

LEGISLATIVE REPORT

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

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Notes:

- Page numbers continue from previous issue.
- This issue contains a summary of issues that have a substantial impact on State or local government budgets and bills that we believe are of general interest to our members.
- 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.
- For the purpose of this report, the “fiscal effect” shown is taken from the bill and not determined by NTA.
- The full text of all bills is available by logging onto www.leg.state.nv.us and going to “Session Information - 2013.”

TAXES

Property

AB 201 – Assessment Rate Increase – Requires 2/3 Majority

Sponsored by Assemblyman Daly, referred to Committee on Taxation. (BDR 32-660)

The primary purpose of this bill is to increase the ratio of assessed value to taxable value from 35percent to 45percent in 1 percent increments beginning July 1, 2013 until 2023 when the ratio reaches 45percent. Other provisions include adjustments to the allocation of taxes pursuant to the partial abatement of property taxes if an increase or decrease occurs as a result of a change in the assessed value, taxable value or increase in the rate of assessment of the property; increases the maximum value of a property to \$500,000 for which the owner who occupies a single family residence may apply for postponement of the payment of property tax; and repeals the provision that prohibits a larger local government from “buying down” the property tax rate of a smaller local government whose boundaries are within the larger local government. Also, makes a number of conforming changes.

Fiscal effect: Yes, on State.

Effective: July 1, 2013

Position: Oppose. Nevada has one of the most difficult property tax systems to explain, due to provisions such as depreciating buildings (the only state), valuing land at market price, which then creates a hybrid “taxable” valuation instead of market valuation. Adding to complexity is the assessed value ratio, land factors and the 3 and 8 percent partial abatements on the property tax bill when certain increases occur in the value of property. Passage of this bill will only further increase the complexity of Nevada’s property tax system. It’s past time for an interim study (such as was conducted for the Consolidated Tax Revenue Distribution) to look at the issues which have so complicated the property tax system.

SB 215 –Appraisers; Manufactured Homes; Veteran Exemptions; Assessor Technology

Sponsor: Senator Parks, by request; referred to Committee on Revenue and Economic Development. (BDR 32-569)

Amends existing law to require additional continuing education for persons who appraise property for taxation purposes. For appraisers holding a recognized professional designation or an accumulated 180 contact hours of accepted training, 36 hours of training is required every 3 years rather than every 5 years. Mobile or manufactured homes brought into the state and not reported to the county assessor within 30 days are subject to a penalty of 10 percent of property tax due unless extenuating circumstances are justified. The transfer of a vehicle registration exemption privilege by a veteran to his or her spouse may be made in front of an authorized DMV employee or notary public. Repeals the expiration date of existing law which requires 2 percent of personal property taxes and net proceeds of mines be deposited in an account for acquisition and improvement of technology in each county assessor’s office.

Fiscal effect: Yes, on State. May have impact on local government.

Effective: Upon passage and approval and July 1, 2013.

SB 216 – Property Tax Collections

Sponsor: Senator Parks, by request; Referred to Committee on Revenue and Economic Development. (BDR 32-560)

Continued on next page

SB 216, Continued from previous page

Authorizes, the electronic transmission of the property tax bill in lieu of mailing a tax bill, when such delivery is requested by the property owner or mortgage authority. The redemption date of property from a delinquent tax sale is changed to not later than 5:00 pm on the third business day before the sale.

Effective: July 1, 2013

Sales**AB 208 – Tax on Employee Meals**

Sponsor: Assemblyman Munford, et al (12 co-sponsors); Joint Sponsor: Senator Atkinson, et al (3 co-sponsors); referred to Committee on Taxation. (BDR 32-492)

Amends existing law to prohibit the Department of Taxation from applying sales tax to complimentary meals provided by an employer to an employee which are served on the business premises and for the convenience of the employer.

Fiscal effect: Yes, on State. May have impact on local government.

Effective: Upon passage and approval.

Comment: The issue of complimentary meals came to the forefront with a ruling by the Supreme Court in 2008 that the department of taxation could not impose a use tax on comp meals provided for either employees or guests. Since that time the department has audited business based on sales tax that should have paid for those comp meals. There are now appeals and Court cases that have been filed on whether the department can impose a tax on these meals based on sales tax instead of use tax. Currently, this issue is waiting for resolution either by the courts or legislature.

