

STATE OF NEVADA
DEPARTMENT OF STATE

**Questions to Be Voted Upon in State of
Nevada at the General Election,
November 4, 1986**



Compiled by

WM. D. SWACKHAMER
SECRETARY OF STATE

PLEASE TAKE NOTICE

IMPORTANT NOTE TO VOTERS

Ballot Questions 3, 4, 6 and 8 relate to Nevada's sales tax. It is important that you understand this tax and the process by which it may be changed. As noted below, only a portion of this tax may be changed by you, the voter.

Nevada's sales tax consists of three separate taxes levied at different rates on the sale and use of personal property in the state. The current total rate is 5.75 percent.

The tax includes:

Tax	Rate
1. The Sales and Use Tax.....	2 percent
2. The Local School Support Tax and.....	1.5 percent
3. The City-County Relief Tax.....	2.25 percent
Total.....	5.75 percent

The Sales and Use Tax is imposed at a rate of 2 percent and may be amended or repealed only with the approval of the voters. Your votes on Questions 3, 4, 6 and 8 relate only to this tax of 2 percent.

The Local School Support Tax and the City-County Relief Tax may be amended or repealed by the legislature without the approval of the voters.

Depending on its population, each county is also authorized to impose an additional tax at a rate of not less than one-quarter of 1 percent nor more than one-half of 1 percent, subject to the approval of the voters in that county.

These additional taxes have, in some counties, increased the rate of the sales tax above the rate imposed statewide.

Questions to Be Voted Upon in State of Nevada at the General Election, November 4, 1986

(NOTICE—Matter in *italics* is new; matter in brackets [] is material to be omitted.)

I, Wm. D. Swackhamer, the duly elected, qualified and acting Secretary of State of the State of Nevada, do hereby certify that the following Constitutional Amendments and Questions are to appear on the 1986 General Election Ballot:

QUESTION NO. 1

Amendment to the Constitution

Senate Joint Resolution No. 3 of the 62nd Session

Senate Joint Resolution—Proposing to amend the Nevada constitution to remove the provision for taxing shares of stock in banking corporations.

Resolved by the Senate and the Assembly of the State of Nevada, jointly, That section 1 of article 10 of the constitution of the State of Nevada be amended to read as follows:

Section 1. *1.* The legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, when not patented, the proceeds alone of which shall be assessed and taxed, and when patented, each patented mine shall be assessed at not less than five hundred dollars (\$500), except when one hundred dollars (\$100) in labor has been actually performed on such patented mine during the year, in addition to the tax upon the net proceeds . [; shares]

2. *Shares* of stock , [(except shares of stock in banking corporations),] bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt. [Notwithstanding the provisions of this section, the]

3. *The* legislature may constitute agricultural and open-space real property having a greater value for another use than that for which it is being used, as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes. If such plan is provided, the legislature shall also provide for retroactive assessment for a period of not less than 7 years when agricultural and open-space real property is converted to a higher use conforming to the use for which other nearby property is used.

4. Personal property which is moving in interstate commerce through or over the territory of the State of Nevada, or which was consigned to a warehouse, public or private, within the State of Nevada from outside the State of Nevada for storage in transit to a final

destination outside the State of Nevada, whether specified when transportation begins or afterward, shall be deemed to have acquired no situs in Nevada for purposes of taxation and shall be exempt from taxation. Such property shall not be deprived of such exemption because while in the warehouse the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged.

5. The legislature may exempt motor vehicles from the provisions of the tax required by this section, and in lieu thereof, if such exemption is granted, shall provide for a uniform and equal rate of assessment and taxation of motor vehicles, which rate shall not exceed five cents on one dollar of assessed valuation.

6. The legislature shall provide by law for a progressive reduction in the tax upon business inventories by 20 percent in each year following the adoption of this provision, and after the expiration of the 4th year such inventories are exempt from taxation. The legislature may exempt any other personal property, including livestock.

7. No inheritance or estate tax shall ever be levied . [, and there shall also be excepted such property as may be exempted by law]

8. *The legislature may exempt by law property used for municipal, educational, literary, scientific or other charitable purposes.*

CONDENSATION (ballot question)

Shall the Nevada constitution be amended to provide the same exemption from taxation for shares of stock of banking corporations as is extended to all other corporations?

