

LEGISLATIVE REPORT

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

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This issue of Legislative Report contains a summary of bills which directly or indirectly will have an impact on our members or be of interest to our members. It does not include industry specific bills. Editor's Note: This week's bills are reported in two issues, numbers 5 & 6.

Notes:

- Page numbers continue in sequence from the last issue.
- To access the full text of the bills reported in this issue, use the link which appears at the end of the bill summary.
- Unless otherwise shown, the effective date of bills reported is July 1, 2017.
- To review all bills introduced to date or the BDR list, go to www.leg.state.nv.us and click on "Session Information - 2017".

TAXES

Business/Excise

SB 342 - Excise Taxes on Taxi and Transportation Network Companies & Passengers — 2/3s vote required

Senator Farley and referred to the Committee on Revenue and Economic Development (BDR 32-1116)

Expands the 3% excise tax upon each connection by a transportation network company, common motor carrier of passengers and motor carrier certificate holders. Requires it to be charged to the passenger(s) of a taxi or transportation network company.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB342.pdf>

Miscellaneous

AB 375 - Flood Management Tax

Assemblymen Sprinkle, Benitez-Thompson, Joiner and Daly and referred to the Committee on Taxation (BDR S-473)

Authorizes the governing body of a flood management authority to establish a flood control needs committee to recommend a tax for consideration by the voters at the 2018 General Election to fund flood management projects.

NTA Comment: Washoe County currently has a sales and use tax of 1/8 of 1 percent earmarked for flood control, flood plain management and public safety.

NTA Position: Amend. The taxes to be considered by the flood committee should be enumerated in the bill. Without a list of taxes, the committee might recommend a tax which funds state government be used for local government. The bill which created the Washoe County School Facilities committee was amended to specify the taxes which could be considered.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB375.pdf>

SB 336 - Tax on Wholesale Electricity from Renewable Energy — 2/3s vote required

Senator Hardy and referred to the Committee on Commerce, Labor and Energy (BDR 58-962)

Imposes a taxation system with regulations by the Department of Taxation, in cooperation with the Office of Energy and the Public Utilities Commission of Nevada for electricity produced by renewable energy. The system will provide different rates based on the total annual amount of electricity generated and sold.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB336.pdf>

SB 421 - Room Tax Distribution in Clark County

Senator Segerblom and referred to the Committee on Revenue and Economic Development (BDR S-447)

Proposes to distribute room tax revenue intended for the stadium in Las Vegas for both professional football and UNLV football to the Clark County School District if the stadiums are not constructed.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB421.pdf>

Property Tax

SB 352 - Depreciation for Property Destroyed in Natural Disaster

Senator Kieckhefer and referred to the Committee on Revenue and Economic Development (BDR 32-929)

Provides that a single family, primary residence that is destroyed by a natural disaster that is rebuilt on the same lot retains its depreciation by not considering the construction to be a new improvement.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB352.pdf>

SB425 - Property Tax Abatement Calculation — 2/3s vote required

Committee on Revenue and Economic Development and referred to the same (BDR 32-1008)

Eliminates the calculation of commercial property taxes using the Consumer Price Index formula and the average percentage change in assessed valuation using a ten year average and sets the maximum increase in property tax bills at 3% for residential and 8% for commercial properties.

NTA Comment: This is one of the property tax suggestions offered to the Joint Taxation Committees early during this Legislative Session. It was presented by Jeremy Aguero of Applied Analysis on behalf of the Local Government Fiscal Working Group. The bill would increase residential and commercial property taxes substantially in some counties, particularly Clark, Washoe, Carson, Douglas, Lyon, Nye, and White Pine and, as a result, is unlikely to be approved. Also, see AB43, at page 2, issue 1.

<http://www.leg.state.nv.us/Session/79th2017/Reports/history.cfm?DocumentType=2&BillNo=425>

Sales Tax

AB 398 - Sales Tax Exemption on Electric Vehicles

Assemblyman Fumo and referred to the Committee on Taxation (BDR 32-719)

Exempts the retail sales tax on electric vehicles except the two percent state portion.
Effective October 1, 2017 and expires September 30, 2019.