Position: Support. While this addresses only one part of the comp meal debate. It is an issue that is in limbo and waiting for resolution by either the courts or legislature.

FEES**AB 214 – Insulation System Licensure – Requires 2/3 Majority**

Sponsors: Assemblymen Eisen and Carillo; referred to Committee on Commerce and Labor. (BDR 54-1041)

The State Contractors' Board is required to adopt by regulation a classification of licensure for persons who install or maintain building shell insulation or thermal system insulation. Under existing law, the Board is authorized to set fees for examinations, applications and licenses at not more than \$300, \$550 and \$900 (biennially), respectively.

SB 224 – Driving Under the Influence Fee – Requires 2/3rd Majority

Sponsor: Senator Cegavske, et al (2 co-sponsors); Joint Sponsor: Assemblywoman Dondero Loop; referred to Committee on Judiciary. (BDR 43-668)

Requires courts to impose a \$500 fee on persons guilty of misdemeanor (or lesser) offenses of driving under the influence of alcohol or controlled substances. This fee is in addition to any other fine, penalty or assessment and is to be deposited in a special account in the General Fund, administered by the Court Administrator, for use in specified specialty court programs.

Effective: July 1, 2013

SB 210 - Regulated Carrier Driver Permits– Requires 2/3 Majority

Sponsor: Senator Cegavske, referred to Committee on Transportation. (BDR 58-949)

Requires drivers employed, as lessees or under contract to drive certain fully regulated passenger carriers or taxicabs to obtain a driver's permit issued by the Nevada Transportation Authority. Specifies the requirements for the permit, including a valid driver's license, and sets the initial and renewal fee for the permit at an amount not to exceed \$50.

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

BUSINESS ISSUES**AB 193 – Compensation: Wages, Hours Worked**

Sponsor: Assemblyman Kirner, et al (15 co-sponsors); Joint Sponsor: Senator Woodbury; referred to Committee on Commerce and Labor. (BDR 53-1019)

Revises existing law to authorize employers to round, in prescribed segments, the time actually worked by an employee provided the rounding will not, over time, result in failure to compensate the employee properly for time worked. Employers are not required to use time clocks. Time outside regular work hours that the employee voluntarily spends at work, but is not engaged in work, does not have to be compensated.

AB 218 – Prevailing Wage Benefits

Introduced by Committee on Government Affairs and referred to same. (BDR 28-981)

Amends existing law to define “bona fide fringe benefits” which may be paid to workers on a public works project as part of prevailing wage requirements. The benefits must be paid equally for all hours worked in a calendar year and no part must revert in any way to the employer. The benefits include, without limitation, those determined by a collective bargaining agreement. Administrative penalties that may be imposed by the Labor Commissioner are set at \$2,500 to \$5,000 for the first violation and not less than \$5,000 for the second or subsequent violations within 5 years.

Fiscal effect: Yes, on State. May have impact on local government.

Effective: July 1, 2013

AB 200 – Credit and Debit Card Fees

Sponsor: Assemblyman Daly; referred to Committee on Commerce and Labor. (BDR 52-1024)

Prohibits add-on fees for credit card purchases to cover processing fees. Allows the merchant/provider to increase the cost of the goods or service to cover credit card processing fees as long as the higher price is charged for those goods or services for all forms of payment. Courts are allowed to charge a convenience fee for use of debit cards if the court is charged a fee by the processor and provided the annual total of fees charged to cardholders does not exceed the total fees charged to the court. State agencies and local governments which are charged a processing fee for debit card transactions may charge the cardholder a convenience fee provided the annual total of fees charged to debit card holders does not exceed the total fees charged to the agency. Taxicabs and limousines may charge convenience fees to customers using debit cards in an amount prescribed by the Transportation Authority or Taxicab Authority, as appropriate.

Fiscal effect: Yes, on State. May have impact on local government.

Effective: July 1, 2013

Comment: Why are governmental entities allowed to charge a convenience fee, but businesses are not?

SB 209 – Economic Development Recruiting

Sponsors: Senator Hutchison, et al (8 co-sponsors), referred to Committee on Revenue and Economic Development. (BDR 18-854)

Requires the Board of Economic Development, in addition to its other duties, to develop and carry out a recruiting and marketing effort to attract professionals and businesses to Nevada.

