

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON TAXATION

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
April 23, 1981

The Senate Committee on Taxation was called to order by Chairman Keith Ashworth, at 2:11 p.m., Thursday, April 23, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Keith Ashworth, Chairman  
Senator Norman D. Glaser, Vice Chairman  
Senator Don Ashworth  
Senator Virgil M. Getto  
Senator James N. Kosinski

COMMITTEE MEMBERS ABSENT:

Senator Floyd R. Lamb  
Senator William J. Raggio

GUEST LEGISLATOR:

Assemblyman Paul May

STAFF MEMBERS PRESENT:

Ed Shorr, Deputy Fiscal Analyst  
Colleen Crum, Committee Secretary

ASSEMBLY BILL NO. 369 (Exhibit D)

The chairman asked Mr. Roy Nickson, Director of the Department of Taxation, to explain the emergency nature of Assembly Bill No. 369. Mr. Nickson explained rapid action is needed on the bill to enable the 23,000 retailers, who collect the tax, to adapt their collection systems to the increased sales tax. Many retailers use computerized cash registers, which must be re-programmed before the May 1, 1981 effective date. Retailers have indicated seven to 14 days are required for re-programming. He noted the Department of Taxation must also notify the retailers that reporting has been changed from quarterly to monthly.

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Senator Kosinski asked why it was necessary for the sales tax to become effective May 1, 1981. Mr. Nickson explained the May 1 effective date is required so the sales tax revenues can be distributed to local governments by July 15. In the past, local governments have received the first installment of the property tax revenues on July 15. The distribution of property tax revenues has been delayed until August 17.

Senator Kosinski asked how much tax revenues would be collected during the first month. Mr. Nickson stated approximately \$25 million would be collected.

The chairman asked whether the sales tax revenues would be distributed on a monthly basis. Mr. Nickson stated distribution would be on a monthly basis.

Mr. Marvin Leavitt and Mr. Jim Lien, members of the task force, explained the new amendments and reviewed each section of Assembly Bill No. 369. (See Exhibit C.)

Senator Kosinski asked why the local school support tax was put under a sunset provision. Mr. Leavitt explained a proposed constitutional amendment will affect the local school support tax if it is approved.

The population basis for distributing the city-county relief tax was discussed. Mr. Lien explained some counties and cities, which would lose revenues because of the shift to a population determination, will receive additional revenue for 10 years to make up for the loss.

Senator Kosinski asked Mr. Ed Shorr, Deputy Fiscal Analyst, for the results of the study on retailers sales tax collection costs. Mr. Shorr stated it was impossible to assign costs to that particular activity.

Senator Kosinski asked for an explanation of the formula used in Section 25. Mr. Leavitt stated the assessed valuation for the current year is multiplied by the certified tax rate for the year ending June 30, 1981. The intent of this formula was to equalize all properties.

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Senator Kosinski asked the purpose of distributing \$20,000 to every entity. Mr. Lien explained the \$20,000 distribution simply means no county will receive less than \$20,000. Each county will receive the revenue allocated to it under the entire formula.

Senator Kosinski asked whether there were any counties which would receive less than \$20,000 from the supplemental city-county relief tax if the \$20,000 appropriation was not made. Mr. Leavitt stated every county would receive at least \$20,000.

Senator Kosinski asked whether additional city-county relief tax revenue would be available if the formula giving additional revenue to those counties which would have lost revenues was not utilized. Mr. Leavitt stated additional revenue would be available.

The chairman explained the only other alternative was to adjust the ratios between the cities and counties. He felt the formula was the most equitable approach to the problem.

Senator Kosinski asked how the \$71,000 used in the formula was determined. Mr. Leavitt stated the figure was based on the amount of revenues the entities would have lost.

Senator Kosinski noted an incorrect reference to Senate Bill No. 411 in Assembly Bill No. 369 on page 13, line 42.

Senator Kosinski asked Assemblyman May to explain why the Assembly eliminated the cap on the 50-cent ad valorem tax for schools. Assemblyman May explained the schools will suffer a \$40 million shortfall under Assembly Bill No. 369.

Senator Kosinski asked whether the Assembly would change its position on the cap if the finance committees were able to locate \$40 million for the schools. Assemblyman May stated the cap would be reconsidered. He personally favored placing the cap on schools if \$40 million was located.

The chairman stated the uncapped tax would aid the high growth areas. Senator Kosinski said schools would benefit by infla-

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tionary increases in assessed valuations as well as benefit by growth in the community.

Senator Glaser asked why the Assembly deleted cigarette taxes on Indian smokeshops. Assemblyman May explained two or more votes would have been lost if the Indian cigarette tax provision had remained in the bill.

Mr. Nickson explained the original provision dealing with Indian smokeshops would have prohibited the purchase of tax free cigarettes unless the smokeshops either gave the Department of Taxation a list of enrolled tribe members who were authorized to buy tax free cigarettes or the smokeshops paid the cigarette tax and filed monthly for a refund.