NTA Comment: Nevada's participation in the Streamlined Sales Tax Agreement precludes a bifurcated tax rate.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB398.pdf>

AB 402 - Sales and Use Tax Exemption on Feminine Hygiene Products and Diapers

Assemblywoman Jauregui and referred to the Committee on Taxation (BDR 32-830)

Exempts sales of feminine hygiene products and diapers from sales and use taxes and analogous taxes.

NTA Comment: See also SB415 below. This bill should be re-referred to the Senate Finance Committee so that all exemption bills and abatement bills can be reviewed as to the total cost impact on the state's general fund budget.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB402.pdf>

SB 415 - Feminine Hygiene Products Tax Exemption

Senators Cancela and Woodhouse and referred to the Committee on Revenue and Economic Development (BDR 32-631)

Exempts feminine hygiene products from sales taxes including submitting to a vote of the people the 2% state sales tax. If approved by the voters, the state portion would also be exempted.

NTA Comment: See also AB402 above. This bill should be re-referred to the Senate Finance Committee so that all exemption bills and abatement bills can be reviewed as to the total cost impact on the state's general fund budget.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB415.pdf>

SB 419 - Durable Medical Equipment Tax Exemption

Senator Hardy and referred to the Committee on Revenue and Economic Development (BDR 32-325)

Exempts durable medical equipment, oxygen delivery equipment and mobility enhancement equipment from sales taxes including submitting to a second vote of the people the 2% state sales tax.

NTA Comment: The voters at the 2016 general election approved the ballot question for a constitutional change to exempt durable medical equipment. It must appear on the 2018 ballot as it was worded and with the same ballot question number as 2016, Question 4.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB419.pdf>

Abatements and Credits

NTA Comment: Abatements and credits should be reviewed by the money committees and possibly Government Affairs Committees so that their impact on local government finance is transparent to taxpayers within the jurisdictions.

AB 370 - Transferable Tax Credits for Historic Building Restoration

Assemblywomen Swank and Cohen and referred to the Committee on Taxation (BDR 32-536)

Authorizes the Office of Historic Preservation of the State Department of Conservation and Natural Resources to approve and issue transferable tax credits for the rehabilitation of historic buildings. The transferable credit may be used against the modified business tax, gross gaming license fee or insurance premium tax.

NTA Position: Amend. This bill should cap the amount of tax credits available.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB370.pdf>

SB 345 - Economic Development Applications

Senator Farley and referred to the Committee on Revenue and Economic Development (BDR 18-500)

Requires an applicant for a partial abatement of taxes to prepare a statement of the fiscal impact of the abatement on each affected county, city or school district and obtain the recommendation of the county commission in which the project will be located. Also requires a 5-year business plan within the State Plan for Economic Development and requires the Legislative Auditor to conduct an audit of projects with abatements or exemptions with a projected value of \$250,000 or more. The audit must include the eligibility of workers on the project to work legally in the United States and whether the project complies with the laws of the state with respect to labor and licensing/registration.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB345.pdf>

SB 349 - Volens et Potens Investment Fund

Senator Kieckhefer and referred to the Committee on Revenue and Economic Development (BDR 18-1105)

Forms the Volens et Potens (Willing and Able) Investment Fund to make venture capital available and charges a committee composed of economic development personnel as well as venture capital experts to act as a limited partner to make venture capital investments. The committee would solicit general partners whose initial investment would be at least \$1.5 million to the fund. Contributions to the fund may receive tax credits against the modified business tax, commerce tax, gross gaming license fee or insurance premium tax. Credits are capped at \$15 million for the biennium.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB349.pdf>

Administration

SB 329 - Marijuana Program Consolidation — 2/3s vote required

Senator Segerblom and referred to the Committee on Judiciary (BDR 40-361)

Consolidates regulation of medical and retail marijuana within the Department of Taxation. Authorizes the registration of medical marijuana research facilities and nonprofit medical marijuana dispensaries. Authorizes the growth and handling of industrial hemp and the production of industrial hemp seed. Adds post-traumatic stress disorder to the list of approved applications for medical marijuana. Changes the quantity and type of marijuana products that a medical card holder may possess.