Fiscal effect: Yes, on State. According to the Governor’s Office of Economic Development the fiscal impact is \$100,000 for personnel and travel because the Office has no current plans to pursue recruitment of professionals to the state.

EDUCATION

AB 205 – Charter Schools

On behalf of Legislative Committee on Education, introduced by Committee on Education and referred to same. (BDR 34-200)

Various changes are made to the formation, renewal and reporting requirements for charter schools. The sponsor of a charter school is required to develop performance measures -- including academic proficiency, pupil attendance, enrollment statistics and financial condition -- and to include those measurements in the charter contract. The requirement for a written charter is changed to a written contract. The child of a charter school employee, sponsor, or governing body member is allowed to be enrolled in an at-risk school before other pupils.

Fiscal effect: Yes, on State. May have impact on local government.

Effective: Upon passage and approval.

AB 211 – Prevailing Wage Exemption for Schools

Sponsor: Assemblyman Hansen, et al (8 co-sponsors); Joint Sponsor: Senator Gustavson; referred to Committee on Government Affairs. (BDR 28-1033)

The threshold of prevailing wage projects is increased to \$200,000 (currently \$100,000) for a for a public work contract that is sponsored or financed by a school district.

Note: Also see SB 146 as reported on page 25 of *Legislative Report*, issue 5-13 under heading “Education”.

AB 222 – K-3 Reading Skills Centers – Pilot Program

Sponsor: Assemblywoman Diaz, et al (5 co-sponsors); Joint Sponsor: Senator Denis, et al (2 co-sponsors); referred to Concurrent Committees on Education and Ways and Means. (BDR S-482)

The school districts of Clark and Washoe Counties, in cooperation with the University of Nevada Las Vegas and Reno, respectively, are required to adopt pilot programs of reading skills development centers at certain high-risk schools within their districts. The programs are to be implemented for the 2013-14 and the 2014-15 school years in Clark and the 2014-15 school year in Washoe. Each school district is to report results to standing committees of the 2015 Legislature with jurisdiction over K-12 matters.

Fiscal effect: Yes, on State. Contains Appropriation not included in Executive Budget. See “*Appropriations*” heading on page 38 for the appropriation amounts.

Effective: July 1, 2013.

AB 224 – Student Records

Sponsor: Assemblyman Elliot Anderson, et al (4 co-sponsors); Joint Sponsor: Senator Woodhouse, et al (3 co-sponsors) referred to Committee on Education. (BDR 34-269)

Requires the Department of Education to add to its automated system of information on each student, the information on whether the student’s parent or guardian is a member of the U.S. Armed Forces or National Guard or was discharged or released from any of those services on or after September 11, 2001.

Fiscal effect: Yes, on State. May have impact on local government.

Effective: July 1, 2014

GOVERNMENT**State****SB 212 – Primary Elections Schedule**

Sponsor: Senator Settlemeyer, et al (2 co-sponsors); Joint Sponsors: Assemblymen Wheeler and Livermore; referred to Committee on Legislative Operations and Elections. (BDR 24-36)

Moves the statewide primary election from the second Tuesday in June to the second-to-last Tuesday in January of even numbered years and provides that a presidential preference primary may be held in conjunction with it in presidential election years if certain conditions are met. Allows the Secretary of State, with Legislative Commission approval, to move the January date earlier in the month if another Western state’s primary is scheduled earlier. Stipulates that party caucuses are to be held after the date of a presidential preference caucus and caucus results must reasonably reflect the results of the presidential preference primary election, if one has been held for the party.

Fiscal effect: Yes, on State. May have impact on local government.

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

Local**AB 206 – County Search and Rescue Volunteers**

Sponsor: Assemblyman Sprinkle, referred to Committee on Commerce and Labor. (BDR 53-959)

Volunteer members of a county search and rescue team, while in training or conducting an operation under the supervision of the county sheriff, are considered county employees at the wage of \$2,000 per month for the purposes of receiving industrial insurance benefits.

Fiscal effect: May have impact on local government.

Effective: Upon passage and approval.

