

# LEGISLATIVE REPORT

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

ISSUE 15-13

BILLS AND AMENDMENTS: THROUGH MAY 28, 2013

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This will be the last issue of Legislative Report as the 2013 Session ends on June 3. Tax, Fee and Budget bills which are passed and signed by the Governor, in addition to any bills vetoed by the Governor, will be reported in subsequent issues of the Association's newsletter Tax Topics.

## Notes:

- Page numbers continue from previous issue.
- The default effective date for bills, unless otherwise requested, is October 1, 2013. An effective date for the bills reported will be shown only when it differs from the default date.
- The full text of all bills is available at [www.leg.state.nv.us](http://www.leg.state.nv.us); select "Session Information - 2013." This information will be updated until all bills passed by both houses are either signed or vetoed by the Governor.

## TAXES

### Combination

#### **AB 46 1<sup>st</sup> Reprint – WCSD Capital Projects (Issue 1, page 1) – Removes the 2/3 Majority**

Authorizes the Washoe County Commission, by a two-thirds vote, to impose a one-quarter of one percent sales and use tax and \$0.05 per \$100 property tax in the county. This authorization allows action by the commission on or before January 1, 2014. Proceeds are to be used for capital projects of the school district.

#### **SB 308 1<sup>st</sup> Reprint – Veteran Exemptions (Issue 9, page 53)**

Amends the military service requirements to be eligible for the exemption.

### Property

#### **AB 66 2<sup>nd</sup> Reprint– Equalization Notifications (Issue 1, page 3)**

Proposed property valuation increases for fiscal years after July 1, 2013, require 30 days' notice by first class mail for a class or group of properties, and by certified mail or personal service if the increase is to resolve a dispute or claim.

Effective: Changed to July 1, 2013.

### Sales

#### **AB 496 2<sup>nd</sup> Reprint – Clark County: More Cops (Issue 10, page 70; Issue 11, page 86)**

The sales tax increase must expire on or before September 30, 2017. A copy of the detailed reports on expenditures of these funds is to be sent to the Interim Finance Committee through the Legislative Counsel Bureau.

### Tax Abatements & Credits

#### **AB 500 – New Market Jobs Act: Insurance Premium Tax Credits – Requires 2/3 Majority - NEW**

Introduced by Committee on Ways and Means and referred to same. (BDR 57-1229)

This is a complex program to encourage investment in distressed low-income areas. It allows certain business entities to receive a credit against the premium tax imposed on insurance companies in exchange for investing in a qualified active low-income community business. The application procedure includes a \$5,000 nonrefundable application fee and a refundable performance fee 0.5 percent of the amount of the equity investment or long-term debt security requested to be certified as a qualified equity investment. Upon failure to comply with certain provisions, the fee is forfeited. Qualified investments are capped at \$250 million and no single investment may be over \$50 million. Tax credits claimed may not be refunded or sold on the open market

Effective: Upon passage and approval for adopting regulations and October 1, 2013 for all other purposes.

*Note: Also see SB 479, Issue 10, page 71 under "Taxes" heading.*

#### **AB 138 2<sup>nd</sup> Reprint – Business Investment in NSHE Research (Issue 5, page 21; Issue 11, page 87)**

If a board of county commissioners does not approve or deny an application within 30 days, the application shall be deemed to be approved, not denied.

#### **SB 165 2<sup>nd</sup> Reprint – Film Tax Credits**

Places a December 31, 2017 sunset on the application period and all provisions expire on June 30, 2023. The Live Entertainment Tax is removed from the allowed tax credits. The maximum amount of allowable credits is reduced to 15 percent of production costs. The total annual amount of annual credit available is reduced from \$35 million to \$20 million and the compensation

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SB 165 2<sup>nd</sup> Reprint – Film Tax Credits, continued

payable to any person paid compensation on a qualified production is reduced from \$1 million to \$750,000. Credit allowances not awarded in a year may be carried forward for two fiscal years. Allows cities and counties to abate all or some of local licensing and permit fees.

Vehicle & Fuel Taxes and Fees**AB 464 1<sup>st</sup> Reprint – Special Fuel Tax (Issue 10, page 71) – Maintains 2/3 Majority**

The rate of interest to be paid by a special fuel user who fails to file a tax return or pay any excise tax by the date due is changed from 1 percent per month to the rate established by the Department in accordance with the International Fuel Tax Agreement.

