

CHAPTER.....

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:**

Initiative Petition No. 1, which was presented to the 76th Session of the Nevada Legislature on February 7, 2011, would impose an additional sales and use tax in certain areas of larger counties in Nevada for the construction, improvement, equipment, operation and maintenance of a sports and entertainment arena through public and private cooperation. This bill proposes 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.

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

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

**Section 1.** The Legislature hereby finds and declares:

1. Initiative Petition No. 1 would impose an additional sales and use tax in certain areas of larger counties in Nevada for the construction, improvement, equipment, operation and maintenance of a sports and entertainment arena.

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

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

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

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

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

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



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

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

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

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

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

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

(1) An adjustment of an assessment;

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

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

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

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

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

(1) To an explanation by an officer, agent or employee of the Department that describes the procedures to be followed and the taxpayer's rights thereunder;

(2) To be represented by himself or herself or anyone who is otherwise authorized by law to represent the taxpayer before the Department;

(3) To make an audio recording using the taxpayer's own equipment and at the taxpayer's own expense; and

(4) To receive a copy of any document or audio recording made by or in the possession of the Department relating to the determination or collection of any tax for which the taxpayer is assessed, upon payment of the actual cost to the Department of making the copy.



(j) To a full explanation of the Department's authority to assess a tax or to collect delinquent taxes, including the procedures and notices for review and appeal that are required for the protection of the taxpayer. An explanation which meets the requirements of this section must also be included with each notice to a taxpayer that an audit will be conducted by the Department.

(k) To the immediate release of any lien which the Department has placed on real or personal property for the nonpayment of any tax when:

- (1) The tax is paid;
- (2) The period of limitation for collecting the tax expires;
- (3) The lien is the result of an error by the Department;
- (4) The Department determines that the taxes, interest and penalties are secured sufficiently by a lien on other property;
- (5) The release or subordination of the lien will not jeopardize the collection of the taxes, interest and penalties;
- (6) The release of the lien will facilitate the collection of the taxes, interest and penalties; or
- (7) The Department determines that the lien is creating an economic hardship.

(l) To the release or reduction of a bond or other form of security required to be furnished pursuant to the provisions of this title by the Department in accordance with applicable statutes and regulations.

(m) To be free from investigation and surveillance by an officer, agent or employee of the Department for any purpose that is not directly related to the administration of the taxes administered by the Department.

(n) To be free from harassment and intimidation by an officer, agent or employee of the Department for any reason.

(o) To have statutes imposing taxes and any regulations adopted pursuant thereto construed in favor of the taxpayer if those statutes or regulations are of doubtful validity or effect, unless there is a specific statutory provision that is applicable.

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

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



~~3.1~~ 4. The provisions of this section apply to any tax administered, regulated and collected by the Department pursuant to the provisions of this title and title 57 of NRS and NRS 244A.820, 244A.870, 482.313 and 482.315 and any regulations adopted by the Department relating thereto.

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

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

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

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

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

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

