

TAX TOPICS

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

ISSUE 5-03

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LEGISLATIVE ENACTMENTS PART 3: GENERAL ISSUES

CORRECTION: *TAX TOPICS* Issue 3-03, page 3 reported "Acquisition of Private Utility by Government" as SB 361, it should have read AB 361.

This Issue of *TAX TOPICS* summarizes legislation of general interest to our members. Unless otherwise noted the effective date of the legislation is October 1, 2003. Also enclosed in this issue is an insert with information on the Legislative Committees that will be meeting during this interim period between sessions.

EXPENDITURE REFORMS

SB 8 of the 20th SPECIAL SESSION - *Editor's Note: Senate Bill 8 of the 20th Special Session dealt with three areas: taxes (Issue 3-03 of *TAX TOPICS* contained a summary of the taxes which were added and raised); funding the Distributive School Account (to be addressed in a future edition of *TAX TOPICS*); and a limited number of expenditure reforms which are summarized below.*

Rainy Day Fund (Section 164.34) - Increases the balance that may be in the Rainy Day Fund to 15% (currently 10%). Also changes the Disaster Relief Fund to as a special account within the Rainy Day Fund (Sections 164.10 - 164.32).

Performance Audit (Section 188.5) - Requires a performance audit of the Clark and Washoe County School Districts. The audits will be conducted by the Legislative Auditor and shall be presented to the Legislative Commission Audit subcommittee not later than February 7, 2005.

Program Budgeting (Section 188.7) - Requires the Budget Division and the Fiscal Analysis Division to develop a proposal for coordinating drug and alcohol abuse programs, reducing the administrative costs associated with such programs and maximizing the use of state revenue being expended for such programs.

FEE & TAX BILLS NOT PREVIOUSLY REPORTED

AB 100 - Justice Court Limits - Increases the monetary limit of the jurisdiction of Justice Courts from \$7,500 to \$10,000 and establishes a filing fee of \$175 for actions claiming a sum of \$7,500 to \$10,000. Additionally provides for the establishment of a mandatory short trial program for civil cases in Justice Courts.
Effective: Dates Vary

SB 334 - Creates a Metropolitan Police (Clark County) Taxing District - Authorizes Metro's Committee on Fiscal Affairs to propose, with the approval of each participating political subdivision, a ballot question to increase property tax for the purpose of employing additional police officers. If approved by the voters the revenue from the property tax may only be used to employ additional police officers.
Effective: May 6, 2003

TAX ADMINISTRATION & DISTRIBUTION

AB 199 - Property Tax Allowed Revenue - Exempts property tax rate which is levied for a museum from the 106% revenue cap in determining the allowed revenue from property taxes that may be received for the county.
Effective: July 1, 2003

AB 530 - Centrally Assessed Taxpayer Reporting - Requires written reports to be submitted to the Tax Commission on or before March 31 of each year for purpose of establishing an appropriate valuation of the property. Allows the Commission to grant a 45-day extension to file the report. Provides for a penalty of 10% of the tax due or \$5,000, whichever is less if a report is not filed timely and provides for the collection of interest and penalties for late payment by centrally assessed taxpayers.
Effective: May 21, 2003 for all provisions except the provision for late reporting which is effective July 1, 2003.

SB 3 - Distribution of Gaming License Fees - Reserves a portion of certain gaming license fees collected from persons licensed to conduct off-track pari-mutual wagering to augment purses for horse racing in counties with a population under 100,000.
Effective: July 1, 2003

SB 113 - Redevelopment - Revises the manner of valuing certain property that becomes exempt from taxation for the purposes of allocating certain tax revenue among taxing agencies and a redevelopment agency.
Effective: May 15, 2003

SB 471 - Administrative Changes to Persons Delivering Petroleum Products - Revises certain provisions pertaining to dealers, suppliers, exporters and transporters regarding provisions for the collection and administration of taxes and fees regarding petroleum products and fuels for motor vehicles and aircraft. Also makes changes regarding the rights and responsibilities of dealers, suppliers, exporters, transporters and users of such fuels.
Effective: June 10, 2003 for regulations and October 1, 2003 for all other provisions.

