, and the issuance of certificates of title for, the passenger cars leased by him; and

(b) The basic and supplemental privilege taxes paid by the short-term lessor with regard to [such] *those* passenger cars.

**Sec. 15.** NRS 366.025, 366.395, 366.405, 366.510, 366.560, 366.570, 366.580, 366.590, 366.600, 366.610, 366.630 and 366.640 are hereby repealed.

**Sec. 16.** The regulations adopted by the department of motor vehicles and public safety pursuant to NRS 366.110, 366.207, 366.220 and 366.397 are void.

**Sec. 17.** The department of taxation shall, as soon as practicable after July 1, 1997, adopt regulations to carry out the provisions of chapter 366 of NRS. The regulations adopted pursuant to this section become effective on July 1, 1998.

**Sec. 18.** 1. This section and sections 14 and 17 of this act become effective on July 1, 1997.

2. Sections 1 to 13, inclusive, 15 and 16 of this act become effective on July 1, 1998.



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## **LEADLINES OF REPEALED SECTIONS**

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- 366.025   “Department” defined.**
- 366.395   Interest and penalties on default; when return or statement deemed delinquent.**
- 366.405   Additional or estimated assessment of special fuel tax: Interest; penalties; notice; redeterminations.**
- 366.510   Remittances: Time for payment; addition of penalties.**
- 366.560   Suit for tax: Duty of attorney general or district attorney.**
- 366.570   Suit for tax: Attachment.**
- 366.580   Evidentiary effect of verified claim of department.**
- 366.590   Lien of tax: Nature and operation; time of attachment; department to give notice to interest holders before seizure of vehicle; hearing.**
- 366.600   Duration of lien.**
- 366.610   Priority of lien.**
- 366.630   Notice to persons controlling credits or other property of delinquent user; transfer or disposition prohibited; persons notified to advise department of such credits and property.**
- 366.640   Remedies cumulative; election of remedies.**



SUMMARY—Provides for study of feasibility of consolidating collection of taxes and fees within Department of Taxation and of actual cost of collecting taxes and fees on behalf of local governments. (BDR S-297)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to taxation; providing for a study of the feasibility of consolidating the collection of taxes and fees within the Department of Taxation and of the cost of collecting taxes and fees on behalf of local governments; 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.** 1. The committee to study the feasibility of consolidating the collection of state taxes and fees within the Department of Taxation is hereby created. The following persons shall serve as ex officio members of the committee:

- (a) The Executive Director of the Department of Taxation;
- (b) The Director of the Department of Administration;

(c) The State Treasurer; and

(d) Any other person whom the ex officio members of the committee consider necessary to conduct the study.

2. Each member of the committee shall serve without additional compensation except that while he is engaged in the business of the committee he is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

3. The Executive Director of the Department of Taxation shall provide the necessary staff for the committee.

**Sec. 2. The committee shall:**

1. Identify all state taxes and fees whose collection should be transferred to the Department of Taxation.

2. Evaluate the effect that a consolidation of the collection of state taxes and fees within the Department of Taxation will have upon:

(a) The budget of each state agency whose responsibility for the collection of a state tax or fee may be transferred to the Department of Taxation; and

(b) The budget of the Department of Taxation, including, without limitation, the requirements for additional employees, computers and other equipment, offices and the training of employees.

3. Review the taxes and fees which are collected by the Department of Taxation for the benefit of local governments and determine the actual cost to the department to collect

those taxes and fees and the methods used to determine the actual cost of collecting those taxes and fees.

**Sec. 3.** All agencies of the state shall cooperate with the committee and provide to the committee any information or material that the committee requests to conduct its study and prepare its reports.

**Sec. 4.** The committee shall prepare and submit:

1. An initial report that includes a summary of the progress of the study to the Legislative Commission not later than March 1, 1998;
2. A second report that includes a summary of the progress of the study to the Legislative Commission not later than October 1, 1998; and
3. A final report of its findings and recommendations for legislation to the Director of the Legislative Counsel Bureau before the commencement of the 70th session of the Nevada Legislature for transmittal to the Senate Standing Committee on Taxation and the Assembly Standing Committee on Taxation.



SUMMARY—Requires payment by counties of nonfederal share of expenditures for certain medically indigent persons covered by state plan for assistance to the medically indigent. (BDR 38-296)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to public welfare; requiring payment by counties of the nonfederal share of expenditures for certain medically indigent persons covered by the state plan for assistance to the medically indigent; 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 428 of NRS is hereby amended by adding thereto a new section to read as follows:

*Each county shall pay the nonfederal share of expenditures for the medical, administrative and transaction costs of persons residing in the county who are covered by the state plan for assistance to the medically indigent and who have a net countable income of more than \$800 per month.*

**Sec. 2.** Section 1 of this act is hereby amended to read as follows:

Section 1. Each county shall pay the nonfederal share of expenditures for the medical, administrative and transaction costs of persons residing in the county who are covered by the state plan for assistance to the medically indigent and who have a net countable income of more than [~~\$800~~] \$850 per month.

**Sec. 3.** The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

**Sec. 4.** 1. This section and sections 1 and 3 of this act become effective on July 1, 1997.

2. Section 2 of this act becomes effective on July 1, 1998.