Yes 153,528 ☒
No 88,083 ☐

EXPLANATION

Shares of stock, other than bank stocks, are exempted from taxation by the Nevada constitution. By providing an exemption for bank stocks, this amendment would result in banks being taxed in the same manner as other business corporations. If this amendment passes, legislation enacted in the 1985 legislative session will require banks to pay taxes on any personal property owned by them, from which they are presently exempt by statute.

ARGUMENT FOR PASSAGE

Approval of this proposed amendment will make Nevada's tax system more fair by making sure that banks and other types of businesses are taxed in the same manner. The current tax is discriminatory because it applies to banks but not to credit unions, thrift companies or savings and loan associations which perform similar services.

ARGUMENT AGAINST PASSAGE

The repeal of the tax on shares of bank stock could result in a minor loss of revenue for the State of Nevada and its local governments.

QUESTION NO. 2

Amendment to the Constitution

Senate Joint Resolution No. 23 of the 62nd Session

Senate Joint Resolution—Proposing to amend the Nevada constitution to allow the legislature to provide for referees in district courts.

Resolved by the Senate and Assembly of the State of Nevada, jointly, That section 6 of article 6 of the constitution of the State of Nevada be amended to read as follows:

Sec. 6. 1. The District Courts in the several Judicial Districts of this State shall have original jurisdiction in all cases excluded by law from the original jurisdiction of justices' courts. They shall also have final appellate jurisdiction in cases arising in Justices Courts, and such other inferior tribunals as may be established by law. The District Courts, and the Judges thereof shall have power to issue writs of Mandamus, Injunction, Quo-Warranto, Certiorari, and all other writs proper and necessary to the complete exercise of their jurisdiction; and also shall have power to issue writs of Habeas Corpus on petition by, or on behalf of any person held in actual custody in their respective districts.

2. *The legislature may provide by law for referees in district courts.*

CONDENSATION (ballot question)

Shall the Nevada constitution be amended to authorize the legislature to provide for referees in district courts?

Yes. 132,654 ☒
No. 107,941 ☐

EXPLANATION

Nevada's court rules already provide for the appointment of referees to assist judges in resolving issues of fact in complicated cases. The supreme court of Nevada has held that only district judges can decide issues of law. This amendment would authorize the legislature to define the limits of the authority of referees as well as the conditions for appointment.

ARGUMENT FOR PASSAGE

The proposed amendment would allow the legislature to expand the use of referees to assist judges in district courts. An increased use of referees would save money, help alleviate crowded court calendars and speed up the judicial process.

ARGUMENT AGAINST PASSAGE

There is an existing rule of civil procedure providing for limited use of referees in district courts. The courts rather than the legislature should decide how referees are used.

QUESTION NO. 3

Proposal to Amend the Sales and Use Tax Act

Assembly Bill No. 494

Notice is hereby given that at the general election on November 4, 1986, a question will appear on the ballot for the adoption or rejection by the registered voters of the state of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto," approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

Section 1. The above entitled act, being chapter 397, Statutes of Nevada 1955, at page 762, is hereby amended by adding thereto a new section to be designated as section 51.5, immediately following section 51, to read as follows:

Sec. 51.5 When a contractor fabricates material for use in constructing any building or other improvement to real property, the taxes imposed by this chapter must be based upon the value of the material as fabricated, as if the contractor were purchasing it from another, and the tax must be paid by the contractor as if he were selling it to another.

Sec. 2. This act becomes effective on January 1, 1987.

CONDENSATION (ballot question)

Shall the Sales and Use Tax Act be amended to provide that when a contractor fabricates his own materials he must pay the tax on the value of those materials after fabrication?

Yes 102,354 ☐
No 140,973 ☒

EXPLANATION

The proposed amendment to the Sales and Use Tax Act would provide that a contractor who fabricates materials for his own use in constructing a building must pay the same tax as if he bought the materials from someone else. The legislature has made the same change in the Local School Support Tax Law and the City-County Relief Tax Law.

ARGUMENT FOR PASSAGE

The intent of this proposed amendment is to provide equal treatment for all contractors who work in the state. Under present law, a contractor who manufactures building materials for his own use in constructing a building is able to avoid paying a portion of the sales and use tax. Approval of the

amendment would eliminate this tax advantage. The department of taxation would be required to collect the entire amount of the tax on the production of these basic materials, such as lumber, beams and piping. Although the amendment applies to all contractors, it primarily affects out-of-state contractors who are associated with large manufacturing companies.

ARGUMENT AGAINST PASSAGE

The proposed amendment would raise the price of manufactured building materials used by contractors that are subsidiaries of large manufacturing companies. Thus, the final cost of a building constructed by these contractors could be higher.