Senator Kosinski asked Mr. Frank Daykin, Legislative Counsel, for an explanation of the renter pass-through on page 15, lines 5-6. Mr. Daykin stated the language creates one state governmental office to whom someone with a question or complaint could turn.

Senator Kosinski asked what jurisdiction the Department of Taxation would be allowed under this provision. Mr. Daykin stated the Department of Taxation could answer questions and examine landlords records to certify that refunds were being made. He noted criminal enforcement was not permitted because there was no criminal penalty for violation of this provision.

Senator Kosinski asked whether the Department of Taxation or the Attorney General would be allowed to initiate civil actions to collect damages. Mr. Daykin stated the Department of Taxation would be permitted to lend expert knowledge in establishing the amount of tax relief the landlord realized and to verify whether the landlord rebated the correct amount.

The chairman left the meeting and Vice Chairman Glaser took over his duties.

Senator Kosinski asked whether the Department of Taxation would be permitted to conduct audits. Mr. Daykin stated the Department of Taxation could conduct audits.

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Senator Kosinski asked for alternatives to the proposed renter pass-through provision. Mr. Daykin stated a direct allowance made by the state to the tenants was proposed last session. Under Assembly Bill No. 369, a tenant rebate by the state would be a double payment because the landlord would also receive the tax reduction. He said it would be unconstitutional to require the landlord to pay an additional tax, which would be distributed to tenants.

Senators Don Ashworth and Kosinski questioned whether requiring the landlord to pay attorneys fees and costs for successful litigants was permissible. Mr. Daykin stated the tenant would be entitled to attorneys fees and costs if he was successful in a suit and received less than \$10,000 in damages. Senator Don Ashworth stated he felt the present law was discretionary and should be spelled out clearly in Assembly Bill No. 369. Mr. Daykin agreed the present law was permissive and it could be made compulsory in Assembly Bill No. 369.

Senator Kosinski suggested a provision which would require the tenant to make a written demand for the pass-through. If the landlord refused to grant the pass-through after receiving the written demand, the tenant would be entitled to attorneys fees and costs. He stated this suggestion would not penalize the landlord who was unaware of the pass-through law.

The chairman returned to the meeting.

The chairman stated a letter from an attorney will often trigger action. He suggested allowing the renter to collect attorneys fees and costs only after a letter by an attorney brought no response from the landlord.

Senator Kosinski objected to the suggestion because he felt it would require the tenant to obtain an attorney's services.

The chairman explained his suggestion would require the tenant to first write a letter. If he received no response, the attorney would write a letter. If there was no response to the second letter, the tenant would be permitted to collect attorneys fees and costs.

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Senator Kosinski stated there presently was no law which required by statute or rule the attorney to write a letter or demand. Senator Don Ashworth stated the chairman's suggestion created constitutional problems.

The chairman suggested deleting the reference to the Department of Taxation. Senator Kosinski stated deleting the Department of Taxation from enforcement of the pass-through would cause a floor fight. Senator Don Ashworth stated eliminating the Department of Taxation from the provision would create the same problems experienced under Senate Bill No. 204 of the 60th Session.

Senator Glaser suggested softening the provision by striking the word "enforcing" and by adding the statement, "The Department of Taxation must develop procedures for enforcing the provision of this act." Senator Kosinski opposed purposely writing legislation which no one understands and dumping it on an executive agency.

Senator Getto stated only a few successful cases in recovering the pass-through would be required to eliminate the problem.

Senator Kosinski stated a fellow Senator had described the renter pass-through a fraud. Unless the provision is tightened, the legislature will prove the Senator's assessment accurate.

Whether the Department of Taxation would require additional funding to carry out its responsibilities in Assembly Bill No. 369 was discussed. It was decided to add additional funding to an appropriations bill presently in the Committee on Finance.

Mr. Daykin was asked to explain the amendments in Section 37 and 38 which pertained to a conflict with Assembly Bill No. 275. He explained the amendments pertaining to Assembly Bill No. 275 are shown in italics in the bill.

Senator Kosinski questioned why Senate Bill No. 69 was tied to the other tax package bills, Assembly Bill No. 369 and Senate Bill No. 411. Senator Don Ashworth stated the passage

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of Senate Bill No. 69 is assured. The fate of the other bills is uncertain. The bills were tied together to assure the passage of the entire tax package.

Senator Kosinski stated his main concern was not whether the three bills would be passed by the legislature. He was concerned about what would happen if one of the bills was declared invalid during the interim.

Mr. Nickson stated Senate Bill No. 69 would hurt homeowners if it was forced to stand alone. Revenue caps on local governments are needed to make Senate Bill No. 69 effective. Revenue caps are handled in Senate Bill No. 411. He stated all three bills are integral and cannot be separated.

Senator Kosinski moved that Senate Bill No. 69 be severed from Senate Bill No. 411 and Assembly Bill No. 369.

The motion died because a lack of a second.

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Senator Don Ashworth moved that Assembly Bill No. 369 be amended to add court costs and fees to the pass-through provision, and be approved.

Senator Glaser seconded the motion.

The motion carried. (Senator Kosinski did not vote.)

SENATE BILL NO. 69.

