

Chapter 354 of NAC

LCB File No. T006-05

**ADOPTED TEMPORARY REGULATION OF THE COMMITTEE
ON LOCAL GOVERNMENT FINANCE**

Filed with the Secretary of State on January 5, 2005.

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

AUTHORITY: NRS 354.107, NRS 354.5989(4), NRS 354.59891(3)

Chapter 354 of the NAC is hereby amended by adding thereto the provisions set forth as section 1 of this regulation.

Section 1. If a local government submits an application to the Nevada Tax Commission to increase the revenue of the local government from fees for business licenses beyond the amount allowable pursuant to NRS 354.5989 or to increase the building permit basis of the local government by an amount greater than otherwise allowable pursuant to subsection 2 of NRS 354.59891, the application must be accompanied by:

- 1. A copy of a proposed ordinance or resolution of the local government that would increase the business license fee or building permit basis;*
- 2. A copy of a business impact statement prepared pursuant to NRS 237.090 or other evidence of compliance with NRS 237.090, if applicable, including written comments;*
- 3. Excerpts from the minutes of a public hearing at which the proposed increase was discussed, which must include, without limitation, an indication of the intent of the governing body of the local government to limit the increase in the business license fee or building permit basis to a specified maximum amount and all comments, oral and written, made at the hearing by members of the governing body and the public;*
- 4. A study or survey showing the fees for business licenses or the building permit bases, as appropriate, of other local governments in this state; and*
- 5. Any other supporting data which the governing body of the local government believes is pertinent to the consideration of the application.*

NOTICE OF ADOPTION OF TEMPORARY REGULATION
LCB File No. T006-05

The Committee on Local Government Finance adopted temporary regulations pertaining to Chapter 354 of the Nevada Administrative Code, amending and adding to the regulations with regard to applications requesting business license fee or building permit fee increases. The temporary regulations require certain supporting documentation to accompany applications to the Nevada Tax Commission for increases in business license or building permit fees to ensure the public has an opportunity to comment on proposed increases and to otherwise justify the proposed increases. The amended regulations were adopted on October 7, 2004. A copy of the regulations as adopted is attached hereto.

Notice date: 9/7/2004
Hearing date: 10/7/2004

Date of adoption by agency: 10/7/2004
Filing date: 1/5/2005

INFORMATIONAL STATEMENT

1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

The Department of Taxation, as staff to the Committee on Local Government Finance, solicited comment from the public by sending notice of workshops and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop</u>	<u>Number Notified</u>	<u>Representing Businesses</u>
September 7, 2004	Workshop	October 7, 2004	363	215
September 7, 2004	Hearing	October 7, 2004	363	215

The mailing list included the interested parties list maintained by the Department, as well as officials of local jurisdictions.

Oral and written comments were received at the workshop. A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2180 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at lheyman@tax.state.nv.us.

2. The number persons who:

a. Attended and testified at each workshop:

<u>Date of Workshop</u>	<u>Attended</u>	<u>Testified</u>
October 7, 2004	9	2

b. Attended and testified at each hearing:

<u>Date of Hearing</u>	<u>Commission/ Public Attended</u>	<u>Public Testified</u>
October 7, 2004	9	1

c. Submitted to the agency written comments:

<u>Date of Hearing</u>	<u>Number Received</u>
October 7, 2004	1

3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected and interested businesses and persons, by notices posted at the Nevada State Library; various Department of Taxation locations throughout the state; and at the Main Public Libraries in counties where an office of the Department of Taxation is not located. Comments were also solicited by direct mail to local government officials and the interested parties list maintained by the Department. Approximately 59% of the approximately 363 direct mail notices were sent to individuals or associations representing business.

Members of the Committee on Local Government Finance, officials of the Nevada Department of Taxation, the City of Henderson, and the Nevada Taxpayers Association, commented on some or all of the proposed language changes during the workshop process and during the Adoption Hearing.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2180 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at lheyman@tax.state.nv.us.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The temporary regulation was adopted with changes reflecting the verbal and written comments submitted to, or received by, the Department of Taxation primarily from the Nevada Taxpayers Association. The Committee on Local Government Finance adopted the temporary regulation as revised in workshop and at the adoption hearing; and believed no changes other than those made were necessary.

5. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:

- (a) Both adverse and beneficial effects; and**
- (b) Both immediate and long-term effects.**

The Committee on Local Government Finance has found that the regulation does not impose a direct and significant burden upon businesses and the public in Nevada. The temporary regulation requires certain supporting documentation to accompany applications to the Nevada Tax Commission for increases in business license or building permit fees to ensure the public has an opportunity to comment on proposed increases and to otherwise justify the proposed increases. The proposed regulations present no reasonably foreseeable or anticipated immediate or long-term negative economic effects to businesses or to the general public. The immediate and long-term effects of the regulation are to ensure public participation in the fee increase process.

6. The estimated cost to the agency for enforcement of the adopted regulation.

The Department anticipates little, if any, additional cost to administer the regulations.

7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There are no other state or government agency regulations that the proposed amendments duplicate.

8. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The Committee on Local Government Finance is not aware of any provision in this regulation which is also governed by federal regulation.

9. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The Committee on Local Government Finance is not aware of any provision in this regulation that provides for a new fee, or increases an existing fee.