QUESTION NO. 4

Proposal to Amend the Sales and Use Tax Act

Assembly Bill No. 688

Notice is hereby given that at the general election on November 4, 1986, a question will appear on the ballot for the adoption or rejection by the registered voters of the state of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto," approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

Section 1. The above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 773, is hereby amended by adding thereto a new section to read as follows:

Sec. 61.5 There are exempted from the taxes imposed by this act the gross receipts from the sale of aircraft and major components of aircraft, such as engines and other components made for use only in aircraft, to an air carrier which:

1. Holds a certificate to engage in air transportation issued pursuant to 49 U.S.C. § 1371 and is not solely a charter air carrier or a supplemental air carrier as described in Title 49 of the United States Code; and

2. Maintains its central office in Nevada and bases a majority of its aircraft in Nevada.

Sec. 2. This act becomes effective on January 1, 1987.

CONDENSATION (ballot question)

Shall the Sales and Use Tax Act be amended to provide an exemption from

the taxes imposed by this act on the gross receipts from the sale of aircraft and major components of aircraft to scheduled air carriers based in Nevada?

Yes 129,602 ☒
No 109,771 ☐

EXPLANATION

The proposed amendment to the Sales and Use Tax Act would exempt from the taxes imposed by this act the sale of aircraft and major components of aircraft to a scheduled air carrier which maintains its central office and a majority of its aircraft in Nevada. The legislature has amended the Local School Support Tax Law and the City-County Relief Tax Law to provide the same exemption.

ARGUMENT FOR PASSAGE

The proposed amendment is designed to stimulate economic development in Nevada by providing a tax incentive for commercial airlines to establish and maintain their central operations in the state. Presently, only one certified air carrier maintains its central office and a majority of its aircraft in Nevada. This amendment would allow Nevada to compete with other states which have adopted similar provisions to encourage air carriers to base their operations in those states. The 1985 Nevada legislature recognized the benefits of this proposal and has already exempted these items from the Local School Support Tax and the City-County Relief Tax.

ARGUMENT AGAINST PASSAGE

The proposed amendment would reduce the revenue which the state receives from taxes on purchases of aircraft and major component parts by air carriers based in the state.

QUESTION NO. 5

Amendment to the Constitution

Senate Joint Resolution No. 11 of the 62nd Session

Senate Joint Resolution—Proposing to amend the Nevada constitution to authorize the taxation of estates only to the extent of the credit allowable for the tax against the federal estate tax.

Resolved by the Senate and assembly of the State of Nevada, jointly,
That a new section be added to article 10, and section 1 of article 10 of the constitution of the State of Nevada be amended to read respectively as follows:

Sec. 4. The legislature may provide by law for the taxation of estates taxed by the United States, but only to the extent of any credit allowed by federal law for the payment of the state tax and only for the

purpose of education, to be divided between the common schools and the state university for their support and maintenance. The combined amount of these federal and state taxes may not exceed the estate tax which would be imposed by federal law alone. If another state of the United States imposes and collects death taxes against an estate which is taxable by the State of Nevada under this section, the amount of estate tax to be collected by the State of Nevada must be reduced by the amount of the death taxes collected by the other state. Any lien for the estate tax attaches no sooner than the time when the tax is due and payable, and no restriction on possession or use of a decedent's property may be imposed by law before the time when the tax is due and payable in full under federal law. The State of Nevada shall:

- 1. Accept the determination by the United States of the amount of the taxable estate without further audit.*
- 2. Accept payment of the tax in installments proportionate to any which may be permitted under federal law.*
- 3. Impose no penalty for such a deferred payment.*
- 4. Not charge interest on a deferred or belated payment at any rate higher than may be provided in similar circumstances by federal law.*

Section 1. 1. The legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, when not patented, the proceeds alone of which shall be assessed and taxed, and when patented, each patented mine shall be assessed at not less than five hundred dollars (\$500), except when one hundred dollars (\$100) in labor has been actually performed on such patented mine during the year, in addition to the tax upon the net proceeds . [; shares]

2. *Shares* of stock (except shares of stock in banking corporations), bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt.

3. The legislature may constitute agricultural and open-space real property having a greater value for another use than that for which it is being used, as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes. If such plan is provided, the legislature shall also provide for retroactive assessment for a period of not less than 7 years when agricultural and open-space real property is converted to a higher use conforming to the use for which other nearby property is used.