Mr. Lon Adams, a State Board of Equalization member, objected to appraising property on the basis of present use rather than on the basis of highest and best use. He explained there may be two commercially zoned parcels sitting side by side, one with a single family house and one with no improvements. Under the present use method of appraisal, the valuations of the two properties would differ greatly. He anticipated complaints about unequal taxation in these cases.

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The chairman stated the land, whether residential or commercial, will be assessed equally under Senate Bill No. 69. The improvements will be factored according to residential or commercial factors.

Mr. Adams asked how misplaced improvements would be handled. He gave the example of a commercial lot being utilized for residential purposes. Mr. Nickson stated there is a valid problem on the full cash value of the land for the use to which it is being put. He cited the example of casino property being appraised at \$225 per square foot and a liquor store sitting in middle of the casino area being appraised at \$130 per square foot. The chairman stated the question may be valid as far as improvements are concerned, but would not be valid as far as the land is concerned.

Mr. Adams stated the theory and techniques of valuing property to its highest and best use is interpreted to mean that both properties with equal locational and physical characteristics have the same opportunities to achieve maximum value. Senate Bill No. 69 eliminates this appraisal technique.

The chairman stated the language questioned was placed in the bill to address primarily agricultural property. He asked whether simply stating, appraise the full cash value of the land," would resolve the problem. Mr. Adams suggested adding the phrase, "Recognizing its highest and best use potential."

The chairman disagreed with adding the phrase, "to the highest and best use," because that is not the use to which the property is being put.

Senator Getto stated an older couple who lived in a house on a piece of property located in the middle of a commercial zone would be taxed out of their home under the highest and best use appraisal method. The chairman said the legislature was induced to change the appraisal method to present use exactly because of the example cited by Senator Getto.

Mr. Adams asked whether it was the legislature's intent to utilize present use as the assessment method. The chairman stated the intent was to utilize present use as the assessment method.



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Mr. Adams stated the present use assessment procedure protects the speculator. The chairman said the speculator wouldn't buy a home on commercial property to live in it. He would tear down the home to get a return on his investment.

The chairman stated the committee feels assessment practices should not force the sale of property. Senator Don Ashworth stated the people don't want to be taxed out of existence.

ASSEMBLY JOINT RESOLUTION NO. 27

The chairman noted the Senate Committee on Taxation refused to recede from its amendment to Assembly Joint Resolution No. 27 and the bill would go to a conference committee.

There being no further business, the meeting adjourned at 4:31 p.m.

Respectfully submitted by:

  
Colleen Crum, Secretary

APPROVED BY:

  
Senator Keith Ashworth, Chairman

DATE: 4-28-81

SENATE AGENDA

COMMITTEE MEETINGS

EXHIBIT A

Committee on TAXATION, Room 213.

Day Thursday, Date April 23, 1981, Time 2:00 p.m.

WORK SESSION

S.B. No 69--Revises factors which may be used in determining full cash value of real property for taxation.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON TAXATION

DATE: 4/23

EXHIBIT B

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
LON ADAMS	STATE BOARD OF EQUALIZATION	865-4842
Roy Nickson	DEPT OF TAXATION	" "
Chuck Chinnick	" "	885-4840
Don W. Hataway	Consoa City	882-5455
J. Orphan	City of Elm	289-2430
Jerry H. McHugh	Fallon	423-5104
PAUL SWEET	CHURCHILL Co	423-6584
BIRN SEIDER	CHURCHILL Co	423-5136

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A.B. 369  
Fourth Reprint

Section 1

EXHIBIT C

1. Liquor Tax distribution based on current population - p. 1, line 21 to p. 2, lines 1-2 .
2. Governor to certify population for Liquor Tax - p. 2, lines 5-7.

Section 1.3

1. Cigarette Tax distribution based on current population - p. 2, lines 37-39.
2. Governor to certify population for Cigarette Tax - p. 3, lines 17-23.

Sections 1.7, 2, 2.5, 3, 4, 5, 6, 7, 8, 9, 12, 13, 13.5, 14, 15, 16, 17, 18, 19, & 20

1. Sales Tax remittance monthly instead of quarterly - p. 4.

Section 2.4

1. Changes retailer allowance on 2% sales tax to 1.5% - p. 3, line 45.

Sections 10 & 11

1. Increases Local School Support Tax from 1% to 1.5% - p. 6, lines 12 & 24.

Sections 10.5 & 11.5

- \*\* 1. Sunsets increased LSST on July 1, 1983 - p. 6, lines 17 & 30.

Sections 11.7 & 11.8

- \*\* 1. Exempts existing contracts from additional Sales Tax - p. 6, lines 36-40 and 46-50.

Section 13.4

1. Changes retailers' allowance on LSST and CCRT from .5% to 1.5% - p. 7, line 21.

Section 20.5

1. Reduces state administrative allowance on LSST from 1% to .5% - p. 9, line 49.

- \*\* New provisions.

### Section 20.9

1. Defines "basic City/County Relief Tax" as existing .5% tax - p. 10, lines 17-18.
2. Defines "supplemental City/County Relief Tax" as the new 1.75% tax - p. 10, lines 21-22.

