

# LEGISLATIVE REPORT

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

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MARCH 21 THROUGH MARCH 25, 2011

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## NOTES:

- Page sequence continues from last issue.
- Unless otherwise identified, the effective default date is October 1, 2011
- For the purpose of this report, the “fiscal effect: shown is taken from the “Fiscal Note” which can be found on the Legislative website.
- To access bills go to [www.leg.state.nv.us](http://www.leg.state.nv.us) - “session information.”

## NTA General Comments:

This issue is devoted to only the tax and fee bills that were introduced by individual legislators to meet the Monday (March 21) deadline.

Many of these bills are effective upon passage and approval for the purpose of adopting regulations and performing administrative tasks and are then effective on July 1, 2011. This is totally unrealistic.

Regulations adopted prior to July 1 in most cases will be temporary regulations. This is because the legal division of the Legislative Counsel Bureau will be hard put to have the time or staff to write the regulations when they are writing bills and amendments for the legislative session. If they are temporary regulations, then they will have to be re-noticed and subject to another workshop in order to become a permanent regulation. This just creates more work.

As with the above issue, many of the tax bills have an effective date of July 1, 2011. Whether one or more tax bills pass, how can anyone expect the department of taxation to implement the tax so quickly. It not like the legislature is going to add more staff to the department or provide sufficient funds to make the necessary software and forms changes.

A number of the bills reported in this issue, do not pass the tests for ease of compliance and administration or treating similarly situated taxpayers the same. During the best of times, even the most well written tax bill will have unintended consequences, and some of these bills are disasters just waiting to happen.

Positions by NTA on many of these bills are pending. It should be noted that as of March 25, there were no fiscal notes available for these bills.

## TAXES

### **AB 333 - Liquor and Tobacco Taxes - Requires 2/3 Majority**

Sponsored by Assemblymen Pierce and Hogan; referred to Assembly Committee on Taxation. (BDR 32-881)

Fiscal Effect: Yes, on state.

Increases tax rates on liquor products as follows: Malt beverages from \$0.16 to \$0.25 per gallon; Liquor less than 14% alcohol from \$0.70 to \$1.00 per gallon; Liquor more than 14% and less than 22% alcohol from \$1.30 to \$1.75 per gallon; and Liquor over 22% alcohol from \$3.60 to \$4.50 per gallon. Increases the tax on cigarettes from \$0.80 per pack to \$1.70 per pack. On tobacco products other than cigarettes, taxes will increase from 30 percent to 55 percent of the wholesale price of the product. The bill also addresses disposition and proportions of the proceeds of these taxes.  
Effective: July 1, 2011

### **AB 335 - Tax on Services - Requires 2/3 Majority**

Sponsored by Assemblymen Pierce and Hogan; referred to Assembly Committee on Taxation. (BDR 32-882)

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

Imposes a 5 percent tax on those using certain services in this state, to be collected by the service provider. Each

**AB 335 - Tax on Services - Requires 2/3 Majority, *Continued***

service provider must obtain a permit and pay a \$5 permit fee. Services to be taxed include: Preparation of any advertising; placement of any advertising on billboards, outdoor signs, radio or television; marketing of goods or services by phone; wrapping of gifts or other packages and/or preparation for shipment; transportation of property by armored motor vehicle; provision of facilities or equipment for physical fitness or weight control; athletic or physical skills instruction; dance instruction; any services of barbers, cosmetologists, and pet groomers; laundry, dry cleaning, swimming pool maintenance and exterminator services; storage facilities, diaper, dating and matchmaking services; bail, investment, financial planning and pay-per-call services; and any services which require a license, such as massages, private investigations or collections, or registration as a lobbyist. Exemptions from the service tax include services provided by religious, charitable or educational non-profit organizations and services provided to a government entity. Lowers the amount of partial abatement available from the Commission on Economic Development on sales, use, real and personal property for qualified businesses. Continues until July 1, 2013 (rather than July 1, 2011) allocation of the tax on the rental of transient housing in Clark and Washoe Counties to the General Fund instead of the State Supplemental School Support Fund. Delays the expiration, from June 30, 2011 to June 30, 2013 of the advance payment of the tax on net proceeds of minerals. Continues until July 1, 2013 (rather than July 1, 2011) the excise tax on certain businesses (other than financial institutions) of 0.5 percent of the first \$62,500 in wages paid in each calendar quarter and 1.17 percent of wages paid in excess of \$62,500. Continues the increased rate of the Local School Support Tax of 0.35 percent until June 30, 2012 (rather than June 30, 2011). Continues the annual fee of \$200 for a state business license until July 1, 2013, rather than allowing the rate to decrease to \$100 on July 1, 2011.  
Effective: Upon passage and approval, July 1, 2011 and January 1, 2012

