

# LEGISLATIVE REPORT

A publication of the Nevada Taxpayers Association serving the citizens of Nevada since 1922

Issue 1-15

Pre-filed Bills - Electronic Edition

January 8, 2015

This issue of Legislative Report contains a summary of tax and fee bills, which were pre-filed between December 18 and 20, 2014. The next issue of Legislative Report will summarize bills that have a substantial impact on State or local government budgets and bills that we believe are of general interest to our members. As of the date of this publication, no additional bills have been prefiled.

Notes:

To access the full text of the bills reported in this issue, click on the link which appears at the end of the bill summary.

Unless otherwise shown, the effective date of bills reported is July 1, 2015.

Some bills have a fiscal note, which is not indicated in the summary, as specific fiscal information is not currently provided.

To review all bills introduced to date or the BDR list, go to [www.leg.state.nv.us](http://www.leg.state.nv.us) and click on "Session Information - 2015."

## TAXES

Section 18, subsections 2 and 3 of Article 4 of the Nevada Constitution require a 2/3s vote of each House of the Legislature to approve a public revenue measure, or a simple majority if the measure is put to the voters for approval. The following is the language as it appears in the Constitution.

*2. Except as otherwise provided in subsection 3, an affirmative vote of not fewer than two-thirds of the members elected to each House is necessary to pass a bill or joint resolution which creates, generates, or increases any public revenue in any form, including but not limited to taxes, fees, assessments and rates, or changes in the computation bases for taxes, fees, assessments and rates.*

*3. A majority of all of the members elected to each House may refer any measure which creates, generates, or increases any revenue in any form to the people of the State at the next general election, and shall become effective and enforced only if it has been approved by a majority of the votes cast on the measure at such election.*

### **AB 25 - Residential Construction Tax (a.k.a. Park Tax): Expands Definition**

On behalf of the Nevada League of Cities, introduced by the Committee on Government Affairs and referred to same. (BDR 22-454)

Expands the use of the residential construction tax to include the "improvement" of facilities. This is a tax paid by developers.

Effective: Upon passage and approval.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB25.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB25.pdf)

### **AB 32 - Special Fuels: Expands Definition - Requires a 2/3 vote**

On behalf of the Department of Motor Vehicles, introduced by the Committee on Taxation and referred to same. (BDR 32-382)

Adds "liquefied natural gas" to the definition of special fuel dealer and phases in a tax on the sale or use of liquefied petroleum gas beginning on July 1, 2015 until July 1, 2017 when the rate is 6.4 cents a gallon. Liquefied petroleum gas is measured at 36.6 cubic feet or 4.2 pounds to be deemed equal to 1 gallon of special fuel.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB32.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB32.pdf)

**AB 56 - Property Tax: Equalization of Assessment**

On behalf of the Department of Taxation, introduced by the Committee on Taxation and referred to same. (BDR 32-304)

Establishes additional requirements for the Department of Taxation and Tax Commission regarding ratio studies. Provides for the Department to conduct an annual ratio study to determine if each class or group of properties has been assessed uniformly and to compare the results of the Assessor's and Department's studies. Requires the Department to conduct one or more performance audits of the Assessors. Provides the conditions by which the Tax Commission can order a reappraisal of the land and increase or decrease the value of a group of properties. Allows aggrieved taxpayers to appeal directly to the State Board of Equalization.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB56.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB56.pdf)

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**AB 57 - Streamlined Sales Tax: Direct Mail Compliance**

On behalf of the Department of Taxation, introduced by the Committee on Taxation and referred to same. (BDR 32-306)

Establishes the conditions for sales and use tax of a purchase on a sale of direct mail to maintain compliance with the provisions of the Streamlined Sales and Use Tax Agreement, to which Nevada is a signatory.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB57.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB57.pdf)

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**AB 70 - Medical Marijuana: Tax Administration - Requires 2/3s vote**

On behalf of the Department of Taxation, introduced by the Committee on Taxation and referred to same. (BDR 32-322)

Establishes the administrative and compliance provisions for the collection of the tax, similar to other taxes collected by the Department of Taxation. These provisions include records inspections, audits, requests for refunds, appeals, etc.