### Section 21

1. CCRT made mandatory - p. 10, lines 25-43.

### Section 22

1. Increases City/County Relief Tax from .5% to 2.25% - p. 10, line 48.

### Section 22.5

- \*\*
1. Sunsets increased CCRT on July 1, 1983 - p. 11, lines 14-15.

### Section 23

1. Reduces state administrative allowance on CCRT from 1% to .5% - p. 11, line 38.
2. Repeals current CCRT distributions - p. 11, line 43 to p. 12, line 20.

### Section 25

1. Distribution of basic CCRT of .5% - p. 12, line 23 to p. 13, line 2.

### Section 26

1. Distribution of supplemental CCRT of 1.75% - p. 13, line 3 to p. 14, line 12.
2. "Basic ad valorem revenue" defined - p. 13, line 47 to p. 14, line 12.
3. Exceptions to "Basic Ad Valorem" - p. 14, lines 3-9.

### Section 27

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1. Landlord to renter pass-through - p. 14, line 13 to p. 15, line 6.
  2. Requires Dept. of Taxation to enforce pass-through - p. 15, lines 5-6.

Section 28

1. School fund property tax replacement repeal (30¢) - p. 15, lines 7-42.

Section 29

1. Removes obsolete language (S.B. 204, 1979) - p. 17, lines 1-6.

Section 30

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1. 50¢ levy for schools - p. 17, lines 3-7.

Section 31

1. Repeals existing (S.B. 204) school cap - p. 17, line 16.
2. Repeals school construction reserve levy - p. 17, line 16.

Section 32

1. Requires amendment of CCRT ordinances - p. 17, lines 17-22.

Sections 33-39

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1. Conforms Chapter 56, 1981, to A.B. 369 - p. 17, line 23 to p. 18, line 5.
- \*\*
2. Conforms A.B. 275 to A.B. 369 - p. 18, line 6 to p. 20, line 2.

Section 40

1. Declares that A.B. 369, S.B. 411 and S.B. 69 are not severable - p. 20, lines 3-11.

Section 41

1. Effective dates - p. 20, lines 12-20.

(REPRINTED WITH ADOPTED AMENDMENTS)

FIFTH REPRINT

A. B. 369

ASSEMBLY BILL NO. 369—COMMITTEE ON TAXATION

MARCH 18, 1981

Referred to Committee on Taxation

SUMMARY—Increases rate of local school support tax and city-county relief tax and provides for adjustment of certain property valuations. (BDR 32-1834)

FISCAL NOTE: Effect on Local Government: Yes. Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in italics is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to taxation; increasing the rate of the local school support tax and the city-county relief tax and changing the distribution of the latter; requiring monthly collection of certain taxes; fixing the rate of the property tax for the operation of public schools; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 369.173 is hereby amended to read as follows:
- 2 369.173 1. The state controller shall distribute, on a monthly basis,
- 3 five-nineteenths of that portion of the [moneys] money collected during
- 4 the preceding month under NRS 369.330 which is derived from the tax
- 5 on liquor containing more than 22 percent of alcohol by volume among
- 6 Carson City and the counties of this state in proportion to their respective
- 7 populations [as determined by the last preceding national census of the
- 8 Bureau of the Census of the United States Department of Commerce]
- 9 and shall apportion [such moneys] that money within the counties as
- 10 follows:
- 11 [1.] (a) If there are no incorporated cities within the county, the
- 12 entire amount [shall] must go into the county treasury.
- 13 [2.] (b) If there is one incorporated city within the county the money
- 14 [shall] must be apportioned between the city and the county on the basis
- 15 of the population of [such] the city and the population of [such] the
- 16 county excluding the population of [such] the city. [ as determined by
- 17 the last preceding national census of the Bureau of the Census of the
- 18 United States Department of Commerce.]
- 19 [3.] (c) If there are two or more incorporated cities within the
- 20 county, the entire amount [shall] must be apportioned among [such] the
- 21 cities in proportion to their respective populations. [as determined by

1 the last preceding national census of the Bureau of the Census of the  
2 United States Department of Commerce.]

3 (d) In Carson City the entire amount [shall] must go into the city  
4 treasury.

5 2. The governor shall annually, on or before January 1, certify the  
6 population of each county and city to be used for the purposes of this  
7 section during the fiscal year beginning on the following July 1.

8 SEC. 1.3. NRS 370.260 is hereby amended to read as follows:

9 370.260 1. All taxes and license fees imposed by this chapter, less  
10 any refunds granted as provided by law, [shall] must be paid to the  
11 department in the form of remittances payable to the department.

12 2. The department shall:

13 (a) As compensation to the state for the costs of collecting the taxes  
14 and license fees, transmit on a monthly basis such sum as the legislature  
15 shall specify from the remittances made to it pursuant to subsection 1  
16 during the preceding month to the state treasurer, who shall deposit the  
17 same to the credit of the department. Such deposited moneys shall be  
18 expended by the department in accordance with its work program estab-  
19 lished pursuant to law.