**NTA Comment:** This bill defies comment. Also see AB 446 in this section.

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**AB 336 - Business Income Tax - Requires 2/3 Majority**

Sponsored by Assemblymen Pierce and Hogan; referred to Assembly Committee on Taxation. (BDR 32-623)

Fiscal Effect: Yes, on State

Imposes an excise tax of 4.5 percent on the portion of a businesses' Nevada taxable income exceeds \$500,000 each year. Taxable income is determined by making various adjustments to the federal taxable income of a business and then apportioning all or part of that amount based on property, payroll and sales located within the state. The tax applies to each taxable year of the business entity that ends after June 30, 2011 and will be administered, collected and enforced by the Department of Taxation in a manner similar to other state taxes. Please note: This covers all business entities including sole proprietors.

Effective: Upon passage and approval and July 1, 2011

**NTA Comment:** It would appear because of some of the income inclusions, such as interest income, that this would violate the Nevada constitutional provision that does not allow a personal income tax. This bill follows a recommendation from the Progressive Leadership Alliance (PLAN).

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**AB 343 - Taxes on Older Vehicles**

Sponsored by Assemblyman Aizley; referred to Assembly Committee on Taxation. (BDR 32-914)

Fiscal Effect: Yes, on State

Reduces the percentage of initial value used to assess annual governmental services tax on motor vehicles older than 9 years from 15 percent to 5 percent, except large buses, trucks and trailers, and adjusts the schedule of proceeds to be paid to the State General Fund.

Effective: July 1, 2011

**NTA Comment:** This essentially repeals the increase of 10 percent in used vehicle valuation instituted by the 2009 Legislative Session to benefit the State General Fund.

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**AB 348 - Repeal Apportionment of Federal Transfer on Death Taxes**

Sponsored by Assemblyman Ohrenschall, et al (14 co-sponsors); referred to Assembly Committee on Judiciary. (BDR 12-569)

Repeals the existing law (NRS 150.400) that if a person's estate is insufficient to pay all federal gift or generation-skipping transfer taxes, the unpaid tax must be paid on a proportionate basis by those persons receiving the transfers.

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**AB 391 - Trailer Tax Exemption; Registration Fee - Requires 2/3 Majority**

Sponsored by Assemblyman Goicoechea, et al (2 co-sponsors); referred to Assembly Committee on Taxation. (BDR 43-549)

Fiscal Effect: Yes, on State

**AB 391 - Trailer Tax Exemption; Registration Fee, *continued***

Authorizes a person who owns a trailer or semitrailer, other than a recreational vehicle or travel trailer, to pay a one-time flat registration fee of \$100 that is valid for as long as the person owns the vehicle. Vehicles registered in this way are exempt from the governmental services tax and may not use special license plates. In addition, the percentages by which the value of certain vehicles will be depreciated are revised. Extends the increased share of governmental services tax proceeds to be transferred to the State to June 30, 2013.

Effective: Upon passage and approval and July 1, 2011

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**AB 392 - Veteran Exemptions**

Sponsored by Assemblyman McArthur, et al (3 co-sponsors); referred to Assembly Committee on Taxation. (BDR 32-613)

Fiscal Effect: Yes, on State

Permits a veteran who has served 90 continuous days on active duty and who meets other conditions to receive a \$2,000 exemption on the valuation of his or her personal property. Exempts fully disabled veterans from payment of any registration fees and license plate fees for certain vehicles if the veteran is an owner of the vehicle and the use of the vehicle is restricted to the personal use of the veteran or a member of the household of the veteran.

Effective: July 1, 2011

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**AB 399 - Fast Food Sales Fee - Requires 2/3 Majority**

Sponsored by Assemblyman Munford; referred to Assembly Committee on Taxation. (BDR 32-54)

Fiscal Effect: Yes, on State

Imposes a fee of 5 cents each on the sale by a fast-food business of items of prepared food with a caloric content of 500 calories or more. The fee must be collected from the purchaser and submitted by the fast food business to the Department of Taxation for deposit in the State General Fund.