SB 217 – County Road Repairs

Sponsor: Senator Manendo, by request; referred to Committee on Transportation

Amends existing law to allow counties under 100,000 the option of performing road and bridge work projects under \$25,000 with day labor and county equipment, after advertising for contract bids. Road work projects over \$25,000 must be advertised and contracts awarded pursuant to chapter 338 of NRS, including prevailing wage provisions.

Effective: July 1, 2013

AB 223 – Constable Duties

Sponsor: Assemblywoman Kirkpatrick; referred to Committee on Judiciary. (BDR 3-15)

Restricts the authority and activities of constables to their township of record and revises the powers and duties of constables.

Continued on next page

AB 223. Continued from previous page

Amends existing law to stipulate that a deputy constable appointed in Clark County must be certified as a Category II Peace Officer before employment. Provides that constables may hire clerical and administrative staff, subject to county commission approval, and those employees have no peace officer power or the right to possess or carry a concealed firearm while on duty.

Fiscal effect: May have impact on local government.

Effective: July 1, 2013

STATE APPROPRIATIONS

Appropriations Not Included in Executive Budget

AB 222 – Reading Skills Centers Pilot Program

Sponsor: Assemblywoman Diaz, et al (5 co-sponsors); Joint Sponsor: Senator Denis, et al (2 co-sponsors); referred to Concurrent Committees on Education and Ways and Means. (BDR S-482)

Appropriation from the State Supplemental School Support Account to:

Clark County School District: FY 2013-2014 – \$3.3 million and FY 2014-2015 - \$4.8 million

UNLV for support to CCSD: FY 2013 -2014 - \$1.1 million and FY 2014-2015 - \$1.6 million

Washoe County School District: FY 2014-2015 - \$1.5 million

UNR for support to WCSD: FY 2014-2015 - \$550,000.

Money not spent reverts to State Supplemental School Support Account. For program details see “*Education*” heading on pg. 37.

GENERAL INTEREST

AB 204 – Real Estate Appraisals

Introduced by Committee on Commerce and Labor and referred to same. (BDR 54-978)

Real estate appraisers are prohibited from including foreclosure or short-sale properties as comparable sales in an appraisal unless no other relevant sale is available to be included. Appraisers are required to maintain an office in this state if the appraiser’s principal office is in another state.

Effective: July 1, 2013 and October 1, 2013.

Add AB 215 –Single Family Residence Graywater

Sponsor: Assemblyman Ohrenschall; referred to Committee on Health and Human Services. (BDR 40-3)

Requires the State Board of Health to adopt regulations for collection and application of graywater for single-family residences. These regulations would not supersede those of a district board of health and permits would not be required for single-family residence systems that produce less than 250 gallons per day of graywater and other provisions.

Fiscal Effect: Yes, on State.

AB 216 – Voter Identification

Sponsored by Assemblyman Hansen, et al (9 co-sponsors); Joint Sponsor: Senator Gustavson; referred to Committee on Legislative Operations and Elections. (BDR 24-125)

Requires voters to produce certain photographic identification at the polling place. County clerks are required to issue photographic voter ID cards to voters who does not possess any other form of photographic identification free of charge. A voter without satisfactory ID may cast a provisional ballot will be counted by Noon on the Monday following the election if the voter produces ID or signs an affidavit attesting the lack of photographic ID is due to indigent status or religious objection to being photographed.

Fiscal effect: Yes, on State. May have impact on local government. Contains **unfunded mandate** not requested by local government.

Effective: October 1, 2013 for regulations and October 1, 2014 for all other purposes.

SB 211 – Health Care Practitioner Disclosures

Sponsor: Senator Cegavske; referred to Committee on Commerce, Labor and Energy. (BDR 54-14)

Requires health care services to identify the type of license held by the practitioner in any advertising. Ads may not include any deceptive or misleading information. A written statement about the practitioner’s license specifics must be posted in each health care office and name tags must show specific licensure. Physicians and osteopathic physicians are restricted on the use of the term “board certified.” Veterinarians and medical labs are exempt from these provisions.

Effective: January 1, 2014

SB 225 – Blue Weimaraner as State Dog

Sponsor: Senator Kieckhefer, by request; referred to Committee on Government Affairs. (BDR 19-842)

Designates the Blue Weimaraner as the official state dog of Nevada.