

# LEGISLATIVE REPORT

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

ISSUE 1-17

PREFILED BILLS

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*Due to unforeseen circumstances, the commencement of Legislative Report was delayed.  
We regret any inconvenience this may have caused members.*

This issue of Legislative Report contains a summary of tax and fee bills, which were pre-filed before the February 6, 2017 opening of the 79<sup>th</sup> Legislative Session. 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.

## 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, 2017. (The legislative default date is October 1.)
- Some bills have a fiscal note, which is not indicated in the summary, as specific fiscal information is not available at the time this report was written.
- 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 - 2017.”

## 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.*

## Tax Administration

### **AB 47 – Collection of Delinquent Taxes and Fees.**

On behalf of the Department of Taxation, introduced by the Committee on Taxation and referred to same. (BDR 32-249)

The Department of Taxation is to develop a system using data held by financial institutions in the State to locate the accounts of individuals who owe the Department back taxes or fees. Assets held by a financial institution may be accessed by the Department.

Effective: Upon passage and approval for regulations and July 1, 2017 for all other purposes.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB47.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB47.pdf)

### **AB 62 – Master Settlement Agreement**

On behalf of the Attorney General, introduced by Committee on Taxation and referred to same. (BDR 32-390)

Proposes changes to the Master Settlement Agreement such as confidentiality and reporting requirements.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB62.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB62.pdf)

**SB 99 - Provides taxpayers additional rights by better access to judicial review**

Sponsor: Sen. Kieckhefer; referred to Committee on Revenue and Economic Development. (BDR 32-640)

Would provide taxpayers access to judicial review with payment of 25% of the tax in dispute rather than the 100% that is due in current law. Applies to decisions by the Tax Commission and DMV (for fuel taxes).

**NTA Position: Support.** Bill provides additional taxpayer access to judicial review of negative decisions by the Tax Commission and DMV. The bill enhances taxpayer rights as well as providing less costly access to independent judicial review which is a cornerstone of an equitable tax system.

[www.leg.state.nv.us/Session/79th2017/Bills/SB/SB99.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB99.pdf)

### Abatements/Credits/Exemptions

**AB 43 –Partial Property Tax Abatements – Requires 2/3 Majority**

On behalf of Nevada Association of Counties, introduced by Committee on Taxation and referred to same. (BDR 32-441)

Amends the maximum cap on increases in the property tax bill for certain single family and residential rental property to no less than 3 percent. The floor for the maximum commercial partial property tax cap is determined by an amended formula on the secondary cap. That formula expands the average of the CPI for the 10 preceding years (currently just the prior year).

**Effective:** Upon passage and approval for regulations and July 1, 2017 for all other purposes.

**NTA Comment:** The creation of the partial abatement on property tax bills was the result of extraordinary increases in the value of property in 2004 and 2005, particularly in Clark County. The caps vary in each county, with some counties still at the original 3 and 8 percent. To track the abatement factors in each county since FY 2008 click onto: [https://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/General\\_Abatement\\_Factors/](https://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/General_Abatement_Factors/) To understand Nevada's very unique property tax system read the association's booklet, "Understanding Nevada's Property Tax System".

**NTA Position:** Support in concept. As with all major tax changes it is inevitable that there will be unintended consequences. One of those unintended consequences occurred this current fiscal year, when the formulas as applied to commercial property reduced the increase in the property tax bill to 0.2%. Since the residential property abatement cannot be higher than the commercial abatement the residential abatement was correspondingly reduced to 0.2%. For the next property tax bills that will be sent out in July the abatement will increase to 2.4 or 2.6 percent and the year thereafter will probably be at 3 percent. The secondary formula requires some modification so that both residential and commercial property owners have some long term stability regarding their property tax liability.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB43.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB43.pdf)

**AB 137 – Film and Insurance Premium Tax Credits**

Sponsor: Assemblywoman Carlton; referred to Committee on Taxation. (BDR 32-68)

Sets the maximum authorization amount of transferable film tax credits at \$15 million per year. Removes the cap on insurance tax credits and removes the sunset of such credits.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB137.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB137.pdf)

**SB 85 - Makes the Parasol Community Foundation Tax Exempt**

Sponsor: Senator Kieckhefer; referred to Committee on Revenue and Economic Development. (BDR 32-272)

The Parasol exemption would be effective through June 30, 2037.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB85.pdf>

**SB 147 - Child Care Tax Credit**

Sponsor: Senator Spearman; referred to Committee on Revenue and Economic Development. (BDR 32-56)

Provides an employer tax credit against the modified business tax for employers who help their employees find child care via referral or give their employees monetary assistance for child care or both. In each case, the employer can deduct up to \$2,500 per employee. Credits not used in the current tax year carry forward.