Effective: Upon passage and approval and January 1, 2012

**NTA Comment:** As this "fee" revenue is for support of the general fund it is properly called a tax. This bill is an example of using a tax to influence a consumer habit, also known as social engineering. Not only will this tax be in addition to the sales and use tax, it is going to be very difficult to figure out, even with electronic registers. For example, you order two hamburgers, one with all the trimmings that is obviously going to be over 500 calories, but the second burger is plain, no trimmings. The clerk who is the front line person will have to be able to determine if it is still 500 calories and subject to the tax or under 500 calories and not subject to the tax.

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**AB 417 - Golf Course: Open Space Real Property**

Sponsored by Assemblyman Segerblom; referred to Assembly Committee on Taxation. (BDR 32-130)

Requires a golf course to be designated, classified and assessed as open-space real property and designated as such under any applicable zoning ordinance unless it is located in a common-interest community or planned unit development or it is operated in conjunction with and adjacent to a resort hotel.

Effective: Upon passage and approval

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**AB 418 - Film Maker Tax Credits**

Sponsored by Assemblyman Aizley; referred to Assembly Committee on Taxation. (BDR 32-913)

Fiscal Effect: Yes, on State

Authorizes the Commission on Economic Development to approve and the Nevada Tax Commission to issue a transferable tax credit for a company that produces a film production in this State if, in addition to certain other requirements, at least 60 percent of the film production is filmed, shot, taped or recorded in this State and the production costs of the film production exceed a certain amount. The Commission on Economic Development and Nevada Tax Commission are to adopt regulations as necessary to implement these provisions by December 31, 2011. Compliance audits are to be conducted by the Department of Taxation and reported to the Commission on Economic Development and to the public.

Effective: Upon passage and approval and January 1, 2012

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**AB 428 - Net Proceeds of Minerals Extracted - Requires 2/3 Majority**

Sponsored by Assemblywoman Pierce; referred to Assembly Committee on Taxation. (BDR 32-883)

Fiscal Effect: Yes, on State

**AB 428 - Net Proceeds of Minerals Extracted, *Continued***

Reduces by 60 percent the amount of allowable deductions from the gross yield of mining operations for purposes of determining taxable net proceeds, except for the portion of the proceeds that are paid as royalties and are separately taxable to the recipient thereof. In addition, delays until June 30, 2013 the expiration of the requirement for advance payment of the tax on the net proceeds of minerals based upon the estimated net proceeds and royalties of a mining operation for the current calendar year.

Effective: Upon passage and approval and July 1, 2011

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**AB 436 - Payroll Tax Deduction**

Sponsored by Assemblyman Ocegueda; referred to Assembly Committee on Taxation. (BDR 32-724)

Fiscal Effect: Yes, on State

Authorizes employers to deduct from the total amount of wage reported and upon which the payroll tax is imposed, any wages paid to newly hired employees during the 4-year period following their hiring if the employees are paid wages above a specified amount and certain other conditions are met. The newly hired employees must be residents of Nevada; be first hired after July 1, 2011; and may not be an owner in full or in part or a dependent of the employer. Implementation regulations are to be adopted by the Nevada Tax Commission before July 1, 2011.

Effective: Upon passage and approval and July 1, 2011

**NTA Comment:** Also see AB 443 in this section.

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**AB 437 - Property Assessment Rate - Requires 2/3 Majority**

Sponsored by Assemblyman Daly, et al (2 co-sponsors); referred to Assembly Committee on Taxation. (BDR 32-720)

Increases the rate of property assessment, including open space and agricultural, from 35 percent to 45 percent for each fiscal year beginning on or after July 1, 2011. Requires each local government to cause not less than 50 percent of any increase in revenue which is attributable to the increase in the rate of assessment and which the local government receives with respect to any fiscal year that falls within the period beginning on July 1, 2011, and ending on June 30, 2021, to be expended or committed for expenditure for capital improvement or infrastructure projects on or before December 31, 2021.

Effective: July 1, 2011

**NTA Comment:** This bills will add a layer of confusion to the property taxpayers' understanding of their tax bill, particularly in trying to reconcile the increase in the ratio with whether the abatement applies or not to a piece of property.