**FEES****AB 74 2<sup>nd</sup> Reprint – Document Preparation Services (Issue 2, page 15; Issue 11, page 88) - Removes the 2/3 Majority**

Adds commercial registered agents to the list of exemptions. Makes a \$150,000 appropriation to the Secretary of State's office for development of applications on its website to carry out provisions.

**AB 145 2<sup>nd</sup> Reprint – Complete Streets (Issue 5, page 22; Issue 11, page 88) – Maintains 2/3 Majority**

Adds notice of the voluntary Complete Streets fee to internet and kiosk registration methods. Allows the DMV Director to determine if sufficient resources are available to implement provisions earlier than the October 1, 2015 deadline.

**AB 348 3<sup>rd</sup> Reprint – Foster Care Licensing (Issue 9, page 55; Issue 11, page 88) – Removes the 2/3 Majority**

Removes the licensing fee for foster care agencies.

**AB 349 3<sup>rd</sup> Reprint –Licensing Reciprocity: Veterans (Issue 9, page 56; Issue 11, page 88) – Maintains 2/3 Majority**

Any licensing examination fee, as well as licensing fee, is to be reduced by at least half for veterans and their spouses. Adds language regarding reciprocity agreements with other states and the conditions to be met by the applicant for the reciprocal licensing and fee discounts.

**SB 210 3<sup>rd</sup> Reprint – Registered Carrier Licenses (Issue 7, page 35; Issue 11, page 89) – Maintains 2/3 Majority**

Includes drivers of “charter bus transportation”, except airport shuttles, sightseeing services, and event transportation in the provisions.

**SB 278 2<sup>nd</sup> Reprint – Abandoned Residential Property – (Issue 8, page 45; Issue 12, page 94) – Maintains 2/3 Majority**

Increases the allowable fee to be charged for certification of abandoned status to \$300. Adds contractors designated by the governing body to those authorized to make certification. Allows a trustee sale to be delayed in certain circumstances.

**SB 374 1<sup>st</sup> and 2<sup>nd</sup> Reprints – Medical Marijuana Dispensaries – (Issue 9, page 58; Issue 11, page 90) - Maintains 2/3 Majority**

Replaces the “nonprofit dispensaries” language with “medical marijuana establishments” and defines the three types of establishments as cultivation facilities, facilities for the production of edible marijuana products and medical marijuana dispensaries. Raises the dispensary registration fee to \$20,000 from \$5,000 and renewal to \$5,000 from \$1,000 and raises other fees accordingly. Adds a registration application fee of \$5,000 plus actual costs of processing. Adds a flat fee of \$10 onto each sale transaction for deposit to the General Fund. The 2<sup>nd</sup> Reprint authorizes DHHS to request a temporary advance from the General Fund to pay the costs of carrying out the registration requirements until sufficient revenues from registration fees are collected.

**SB 383 2<sup>nd</sup> Reprint – Time Shares (Issue 9, page 58; Issue 11, page 90) – Removes 2/3 Majority**

Removes the requirement for submission of a sample public offering statement and fee to the Real Estate Division. Submission and approval of offering statements are still required, but the draft process is removed and information to be included in the statement is detailed. Tightens up prohibition of persons with criminal convictions or pleas from participating in time share sales.

**SB 430 1<sup>st</sup> Reprint – Motor Carrier Technology Fee (Issue 10, page 73) – Maintains 2/3 Majority**

The provisions are limited to Clark County (population over 700,000). Requires the Transportation Authority and Taxicab Authority to set a technology fee for taxicab customers in Clark County. Fee funds are to be used by each entity to begin developing a real time computer systems to implement improvements in safety, reliability and efficiency and offer taxicab cooperative dispatch and electronic hailing services to the public by October 1, 2013. Limousine operators in Clark County are to charge the fee if they are users of the data system. Each Authority is to submit a report on the program to the 2015 Legislature.

**SB 456 2<sup>nd</sup> Reprint – Storage Lot Fees (Issue 10, page 73; Issue 11, page 90) – 2/3rds Majority Removed by 1<sup>st</sup> Reprint**

Directs that rates charged by vehicle storage lots are not to exceed those approved by the Authority or the county's largest law enforcement agency.