NTA Note: When the medical marijuana bill was in conference committee, the day before the 2013 session adjourned, the committee added a 2 percent excise tax on the purchase of marijuana products. Unfortunately, no one on the conference committee thought about adding provisions relating to the administration and collection of the tax. The 2/3s vote is required because section 12 of the bill requires a business whose records are kept out-of-state to pay the costs associated with sending an auditor to another state.

**NTA Position: Support.** All businesses need to know the ground rules regarding collection and remittance of a tax.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB70.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB70.pdf)

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**AB 71 - Revises Tax Exemptions for Veterans and Expands Employer Exemption for Modified Business Tax**

On behalf of the Governor, requested by the Committee on Taxation and referred to same. (BDR 32-297)

Changes the requirement of qualifying for the veterans exemption for property tax and the governmental services tax. Provides that under specified conditions an employer may receive a partial abatement from the modified business tax (including the MBT on financial institutions) for hiring a veteran.

Effective: Provisions relating to the hiring of a veteran expire by limitation on July 31, 2022.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB71.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB71.pdf)

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**AB 77 - Increases the Sheep Tax and Various Fees Charged by Department of Agriculture - Requires 2/3s vote.**

On behalf of the State Department of Agriculture, introduced by the Committee on Natural Resources, Agriculture, and Mining and referred to same. (BDR 32-466)

Provides the Board must not exceed the equivalent of \$1.50 per head on all sheep (currently 18 cents). Allows the Department of Agriculture to charge and collect fees for vendor spaces and accept contributions and sponsorships to offset expenses of operating a state or regional fair. Allows the Department to fix "reasonable fees" for any services provided in excess of those provided for fee. The Department may impose fees for (1) an applicant of a free-sale certificate for an agricultural product; and (2) the registration of a person as a produce vendor and any inspections necessary for that registration. Allows the State Sealer of Consumer Equitability to also establish a schedule of fees for point-of-sale systems and cash registers he or she determines to be necessary. Revises provisions to the Fund for Cleaning Up Discharges of Petroleum. This bill also makes extensive changes including, but not limited to District Boards of Agriculture, pest and weed control, state fairs, and the accounting and distribution of various funds

Effective: Upon passage and approval for adopting regulations and July 1, 2015 for all other purposes.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB77.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB77.pdf)

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**AB 80 - Net Proceeds: Prepayment Changed**

On behalf of the Nevada Association of Counties, introduced by the Committee on Taxation and referred to same. (BDR 32-466)

Bifurcates the payment of the Net Proceed of Minerals Tax to require the portion paid to the counties to be based on actual net proceeds and royalties received, and extends the prepayment of the State portion of the tax until June 30, 2017.

Effective: Upon passage and approval for adopting regulations and July 1, 2015 for all other purposes.

**NTA Position: Support.** The payment of the net proceeds tax was part of a series of revenue changes made during the December 2008 special session to cover the State budget shortfall. The prepayment has resulted in credits due companies because of overpayments to governments, creating problems. The State portion should also be based on actual proceeds not anticipated proceeds, but that is not expected to happen this legislative session.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB80.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB80.pdf)

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**SB 21 - Special Fuel Tax : Refunds**

On behalf of the Department of Motor Vehicles, introduced by the Committee on Revenue and Economic Development. (BDR 32-381)

Changes the provisions for applying for a refund of special fuel tax consumed outside of Nevada.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB21.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB21.pdf)

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**SB 36 - State Business License Fee: Exemption**

On behalf of the Division of Forestry, introduced by the Committee on Judiciary and referred to same. (BDR 7-368) -