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**AB 443 - Payroll Tax Deduction**

Sponsored by Assemblyman Brooks, et al (7 co-sponsors); Joint Sponsors: Senator Denis, et al (2 co-sponsors); referred to Assembly Committee on Taxation. (BDR 32-711)

Authorizes financial institutions and other employers to deduct from the total amount of wages reported and upon which the payroll tax is imposed all wages paid to a newly hired, after July 1, 2011, full-time employee during the first 4 full calendar quarters next following the hiring of the employee, and to deduct 50 percent of all wages paid to that employee during the fifth through eighth full calendar quarters next following the hiring of the employee if, at the time of hiring, the employee has been unemployed for a continuous period of not less than 60 days and certain other conditions are satisfied.

Effective: July 1, 2011

**NTA Comment:** Also see AB 436 in this section.

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**AB 444 - Partial Tax Abatements -**

Sponsored by Assemblyman Brooks, et al (6 co-sponsors); Joint Sponsors: Senator Kihuen, et al (1 co-sponsor); referred to Assembly Committee on Taxation. (BDR 32-722)

Fiscal Effect: Yes, on State

Authorizes the Commission on Economic Development to approve a partial tax abatement, other than for Local School Support Taxes, for a training facility for a high-speed railway system that locates in this State and meets certain conditions. The tax abatement may be for up to 50 percent of the taxes imposed on the real and personal property of the facility each year for one to ten years; and a partial abatement of local sales and use taxes for up to 2 years. The entity must agree to Department of Taxation compliance audits. This authorization expires by limitation on June 30, 2021.

Effective: Upon passage and approval and July 1, 2011

**AB 446 - Excise Tax on Services - Requires 2/3 Majority**

Sponsored by Assemblyman Brooks, et al (6 co-sponsors); Joint Sponsor: Senator Parks; referred to Assembly Committee on Taxation. (BDR 32-805)

Fiscal Effect: Yes, on State

Imposes a tax on each person who uses services in this State at a rate of 1 percent of the total amount charged by the service provider, with certain exceptions. The tax is to be collected by the provider and submitted to the Department of Taxation. Each service provider must have a permit to collect the taxes and pay a \$5 fee for the permit. "Services" means any useful efforts that do not produce a tangible commodity. Exempted services include those provided by a religious, charitable or educational non-profit organization; and services provided to a government entity.

Effective: Upon passage and approval and January 1, 2012

**NTA Comment:** Also see AB 335 in this section.

**AB 447 - Partial Property Tax Abatements - Requires 2/3 Majority**

Sponsored by Assemblywoman Kirkpatrick; referred to Assembly Committee on Taxation. (BDR 32-519)

Repeals NRS 701A.210 and NRS 361.0687 regarding partial abatement of certain property taxes for businesses. Instead, sets forth the percentage of abatement a business is eligible for and the duration such abatement may last based upon the number of employees the business has and the average wage the business pays its employees. The more employees a business has and the more the business pays them, the higher the percentage of its abatement and the longer the duration of the abatement. Establishes the additional qualifications a business must meet to be eligible for an abatement: (1) only certain industries are eligible for the abatement; (2) at least 50 percent of the product of the business must be exported out of this State; and (3) if the business is a new business its owner or manager must demonstrate relevant management experience to the Commission on Economic Development or complete a training course approved by the Commission. The industries which are eligible for the abatement are manufacturing, information processing, mineral processing, logistics, technology, research and development. This act expires by limitation on July 1, 2021.

Effective: July 1, 2011

**SB 374 - Tax Redistribution for College of Southern Nevada**

Sponsored by Senator Lee; referred to Senate Committee on Revenue. (BDR S992)

Fiscal Effect: May impact local government

Requires the deposit into the State General Fund of the portion of the property taxes levied for the next 4 fiscal years for operating purposes by Clark County at the rate of 2 cents per \$100 of assessed valuation. This bill requires the use of those tax proceeds for the support of the College of Southern Nevada.

Effective: July 1, 2011

**NTA Comment:** Depending on where the 2 cents is coming from, this bill is either taking 2 cents from the four cents operating that was taken last session or it has just increased the amount being taken from Clark County operating to 6 cents.

**SB 378 - Used Vehicle Valuation**

Sponsored by Senators Gustavson and Settlemeyer; referred to Senate Committee on Revenue. (BDR 32-309)

Repeals the 10 percent increase in depreciation schedules for used vehicles put in place by the 2009 Legislature and adjusts the allocations to the State General Fund accordingly.

