
SENATE BILL NO. 495—COMMITTEE ON REVENUE

MARCH 28, 2011

Referred to Committee on Revenue

SUMMARY—Proposes a competing measure to Initiative Petition No. 1. (BDR 32-1275)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; proposing a competing measure to Initiative Petition No. 1 by requiring a uniform and equal rate of sales and use tax in a county and prohibiting the creation of special districts in which a higher sales and use tax rate applies in a certain portion of the county; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Initiative Petition No. 1, which was presented to the 76th Session of the Nevada
2 Legislature on February 7, 2011, would impose an additional sales and use tax in
3 certain areas of larger counties in Nevada for the construction, improvement,
4 equipment, operation and maintenance of a sports and entertainment arena through
5 public and private cooperation. This bill proposes a competing measure to Initiative
6 Petition No. 1 by requiring a uniform and equal rate of sales and use tax in a county
7 and prohibiting the creation of special districts in which a higher sales and use tax
8 rate applies in a certain portion of the county.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** The Legislature hereby finds and declares:
2 1. Initiative Petition No. 1 would impose an additional sales
3 and use tax in certain areas of larger counties in Nevada for the
4 construction, improvement, equipment, operation and maintenance
5 of a sports and entertainment arena.



1 2. Uniform and equal rates of taxation are critical to the
2 stability and vitality of the economy in each county of the State of
3 Nevada.

4 3. This tenet of fair and equal taxation merits inclusion in the
5 Nevada Taxpayers' Bill of Rights.

6 4. The special arena district proposed to be created by Initiative
7 Petition No. 1 would increase the sales and use tax rate in one small
8 area of the county, thereby causing unequal rates.

9 5. Section 2 of Article 19 of the Nevada Constitution
10 authorizes the Nevada Legislature to propose an alternative measure
11 on the ballot to compete with Initiative Petition No. 1 because the
12 Legislature determines this alternative would better serve the
13 interests of the residents of this State.

14 **Sec. 2.** NRS 360.291 is hereby amended to read as follows:

15 360.291 1. The Legislature hereby declares that each
16 taxpayer has the right:

17 (a) To be treated by officers and employees of the Department
18 with courtesy, fairness, uniformity, consistency and common sense.

19 (b) To a prompt response from the Department to each
20 communication from the taxpayer.

21 (c) To provide the minimum documentation and other
22 information as may reasonably be required by the Department to
23 carry out its duties.

24 (d) To written explanations of common errors, oversights and
25 violations that taxpayers experience and instructions on how to
26 avoid such problems.

27 (e) To be notified, in writing, by the Department whenever its
28 officer, employee or agent determines that the taxpayer is entitled to
29 an exemption or has been taxed or assessed more than is required by
30 law.

31 (f) To written instructions indicating how the taxpayer may
32 petition for:

33 (1) An adjustment of an assessment;

34 (2) A refund or credit for overpayment of taxes, interest or
35 penalties; or

36 (3) A reduction in or the release of a bond or other form of
37 security required to be furnished pursuant to the provisions of this
38 title that are administered by the Department.

39 (g) Except as otherwise provided in NRS 360.236 and 361.485,
40 to recover an overpayment of taxes promptly upon the final
41 determination of such an overpayment.

42 (h) To obtain specific advice from the Department concerning
43 taxes imposed by the State.