4. Personal property which is moving in interstate commerce through or over the territory of the State of Nevada, or which was consigned to a warehouse, public or private, within the State of Nevada from outside the State of Nevada for storage in transit to a final destination outside the State of Nevada, whether specified when transportation begins or afterward, shall be deemed to have acquired no situs in Nevada for purposes of taxation and shall be exempt from taxation.

Such property shall not be deprived of such exemption because while in the warehouse the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged.

5. The legislature may exempt motor vehicles from the provisions of the tax required by this section, and in lieu thereof, if such exemption is granted, shall provide for a uniform and equal rate of assessment and taxation of motor vehicles, which rate shall not exceed five cents on one dollar of assessed valuation.

6. The legislature shall provide by law for a progressive reduction in the tax upon business inventories by 20 percent in each year following the adoption of this provision, and after the expiration of the 4th year such inventories are exempt from taxation. The legislature may exempt any other personal property, including livestock.

7. No inheritance [or estate] tax shall ever be levied . [, and there shall also be excepted such property as may be exempted by law]

8. *The legislature may exempt by law property used for municipal, educational, literary, scientific or other charitable purposes, or to encourage the conservation of energy or the substitution of other sources for fossil sources of energy.*

CONDENSATION (ballot question)

Shall the Nevada constitution be amended to permit Nevada to receive the allowable share of revenue generated from the federal estate taxes already imposed by the federal government.

Yes. 213,684 ☒
No. 37,369 ☐

EXPLANATION

Under federal law, every state is entitled to receive a portion of the federal estate tax. (An estate tax is a tax levied on the property of an owner upon transferring that property after his death.) This amendment would authorize the legislature to enact a law permitting Nevada to accept its portion of the federal estate tax. The total estate tax paid is not increased by this amendment. The money received by the state will be divided among the public schools and the state university system. Approval of this amendment will not impose an inheritance tax in Nevada. (An inheritance tax is a tax on the value of property received by an heir upon receiving that property as an inheritance.)

ARGUMENT FOR PASSAGE

The federal government already collects an estate tax on property in Nevada that has a net worth of more than \$500,000. In 1987, this figure will be increased to \$600,000. Every state except Nevada receives a portion of this federal tax. Adoption of the amendment would allow Nevada to collect its share of the tax and use the money for education. The amendment would not increase any tax already payable by an estate. In a time of tight budgets, Nevada should take this opportunity to receive its share of the estate tax and use the money to improve public education.

ARGUMENT AGAINST PASSAGE

Adoption of the amendment will divert a portion of the estate tax collected by the federal government to Nevada and may create a perception by the public that Nevada has established an additional tax, which it has not.

QUESTION NO. 6

Proposal to Amend the Sales and Use Tax Act

Assembly Bill No. 502

Notice is hereby given that at the general election on November 4, 1986, a question will appear on the ballot for the approval or rejection by the registered voters of the state of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto," approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

Section 1. Section 34 of the above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 769, is hereby amended to read as follows:

Sec. 34. 1. An excise tax is hereby imposed on the storage, use, or other consumption in this state of tangible personal property purchased from any retailer on or after July 1, 1955, for storage, use, or other consumption in this state at the rate of 2 percent of the sales price of the property.

2. *The tax is imposed with respect to all property which was acquired out of state in a transaction that would have been a taxable sale if it had occurred within this state.*

Sec. 2. Section 51 of the above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 771, is hereby amended to read as follows:

Sec. 51. [Notwithstanding any other provision of law the tax imposed under this act shall apply to the gross receipts from the sale of any tangible personal property to contractors purchasing such property either as the agents of the United States or for their own account and subsequent resale to the United States for use in the performance of contracts with the United States for the construction of improvements on or to real property, not including, however, contractors qualified to issue and who do issue resale certificates to vendors for tangible personal property for subsequent incorporation into real property outside this state in the

performance of a contract to improve the out-of-state realty.] *The taxes imposed under this chapter apply to the sale of tangible personal property to and the storage, use or other consumption in this state of tangible personal property by a contractor for a governmental, religious or charitable entity which is otherwise exempted from the tax unless the contractor is a constituent part of that entity.*

Sec. 3. Section 8 of the above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 763, is hereby repealed.

Sec. 4. This act becomes effective on January 1, 1987.

CONDENSATION (ballot question)

Shall the Sales and Use Tax Act be amended to treat contractors for governmental entities like other taxpayers, and to tax purchases made outside the state like purchases made in the state?