Effective: July 1, 2011

<b>FEES</b>
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**AB 347 - Deer Hunting Tags - Requires 2/3 Majority**

Sponsored by Assemblyman Ohrenschall, et al (5 co-sponsors); referred to Assembly Committee on Natural Resources, Agriculture and Mining. (BDR 45-977)

Fiscal Effect: Yes, on State.

Requires the Department of Wildlife to make 500 deer tags – 450 for Nevada residents and 50 for non-residents – available on a first come-first served basis each year, in addition to any tags to hunt deer issued otherwise during the year. The cost of each tag is \$500 for residents and \$3,850 for non-residents. Application for tags is to be available on a website established by the Department. Any unsold non-resident tags may be made available to residents. Proceeds

**AB 347 - Deer Hunting Tags, *Continued***

from the tags are to be used in approximately equal amounts by the Department to manage and control natural predators of deer and for the preservation, protection, management and restoration of deer habitats in this State.

Effective: Upon passage and approval and January 1, 2012

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**AB 372 - Foreign Wire Transfers Fee - Requires 2/3 Majority**

Sponsored by Assemblymen Hickey and Kirner; referred to Assembly Committee on Taxation. (BDR 32-583)

Fiscal Effect: Yes, on State

Imposes a fee on the electronic transmission of money by a money transmitter to locations outside the United States. Fees are \$5 for each transmission of \$500 or less and 1 percent of the transmission when in excess of \$500. The fees, collected by the transmitter and submitted to the Department of Taxation, are to be credited to the State Distributive School Account.

Effective: Upon passage and approval and January 1, 2012

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**AB 382 - Chiropractor Preceptor Program - Requires 2/3 Majority**

Sponsored by Assemblyman Hammond, et al (3 co-sponsors); referred to Assembly Committee on Commerce and Labor. (BDR 54-1006)

Fiscal Effect: Yes, on State

Requires the Chiropractic Physicians' Board to establish a preceptor program to allow an eligible and qualified chiropractic student to obtain supervised clinical experience under the supervision of a licensed chiropractor who is approved by the Board as a preceptor. The student and the licensed chiropractor will pay a \$35 application fee to participate in the preceptor program.

Effective: Upon passage and approval and October 1, 2011

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**AB 387 - Domestic Wells Fee - Requires 2/3 Majority**

Sponsored by Assemblyman Ohrenschall; referred to Assembly Committee on Government Affairs. (BDR 48-347)

Fiscal Effect: Yes, on State.

Creates, as a subset of domestic wells, a "conservation domestic wells" classification for wells for domestic purposes with a draught that does not exceed 0.5 acre-feet per year and a flow of not more than 1 gallon per minute, and which 1) are equipped at the time of drilling with a pump that operates on renewable energy, 2) has a water meter to measure total withdrawal, and 3) the owner reports the monthly withdrawal to the State Engineer. The State Engineer is to set reasonable fees for issuing a password for monthly reporting or accepting monthly written reports. Provisions for subdivisions planning to provide water services through conservation domestic wells are also detailed.

Effective: Upon passage and approval and October 1, 2011

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**AB 391 - Trailer Tax Exemption; Registration Fee - Requires 2/3 Majority**

See "Taxes" Heading on page 66 of this issue.

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**AB 393 - Education License Renewal Fee - Requires 2/3 Majority**

Sponsored by Assemblywoman Dondero Loop, et al (11 co-sponsors); referred to Assembly Committee on Education. (BDR 34-8)

Fiscal Effect: Yes, on State

Directs the Commission on Professional Standards in Education to increase the fees for renewal of a license to teach to include the cost of processing the fingerprints of the applicant by the Central Repository and the Federal Bureau of Investigation and requires the Central Repository to investigate the criminal history of applicants for renewal of a license submitted to the Superintendent of Public Instruction.

Effective: July 1, 2011

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**AB 423 - Attorney General Opinion Fee - Requires 2/3 Majority**

Sponsored by Assemblyman Daly, et al (3 co-sponsors); referred to Assembly Committee on Government Affairs. (BDR 18-719)

Fiscal Effect: Yes, on State.

The Attorney General, when requested by a labor organization or trade association or its local affiliate that has a dispute with a state or local governmental agency which may result in litigation over a question of law relating to a state statute or regulation, shall give to the organization or association his or her opinion, in writing, upon the question. The Attorney General shall charge a fee for this service based on an hourly rate sufficient to cover salary and other expenses of the deputy attorney general who provides the services, but not less than \$2,500.