**Effective :** Upon passage and approval for regulations and January 1, 2018 for all other purposes.

[www.leg.state.nv.us/Session/79th2017/Bills/SB/SB147.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB147.pdf)

**SB 179 - Expanded Tax Abatements for Airplanes**

Sponsor: Senator Denis, referred to Committee on Revenue and Economic Development. (BDR 32-805)

Adds existing businesses which have operated in Nevada for at least 10 years to those eligible for tax abatements for airplanes. The abatement is still subject to determination by the Office of Economic Development. Expires by limitation on June 30, 2035.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB179.pdf>

## Business

### **AB 6 – Motion Pictures Required to Get State Business License – Requires 2/3 Majority**

On behalf of the Office of Economic Development in the Governor’s Office, introduced by Committee on Judiciary and referred to same. (BDR 7-247)

Removes the exemption from state business license requirements for motion picture firms

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB6.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB6.pdf)

### **AB 12 – Insurance Adjuster Licensing Categories – Requires 2/3 Majority**

On behalf of Division of Insurance, introduced by Committee on Commerce and Labor and referred to same. (BDR 57-465)

Allows non-resident and emergency licensing registration under certain conditions at the existing fee.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB12.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB12.pdf)

### **AB 13 – State Business License, Name Change**

Introduced by Committee on the Judiciary (BDR7-3)

Changes the name of the state business registration back to “license”. No change in fees.

[www.leg.state.nv.us/Session/79th2017/Reports/history.cfm?ID=30](http://www.leg.state.nv.us/Session/79th2017/Reports/history.cfm?ID=30)

### **AJR 1 – Commerce Tax**

Sponsor: Assemblyman Ellison. Referred to Committee on Legislative Operation and Elections. (BDR C-97)

Proposes to amend the Nevada Constitution to prohibit the Legislature, without a vote of the people, from lowering the \$4 million threshold for revenue that would incur this tax.

**Notes:** This resolution must be passed by the 2017 and 2019 Legislatures and then be approved by voters at the next general election to become effective.

[www.leg.state.nv.us/Session/79th2017/Bills/AJR/AJR1.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AJR/AJR1.pdf)

## Miscellaneous

### **AB 82 – Net Proceeds Reporting and Responsibility**

On behalf of Department of Taxation, introduced by Committee on Taxation and referred to same. (BDR 32-248)

Makes the person extracting the mineral responsible for paying the taxes due and requires the Department to send the certificate of payment to that person. The names of all people receiving royalties, and the amount of royalties received, is to be included with the annual reporting.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB82.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB82.pdf)

### **SB 54 - Expands Uses of Infrastructure Taxes in Smaller Counties**

On behalf of Lyon County, introduced by Senate Revenue & Economic Development and referred to same. (BDR 32-341)

Authorizes smaller counties (less than 100,000 population) to use infrastructure taxes for additional purposes including ongoing operation and maintenance expenses.

**NTA Position: Amend.** Bill expands the allowable uses of infrastructure taxes to include operations and maintenance. “Government functions” (see line 24 or page three) is overly broad and should be more defined. A reauthorization should be required after 20 years to ensure that the uses are still appropriate and that taxpayers are notified.

[www.leg.state.nv.us/Session/79th2017/Bills/SB54.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/SB54.pdf)

### **SB 64 - Aviation Fuel Tax Distribution**

On behalf of the Department of Motor Vehicles, introduced by Committee on Revenue and Economic Development and referred to same. (BDR 32-222)

Federal law defines how allocations of aviation fuel taxes are made. This bill allows allocation directly to a private airport rather than routing through the county commission in which the airport is located.

**Effective:** Upon passage and approval

[www.leg.state.nv.us/Session/79th2017/Bills/SB/SB64.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB64.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 32 – Pest Control – Requires 2/3 Majority**

Introduced by the Committee on Natural Resources, Agriculture and Mining on behalf of Department of Agriculture (BDR 49-176)

Establishes testing, license and other fees to be set by the Director for persons involved in the pest control business.