Provides that if a person is contracted to provide emergency service (fire, flood, earthquake) on a short term basis, they are not required to obtain a State business license.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB36.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB36.pdf)

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**SB 74 - Clarifies Abatements for New or Expanding Businesses**

On behalf of the Office of Economic Development, introduced by the Committee on Revenue and Economic Development. (BDR 32-293)

Clarifies the provisions relating to the number of employees hired and the date of the acceptance of the application for abatement. Changes the hiring requirements from the fourth quarter to the eighth quarter and provides that only wages paid to a new employees are considered in determining the average hourly wage. Removes various requirements for the office to adopt regulations to meeting minimum requirements for the abatements and instead allows conditions to be determined by the Office.

Effective: Upon passage and approval and July 1, 2015 for all other purposes.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB74.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB74.pdf)

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**SB 78 - Mining Properties: Appraisal and Assessment Appeals**

On behalf of the Department of Taxation, introduced by the Committee on Revenue and Economic Development and referred to same. (BDR 32-303)

Provides that a person or business that appeals the value of a mining property, no longer appeals to the County Board of Equalization first, but appeals directly to the State Board of Equalization. The appeal must be filed by January 15.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB78.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB78.pdf)

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**SB 79 - Other Tobacco Products: Adds Liquid Nicotine - Requires a 2/3s vote.**

On behalf of the Department of Taxation, introduced by the Committee on Revenue and Economic Development and referred to same. (BDR 32- 307)

Expands the definition of Other Tobacco Products to include products containing liquid nicotine, whether natural or synthetically derived and imposes the OTP tax of 30 percent of the wholesale price.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB79.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB79.pdf)

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**SB 80 - Sales and Use Tax: Presumption of Use**

On behalf of the Department of Taxation, introduced by the Committee on Revenue and Economic Development and referred to same. (BDR 32-305)

Repeals the presumption that property delivered outside of this state was not purchased from a retailer for storage, use or other consumption in Nevada.

Effective: Upon passage and approval and July 1, 2015 for all other purposes.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB80.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB80.pdf)

**SB 93 - Property and Sales Tax: Aircraft Exemption**

On behalf of the Office of Economic Development, introduced by the Committee on Revenue and Economic Development and referred to same. (BDR 32-291)

Allows the owner of a business or person to apply to the Office of Economic Development for a partial abatement of local sales and use taxes and personal property used to own, operate, manufacture, service, maintain, test, repair, overhaul or assemble any aircraft or any component of an aircraft. Allows the approval of the abatements for a period of up to 20 years.

Effective: Upon passage and approval and expires by limitation on June 30, 2035.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB93.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB93.pdf)

**FEES****NTA Policy Statement on Fee Financing of Public Services**

- *Fee revenue should be used to finance specific services, licensing, or products provided to the fee payer by the governmental agency. Fees should not finance general governmental services that have a broad benefit to the general community, such as law enforcement, fire services, libraries and education. These are governmental services that are traditionally and appropriately financed by tax revenue.*
- *Fees should cover the cost of the service, license, or product and not exceed the costs reasonably borne by the government entity in providing the service or product, including overhead costs.*
- *Fee revenue should not be used to finance services other than those for which the fees are charged. If fees produce revenue greater than the amounts necessary to finance the indicated services, the fees should be reduced rather than transferred to other accounts for other uses.*

**AB 39 - Physician Visa Waiver Fee - Requires a 2/3s vote**

On behalf of the Division of Public and Behavioral Health, introduced by the Committee on Health and Human Services and referred to same. (BDR 40-328).