Effective: July 1, 2011

**AB 427 - Beverage Container Deposits and Refunds - Requires 2/3 Majority**

Sponsored by Assemblyman Ohrenschall; referred to Assembly Committee on Natural Resources, Agriculture and Mining. (BDR 40-1079)

Fiscal Effect: Yes, on State

Establishes a program for requiring deposits of 5 cents to be paid and then refunded on certain recyclable beverage containers. Containers are to be clearly labeled with the refund value and as being recyclable. Certain exceptions are made for beverage containers sold or given away by gaming establishments, saloons, restaurants or resorts that will be consumed on the premises and for which a recycling program is in place, or those sold by a distributor for use by interstate passenger carriers. Beverage dealers will establish Deposit Transaction Accounts to hold deposit money and from which to pay refunds on returned containers. Dealers shall receive a handling fee of 1 cent per beverage container returned and distributors will also retain 1 cent per container for handling returned containers for the bottlers. By formula, at the end of every month, a portion of the money in Deposit Transaction Accounts will be transferred to the Division of Environmental Protection of the State Department of Conservation and Natural Resources to be used solely for recycling education, programs and program promotion.

Effective: Upon passage and approval and January 1, 2012

**NTA Comment:** One of the prior concerns with container deposits, has been that a business that does not have a closed storage area runs the risk of insect or rodent problems, because people do not tend to wash their containers prior to returning them.

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**AB 432 - Energy Auditors - Requires 2/3 Majority**

Sponsored by Assemblywoman Kirkpatrick, et al (1 co-sponsor); referred to Assembly Committee on Commerce and Labor. (BDR 54-136)

Fiscal Effect: Yes, on State

Provides for licensure of energy auditors by the Real Estate Division of the Department of Business and Industry and establishes training and qualifications required for licensing. Fees for licensure include a \$100 application fee and \$250 for issuance or renewal. Establishes requirements for conducting an energy audit and for the report to be provided to the homeowner and the Office of Energy. Requires the Director of the Department of Energy to register energy auditors and provide certificates to homeowners as proof of an energy audit. Repeals provisions of NRS 113.115 requiring a seller to have an evaluation of energy consumption conducted and provide the results to a purchaser and NRS 701.250 directing the Commissioner of Energy to establish a program for evaluating energy consumption in residential property.

Effective: July 1, 2011

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**AB 438 - Medical Marijuana - Requires 2/3 Majority**

Sponsored by Assemblyman Goedhart, et al (5 co-sponsors); referred to Assembly Committee on Health and Human Services. (BDR 40-1066)

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

Provides for: 1) the registration and regulation of producers of marijuana by the State Department of Agriculture; 2) the registration and regulation of manufacturers of marijuana and medical marijuana facilities by the Health Division of the Department of Health and Human Services; 3) the imposition of fees to register as a producer of marijuana (to be not more than \$10,000), manufacturer of marijuana (not to exceed \$3,000) or medical marijuana facility (not to exceed \$10,000), and patient registry identification card (\$50 application fee, \$150 issuance fee); 4) the creation of a Medical Marijuana Regulatory Board that will evaluate, monitor and report upon various matters of importance to patients who use marijuana for medicinal purposes and review fees annually; 5) the imposition of civil penalties against and the suspension or termination of the certificate of registration of producers of marijuana, manufacturers of marijuana and medical marijuana facilities that operate in violation of the provisions of this bill; 6) certain civil protections for persons engaged in the medical use of marijuana or assisting in the medical use of marijuana; 7) expansion of the permissible activities in which persons involved in the medical use of marijuana may engage; and 8) the taxation of marijuana sold in connection with the medical use of marijuana (\$1 per gram or portion thereof).

Effective: Upon passage and approval and October 1, 2011

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**SB 292 - Portable Electronics Insurance - Requires 2/3 Majority**

Sponsored by Senator Schneider (by request); referred to Senate Committee on Commerce, Labor and Energy. (BDR 57-1074)

Fiscal Effect: Yes, on State

Provides for licensure and regulation of persons who sell or offer coverage under a new limited line of insurance, the coverage of portable electronics against the risk of loss, damage or other perils. A vendor who sells or offers this coverage must be licensed as a producer of insurance and pay applicable fees. Employees of the licensee may sell or

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**SB 292 - Portable Electronics Insurance, *Continued***

offer coverage if specific training has been completed. Specific requirements about written materials to be provided to consumers and other provisions are included.

