

LEGISLATIVE REPORT

An electronic publication of the Nevada Taxpayers Association ♦ Serving the citizens of Nevada since 1922

ISSUE 21-1

Pre-Filed Bills: Taxes, Fees and Fines, and Appropriations Issue

January 27, 2021

This issue of Legislative Report summarizes the taxes, fees and fines, and appropriation bills which have been pre-filed.

Notes:

- ♦ 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, 2021. (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 currently provided.
- ♦ To review all bills introduced to date or the BDR list, click [here](#) or go to www.leg.state.nv.us and click on “Session Information – 81st (2021) Session.”

TAXES

NTA Policy for Evaluating Taxes

Taxes should be stable and predictable for both businesses and government and easy to understand for purposes of compliance and administration. They should have the fewest exemptions and exclusions possible so the lowest rate possible can be maintained to minimize the impact on spending decisions. Earmarking of taxes should be limited and require nexus.

Notes:

- In Nevada, any increase in revenue is governed by what is referred to as the 2/3s vote. 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. Complete language may be viewed [here](#).
- The Internal Revenue Service distinguishes a tax from a fee, noting that a tax is not a payment for some special privilege granted or service rendered. A tax is a mandatory payment required by law to raise revenue for public or governmental purposes.

TAXES: Administration

AB 9 – Disclosure of certain confidential information by the Department of Taxation

Requested by the Department of Taxation. Introduced by the Committee on Revenue. (BDR 32-270)

Authorizes the disclosure of the records and files of the Department concerning the administration and collection of certain taxes, fees, assessments and other amounts and the imposition of disciplinary action to the Budget Division of the Office of Finance for use in the projection of revenue.

Effective: Upon passage and approval.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7244/Overview>

TAXES: Business

AB 46 – Repeals Commerce Tax

Requested by Nye County. Introduced by Committee on Revenue. (BDR 32-439)

Repeals commerce tax on Nevada businesses whose gross annual revenue in a fiscal year exceeds \$4,000,000.

NTA Comment: Why would a county that does not receive revenue from the Commerce Tax want a bill to repeal the tax?

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7299/Overview>

SB 75 – Unemployment Compensation – Requires 2/3s Majority

Requested by Employment Security Division. Introduced by Committee on Commerce and Labor. (BDR 53-349)

Revises calculation to unemployment contribution rates and make changes to “base period” when determining eligibility for unemployment benefits.

Effective: Vary from upon passage and approval for regulations and administrative tasks to January 1, 2022.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7297/Overview>

TAXES: Combination**AB 66 - Tax Abatements: Administration**

Requested by Governor's Office of Economic Development. Introduced by Committee on Revenue. (BDR 32-266)

Prohibits the effective date of an agreement for abatement or partial abatement of taxes from being later than one year after the date on which the application for the abatement is approved by GOED.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7319/Overview>

SB 73 – Imposition of Taxes and Reallocation of Revenue

Requested by City of Reno. Introduced by Committee on Revenue and Economic Development. (BDR S-432)

Authorizes the City of Reno to establish by resolution a committee to recommend the imposition of one or more of the following with proposed rates and duration: transient lodging, supplemental government services tax, real property transfer tax, sales and use tax and property tax or the reallocation of flood control funds received by Reno from Washoe County. The committee has until April 22, 2022 to make recommendations for a ballot question to be placed on the November 5, 2022 general election ballot.

Effective: Upon passage and approval. Section 1 expires by limitation April 2, 2022.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7279/Overview>

TAXES: Fuel and Vehicle**SB 11- Supplemental Government Services Tax**

Requested by City of Reno. Introduced by Committee on Revenue and Economic Development. (BDR 32-433)

Authorizes the governing body of an incorporated city in a county whose population is 100,000 or more but less than 700,000 (currently Washoe County) to impose a supplemental governmental services tax of one cent on each \$1.00 valuation of a vehicle based in the city.