44 (i) In any meeting with the Department, including an audit,
45 conference, interview or hearing:



- 1 (1) To an explanation by an officer, agent or employee of the
2 Department that describes the procedures to be followed and the
3 taxpayer's rights thereunder;
- 4 (2) To be represented by himself or herself or anyone who is
5 otherwise authorized by law to represent the taxpayer before the
6 Department;
- 7 (3) To make an audio recording using the taxpayer's own
8 equipment and at the taxpayer's own expense; and
- 9 (4) To receive a copy of any document or audio recording
10 made by or in the possession of the Department relating to the
11 determination or collection of any tax for which the taxpayer is
12 assessed, upon payment of the actual cost to the Department of
13 making the copy.
- 14 (j) To a full explanation of the Department's authority to assess
15 a tax or to collect delinquent taxes, including the procedures and
16 notices for review and appeal that are required for the protection of
17 the taxpayer. An explanation which meets the requirements of this
18 section must also be included with each notice to a taxpayer that an
19 audit will be conducted by the Department.
- 20 (k) To the immediate release of any lien which the Department
21 has placed on real or personal property for the nonpayment of any
22 tax when:
- 23 (1) The tax is paid;
- 24 (2) The period of limitation for collecting the tax expires;
- 25 (3) The lien is the result of an error by the Department;
- 26 (4) The Department determines that the taxes, interest and
27 penalties are secured sufficiently by a lien on other property;
- 28 (5) The release or subordination of the lien will not
29 jeopardize the collection of the taxes, interest and penalties;
- 30 (6) The release of the lien will facilitate the collection of the
31 taxes, interest and penalties; or
- 32 (7) The Department determines that the lien is creating an
33 economic hardship.
- 34 (l) To the release or reduction of a bond or other form of
35 security required to be furnished pursuant to the provisions of this
36 title by the Department in accordance with applicable statutes and
37 regulations.
- 38 (m) To be free from investigation and surveillance by an officer,
39 agent or employee of the Department for any purpose that is not
40 directly related to the administration of the taxes administered by
41 the Department.
- 42 (n) To be free from harassment and intimidation by an officer,
43 agent or employee of the Department for any reason.
- 44 (o) To have statutes imposing taxes and any regulations adopted
45 pursuant thereto construed in favor of the taxpayer if those statutes



1 or regulations are of doubtful validity or effect, unless there is a
2 specific statutory provision that is applicable.

3 2. *The sales and use tax administered throughout the*
4 *counties of this State must be uniform and equal within each*
5 *county so that all areas of each county, and all taxpayers within a*
6 *county, are subject to an equal rate of sales and use tax.*

7 3. The provisions of this title and title 57 of NRS and NRS
8 244A.820, 244A.870, 482.313 and 482.315 governing the
9 administration and collection of taxes by the Department must not
10 be construed in such a manner as to interfere or conflict with the
11 provisions of this section or any applicable regulations.

12 ~~3-~~ 4. The provisions of this section apply to any tax
13 administered, regulated and collected by the Department pursuant to
14 the provisions of this title and title 57 of NRS and NRS 244A.820,
15 244A.870, 482.313 and 482.315 and any regulations adopted by the
16 Department relating thereto.

17 **Sec. 3.** Chapter 244A of NRS is hereby amended by adding
18 thereto a new section to read as follows:

19 1. *A special district for which a sales and use tax is imposed*
20 *may not be created in a portion of a county if it would cause the*
21 *rate of the sales and use tax in that portion of the county to be*
22 *higher than in other portions of the county.*

23 2. *As used in this section, "special district" includes, without*
24 *limitation, an arena district.*

25 **Sec. 4.** 1. At the general election held on November 6, 2012,
26 the provisions of this act must be submitted to the registered voters
27 of this State, pursuant to Section 2 of Article 19 of the Nevada
28 Constitution, as a different and competing measure enacted by the
29 Legislature on the same subject contained in the initiative petition
30 that was presented to the Legislature by the Secretary of State on
31 February 7, 2011.

32 2. If the initiative petition that was presented to the Legislature
33 by the Secretary of State on February 7, 2011, is invalidated,
34 withdrawn or for any other reason is not submitted to the registered
35 voters of this State at the general election held on November 6,
36 2012, the provisions of this act also must not be submitted to the
37 registered voters of this State at that general election and are
38 thereafter void.

39 3. This act shall become law and take effect in the manner set
40 forth in Section 2 of Article 19 of the Nevada Constitution.