20 (b) Transmit the balance of such payments each month to the state  
21 treasurer to be deposited in the state treasury to the credit of the ciga-  
22 rette tax fund.

23 (c) Report to the state controller monthly the amount of collections.

24 3. The money in the cigarette tax fund is hereby appropriated to  
25 Carson City and to each of the counties in proportion to their respective  
26 populations. [as determined by the last preceding national census of the  
27 Bureau of the Census of the United States Department of Commerce;  
28 the] The amount in [such] the fund which was collected during the pre-  
29 ceding month [shall] must be apportioned and distributed by the state  
30 treasurer as follows:

31 (a) In counties having a population of 5,000 or more;

32 (1) If there are no incorporated cities within the county, the entire  
33 amount [shall] must go into the county treasury.

34 (2) If there is one incorporated city within the county the money  
35 [shall] must be apportioned between the city and the county on the basis  
36 of the population of [such] the city and the population of [such] the  
37 county excluding the population of [such] the city. [as determined by  
38 the last preceding national census of the Bureau of the Census of the  
39 United States Department of Commerce.]

40 (3) If there are two or more incorporated cities within the county,  
41 the entire amount [shall] must be apportioned among [such] the cities  
42 in proportion to their respective populations. [as determined by the last  
43 preceding national census of the Bureau of the Census of the United  
44 States Department of Commerce.]

45 (b) In counties having a population of less than 5,000:

46 (1) If there are no incorporated cities or unincorporated towns  
47 within the county, the entire amount [shall] must go into the county  
48 treasury.

49 (2) If there is one incorporated city or one unincorporated town  
50 within the county the money [shall] must be apportioned between the



1 city or town and the county on the basis of the population of [such] the  
2 city or town and the population of [such] the county excluding the pop-  
3 ulation of [such] the city or town [ as determined by the last preceding  
4 national census of the Bureau of the Census of the United States Depart-  
5 ment of Commerce, regardless of the form of government of such city or  
6 town at the time such census was conducted.]

7 (3) If there are two or more incorporated cities or unincorporated  
8 towns or an incorporated city and an unincorporated town within the  
9 county, the entire amount [shall] must be apportioned among [such] the  
10 cities or towns in proportion to their respective populations. [as deter-  
11 mined by the last preceding national census of the Bureau of the Census  
12 of the United States Department of Commerce, regardless of the form of  
13 government of such city or town at the time such census was conducted.]

14 (c) In Carson City the entire amount [shall] must go into the city  
15 treasury.

16 4. For the purposes of this section, "unincorporated town" means  
17 only those towns governed by town boards organized pursuant to NRS  
18 269.016 to 269.019, inclusive.

19 5. The governor shall annually, on or before January 1, certify the  
20 population of each county and city to be used for the purposes of this  
21 section during the fiscal year beginning on the following July 1. He shall  
22 also certify the population of each unincorporated town entitled to share  
23 in the distribution, if so requested by the board of county commissioners  
24 on or before the preceding July 1.

25 SEC. 1.7. NRS 372.355 is hereby amended to read as follows:  
26 372.355 [The] Except as provided in NRS 372.380, the taxes  
27 imposed by this chapter are payable to the department [quarterly]  
28 monthly on or before the last day of the month next succeeding each  
29 [quarterly period.] month.

30 SEC. 2. NRS 372.360 is hereby amended to read as follows:  
31 372.360 1. On or before the last day of the month following each  
32 [quarterly period of 3 months.] reporting period, a return for the preced-  
33 ing [quarterly] period must be filed with the department in such form as  
34 the department may prescribe.

35 2. For purposes of the sales tax a return must be filed by each seller.  
36 For purposes of the use tax a return must be filed by each retailer main-  
37 taining a place of business in the state and by each person purchasing  
38 tangible personal property, the storage, use or other consumption of  
39 which is subject to the use tax, who has not paid the use tax due to a  
40 retailer required to collect the tax.

41 3. Returns must be signed by the person required to file the return  
42 or by his [duly] authorized agent but need not be verified by oath.

43 SEC. 2.4. NRS 372.370 is hereby amended to read as follows:  
44 372.370 The taxpayer shall deduct and withhold from the taxes  
45 otherwise due from him [2] 1.5 percent of it to reimburse himself for the  
46 cost of collecting the tax.

47 SEC. 2.5. NRS 372.380 is hereby amended to read as follows:  
48 372.380 The department, if it deems [it] this action necessary in  
49 order to insure payment to or facilitate the collection by the state of the  
50 amount of taxes, may require returns and payment of the amount of taxes

1 for [quarterly] periods other than calendar [quarters] months, depend-  
2 ing upon the principal place of business of the seller, retailer or purchaser,  
3 as the case may be, or for other than [quarterly] monthly periods.

4 SEC. 3. NRS 372.405 is hereby amended to read as follows:

5 372.405 The amount of the determination, exclusive of penalties,  
6 bears interest at the rate of one-half of 1 percent per month, or fraction  
7 of a month, from the last day of the month following the [quarterly]  
8 period for which the amount or any portion of it should have been  
9 returned until the date of payment.