Effective: Upon passage and approval.

NTA Comment: Washoe County already has the authority to impose this tax.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7186/Overview>

SB 48 – Governmental Services Tax: Distribution

Requested by City of West Wendover. Introduced by Committee on Growth and Infrastructure. (BDR 43-369)

Requires that portion (1%) of Governmental Services Tax, currently remitted to the county assessor, to be credited to a city in which it is collected when a city officer is utilized as a designated agent of the Department of Motor Vehicles.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7226/Overview>

TAXES: Gaming**AB 7 – Provisions Related to Gaming Establishments - Requires 2/3s Majority**

Requested by Gaming Control Board. Introduced by Committee on Judiciary. (BDR 41-279)

Removes the limitation on the fee that may be charged for the application or renewal of registration for a manufacturer or distributor of "associated equipment" used in a gaming establishment. The bill also requires the admission ticket or the seller to display the amount of the live entertainment tax, instead of the admission charge, if the ticket is for admission to a facility for live entertainment in certain licensed gaming establishments.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7238/Overview>

AB 8 – Calculation of Gross Gaming Revenue

Requested by Gaming Control Board. Introduced by Committee on Judiciary. (BDR 41-278)

Stipulates that calculation of gross gaming revenue includes cash collected as entry fees in contests and tournaments but does not include cash received for contests and tournaments held in conjunction with interactive gaming.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7240/Overview>

TAXES: Property**SB 10 – Property Tax Abatements – Requires 2/3s Majority**

Requested by Nevada Association of Counties. Introduced by Committee on Revenue and Economic Development. (BDR 32-435)

Revises the formula for calculating the partial abatement so that the annual cap on increases of the property taxes on certain single-family residences and residential rental property is 3 percent. Under this bill, the annual cap on increases of property taxes on any other property cannot be less than 3 percent or more than 8 percent.

Effective: Vary from upon passage and approval to July 1, 2022.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7185/Overview>

SB 57 - Special Assessments: Property Tax Bills

Requested by Clark County. Introduced by Committee on Government Affairs. (BDR 20-403)

Authorizes a board of county commissioners to recover an unpaid fine or fee for an offense relating to real property by making the unpaid fine or fee a special assessment against the real property, which may be collected at the same time as ordinary county taxes.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7241/Overview>

SB 64- Depreciation of Real Property – Requires 2/3s Majority

Requested by Nevada League of Cities and Municipalities. Committee on Revenue and Economic Development. (BDR 32-408)

Reduces the future rate of depreciation for an improvement made on real property to 1 percent from 1.5 percent of the cost of replacement of the improvement for each year that the improvement ages after calendar year 2021.

Effective: Upon passage and approval for regulations and administrative tasks and July 1, 2022 for all other purposes.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7249/Overview>

TAXES: Transactions**SB 25 – Sales and Use Tax: Food**

Requested by Department of Taxation. Introduced by Committee on Revenue and Economic Development. (BDR 32-282)

Eliminates a requirement of existing law which predates this State's adoption of the Streamlined Sales and Use Tax Agreement and which requires the Department of Taxation in determining whether food intended for human consumption is subject to the sales and use tax.

Effective: Upon passage and approval.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7200/Overview>

SB 74 – City/County Relief Tax

Requested by Department of Taxation. Introduced by Committee on Revenue and Economic Development. (BDR 32-281)

Eliminates the requirement to use the population totals of the Bureau of the Census of the United States Department of Commerce in the case of a conflict with the population totals of the Governor.

Effective: Upon passage and approval.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7296/Overview>

MISCELLANEOUS TAXES AND TAX ISSUES**AB 20 – Film Tax Credits: Limitations**

Requested by Governor's Office of Economic Development. Introduced by Committee on Revenue. (BDR 32-267)

Revises the types of qualified productions for which a production company may apply for transferable tax credits by removing certain television and advertising programming and interstitial advertising as qualified productions, removes some limitations on reality shows. Additionally, permits GOED to withhold tax credits if production company made false representations which violated the law.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7262/Overview>

AB 59 – Regulation of Tobacco – Requires 2/3s Majority

Requested by Attorney General. Introduced by Committee on Judiciary. (BDR 15-420)

Revises definitions of tobacco products for the purpose of regulation and taxation of tobacco products.