SB 489 - Solar Sales Tax Exemption - Adds solar thermal energy systems to those exemptions granted to renewable energy systems exempt from the local sales tax portion of the local school support tax. Extends the expiration date of the exemptions to June 30, 2005.
Effective: July 1, 2003

SB 495 - Sales Tax Distribution for Art Projects - Authorizes under certain circumstances the acquisition of art and tourism and entertainment projects pursuant to the Consolidated Local Improvements Law for counties under 400,000 (excludes Clark County). Authorizes the pledge of sales and use tax proceeds and state funding for the acquisition of projects. A local improvement district created under this Act must have a determination, “. . . that no retailers have maintained a fixed place of business in the improvement district at any time from the first day of the fiscal year in which the assessment ordinance is adopted until the date of the adoption of the ordinance.” [Section 2 (a)]. Conditions are specified for determinations that must be made prior to approval being granted.
Effective: July 1, 2003

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NTAs Luncheon and Annual General Membership Meeting

BUSINESS & TRADE

AB 81 - Intellectual Property - Limits the right of any employer to own certain intellectual property developed by an employee. Authorizes an award for treble damages, attorney's fees and costs in certain civil actions relating to marks.

AB 87 - Notarial Officers - Clarifies the requirements for the execution of a certificate evidencing a notarial act. Establishes an hourly rate which may be charged by Notaries and requires the charge to be recorded in their journal.

AB 93 - Electronic Advertising - Provides requirements to identify advertisements in electronic mail and increases the liability for improperly transmitting electronic mail that includes an advertisement in certain circumstances.

AB 143 - Employment Practice -Labor Commissioner and Employee Notifications - Requires an employer to provide notice 7 days prior to changing regular paydays or place of payment. Provides specific conditions under which wages cannot be decreased. Provides for additional administrative penalties for violation of certain labor laws and regulations.
Effective: May 21, 2003

AB 232 - Do Not Call Registry - Requires the establishment of a "Do Not Call Registry" in Nevada or the use of a similar list; and prohibits a telephone solicitor from making unsolicited calls if the number is included in the list. Exemptions from the do not call provisions are: charitable, religious or political organizations and businesses that have an established business relationship or have a delinquent obligation. Provides that making an unsolicited call is a deceptive trade practice under certain circumstances. (Also see **TAX TOPICS** Issue 4-03)
Effective: Dates Vary

AB 429 - Net Metering - Transfers \$250,000 from the Public Utilities Commission account to the Office of Energy to develop a plan to provide grants, incentives or rebates to help defray the costs for persons who acquire, install or improve net metering systems as defined in NRS 704.771.
Effective: June 9, 2003

SB 315 - Vending Machine Restrictions - Provides that a cigarette vending machine may be placed in a public area only if persons who are under 21 years of age are prohibited from loitering in that area.

SB 405 - Fleet Vehicles - Allows financial institutions, new vehicle and used vehicle dealers and owners of 10 or more vehicles to apply for participation in the program allowing the electronic submission and storage of certain documents relating to the registration and ownership of motor vehicles.

SB 436 - Secretary of State Filings - Authorizes the use of electronic records by a corporation under certain circumstances; adds and clarifies various definitions; revises various provisions pertaining to limited-liability companies; revises provisions pertaining to mergers, conversions and exchanges of business entities; revises certain provisions pertaining to the Uniform Commercial Code; revises certain provisions pertaining to recording of certain documents pertaining to real property and revises various provisions pertaining to the use of fictitious names.

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GENERAL PUBLIC INTEREST

AB 213 - Domestic Wells/Connection Costs - Allows the State Engineer to revoke a domestic well permit and the Southern Nevada Water Authority to provide 50% - 85% of the cost of connection to its water system under certain circumstances.
Effective: May 19, 2003

AB 237 - Alternative Motor Fuel - Expands the definitions of “alternative fuel” and “dedicated alternative fuel motor vehicle”. Requires the State Environmental Commission to adopt regulations relating to alternative fuel motor vehicles.
Effective: Dates Vary

AB 324 - Pilot Program for Vehicle Registration - Allows the Department of Motor Vehicles (DMV) to establish a pilot program for passenger vehicles to be registered for a period of 24 months. Does not allow the fees adopted by DMV to exceed the fee charged to a vehicle not participating in the pilot program.
Effective: For Regulations - July 1, 2003, For Implementation - July 1, 2004. Expires by limitation: June 30, 2007

AB 502 - Insurance Coverage - Requires health insurance to provide certain coverage for medical treatment received as part of a clinical trial or study for the treatment of cancer or chronic fatigue syndrome. Provides immunity from liability for insurers, medical services corporations, HMOs and MCOs for injury and other adverse outcomes occurring in connection with the treatment provided in a clinical trial or study for which coverage is required to be provided.
Effective: January 1, 2004

SB 70 - Homestead Exemption - Increases the homestead exemption from \$125,000 to \$200,000.