NTA Position: Support the provision that consolidates collection under the Department of Taxation. Tax administration, regulatory authority and collection should be vested with one agency for purposes of tax simplicity, ease of compliance, administration and consistency with regulations.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB329.pdf>

Vehicle & Fuel Taxes

SB 332 - Government Services Tax Calculations

Senator Roberson and referred to the Committee on Revenue and Economic Development (BDR 32-845)

Reduces the Government Services Tax by reducing the depreciation schedule. Reduces the minimum tax to \$6 (down from \$16). Repeals the allocation to the State General Fund and State Highway Fund.

NTA Comment: The increase in the Governmental Services Tax was originally proposed and enacted into law to fund highway construction. The revenue from the tax was diverted to the State's general fund during the economic downturn. It is scheduled to return to the Highway Trust Fund on July 1, 2017.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB332.pdf>

SB 339 - DMV Penalty Limits

Senator Sattelmeyer and referred to the Committee on Transportation (BDR 43-80)

Limits the late fees and penalties the Department of Motor Vehicles may collect for late renewals of a vehicle registration or driver's license and the late payment of excise taxes on special fuels. Limits the penalty to not more than one-half of the fees for registration, tax payment or license renewal.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB339.pdf>

FEES, FINES & PENALTIES**AB 324 - Document Preparation Services — 2/3s vote required**

Assemblyman Flores and referred to the Committee on Judiciary (BDR 19-1091)

Revises the definition of a document preparation service, establishes prohibitions, and establishes requirements for registration and renewal fees.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB324.pdf>

AB 344 - Plastic Bags — 2/3s vote required — Contains an Unfunded Mandate

Assemblymen Jauregui, Swank and Araujo and Senators Segerblom and Ratti and referred to the Committee on Health and Human Services. (BDR 40-958)

Requires retailers to collect a 10 cent fee per bag from customers who use a plastic bag between July 1, 2017 and December 31, 2021. State Treasurer will collect the fees from retailers for credit to the Plastic Bag Environmental Cleanup Fund. Effective January 1, 2022 retailers will be banned from distributing plastic bags.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB344.pdf>

AB 346 - Child Care Facilities — 2/3s vote required

Assemblywoman Joiner and referred to the Committee on Health and Human Services. (BDR 38-283)

Requires background checks on child care facility employees. Requires registration and inspection of small child care facilities (no more than four children). Provides an injunction process against facilities which fail to register. Requires licensee of a child care facility to ensure that each child wears a helmet while using certain devices such as bicycles that render a child mobile.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB346.pdf>

AB 401 - Clean Fuel Vehicles and Hybrid Fuel Vehicles — 2/3s vote required

Assemblymen Bustamante Adams and Carrillo and referred to the Committee on Transportation. (BDR 43-914)

Requires the payment of an additional fee for registering or renewing the registration of a clean fuel vehicle of \$336 or a hybrid fuel vehicle of \$168. Mopeds are exempt. The money received is apportioned half to the State Highway Fund and half to the County in which the vehicle is based for the exclusive use of construction, maintenance and repair of highways.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB401.pdf>

SB 355 - Death Certificate Fee Increase — 2/3s vote required

Senators Segerblom, Cannizzaro, Harris and Manendo, et al. and referred to the Committee on Health and Human Services (BDR 40-114)

Increases the fee for death certificates by \$2 to fund the Grief Support Trust Account and establishes that program.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB355.pdf>

SB 388 - Nonmedical Home Care Regulation — 2/3s vote required

Senator Gansert, et al (12 co-sponsors); Assemblyman Edwards, et al (7 co-sponsors). Referred to the Committee on Health and Human Services (BDR 40-613)

Requires an employment agency that provides workers for non-medical home care be licensed and requires the agency to background check their employees.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB388.pdf>