Effective: Vary from upon passage and approval to July 1, 2021.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7312/Overview>

FEES, FINES & PENALTIES

NTA Policy for Evaluating Fees

- *Fees should not finance the general funds of government. They should support specific services, such as licensure or products provided to the payer of the fee.*
- *Fees should not exceed the cost of the service, including reasonable administrative expenses. If they produce excess revenue, the amount of the fees should be reduced, rather than be used for other governmental purposes.*

AB 34 - Pest Control Regulation – Requires 2/3s Majority

Requested by Department of Agriculture. Introduced by Committee on Natural Resources. (BDR 49-272)

Authorizes Department of Agriculture to establish and administer a program to support the control and prevention of noxious weeds and collect a reasonable fee for such a program.

Effective: Upon passage and approval.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7285/Overview>

AB 37 – Reporting of Income Payments by Employer/Income Payer for Child Support Enforcement – Requires 2/3s Majority

Requested by Division of Welfare and Supportive Services. Introduced by Committee on Judiciary. (BDR 3-103)

The State Treasurer shall charge an obligor a fee of \$2.00 for each withholding of income for the payment of support made by an income payer. Also adopts withholding and reporting requirements of lump sum payments made by employer/income payer under a child support enforcement action. Additionally, imposes penalties on an income payer who refuses to withhold money from a lump sum payment or refuses or intentionally fails to deliver money from a lump sum payment to an enforcing authority.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7288/Overview>

AB 71 – Confidential Information for Rare or Endangered Species – Requires 2/3s Majority

Requested by Division of Natural Heritage. Introduced by Committee on Natural Resources. (BDR 18-313)

Establishes confidentiality of any information related to the location of a rare plant or animal species or ecological community included in the Division's data systems. The information may be released for a reasonable fee, if not otherwise permitted by law.

Effective: Upon passage and approval.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7324/Overview>

SB 9 – Investment Advisors Licensing: Exemption – Requires 2/3s Majority

Requested by Lieutenant Governor. Introduced by Committee on Judiciary. (BDR 7-423)

Creates a state-level exemption from the requirement for licensure for investment advisors to certain qualifying private funds. The investment advisor has to pay a fee prescribed by the administrator if they qualify.

Effective: July 1, 2022

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7184/Overview>

SB 18 – Public Utilities: Fines

Requested by Public Utilities Commission of Nevada. Introduced by Committee on Growth and Infrastructure. (BDR 58-277)

Increases the maximum administrative fine for violations of public utility regulations from \$1,000 per day for each day of the violation not to exceed \$100,000 for any related series of violations to \$100,000 per day for each day of the violation not to exceed \$10,000,000 for any related series of violations.

NTA Comment: A fine that is an increase of 100 times seems excessive.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7193/Overview>

SB 21 – Agencies that Serve Children: Background Checks – Requires 2/3s Majority

Requested by Division of Child and Family Services. Introduced by Committee on Judiciary. (BDR 5-303)

Authorizes an agency which provides child welfare services to charge an applicant or employee who is the subject of a background investigation the reasonable cost of the investigation.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7196/Overview>

SB 29 – Appointment of Agent to Issue Salvage Titles – Requires 2/3s Majority

Requested by Department of Motor Vehicles. Introduced by Committee on Growth and Infrastructure. (BDR 43-348)

Authorizes DMV to appoint person to issue salvage titles and to collect the fee for the issuance of a salvage title.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7204/Overview>

SB 39 – Digital Tokens: Convenience Fees – Requires 2/3s Majority

Requested by State Treasurer. Introduced by Committee on Government Affairs. (BDR 31-396)

Authorizes the State Treasurer to enter a contract to provide for the acceptance of transfers of digital tokens by certain governmental entities that have been approved by the State Treasurer to participate in the contract if approved by State Board of Finance. “Convenience fee” is a fee paid by the person requesting the transfer of digital tokens to a contract participant for the convenience of using the transfer of digital tokens to make payment of money owed to the state agency, local government, etc. who participates in the contract for taxes, interest, penalties, or other obligations.