**SB 502 2<sup>nd</sup> Reprint – Website Background Checks (Issue 10, page 74; Issue 11, page 90) – Maintains 2/3 Majority**

Removes long term care facilities where the average stay is more than 25 days from the provisions.

## FINES & PENALTIES

### **SB 21 2<sup>nd</sup> Reprint – State Controller Procedures (Issue 1, page 7; Issue 12, page 92) – Maintains 2/3 Majority**

Requires license renewal requests of certain professions to include the applicant's state business license number. Allows certain exceptions to direct deposit of pay for state officers and workers. Authorizes the Nevada System of Higher Education (NSHE) to install a direct deposit payroll system. Deletes language that would have required the Controller to issue payroll checks for NSHE, the Legislative and Judicial Departments of State government.

## BUSINESS ISSUES

### **AB 106 1<sup>st</sup> Reprint – OSHA Cost Recovery (Issue 4, page 18)**

Generally, an award of costs is to be made from the Fund for Insurance Premiums (rather than Division operating funds) and is to be approved by the Attorney General or State Board of Examiners, depending on amounts to be set by regulation. The provisions are not to be construed as to prohibit the Division from agreeing to settle a claim for costs, fees and expenses.

### **AB186 2<sup>nd</sup> Reprint - Compensation Information (Issue 6, page 30)**

Expands the covered statutes (now NRS 608.005 to 608.195 inclusive) from which 25 percent of penalties assessed by the Labor Commissioner are to be deposited in the Wage Claim Restitution Account.

### **AB 218 2<sup>nd</sup> Reprint – Prevailing Wage Benefits (Issue 7, page 36; Issue12, page 92)**

Clarifies that the term “benefits” is as included in the Labor Commissioner’s determination of prevailing wage.

### **AB 283 2<sup>nd</sup> Reprint – Public Works Bidding (Issue 8, page 14; Issue12, page 93)**

Limits to two per year the number of public works that counties under 100,000 (counties other than Clark and Washoe) may contract with a construction manager at risk. Requires requests for proposals for a construction manager at risk to include a list of the selection criteria and its relative weight in ranking applicants. Defines how the experience of applicants is to be submitted. The Department of Transportation is to conduct a four-year study on the benefits of the construction manager at risk approach for the State, to be submitted to the 79<sup>th</sup> Legislature (2017). Extends NDOT authority to contract with a construction manager at risk through June 30, 2017 and repeals certain existing provisions relating to construction managers at risk.

### **AB 346 2<sup>nd</sup> Reprint – Mine Reclamation (Issue 9, page 59; Issue 12, page 93)**

Provisions for reclamation of a pit lake are revised to include consideration of feasibility and rights of the land owner, including any federal land manager.

### **AB 447 2<sup>nd</sup> Reprint – Rest Area Advertising (Issue10, page 75; Issue 12, page 93)**

“Services or products” are removed from the proposed allowable offerings at rest areas and roadside parks.

## EDUCATION

### K-12

### **SB 269 2<sup>nd</sup> Reprint – Truancy Measures (Issue 0, page 00; Issue 0, page 00)**

A hardship exception is made available for suspension of a truant’s driver license. Makes adjustments to the investigation and hearing process to authorize use of a designated “qualified person” or a school police officer.

### **SB 311 2<sup>nd</sup> Reprint – Empowerment Schools (Issue 9, page 62; Issue 12, page 95)**

Defines an “underperforming public school” as one that receives the lowest annual rating of underperformance possible pursuant to the statewide system of accountability for public schools.

### **SB 328 2<sup>nd</sup> Reprint – Career and Technical Schools (Issue 9, page 62; Issue 12, page 95)**

One person (rather than 6) is to be appointed to oversee the program of career and technical education. Leadership and training activity expenditures from state money may not exceed 7.5 percent in a fiscal year and specific distributions are to be made first. Each industry sector council is to name a representative to make recommendations to the Board regarding grants. Deletes language requiring matching funds for grants to school districts or charter schools.