Removes the cap on the application fee for the Physician Visa Waiver Program and allows the State Board of Health to set a “reasonable” application fee by regulation.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB39.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB39.pdf)

**AB 42 - Fee Modification for Records Request**

On behalf of the Division of Public and Behavioral Health, introduced by the Committee on Health and Human Services and referred to same. (BDR 40-328)

Removes the requirement for the payment of a fee by a facility which abstracts information from its own records at the request of the Division. This bill also contains other provisions regarding the use of equipment and required reports.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB42.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB42.pdf)

**AB 78 - Game Tags - Requires a 2/3s vote**

On behalf of Department of Wildlife, introduced by the Committee on Natural Resources, Agriculture, and Mining and referred to same.

Expands the processing fee for Elk tags to all game species at a rate not to exceed \$10.00.

Effective: Upon passage and approval.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB78.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB78.pdf)

**AB 81 - Alcohol and Drug Abuse Fee - Requires a 2/3s vote**

On behalf of the Nevada Supreme Court, introduced by the Committee on Health and Human Services and referred to same. (BDR 40-488)

Expands the fee currently charged for detoxification technicians or programs to treatment providers and allows the fee to be set by regulation. Treatment providers is defined as a public or private agency, residential treatment center, facility for the treatment of abuse of alcohol or drugs, or voluntary organization which is certified by the Division of Public and Behavioral Health.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB81.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB81.pdf)

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**AB 85 - Alcohol, Drug and Gambling Counselors and Interns - Requires a 2/3s vote**

On behalf of the Board of Examiners for Alcohol, Drug and Gambling Counselors, introduced by the Committee on Commerce and Labor and referred to same. (BDR 40-488)

Reduces the duration of a license from one year to six months and requires the fee to be paid upon renewal. This bill also makes other changes to the Board and the qualifications of license holders.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB85.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB85.pdf)

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**AB 89 - Employment of Veterans and Other Professionals - Requires a 2/3s vote**

On behalf of the Governor, introduced by the Committee on Commerce and Labor and referred to same. (BDR 53-295)

This is an extensive bill regarding the hiring of veterans, and providing conditions for reciprocity for certain medical professionals. For dentistry a fee of \$500 is added for the inspection of a facility to ensure compliance with infection control guidelines. Also increases the amounts of the fees that may be charged by the Board of Psychological Examiners to psychologists and related professions regulated by the Board.

[www.leg.state.nv.us/Session/78th2015/Bills/AB/AB89.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/AB/AB89.pdf)

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**SB 6 - Creates Medical Homes - Requires a 2/3s vote**

On behalf of the Legislative Committee on Health Care, introduced by the Committee on Health and Human Services and referred to same. (BDR 40-63)

Creates the Office for Patient-Centered Medical Homes within the Division of Public and Behavioral Health and authorizes the creation of the Advisory Committee on Patient-Centered Medical Homes. Requires a primary care practice that operates as a patient-centered medical home to be certified by the Office and allows a fee set by regulation to be paid for the certification. Also allows an insurer that registers with the Office to provide an incentive to a patient-centered medical home that offers health services to its insured and pay a fee, established by regulation, to register with the Office..

Effective: Upon passage and approval to carry out specific tasks enumerated by the act.. The main body of the act becomes effective when the administrator determines that sufficient money has been received. Sections 1 to 21 expire by limitation on June 30, 2021.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB6.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB6.pdf)

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**SB 28 - Copying Public Records - Requires a 2/3s vote**

On behalf of the Nevada League of Cities and Municipalities, introduced by the Committee on Government Affairs and referred to same. (BDR 19-464)

Currently the fee allowed to be charged for copying a public record is 50 cents per page. This clarifies the fee includes documents submitted electronically, and allows an additional fee equal to the actual cost of an employees time to comply with the request. This bill defines the use of the term “extraordinary use of personnel or technological resources.” Extraordinary use is defined as requiring an employee of the entity who devotes more than 30 minutes of time to comply with the request, or requiring the entity to produce or copy more than 25 pages of record. An electronic page is defined as using a type size not greater than 12 characters per inch that would fill a printed page.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB28.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB28.pdf)

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**SB 39 - Business Associations - Requires a 2/3s vote**