NTA Comment: Digital tokens can widely fluctuate in value in a short period of time. There does not appear to be a penalty if tokens are not deposited within the required 24 hours of receipt.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7215/Overview>

SB 40 – Health Insurance: Claims Database – Requires 2/3s Majority

Requested by Patient Protection Commission. Introduced by Committee on Health and Human Services. (BDR 40-415)

Establishes fees by regulation to fund most sections of this bill and provides administrative penalties to be imposed against insurers that fail to submit data to the claims database and any person or entity that accesses, maintains, uses or discloses data from the database in an unauthorized manner.

Effective: Vary from upon passage and approval to January 1, 2022.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7216/Overview>

SB 44 – Behavioral Health Professionals: Licensing – Requires 2/3s Majority

Requested by the Rural Regional Behavioral Health Policy Board. Introduced by Committee on Commerce and Labor. (BDR 54-428)

Establishes the maximum fees the Board is authorized to charge and collect for the issuance and renewal of a license as a master social worker. Also allows fees to be adopted by regulation for renewal of an inactive status license to active status.

Effective: Upon passage and approval for regulations and administrative tasks and July 1, 2021 for all other purposes.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7221/Overview>

SB 53 – State Parks: Fees – Requires 2/3s Majority

Requested by Division of State Parks. Introduced by Committee on Natural Resources. (BDR 35-338)

Authorizes Administrator of State Parks to establish districts under the jurisdiction of the Division and utilize fees collected for the repair, maintenance, and operation of communication systems.

Effective: Upon passage and approval.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7232/Overview>

SB 69 –Behavioral Health: Licensing and Fees and Substance Abuse in Public Schools – Requires 2/3s Majority

Requested by Washoe Regional Behavioral Health Policy Board. Introduced by Committee on Health and Human Services. (BDR 39-431)

Requires the Department of Public and Behavioral Health to develop regulations for the licensing of a “peer recovery organization” and establish fees by regulation. Additionally, requires the Department of Education to develop, maintain and publish a list of evidence-based curricula and programs concerning substance misuse and substance use disorders.

Effective: Vary from upon passage and approval to January 1, 2022.

NTA Comment: This bill contains an unfunded mandate not requested by the affected local government. It provides the statutory provision (NRS 354.599) that prohibits unfunded mandates to local government does not apply to this bill.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7275/Overview>

STATE BUDGET: Appropriations IN Executive Budget

SB 1 – Funding for the 81st Legislative Session

Emergency Measure. Sponsors Senators Cannizzaro and Settelmeyer. (BDR S-521)

Appropriates \$15,000,000 from the State General Fund to the Legislative Fund for the costs of the 81st legislative session.

NTA Comment: This is the same amount that was appropriated for the 80th session.

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7176/Overview>

LEGISLATIVE REPORT

is an electronic publication of the
NEVADA TAXPAYERS ASSOCIATION

Unless otherwise noted, this issue of *LEGISLATIVE REPORT* may be
reprinted in any format and in whole or part with attribution.

Contact Us: www.nevadataxpayers.org ❖ info@nevadataxpayers.org

CARSON CITY OFFICE
116 East 7th Street, Suite 202
Carson City, NV 89701-5293
(775) 882-2697

LAS VEGAS OFFICE
2303 East Sahara Avenue, Suite 102
Las Vegas, NV 89104-4138
(702) 457-8442