Effective: Upon passage and approval and October 1, 2011

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**SB 293 - Non-Profit Organizations - Requires 2/3 Majority**

Sponsored by Senator Cegavske; referred to Senate Committee on Commerce, Labor and Energy. (BDR 3-1011)

Provides that nonprofit organizations which provide certain jobs and day training services or operate certain rehabilitation facilities or workshops and which are approved by the Secretary of State as bona fide nonprofit organizations have their liability in tort limited for their participation in those programs. Requires these organizations to apply to the Secretary of State annually for approval that the organizations are bona fide nonprofit organizations. The fee for annual approval is to be set by the Secretary of State according to the cost of making the determination.

Effective: July 1, 2011

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**SB 299- Care of Animals; Breeders - Requires 2/3 Majority**

Sponsored by Senator Manendo (by request); referred to Senate Committee on Natural Resources. (BDR 50-388)

Fiscal Effect: May have impact on local government

Requires the board of county commissioners of each county and the governing body of each incorporated city to adopt an ordinance requiring operators of commercial establishments in the business of breeding dogs and cats for sale or trade to obtain an annual permit to do so from the board, governing body or animal control agency. The numbered permit will have a fee to be determined by each entity and the permit number must be displayed in the place of business and on any advertising. Authorizes agents of the governing body to enter and inspect the premises for the purpose of enforcing animal care regulations. Standards of care for all animals are provided.

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**SB 308 - Remote Caller Bingo - Requires 2/3 Majority**

Sponsored by Senator Schneider; referred to Senate Committee on Judiciary. (BDR 41-46)

Fiscal Effect: Yes, on State

Authorizes charitable organizations to operate remote caller bingo games, defined as 1) a game in which the numbers or symbols on randomly drawn plastic balls are announced by a natural person present at the game location, and 2) the charitable organization uses audio and video equipment to transmit the game to other of the charitable organization's facilities in the state. Provisions are made for the number of games per week allowed, the use of proceeds from the games, and prizes awarded. Requires the Nevada Gaming Commission to adopt regulations governing the activities of remote caller bingo games and the licensing of operators, including appropriate fees.

Effective: Upon passage and approval and October 1, 2011

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**SB 311 - Recordation of Property - Requires 2/3 Majority**

Sponsored by Senator Gustavson (by request); referred to Senate Committee on Judiciary. (BDR 9-790)

Requires, within 45 days, the recording with the county recorder of a notarized copy of any assignment of a mortgage or deed of trust, any lien upon, or interest in real property is subordinated or waived as to priority. Applies to assignments made after October 1, 2011. This changes statute from "may" be recorded. Also makes provisions for satisfaction and discharge of a debt secured by a deed of trust and for inquiries by authorized person regarding assignment of debt secured by the deed of trust.

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**SB 312 - Transportation Authority - Requires 2/3 Majority**

Sponsored by Senator Gustavson (by request); referred to Senate Committee on Government Affairs. (BDR 58-1070)

Fiscal Effect: Yes, on State

Provides for elimination of the Nevada Transportation Authority and transfer of regulatory authority to various entities, as follows: Authority over limousines and taxicabs is assigned to counties and cities; regulatory control over tow cars to the Department of Public Safety, but only with respect to nonconsensual tows; and regulatory control over the transportation and storage of household goods to the Department of Business and Industry. In addition, authorization for the imposition of fees on the persons being regulated is provided. Clark County is required to adopt an ordinance to regulate the activities of limousines and taxicabs within Clark County and the Southern Nevada Taxicab Authority is transferred to the control of Clark County. Certain administrative regulations governing motor carriers are voided. Directs the transfer to the State General Fund of certain money in the Nevada Transportation Authority Regulatory Fund and the Taxicab Authority Fund.

Effective: Upon passage and approval and July 1, 2012

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**NTA Comment:** It seems that this bill would be an unfunded mandate on local government.