SB 100 - Common-Interest Communities (CIC)- This legislation provided substantial amendments to the existing common-interest community law. Major additions and changes include: creation of a Commission for Common-Interest Communities; revising the powers and duties of the Ombudsman for CICs; revises the regulations of persons who manage CICs; allows the newly formed Commission to adjudicate certain violations and impose fines and penalties; makes various changes to fines, meetings, quorums, voting and the election and removal of members of the executive board; and authorizes certain CICs to expend money received as a credit against the residential construction tax for specified purposes.
Effective: Dates Vary

SB 136 Common-Interest Communities - Authorizes a unit-owner’s association to impose construction penalties under certain circumstances and to place and foreclose a lien on a unit for failure to pay such penalties; revises provisions governing the imposition of certain fines by a unit-owner’s association

SB 196 - Trusts - Adapts the Uniform Prudent Investor Act and the Uniform Principal Income Act (1997) to each other and the structure of the Nevada Revised Statutes.

SB 207 - Wills and Estates - Allows the owner of an interest in real property to create a deed that conveys his interest in real property to a grantee which becomes effective upon the death of the owner; increases the limit for a set-aside estate; and makes other changes related to wills and estates

SB 241 - Construction Defects - Requires notice and the right to inspect and repair be provided to the contractor before an action for construction defects may be brought and establishes the State Contractors Board as a resource to answer questions and assist in resolving disputes concerning matters which may affect or relate to construction defects.
Effective: June 9, 2003 for regulations and August 1, 2003 for all other purposes.

PUBLIC WORKS

AB 295 - Bidding Provisions - Allows the governing body of a local government to determine a person eligible to bid on the local government's public works contracts under specific circumstances. Revises the provisions determining the qualifications of bidders on public works; expands the circumstances for substituting a subcontractor named in the bid.

Effective: Dates Vary

AB 425 - Expands and Revises Public Works Statute - Numerous changes including but not limited to provisions for hearing by unsuccessful bidders; revises exemption of contract for certain emergencies; revises provisions for advertising for bids; revising provisions regarding to objections of awards based on bidder's preference.

Effective: Dates Vary

SB 19 - Bid Solicitation and Awards - Provides an expedited process by which State and local governments can solicit bids and award contracts for projects under \$100,000.

Effective: Dates Vary

EDUCATION

SB 1 of 19th Special Session - No Child Left Behind - Provides the implementing legislation to comply with the federal - No Child Left Behind Act of 2001. Provisions include requirements to define the measurement standards to be used to evaluate school and student performance and the development of plans for improvement. Revises provisions governing: accountability and reporting; examinations administered to pupils in public schools; qualifications required of certain teachers and paraprofessionals; and regional training programs for professional development of teachers and administrators. Revises various other provisions governing education to comply with the Act.

Effective: Dates Vary

AB 148 - University and Community College System Audit - Requires the Legislative Auditor to conduct an audit of UCCSN including but not limited to: an analysis of capital construction projects; cost of athletic programs, and administration; contracting and bidding procedures; and validity and reliability of enrollment data. The University has to transfer \$90,000 to the Legislative Auditor to conduct the audit. The results of the audit are required to be delivered to the Legislative audit committee February 7, 2005.

Effective: July 1, 2003

AB 203 - University and Community College System Evaluation - Creates a Committee to Evaluate Higher Education Programs. Evaluate need for existing and potential higher education programs; identify high priority areas where needs are not being met; determine the feasibility of reallocating resources; determine whether appropriations and student fee revenues are being distributed efficiently internally. The Committee shall report its findings and recommendations to the Board of Regents, Legislative Committee on Education and the Legislative Commission before the start of the 2005 Legislative Session. An appropriation of \$250,000 from the general fund is made for the purpose of evaluation pursuant to this Act.

Effective: July 1, 2003. Expires by limitation: February 1, 2005.

LOCAL GOVERNMENT

AB 270 - Redevelopment - Expands the criteria that the governing body of a city or county must consider before consenting to any payment by a community redevelopment agency for the land for and the cost of construction of any building, facility, structure or other improvement and the installation of any improvement.

Effective: July 1, 2003

AB 286 - Retired Employees Health Coverage - Requires the governing body with retired employees to pay a portion of the employee's coverage under the Public Employees Benefit Program. Requires aggregation of claims experience without regard to actuarial data of retirees and active state employees. This is a partially unfunded mandate.