10 SEC. 4. NRS 372.430 is hereby amended to read as follows:

11 372.430 1. Except in the case of fraud, intent to evade this chapter  
12 or [authorized regulations issued] regulations adopted under it, a failure  
13 to make a return; or of a claim for additional amount pursuant to NRS  
14 372.485, every notice of a deficiency determination must be personally  
15 served or mailed within 3 years after the last day of the calendar month  
16 following the [quarterly] period for which the amount is proposed to be  
17 determined or within 3 years after the return is filed, whichever period  
18 expires the later. In the case of a failure to make a return, or a claim for  
19 additional amount pursuant to NRS 372.485, every notice of determina-  
20 tion must be mailed or personally served within 8 years after the last day  
21 of the calendar month following the [quarterly] period for which the  
22 amount is proposed to be determined.

23 2. The limitation specified in this section does not apply in case of  
24 a sales tax proposed to be determined with respect to sales of property  
25 for the storage, use or other consumption of which notice of a defi-  
26 ciency determination has been or is given pursuant to NRS 372.425,  
27 372.455 and 372.465, and to subsection 1 of this section. The limitation  
28 specified in this section does not apply in case of an amount of use tax  
29 proposed to be determined with respect to storage, use or other con-  
30 sumption of property for the sale of which notice of a deficiency deter-  
31 mination has been or is given pursuant to NRS 372.425, 372.455 and  
32 372.465, and to subsection 1 of this section.

33 3. If, before the expiration of the time prescribed in this section for  
34 the mailing of a notice of deficiency determination, the taxpayer has  
35 consented in writing to the mailing of the notice after that time, the  
36 notice may be mailed at any time before the expiration of the period  
37 agreed upon. The period so agreed upon may be extended by subse-  
38 quent agreements in writing made before the expiration of the period  
39 previously agreed upon.

40 SEC. 5. NRS 372.445 is hereby amended to read as follows:

41 372.445 The amount of the determination, exclusive of penalties,  
42 bears interest at the rate of one-half of 1 percent per month, or fraction  
43 of a month, from the last day of the month following the [quarterly]  
44 period for which the amount or any portion of it should have been  
45 returned until the date of payment.

46 SEC. 6. NRS 372.510 is hereby amended to read as follows:

47 372.510 1. The department, whenever it deems it necessary to  
48 insure compliance with this chapter, may require any person subject to  
49 the chapter to place with it such security as the department may deter-  
50 mine. The department shall fix the amount of the security which, except

Assembly Bill No. 369 (cont'd)

1 as noted below, may not be greater than [twice the estimated average  
2 liability of persons filing returns for quarterly periods or] three times the  
3 estimated average liability of persons [required to file] filing returns for  
4 monthly periods, determined in such manner as the department deems  
5 proper, or \$10,000, whichever amount is the lesser.

6 2. In the case of persons who are habitually delinquent in their obli-  
7 gations under this chapter, the amount of the security may not be greater  
8 than [three times the average liability of persons filing returns for quar-  
9 terly periods or] five times the average liability of persons [required to  
10 file] filing returns for monthly periods, or \$10,000, whichever amount is  
11 the lesser.

12 3. The limitations provided in this section apply regardless of the type  
13 of security placed with the department.

14 4. The amount of the security may be increased or decreased by the  
15 department subject to the limitations provided in this section.

16 5. The department may sell the security at public auction if it becomes  
17 necessary [so to do in order] to recover any tax or any amount required  
18 to be collected, interest or penalty due. Notice of the sale may be served  
19 upon the person who placed the security personally or by mail; if by mail,  
20 service must be made in the manner prescribed for service of a notice of  
21 a deficiency determination and must be addressed to the person at his  
22 address as it appears in the records of the department. Security in the  
23 form of a bearer bond issued by the United States or the State of Nevada  
24 which has a prevailing market price may be sold by the department at a  
25 private sale at a price not lower than the prevailing market price.

26 6. Upon any sale any surplus above the amounts due must be  
27 returned to the person who placed the security.

28 SEC. 7. NRS 372.635 is hereby amended to read as follows:

29 372.635 1. No refund may be allowed unless a claim for it is filed  
30 with the department within 3 years from the last day of the month fol-  
31 lowing the close of the [quarterly] period for which the overpayment  
32 was made, or, with respect to determinations made under NRS 372.400  
33 to 372.455, inclusive, within 6 months after the determinations become  
34 final, or within 6 months from the date of overpayment, whichever period  
35 expires later.

36 2. No credit may be allowed after the expiration of the period speci-  
37 fied for filing claims for refund unless a claim for credit is filed with the  
38 department within that period, or unless the credit relates to a period for  
39 which a waiver is given pursuant to NRS 372.430.

40 SEC. 8. NRS 372.660 is hereby amended to read as follows:

41 372.660 1. Interest must be paid upon any overpayment of any  
42 amount of tax at the rate of one-half of 1 percent per month from the  
43 last day of the calendar month following the [quarterly] period for  
44 which the overpayment was made. No refund or credit may be made  
45 of any interest imposed upon the person making the overpayment with  
46 respect to the amount being refunded or credited.