Yes 177,881 ☒
No 64,241 ☐

EXPLANATION

If this proposed amendment is approved, contractors for governmental and other tax-exempt organizations will pay the same taxes as other purchasers, and purchases made outside the state will be taxed the same as purchases made in the state. The legislature has made these same changes in the Local School Support Tax Law and the City-County Relief Tax Law.

ARGUMENT FOR PASSAGE

Contractors for the federal government do not pay Nevada's Sales and Use Tax. This proposed amendment would require these contractors to pay the same tax in Nevada as all other contractors, including contractors for other tax-exempt organizations. It is not fair to allow contractors for the federal government to avoid a tax which all other contractors must pay.

ARGUMENT AGAINST PASSAGE

Taxing contractors for the federal government may increase the total cost of a project.

QUESTION NO. 7

A Proposal to Issue State General Obligation Bonds in the Amount of \$31,000,000 for the Purpose of Purchasing Land at Lake Tahoe

Assembly Bill No. 650

AN ACT relating to the Tahoe Basin; requiring that a proposal to issue state general obligation bonds for the purchase of land in the Tahoe

Basin be submitted to a vote of the people; providing for a commission on land acquisition; providing for the administration by the state land registrar of the purchases if the bonds are approved; 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. At the general election to be held in the State of Nevada in 1986, there must be submitted to the voters of the state, in the manner prescribed by chapter 349 of NRS, a proposal to issue general obligation bonds of the State of Nevada in an amount of not more than \$31,000,000 to be used to purchase privately owned land in the Tahoe Basin to preserve the resources and natural beauty of the area and to protect the state's interest in retaining those resources and natural beauty. If the proposal is carried, the bonds may be issued at one time or from time to time.

2. No more than one-fourth of the proceeds of bonds issued at any one time may be used to control erosion or mitigate or prevent pollution in the Tahoe Basin.

Sec. 2. If the proposal is carried, the commission for land acquisition in the Tahoe Basin, consisting of seven members is created. The members of the commission must be appointed no later than January 1, 1987. The governor shall appoint four members to the commission, the board of county commissioners of Douglas County shall appoint one member, the board of supervisors of Carson City shall appoint one member and the board of county commissioners of Washoe County shall appoint one member. The state land registrar shall serve as secretary to the commission and shall furnish such staff as necessary for the use of the commission.

Sec. 3. 1. The commission shall study all aspects of the program to purchase land in the Tahoe Basin and report to the state land registrar, the governor and the legislature concerning the program.

2. The commission shall include in its report its recommendations concerning the program to purchase land, including the following:

(a) Designating the agency or agencies who should purchase the land and manage it after the purchase;

(b) Involving any private, nonprofit agencies for conservation in the purchase;

(c) Coordinating purchases with federal, state or local agencies or political subdivisions making similar purchases;

(d) Establishing which areas have priority for the purchases based on environmental, social, economic or other considerations consistent with this act;

(e) Recommending the purchase of an interest less than fee in the land, including easements and remainders after life estates, and the transfer of rights to develop or rights from special assessments on the property;

(f) Determining formulas to use to establish the fair value for the property;

(g) Protecting from civil liability those persons involved in the program to purchase the land;

(h) Obtaining money from the Federal Government for the program;

(i) Establishing which areas, projects and sources of pollution have a priority for the expenditure of money under the program and those methods or programs on which the money may be most effectively spent.

Sec. 4. The commission shall report to the state land registrar, the governor and the legislative commission no later than July 1, 1988. The terms of the members of the commission expire on January 1, 1989.

Sec. 5. 1. After the state land registrar considers the report and recommendations of the commission, if, upon his application, the state board of examiners finds that the program for the purchase of lands or the mitigation or prevention of pollution in the Tahoe Basin should be commenced, the board may:

(a) Issue a sufficient amount of the bonds authorized pursuant to section 1 of this act;

(b) Direct the state land registrar to purchase land in the Tahoe Basin pursuant to this act; and

(c) Transmit the report to the state land registrar to be carried out as the board may recommend.

2. The state land registrar shall not expend more than the amount authorized unless he has prior approval from the state board of examiners.

3. The provisions of the State Securities Law, in chapter 349 of NRS, apply to the issuance of bonds under this act.

Sec. 6. The state land registrar shall administer the purchase of land in the Tahoe Basin, and he may adopt regulations necessary to carry out the program. The state land registrar shall make all offers for the purchase of the land, but the state board of examiners has the final authority to approve or disapprove the purchase.