SB 395 - Cybersecurity for Critical Infrastructure — 2/3s vote required and Contains Unfunded Mandate

Senator Spearman, et al (9 co-sponsors); Assemblyman Araujo, et al (2 co-sponsors). Referred to the Committee on Government Affairs (BDR 19-794)

Requires the Nevada Commission on Homeland Security to designate certain entities, assets or systems as critical infrastructure. Requires the owner of these entities to develop and implement a cybersecurity plan and to have that plan reviewed by the Commission. The plan must be reviewed by a licensed evaluator whose qualifications and fee will be determined by the Commission.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB395.pdf>

SB 407 - Nevada Green Bank — 2/3s vote required

Senator Spearman, et al (11 co-sponsors). Referred to the Committee on Commerce, Labor and Energy (BDR 58-1133)

Creates the Nevada Green Bank to fund mortgage loans to make clean energy improvements. Authorizes the Green Bank Board to issue notes and bonds to carry out its work. Provides authorization for fees to be charged associated with issuing mortgage loans.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB407.pdf>

BUSINESS**AB 328 - Changes to Professional Licensing Boards**

Assemblymen Pickard, Bustamante Adams, et al (6 co-sponsors). Referred to the Committee on Commerce and Labor. (BDR 54-157)

Establishes limitations on the employment or retention of attorneys by regulatory bodies; requires attorneys who act as legal counsel to carry professional liability insurance that names the State as an additional insured. Prohibits a person from being employed as an executive director or executive secretary by more than one regulatory board and establishes residency requirements. Requires the Department of Administration to adopt regulations relating to the financial operation and administration of regulatory bodies which must include a requirement for annual audits. Requires the Attorney General's office to prosecute any contested case before a regulatory body with certain exceptions. Prohibits an attorney who is employed as legal counsel to a regulatory body from prosecuting a contested case while employed or retained by that regulatory body. Provides immunity from civil liability for persons contracted with regulatory bodies as independent contractors who participate in the disciplinary process of a regulatory body.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB328.pdf>

AB 361 - Deceptive Business Practices

Assemblyman Carrillo and referred to the Committee on Commerce and Labor (BDR 52-320)

Makes the charging of fees for updating information or speaking to a natural person in lieu of using an automated phone system a deceptive trade practice. Revises deceptive trade practices relating to gift certificates by requiring a 12-point bold font for any expiration date which must be placed on the front of the card or certificate and any accompanying materials.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB361.pdf>

AB 373 - State Boards and Commissions

Assemblywomen Swank and Cohen and referred to the Committee on Government Affairs. (BDR 18-192)

Requires State regulatory boards to be geographically apportioned. The boards include: the Tax Commission, the Real Estate Commission, the Board of the Department of Transportation, the State Public Works Board, the Tourism Commission, the State Board of Education and the Wildlife Commission. Each of these boards is also changed by the experience requirements of these new members. Members of these boards who are qualified and are serving on July 1, 2017 would continue to serve until the expiration of their terms.

NTA Comment: Our primary concern is possible changes to the Tax Commission. For instance, Tax Commission members would be required to reside in the various geographic regions, as defined in the bill, and have specific experience in only one of the enumerated fields rather than broad experience.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB373.pdf>

AB 394 - Sick Leave Benefits

Assemblywoman Bilbray-Axelrod and referred to the Committee on Commerce and Labor (BDR 53-637)

Allows an employee to use sick leave for the medical needs of the employee's immediate family. Provides an exception for certain railway and air carriers. Requires a notice of these benefits to be posted in the workplace. Enforced by Labor Commissioner and provides penalties.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB394.pdf>

SB 330 - Right to Earn a Living Act

Senator Roberson and referred to the Committee on Commerce, Labor and Energy (BDR 54-849)

Requires state regulatory boards for licensure to review their entry regulations to ensure that they comport with demonstrable public health, safety or welfare objectives. Provides an appeals process by a person aggrieved by existing regulations. Requires every licensing body to review their entry regulations prior to October 1, 2018.