Fiscal Note: Contains unfunded mandate not requested by affected local governments.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB32.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB32.pdf)

**AB 52 – Dissolved Mineral Resource Drilling Permits – Requires 2/3 Majority**

On behalf of the Commission on Mineral Resources, introduced by Committee on Government Affairs and referred to Committee on Natural Resources, Agriculture and Mining. (BDR 48-258)

Gives the Department of Minerals authority to levy permit fees for drilling or operating dissolved mineral wells. Regulations are to be adopted by the Division of Water Resources, State Department of Conservation and Natural Resources.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB52.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB52.pdf)

**AB 60 – Vehicle Transport License Renewal – Requires 2/3 Majority**

On behalf of Department of Motor Vehicles, introduced by Committee on Transportation and referred to same. (BDR 43-221)

Sets a \$25 late fee for delinquent renewals of licenses for vehicle businesses, including, but not limited to, vehicle transporters, dealers and manufacturers. Also allows the department to set fees for fingerprinting.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB60.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB60.pdf)

**AB 77 – Teacher Licensing – Requires 2/3 Majority**

On behalf of Department of Education, introduced by Committee on Education and referred to same. (BDR 34-253)

Increases the minimum fees that may be levied to issue or renew teaching licenses and makes other changes regarding licensing and reporting.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB77.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB77.pdf)

**AB 114 – Irrigation District Fees and Indebtedness – Requires 2/3 Majority**

Sponsor: Assemblywoman Titus; referred to Committee on Natural Resources, Agriculture and Mining. (BDR 48-639)

Increases maximum annual assessment fees per acre as well as total allowable indebtedness for each water district. Mandates that beginning in 2018, these fees must be adjusted on July 1 by the lesser of 4.5 percent or the average percentage increase in the CPI for West Urban Consumers over the previous five years.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB114.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB114.pdf)

**AB 150 – Private Professional Guardians – Requires 2/3 Majority**

Sponsor: Assemblyman Sprinkle; referred to Committee on Commerce and Labor. (BDR 13-808)

Requires members, partners, directors, officers, managers and employees of private professional guardian companies to submit fingerprints for FBI background checks not less than once every 5 years. The fee for this reporting is to be set by the Commissioner and all reports are to be maintained by the Division.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB150.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB150.pdf)

**AB 165 – Health Service Executive Licensing – Requires 2/3 Majority**

Sponsor: Assemblyman Hambrick; referred to Committee on Commerce and Labor. (BDR 54-566)

Defines health service executives and directs the Board of Examiners for Long-Term Care Administrators set a fee for licensing.

Effective: Upon passage and approval for regulations and January 1, 2018 for all other purposes.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB165.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB165.pdf)

**AB 169 – County Recorder Fees – Requires 2/3 Majority**

Sponsor: Assemblyman Jauregui et al (2 co-sponsors); referred to Committee on Government Affairs. (BDR 20-832)

Sets the fee for recording any document with a county recorder at \$36, unless specified otherwise by statute. An additional fee of \$5 per document may be charged on any recording other than an original marriage certificate. County recorders may accept documents with non-conforming formatting at their discretion.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB169.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB169.pdf)

**AB 194 – Behavioral Health Care Specialists – Requires 2/3 Majority**

Sponsor: Assemblywoman Monroe-Moreno et al (3 co-sponsors), referred to Committee on Commerce and Labor. (BDR 54-712)

Establishes behavioral health care peer recovery support personnel as a licensing category to be certified by the Board of Examiners for Alcohol, Drug and Gambling Counselors. The license fee is \$300.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB194.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB194.pdf)

**AB 195 – Cosmetology – Requires 2/3 Majority**

Sponsor: Assemblywoman Bustamante-Adams, referred to Committee on Commerce and Labor. (BDR 54-119)

Allows duplicate licenses to be requested for any reason for the existing fee of \$25. Authorizes the Governor to remove members of the governing board for neglect of duty, malfeasance or misfeasance.

Effective: Upon passage and approval for regulations and January 1, 2018 for all other purposes.

[www.leg.state.nv.us/Session/79th2017/Bills/AB/AB195.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB195.pdf)

**SB 17 - Revises Payday Lending Provisions - Requires 2/3s Majority**

On behalf of the State Treasurer introduced by Committee on Commerce, Labor & Energy and referred to same (BDR 52-409)

Requires the creation of the database of payday lending customers and requires lenders to submit customer names so that the prohibition of making a loan to a customer who already has an outstanding payday loan is extended to all of the industry. A fee, determined by the Commissioner of Financial Institutions, is required to fund the database.

Effective: July 1, 2017 for regulations and January 1, 2018 for all other purposes.

[www.leg.state.nv.us/Session/79th2017/Bills/SB17.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/SB17.pdf)

**SB 24 - Vacant Property Registration – Requires 2/3 Majority**

On behalf of the Nevada League of Cities and Municipalities, introduced by Committee on Government Affairs and referred to same. (BDR 21-421)

Authorizes a city to require registration of vacant properties including a fee to do so. This includes both residential and commercial properties. Vacant property would be defined by the ordinance. The fee would be determined in the ordinance.