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**SB 313 - Energy Efficiency - Requires 2/3 Majority**

Sponsored by Senator Schneider; referred to Senate Committee on Commerce, Labor and Energy. (BDR 58-236)

Fiscal Effect: Yes, on State

Requires the Nevada Energy Commissioner to prescribe minimum standards of energy efficiency for portable light fixtures and televisions by October 1, 2012 and authorizes the Commissioner to charge and collect a fee from manufacturers of these devices for the costs of any tests to confirm that such electrical devices comply with the minimum standards and to make information on the standards available to the public. Requires electric utilities to include, as part of its 3-year plan, a comparison of best supply combinations to meet demands or the best methods to reduce demands. Requires the Public Utilities Commission of Nevada, in evaluating a 3-year plan submitted by an electric utility, to give preference to measures and sources of electricity that provide the greatest efficiency and economy. Requires the Commission to adopt regulations which include the opportunity for an electric utility to earn a return on investment from the implementation of energy efficiency and conservation programs equal to the return on investment earned by the utility from investment in alternative supply-side resources. Provides for other related matters as well.

Effective: Upon passage and approval and January 1, 2012

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**SB 314 - Asset Management Companies - Requires 2/3 Majority**

Sponsored by Senator Lee; referred to Senate Committee on Commerce, Labor and Energy

Fiscal Effect: Yes, on State

Provides for the registration, permitting and regulation of asset management companies and their employees and agents by the Real Estate Division of the Department of Business and Industry. Sets the requirements an asset management company must meet to be registered, including criminal background checks on all principals, partners, directors and officers of the company, activities, procedures, and required insurance. Imposes a \$2,000 application fee for registration and a \$500 fee for the issuance and annual renewal of a certificate of registration. All employees or independent contractors of an asset management company must obtain a permit from the Division, undergo a criminal background check and pay a one-time fee of \$75.

Effective: Upon passage and approval and October 1, 2011

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**SB 320 - Motor Carrier Drivers - Requires 2/3 Majority**

Sponsored by Senator Manendo (by request); referred to Senate Committee on Transportation. (BDR 58-1051)

Requires a person who wishes to be employed or enter into a contract or lease as a driver for certain motor carriers, including taxicabs, subject to the jurisdiction of the Nevada Transportation Authority to obtain a driver's permit issued by the Authority. This bill also establishes the requirements and procedures to obtain such a permit. The fee for an original permit or renewal is not to exceed \$50.

Effective: Upon passage and approval and October 1, 2011

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**SB 361 - Water Appropriation Permit - Requires 2/3 Majority**

Sponsored by Senator Rhoads; referred to Senate Committee on Government Affairs. (BDR 48-285)

Fiscal Effect: Yes, on State

Authorizes a person to apply to the State Engineer for a temporary permit to appropriate water to establish vegetative cover that is resistant to fire in an area that has been burned by a wildfire or to prevent or reduce the impact of a wildfire in an area. Unless extended by the State Engineer, the temporary permit is limited to one growing season of the vegetative cover. The application fee is \$150 and the permit fee is \$200. Such applications are exempt from requirements such as publication of notice in the newspaper.

Effective: Upon passage and approval

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**SB 362 - Groundwater Basins - Requires 2/3 Majority**

Sponsored by Senator Schneider (by request); referred to Senate Committee on Government Affairs. (BDR 48-926)

Fiscal Effect: Yes, on State

Requires the State Engineer to designate as a critical management area any basin in which withdrawals of groundwater consistently exceed the perennial yield of the basin and to extend the time necessary to work a forfeiture in a basin which is designated as a critical management area, if the holder of the right pays a fee that is deposited in an account in the State General Fund, the money in which may only be used to pay the costs of retiring water rights in the particular designated basin where the water right is located. Requires the State Engineer to adopt a sliding scale for such a fee, based on the priority of the right.

Effective: July 1, 2011

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**SB 377 - Public-Private Partnerships - Requires 2/3 Majority**

Sponsored by Senator Hardy; referred to Senate Committee on Government Affairs. (BDR 22-297)

Authorizes the State and certain local governments to enter into public-private partnerships, a contract entered into by a private partner and the State or a local government under which the private partner assumes responsibility for: 1) planning, designing, financing, constructing, equipping, improving, maintaining, operating or acquiring rights-of-way for a project, or any portion thereof, but where the State or local government retains ownership of the project; or 2) providing services that a public agency is authorized to provide. Sets forth the requirements for entering into a public-private partnership, including the solicitation of proposals, requirements for and authority of private partners, and options for the financing of the public-private partnership.

Effective: July 1, 2011

**NTA Comment: This bill requires an amendment.** As written it allows fees (tolls) to be charged, but contains none of the safeguards that have been addressed in prior bills that have proposed to allow toll lanes or roads.

### 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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