47 2. The interest must be paid:

48 (a) In the case of a refund, to the last day of the calendar month  
49 following the date upon which the person making the overpayment, if  
50 he has not already filed a claim, is notified by the department that a

1 claim may be filed or the date upon which the claim is certified to the  
2 state board of examiners, whichever is earlier.

3 (b) In the case of a credit, to the same date as that to which interest  
4 is computed on the tax or amount against which the credit is applied.

5 SEC. 9. NRS 372.775 is hereby amended to read as follows:

6 372.775. In the determination of any case arising under this chapter,  
7 the rule of res judicata is applicable only if the liability involved is for  
8 the same [quarterly] period as was involved in another case previously  
9 determined.

10 SEC. 10. NRS 374.110 is hereby amended to read as follows:

11 374.110 For the privilege of selling tangible personal property at  
12 retail a tax is hereby imposed upon all retailers at the rate of [1] 1.5  
13 percent of the gross receipts of any retailer from the sale of all tangible  
14 personal property sold at retail in a county. [on or after July 1, 1967.]

15 SEC. 10.5. NRS 374.110 is hereby amended to read as follows:

16 374.110 For the privilege of selling tangible personal property at  
17 retail a tax is hereby imposed upon all retailers at the rate of [1.5] 1 per-  
18 cent of the gross receipts of any retailer from the sale of all tangible per-  
19 sonal property sold at retail in a county.

20 SEC. 11. NRS 374.190 is hereby amended to read as follows:

21 374.190 An excise tax is hereby imposed on the storage, use or other  
22 consumption in a county of tangible personal property purchased from  
23 any retailer [on or after July 1, 1967.] for storage, use or other con-  
24 sumption in the county at the rate of [1] 1.5 percent of the sales price of  
25 the property.

26 SEC. 11.5. NRS 374.190 is hereby amended to read as follows:

27 374.190 An excise tax is hereby imposed on the storage, use or  
28 other consumption in a county of tangible personal property purchased  
29 from any retailer for storage, use or other consumption in the county at  
30 the rate of [1.5] 1 percent of the sales price of the property.

31 SEC. 11.7. NRS 374.310 is hereby amended to read as follows:

32 374.310 1. There are exempted from the taxes imposed by this chap-  
33 ter the gross receipts from the sale of, and the storage, use or other  
34 consumption in a county of, tangible personal property used for the per-  
35 formance of a contract on public works executed prior to July 1, 1967.

36 2. *There are exempted from the additional taxes imposed by amend-*  
37 *ment to this chapter the gross receipts from the sale of, and the storage,*  
38 *use or other consumption in a county of, tangible personal property used*  
39 *for the performance of a contract on public works executed prior to May*  
40 *1, 1981.*

41 SEC. 11.8. NRS 374.315 is hereby amended to read as follows:

42 374.315 1. There are exempted from the taxes imposed by this chap-  
43 ter the gross receipts from the sale of, and the storage, use or other  
44 consumption in a county of, tangible personal property used for the per-  
45 formance of a written contract entered into prior to July 1, 1967.

46 2. *There are exempted from the additional taxes imposed by amend-*  
47 *ment to this chapter the gross receipts from the sale of, and the storage,*  
48 *use or other consumption in a county of, tangible personal property used*  
49 *for the performance of a written contract entered into prior to May 1,*  
50 *1981.*

- 1 . . . SEC. 12. NRS 374.360 is hereby amended to read as follows:  
2 374.360 [The] Except as provided in NRS 374.385, the taxes  
3 imposed by this chapter are due and payable to the department [quar-  
4 terly] monthly on or before the last day of the month next succeeding  
5 each [quarterly period.] month.
- 6 SEC. 13. NRS 374.365 is hereby amended to read as follows:  
7 374.365 1. On or before the last day of the month following each  
8 [quarterly period of 3 months.] reporting period, a return for the preced-  
9 ing [quarterly period shall] period must be filed with the department in  
10 such form as the department may prescribe.
- 11 2. For purposes of the sales tax a return [shall] must be filed by  
12 every seller. For purposes of the use tax a return [shall] must be filed by  
13 every retailer maintaining a place of business in the county and by every  
14 person purchasing tangible personal property, the storage, use or other  
15 consumption of which is subject to the use tax, who has not paid the use  
16 tax due to a retailer required to collect the tax.
- 17 3. Returns [shall] must be signed by the person required to file the  
18 return or by his [duly] authorized agent but need not be verified by oath.
- 19 SEC. 13.4. NRS 374.375 is hereby amended to read as follows:  
20 374.375 The taxpayer shall deduct and withhold from the taxes  
21 otherwise due from him [0.5] 1.5 percent thereof to reimburse himself  
22 for the cost of collecting the tax.
- 23 SEC. 13.5. NRS 374.385 is hereby amended to read as follows:  
24 374.385 The department, if it deems [it] this action necessary in  
25 order to insure payment to or facilitate the collection by the county of the  
26 amount of taxes, may require returns and payment of the amount of taxes  
27 for [quarterly] periods other than calendar [quarters.] months, depend-  
28 ing upon the principal place of business of the seller, retailer or purchaser  
29 as the case may be, or for other than [quarterly] monthly periods.
- 30 SEC. 14. NRS 374.410 is hereby amended to read as follows:  
31 374.410 The amount of the determination, exclusive of penalties,  
32 [shall bear] bears interest at the rate of one-half of 1 percent per month,  
33 or fraction [thereof.] of a month, from the last day of the month follow-  
34 ing the [quarterly] period for which the amount or any portion [thereof]  
35 of it should have been returned until the date of payment.
- 36 SEC. 15. NRS 374.435 is hereby amended to read as follows:  
37 374.435 1. Except in the case of fraud, intent to evade this chapter  
38 or [authorized rules and regulations issued thereunder,] the regulations  
39 adopted under it, a failure to make a return, or of a claim for additional  
40 amount pursuant to NRS 374.490, every notice of a deficiency deter-  
41 mination [shall] must be personally served or mailed within 3 years  
42 after the last day of the calendar month following the [quarterly] period  
43 for which the amount is proposed to be determined or within 3 years after  
44 the return is filed, whichever period expires the later. In the case of a  
45 failure to make a return, or a claim for additional amount pursuant to  
46 NRS 374.490, every notice of determination [shall] must be mailed or  
47 personally served within 8 years after the last day of the calendar month  
48 following the [quarterly] period for which the amount is proposed to be  
49 determined.
- 50 2. The limitation specified in this section does not apply in case of a