Effective: July 1, 2003 and October 1, 2003

AB 451 - Industrial Insurance Firefighters - Clarifies the provisions which governs compensation for full-time salaried fire fighters employed 5 years or more who develop disabling cancer as an occupational disease and provides for a case-by-case rebuttable presumption. This is an unfunded mandate.

SB 146 - Bid Procedures for Purchases - Exempts from competitive bidding an agreement between a local government and a vendor of goods that has entered into an agreement with the General Services Administration or another governmental agency located within or outside this state and commercial advertising within a recreational facility operated by a fair and recreation boards.

Effective: July 1, 2003

SB 184 - Industrial Insurance - Policemen - Creates a statutory presumption that hepatitis is an occupational disease for local police officers and includes the treatment of hepatitis as an accident benefit for purposes of industrial insurance to include preventative treatment. This is an unfunded mandate.

SB 181 - Redevelopment - Requires an agency to notify potentially affected property owners of a hearing at which a material change to a redevelopment plan will made.

SB 452 - Enterprise Funds - Expands enterprise funds for building permit fees to include barricade permits and encroachment permits.

Effective: July 1, 2003

ELECTED OFFICIALS

AB 23 - Local Officials Salary Increases - Increases the compensation of the District Attorney, Sheriff, County Clerk County Assessor, County Recorder, Treasurer and Public Administrator. Provides that the increase for County Commissioners may not exceed an amount which equals 126.65 percent of the amount of the annual salary for the county commissioners of that county that was in effect on January 1, 2003. Requires the Commissioners to adopt the increase in their salaries by a vote of at least the majority of the members. Provides that a waiver from the increases may be applied for if the event of insufficient financial resources.

Effective: July 1, 2003

SB 147 - Ethics in Government - Prohibits a public officer or employee using his position in government to secure or grant unwarranted privileges, preferences, exemptions or advantages for certain persons. Eliminates authority of State Ethics Commission to impose a civil penalty for submitting a false accusation or information in bad faith by a person. Revises provisions governing financial disclosure statements.

Effective: June 11, 2003

ELECTIONS - BALLOTS

AB 235 - Proves for A Voter's Bill of Rights - Requires the Secretary of State and each County Clerk to make the Voter's Bill of Rights readily available to the public and specifies the methods for making it public and what it contains.

AB 293 - Ballot Question Arguments - Expands the requirement for committees to prepare arguments for and against, and rebuttals for certain ballot questions to include: the State, local governments under 40,000 population, school districts, public libraries, water districts or a metropolitan police department authorized to submit questions to some or all of the voters. Clarifies procedures for selecting the Committee; issues to be addressed in the argument and rebuttal; and time frame for submission.

SB 449 - Advisory Ballot Questions - Requires advisory questions to be specifically identified as such on the ballot and sample ballot, sets forth the order in which advisory questions must be listed on a ballot; restricts the entities that may submit an advisory question for the ballot; requires that advisory questions be accompanied by a fiscal note if the particular advisory question pertains to bonds, taxes, fees and expenses.

LEGISLATIVE OPERATIONS

AB 39 - Legal Division - Directs the Legislative Counsel to resolve all nonsubstantive conflicts between multiple laws enacted at any legislative session as if made by a single enactment. If multiple amendments to a single section of NRS are made during a legislative session, such amendments are all effective and must be compiled in a manner that is consistent with the intent of the Legislature as determined by the Legislative counsel.
Effective: March 11, 2003

AB 542 - Operation of the Legislature and Legislative Council Bureau - Makes a number of changes including submission of bill drafts, preparation of fiscal notes and review of fiscal notes, lobbyist late filings, etc. Provides that to the extent practicable, the Legislative Counsel shall prepare a digest of a bill or resolution to be printed following the title of the bill and directs Legislative Counsel to revise the digest to reflect any amendments.

SB 37 - Evaluation of Statutes - Requires the development of biennial recommendation for the elimination of obsolete or antiquated statutes and provides the Legislative Commission shall request bill drafts for removal as appropriate.

The complete text of all bills from the 72nd Regular Session and 19th and 20th Special Sessions can be accessed by going to the Legislative Website at: www.leg.state.nv.us. Once on the site click onto session information, scroll down to the session and click on bill information.

If you would like to discuss the provisions of the bills which have been reported in this issue and the prior two issues of TAX TOPICS please contact us.

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Dear Members and Friends



As we approach the coming holiday season the staff of the Association wishes you all the best and hopes that your holidays will be filled with

...

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