On behalf of the Secretary of State, introduced by the Committee on Judiciary and referred to same. (BDR 7-450)

Requires a person who fails to cancel his or her business licence to pay any applicable fees and penalties and allows a waiver if no business was conducted in the State. Adds a new section to Chapters 78, 80, 82, 86, 87, 88, and 89 not to pay additional fees and penalties if the entity files a certificate of intent to dissolve the entity and pays the dissolution fee. An entity that files a certificate of intent to dissolve and subsequently fails to file a certificate of dissolution and pays the fee for filing, must pay the fees and penalties that are otherwise required. This bill also requires certain businesses that are excluded from paying State business license fee to obtain an application for certificate of exemption and file the application annually with the Secretary of State's office. This bill also contains provisions dealing with process service on the resident agent of a business; payment of a penalty for each year a business has done business in the State without obtaining a business license; and requires each entity to be assigned a unique business identification number.

Effective: October 1, 2015 (default date).

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB39.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB39.pdf)

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**SB 44 - Oil and Gas - Requires a 2/3s vote**

On behalf of the Division of Minerals, introduced by the Committee on Natural Resources and referred to same. (BDR 46-344.)

Allows the Commission on Mineral Resources to set by regulation a fee for a permit to drill and operate an oil or gas well to include administrative expenses and changes the amount of the fee not to exceed 50 cents for each barrel of oil or each 50,000 cubic feet of natural gas.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB44.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB44.pdf)

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**SB 61 - Unclaimed Property Information - Requires a 2/3s vote**

On behalf of the State Treasurer, introduced by the Committee on Judiciary and referred to same. (BDR 10-461)

Allows the Administrator to charge a fee of 50 cents per page for providing any record or information, if the requestor is not the owner of the property.

Effective Date: Upon passage and approval.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB61.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB61.pdf)

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**SB 65 - Water Use - Requires a 2/3s vote**

On behalf of the Division of Water Resources, introduced by the Committee on Government Affairs and referred to same. (BDR 48-366)

Increases the fee for filing a proof of water used for watering livestock from \$60 to \$100 and for any other claimed manner of use from \$120 to \$200. Increases the fees for well drilling from \$100 to \$120 for each license application and the renewal fee increases from \$50 to \$60. This bill also revises and adds a number of provisions to Nevada water law, including but not limited, to vested rights, to beneficial use, to appropriation of water.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB65.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB65.pdf)

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**SB 67 - Revises Provisions of Insurance - Requires a 2/3s vote**

On behalf of the Division of Insurance, introduced by the Committee on Commerce, Labor and Energy and referred to same. (BDR 57-371)

To be eligible for certification as an assuming insurer, the insurer must meet the requirements for certification, which includes the payment of fees as applicable. This bill also adopts various model laws and acts of the National Association of Insurance Commissioners and revises provisions confidentiality of certain information provided to the Division.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB67.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB67.pdf)

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**SB 68 - License by Endorsement for Certain Physicians - Requires a 2/3s vote**

On behalf of the Office of Economic Development, introduced by the Committee on Commerce, Labor and Energy and referred to same. (BDR54-290)

Provides for licensing of certain physicians and qualified podiatrists who hold a valid unrestricted license to practice in the District of Columbia or another state or territory, who meet the requirements established in this bill, and pay the fee to file an application for and issuance of a license.

Effective: Upon passage and approval.

[www.leg.state.nv.us/Session/78th2015/Bills/SB/SB68.pdf](http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB68.pdf)

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Save The Date

February 25, 2015

and join us for

NTA's Biennial Legislative Dinner in Carson City.

If you are interested in becoming a dinner sponsor, please call the Las Vegas office,  
702/457-8442.

Invitations will be mailed this month.

### Nevada Taxpayers Association

*Legislative Report* is published weekly during a legislative session. Occasional Reports are issued prior to the Legislative Session, which summarize prefiled bills.

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