Sec. 7. The price paid for any land purchased pursuant to this act must be based on the value of the property as determined by an appraisal performed by an independent appraiser, but that price must not be less than what the fair market value of the property would have been as of July 1, 1980.

CONDENSATION (ballot question)

Shall the State of Nevada be authorized to issue general obligation bonds in an amount of not more than \$31,000,000 to purchase private land and to control erosion and pollution in the Tahoe Basin?

Yes 138,430 ☒
No 105,618 ☐

EXPLANATION

If this proposal is approved, the State of Nevada will issue bonds in an amount of not more than \$31,000,000 to purchase land and to control erosion and pollution in the Tahoe Basin. No more than one-fourth of the

proceeds of the bonds issued at any one time may be used to control erosion or reduce pollution in the Tahoe Basin. A commission will be created to recommend the manner of purchase of environmentally sensitive land. The commission will also recommend measures to control pollution which provide the greatest effect in preserving the resources and natural beauty of the basin. Any issuance of bonds or expenditure of money must be approved by the state board of examiners.

ARGUMENT FOR PASSAGE

Lake Tahoe is a natural and scenic resource of national significance. To preserve these qualities, it is necessary that environmentally sensitive property be purchased and pollution control measures be undertaken in the Lake Tahoe area. California voters have approved an \$85,000,000 bond issue to address these needs on the California side of the lake. The federal government is also acquiring land to preserve Lake Tahoe's sensitive environment. Approval by Nevadans of this \$31,000,000 bond proposal will provide money for corresponding activities on the Nevada side of the lake.

ARGUMENT AGAINST PASSAGE

The state and local governments in Nevada have already expended a substantial amount of money to preserve the environmental quality of the Lake Tahoe Basin.

QUESTION NO. 8

Amendment to the Sales and Use Tax Act

Senate Bill No. 352

Notice is hereby given that at the general election on November 4, 1986, a question will appear on the ballot for the adoption or rejection by the registered voters of the state of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto," approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

Section 1. Section 56.1 of the above-entitled act, being chapter 397, Statutes of Nevada 1955, as added by chapter 306, Statutes of Nevada 1969, at page 532, is hereby amended to read as follows:

Section 56.1 1. There are exempted from the taxes imposed by this act the gross receipts from sales and storage, use or other consumption of [medicines:

(a)] :

- (a) *Prosthetic devices for human use.*
- (b) *Appliances and supplies relating to an ostomy.*
- (c) *Products for hemodialysis.*
- (d) *Medicines:*

(1) Prescribed for the treatment of a human being by a person authorized to prescribe medicines, and dispensed on a prescription filled by a registered pharmacist in accordance with law; [or

(b)] (2) Furnished by a licensed physician, dentist or [chiropracist] podiatrist to his own patient for the treatment of the patient; [or

(c)] (3) Furnished by a hospital for treatment of any person pursuant to the order of a licensed physician, dentist, [chiropracist]; podiatrist; or

[(d)] (4) Sold to a licensed physician, dentist, [chiropracist]; podiatrist or hospital for the treatment of a human being.

2. "Medicine" means any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease or affliction of the human body and which is commonly recognized as a substance or preparation intended for such use.

3. "Medicine" does not include:

(a) Any auditory, [prosthetic,] ophthalmic or ocular device or appliance.

(b) Articles which are in the nature of splints, bandages, pads, compresses, supports, dressings, instruments, crutches, canes, braces, devices or other mechanical, electronic, optical or physical equipment.

(c) Any alcoholic beverage, except where the alcohol merely provides a solution in the ordinary preparation of a medicine as defined by subsection 2.

4. Insulin furnished by a registered pharmacist to a person for treatment of diabetes as directed by a physician shall be deemed to be dispensed on a prescription within the meaning of this section.

Sec. 2. This act shall become effective on January 1, 1987.

CONDENSATION (ballot question)

Shall the Sales and Use Tax Act be amended to provide an exemption from the taxes imposed by this act on the gross receipts from the sale of prosthetic devices, appliances and supplies relating to an ostomy and products for hemodialysis?

Yes 165,191 ☒
No 74,835 ☐

EXPLANATION

The proposed amendment to the Sales and Use Tax Act would exempt from the taxes imposed by this act the sale of appliances and supplies relating to an ostomy, products for hemodialysis and prosthetic devices. If