### **SB 407 1<sup>st</sup> and 2<sup>nd</sup> Reprints – Teacher Evaluations – (Issue 9, Page 63; Issue 12, page 95)**

School districts may request to opt out of the delay in implementation of the statewide evaluation program. Pupil achievement data must not be used in the evaluation of a probationary teacher or administrator in the initial year of employment. A validation study is to be conducted in the 2013-14 school year on a sampling of teachers and administrators identified by the Department of Education. The 1<sup>st</sup> Reprint added the following appropriations: \$50,000 in each year of the 2013-2015 biennium for work on the program by the Teachers and Leaders Council and \$1,315,000 to the Interim Finance Committee for distribution to support regional training centers for the validation study and other work. The 2<sup>nd</sup> Reprint changed the appropriations source for the first appropriation to the Educational Trust Account rather than the General Fund. The appropriation to the IFC was changed to an authorization for a work program revision request in the second year of the biennium by the Department from the Reserve

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***SB 407 1<sup>st</sup> and 2<sup>nd</sup> Reprints – Teacher Evaluations, continued***

Category to the Regional Professional Development Category. An additional work program revision request authorization for the Department was made in the amount of \$986,250 if a second validation study is needed. Sets a multi-condition implementation schedule for the evaluation program.

**SB 467 2<sup>nd</sup> Reprint – Education Advisory Council (Issue 10, page 76; Issue 12, page 96)**

Deletes language creating the Education Advisory Council.

**SB 481 1<sup>st</sup> Reprint – School Expenditures (Issue 10, page 77)**

Removes authorization for class size expansion of grades 1-3 for the 2013-2015 biennium.

**NEVADA GOVERNMENT****Local****AB 223 2<sup>nd</sup> Reprint- Constable Duties (Issue 7, page 37; Issue 12, page 96)**

Defines the duties of constables in cities above 150,000 in population and below 150,000 in population, including the level of peace officer category which must be attained in each size area.

**AB 363 2<sup>nd</sup> Reprint – Public Nuisance: Abandoned Cars (Issue 9, page 65; Issue 12, page 96)**

Adds litter, garbage and junk appliances to the list of public nuisances that may be addressed by county ordinance. Restricts vehicles to those “abandoned” and in ordinary public view, deleting “inoperable” from the list. Add a provision for Clark County (population 700,000 or more) regarding ordinary public view and defines same.

**AB 374 3<sup>rd</sup> Reprint – Event Permits (Issue 9, page 65; Issue 12, page 97)**

Authorizes boards of county commissioners to enter agreements with persons or organization holding events on federal lands that exempts those events from local licensing and other regulations. Such agreements are not subject to expiration coinciding with terms of office of commission members. Separate agreements may be made to compensate the county for local services provided to the assembly.

**SB 406 2<sup>nd</sup> Reprint – Tourism Improvement Districts (TID) (Issue 9, page 66; Issue 12, page 97)**

Makes detailed changes to provisions, including financing, relating to a TID created by a city or county that includes property within a redevelopment area before and after October 1, 2009. After October 1, 2009 financing or reimbursement related to a project or redevelopment project cannot be made from both the TID and the redevelopment district. Applies prevailing wage requirements to construction, including demolition, projects in these areas.

**State****SB 519 – Prisoners: Determination of Medicaid Eligibility - NEW**

Introduced by the Committee on Finance and referred to same (BDR 16-1230)

Allows the Director of the Department of Corrections or a designee to apply for a determination of Medicaid eligibility on behalf of the offender after informing the offender.

Effective: Upon passage and approval.

**AB 125 2<sup>nd</sup> Reprint – State Lands Leases for Economic Development (Issue 4, Page 19; Issue 12, page 98)**

Removes requirement that the State Lands Administrator provide an inventory of real property owned by the State to the Governor’s Office of Economic Development (GOED). Deletes language authorizing the GOED to lease state-owned property at advantageous terms for economic development and places that authority with the Administrator of State Lands if certain conditions are met and with certain approvals.

**SB 229 1<sup>st</sup> Reprint – TRPA (Issue 8, page 47)**

Contingently amends and repeals provisions of Senate Bill No. 271 of the 2011 Session which allowed for Nevada’s withdrawal from the interstate Tahoe Regional Planning Compact.

**LEGISLATURE****AB 150 2<sup>nd</sup> Reprint – Government Oversight Committee (Issue 5, page 26; Issue 12, page 98)**

Removes provisions that would have eliminated the Legislative Committee on High Level Radioactive Waste and transferred its duties to the Legislative Committee on Public Lands.