[www.leg.state.nv.us/Session/79th2017/Bills/SB24.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/SB24.pdf)

**SB 37 - Issuance and Renewal of 150<sup>th</sup> Anniversary License Plates – Requires 2/3 Majority**

On behalf of the Governor, introduced by Committee on Transportation and referred to same. (BDR 43-232)

Deletes the provision requiring issuance of Nevada's 150<sup>th</sup> anniversary plates but authorizes their ongoing renewal. Sets the fee for renewal and allows the continuation of the \$20 additional fee but redirects it to be equally divided among the Department of Tourism and Cultural Affairs and the Division of State Parks.

[www.leg.state.nv.us/Session/79th2017/Bills/SB37.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/SB37.pdf)

**SB 41 - Business Entity Changes – Requires 2/3 Majority**

On behalf of the Secretary of State, introduced by Committee on Judiciary and referred to same. (BDR 7-425)

Removes the exemption for motion picture production companies from the requirement of a state business license. Allows the Secretary of State to conduct audits of records of registered agents other than the regularly scheduled ones should it be deemed necessary. Changes the definition of charitable organizations which may solicit contributions in this state to exempt bona fide religious organizations from the registration process. Clarifies a conflict in existing law with regards to reinstatement of entities which have been revoked for non-submission of list of officers. Where there are conflicts, the law that is more recent is the one that controls. The fee which was placed in law more recently is \$100 and that will be the corrected fee.

[www.leg.state.nv.us/Session/79th2017/Bills/SB41.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/SB41.pdf)

**SB 34 - Child Support Calculations – Requires 2/3 Majority**

On behalf of Division of Welfare & Supportive Services introduced by Judiciary Committee and referred to same. (BDR 11-256)

Creates the Committee to Review Child Support Guidelines which would review every four years the guidelines in this state and submit a recommendation to the Division of Welfare and Supportive Services. Removes the exemption from license suspension for non-payment of child support for Department of Wildlife permits and State Land Registrar permits. Strengthens the provisions by which a district attorney may request suspension of motor vehicle registration for child support or for a proceeding to establish paternity. Adds insurance providers to those required to report whether the person owes child support. It also provides that an insurance license may be suspended for non-payment. The bill repeals the current calculation formula for child support.

Effective: Various dates tied to regulations being adopted

[www.leg.state.nv.us/Session/79th2017/Bills/SB34.pdf](http://www.leg.state.nv.us/Session/79th2017/Bills/SB34.pdf)

**SB 60 - Medicaid payments for ground emergency medical transportation services – Requires 2/3 Majority**

On behalf of the City of Las Vegas introduced by Committee on Health & Human Services and referred to same. (BDR 38-411)

Provides a voluntary program whereby government providers of ground emergency medical transportation can receive increased capitation payments.

Effective: Upon passage and approval and other dates as program components become available.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB60.pdf>

**SB 71 – Hospice Care Facility Licensing – Requires 2/3 Majority**

On behalf of the Division of Public Health introduced by Committee on Health & Human Services and referred to same. (BDR 40-183)

Adds facilities for hospice care to those requiring licensure with the Division of Public Health. Requires background checks for persons who work in inpatient psychiatric facilities for children.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB71.pdf>

**SB 81 - Converts of State Chartered Savings & Loans to State Savings Banks – Requires 2/3 Majority**

On behalf of the Department of Business & Industry, introduced by Commerce, Labor & Energy Committee and referred to same. (BDR 56-163)

Mandates conversion of a state-chartered savings and loan to a state savings bank and establishes the criteria for the conversion. Aligns with federal savings bank law. Allows savings banks chartered in other states to operate in Nevada.

Effective: Upon passage and approval.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB81.pdf>

**SB 142 - Physical Therapy Licensure – Requires 2/3 Majority**

Sponsor: Senator Harris; referred to Committee on Commerce, Labor and Energy. (BDR 54-511)

Adds Physical Therapy Assistants to the licensed persons overseen by the Physical Therapy Board. Also removes the requirement that the Board administer the examination for its licensees. Fees will be set by the Board.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB142.pdf>

**SB 182 - Sheriff and Constable Fees in Eviction – Requires 2/3 Majority**

Sponsor: Senator Parks (By Request); referred to Committee on Government Affairs. (BDR 20-607)

Existing law allows a constable to charge and collect \$21 for each service of summary eviction. This bill allows sheriffs the same fee for the same service. The bill also provides a \$2 fee for constables for mailing a notice of writ of execution.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB182.pdf>

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