Effective October 1, 2017.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB330.pdf>

SB 335 - Public Private Partnerships

Senators Roberson and Hardy and referred to the Committee on Government Affairs (BDR 22-1146)

Authorizes formation of public-private partnerships between the State and some local governments where the private partner assumes responsibility for a project or a portion thereof.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB335.pdf>

SB 343 - Gender Equality Business Survey

Senator Farley and referred to the Committee on Revenue and Economic Development (BDR 18-990)

Requires the Office of Economic Development (GOED) to conduct an annual survey of employers with more than 50 employees to collect data on issues of gender equality. Also requires GOED to post an index of these results on a website and allows it to rate employers which do not respond.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB343.pdf>

SB 395 - Cybersecurity for Critical Infrastructure — 2/3s vote required and Contains Unfunded Mandate

NTA Comment: See description in FEES, FINES & PENALTIES, at page 37, this issue.

SB 397 - Employment Discrimination

Senator Spearman, et al (9 co-sponsors); Assemblywoman Diaz, et al (3 co-sponsors). Referred to the Committee on Government Affairs (BDR 18-14)

Makes discrimination against an employee for discussing wages an unlawful employment practice.

NTA Comment: See also AB 276, at page 27, Issue 4

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB397.pdf>

EDUCATION**K-12****AB 351 - Teacher Shortage Loan Repayment Grant**

Assemblyman Fumo and referred to the Committee on Education. (BDR 34-653)

Establishes the Teacher Shortage Loan Repayment Account in the General Fund for the deposit of money to pay for the grant if a teacher has outstanding educational loans. Provides grants of money to teachers who teach in the counties or possess a kind of license or endorsement designated as having a shortage of teachers. Prescribes criteria for eligibility and application requirements. Grant recipients to submit proof that the grant was used to make payments on authorized educational loans. Biennial reports to be submitted to the Legislature.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB351.pdf>

SB 322 - Civics Curriculum in American Government

Senator Denis and referred to the Committee on Education (BDR 34-993)

Requires passing an examination in civics as a condition of receiving credit for a course in American government.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB322.pdf>

SB 353 - Pupil Teacher Ratio Alternates

Senator Hammond and referred to the Committee on Education (BDR 34-1109)

Provides an alternative literacy achievement plan in lieu of complying with prescribed pupil-teacher ratios in certain circumstances.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB353.pdf>

SB 369 - Professional Development for Educators — Contains an Unfunded Mandate

Senator Ford, et al (10 co-sponsors). Referred to the Committee on Education (BDR 34-971)

Requires professional development for educators in collaboration.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB369.pdf>

SB 390 - Zoom Schools

Senators Denis and Woodhouse; Assemblymen Diaz and Thompson and referred to the Committee on Education (BDR S-788)

Extends the ZOOM School program for two years.

<https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB390.pdf>

Higher Ed**AB 331 - Nevada System of Community Colleges**

Assemblyman Hansen and referred to the Committee on Education. (BDR 34-28)

Creates the Nevada System of Community Colleges; creates the State Board for Community Colleges to administer the community colleges within the System and supervise and control the System separate from the Nevada System of Higher Education. Provides for the appointment by the Governor of the Board; establishes powers, duties and responsibilities of the Board; authorizes the Board to employ an Executive Director and delegate any of its powers and duties to the Executive Director. Creates a board of trustees for each community college within the System and provides for the appointment by the Governor of the membership of the board of trustees. Amends existing law to ensure the continued eligibility of community college students for the Millennium Scholarship and for the Silver State Opportunity Grant Program. Creates the Articulation and Transfer Board and provides for the appointment by the Governor for members of the Board. Amends existing law to delineate the powers and duties of the NSHE Board of Regents and the powers and duties of the State Board of Community Colleges and the boards of trustees of the community colleges relative to the Nevada System of Community Colleges. Provides for the Governor's appointments on or after July 1, 2018.

Effective date July 1, 2018.

<http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB331.pdf>

*****END ISSUE 5*****

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