**STATE APPROPRIATIONS****NOT In Executive Budget****SB 517 – Teach America – NEW**

Introduced by the Committee on Finance and referred to same (BDR S-1233)

Appropriates \$2 million for the next biennium from the general fund for Teach for America, Inc.

Effective: July 1 2013

**SB 484 1<sup>st</sup> Reprint – Mental Health Division (Issue 10, page 81)**

Reduces by \$78,000, to \$126,000 the appropriation for new software.

**BUDGET****SB 518 – Public Employee Benefit Program Subsidies – NEW**

Introduced by Committee on Finance and referred to same. (BDR S-1235)

The State's share of the cost of group insurance premiums for active state officers or employees participating in the Public Employees' Benefits Program (PEBP) is: \$688.37 per month for FY 2013-2014, and \$695.35 per month for FY 2014-2015. For retirees, the share of premiums is: \$452.26 per month for FY 2013-2014, and \$462.20 per month for FY 2014-2015.

**AB 491 1<sup>st</sup> Reprint – DMV Fees Reallocation (Issue 10, page 82)**

For Fiscal Year 2014-2015, increases the amount of DMV commissions and delinquency fees on GST collections to be transferred to the General Fund by \$46,818 to \$20,813,716 and by \$23,108 to \$4,097,964 respectively.

**SB 56 1<sup>st</sup> Reprint – Controller Records: Accounts (Issue 2, page 10)**

Changes the Catalyst and Knowledge Funds to Accounts and clarifies reversion directions for various accounts.

**GENERAL INTEREST****AB 215 2<sup>nd</sup> Reprint – Graywater: Single Family Residence (Issue 7, page 38; Issue 12, page 100)**

Deletes the definitions of "graywater", "residential individual systems for the disposal of sewage", and "single family residence". Revises the conditions that must be met for a permit to be issued by a district board of health or the State Board. Removes the October 1, 2014 deadline for the State Board of Health to adopt regulations concerning graywater systems for a single family residence.

**AJR 9 – Constitutional Amendment: Health Care - NEW**

Sponsored by Assemblywoman Kirkpatrick, referred to Committee on Health and Human Services (BDR C-1227)

Provides that no hospital shall deny emergency room treatment to a person regardless of whether the person has health insurance or the ability to pay. Further provides that all persons in the state have the right to receive emergency medical care and services at a reasonable amount which is greater than 200 percent of the lowest rate the hospital has agreed to accept from a federal public insurer. The Legislature is allowed to provide for a lower rate and to provide for the imposition of a penalty or fine or both for failure to comply.

Comment: If this measure is passed this session, it must be passed again next session and then approved by the voters at the November 2016 general election.

**SB 230 2<sup>nd</sup> Reprint – Fallen Soldier Memorial (Issue 8, page 50; Issue 12, page 101)**

Creates the Nevada Fallen Soldier Memorial Gift Account in the General Fund to accept money from any source and be used for design, construction, installation and maintenance of the memorial. Previously, money was not to be used for design, construction or installation, just maintenance.

**STUDIES****SCR 1 1<sup>st</sup> Reprint – Tax on Services (Issue 1, page 3)**

Clarifies that legislative members of the committee will identify services to be considered for inclusion in a services tax. Expands the technical advisory subcommittee to 11 members from 5 and stipulates the subcommittee makeup. Provides that the technical committee will make recommendations regarding the distribution of revenue between state and local governments and address collection issues associated with administration and compliance.

**Bills Deadline Dead as of May 24, 2013 (Second House Passage)**

<b>AB 230</b>	Sex Education Program	(Issue 8, page 45; Issue 12 page 94)
<b>AB 248</b>	Motor Vehicles Violations	(Issue 8, page 50; Issue 12 page 100)
<b>SB 191</b>	Speed Limit Increase	(Issue 6, page 32)
<b>SB 202</b>	Intergovernmental Relations Committee	(Issue 6, page 31)
<b>SB 276</b>	Supported Living Services: Medicaid	(Issue 8, page 51; Issue 12 page 102)
<b>SB 424</b>	Foreclosures	(Issue 10, page 84; Issue 12 page 101; Issue 14 page 109)

**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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