1 sales tax proposed to be determined with respect to sales of property for  
2 the storage, use or other consumption of which notice of a deficiency  
3 determination has been or is given pursuant to NRS 374.430, 374.460  
4 and 374.470, and to subsection 1 of this section. The limitation specified  
5 in this section does not apply in case of an amount of use tax proposed to  
6 be determined with respect to storage, use or other consumption of prop-  
7 erty for the sale of which notice of a deficiency determination has been  
8 or is given pursuant to NRS 374.430, 374.460 and 374.470, and to  
9 subsection 1 of this section.

10 3. If, before the expiration of the time prescribed in this section for  
11 the mailing of a notice of deficiency determination, the taxpayer has con-  
12 sented in writing to the mailing of the notice after [such] *that* time, the  
13 notice may be mailed at any time [prior to] *before* the expiration of the  
14 period agreed upon. The period so agreed upon may be extended by sub-  
15 sequent agreements in writing made before the expiration of the period  
16 previously agreed upon.

17 SEC. 16. NRS 374.450 is hereby amended to read as follows:

18 374.450 The amount of the determination, exclusive of penalties,  
19 [shall bear] *bears* interest at the rate of one-half of 1 percent per month,  
20 or fraction [thereof.] *of a month*, from the last day of the month follow-  
21 ing the [quarterly] period for which the amount [.] or any portion  
22 [thereof.] *of it* should have been returned until the date of payment.

23 SEC. 17. NRS 374.515 is hereby amended to read as follows:

24 374.515 1. The department, whenever it deems it necessary to insure  
25 compliance with this chapter, may require any person subject [thereto]  
26 *to the chapter* to place with it such security as the department may deter-  
27 mine. The amount of the security [shall] *must* be fixed by the department  
28 but, except as noted below, [shall] *may* not be greater than [twice the  
29 estimated average liability of persons filing returns for quarterly periods  
30 or] three times the estimated average liability of persons [required to  
31 file] *filing* returns for monthly periods, determined in such manner as the  
32 department deems proper, or \$5,000, whichever amount is the lesser.

33 2. In case of persons habitually delinquent in their obligations under  
34 this chapter, the amount of the security [shall] *must* not be greater than  
35 [three times the average liability of persons filing returns for quarterly  
36 periods or] five times the average liability of persons [required to file]  
37 *filing* returns for monthly periods, or \$5,000, whichever amount is the  
38 lesser.

39 3. The limitations [herein] *provided in this section* apply regardless  
40 of the type of security placed with the department.

41 4. The amount of the security may be increased or decreased by the  
42 department subject to the limitations [herein provided.] *in this section*.

43 5. The department may sell the security at public auction if it  
44 becomes necessary [so to do in order] to recover any tax or any  
45 amount required to be collected, interest or penalty due. Notice of the  
46 sale may be served upon the person who placed the security personally  
47 or by mail; if by mail, service [shall] *must* be made in the manner pre-  
48 scribed for service of a notice of a deficiency determination and [shall]  
49 *must* be addressed to the person at his address as it appears in the rec-  
50 ords of the department. Security in the form of a bearer bond issued by

1 the United States or the State of Nevada which has a prevailing market  
2 price may [ , however, ] be sold by the department at a private sale at a  
3 price not lower than the prevailing market price. [ thereof. ]

4 6. Upon any sale any surplus above the amounts due [ shall ] must  
5 be returned to the person who placed the security.

6 SEC. 18. NRS 374.640 is hereby amended to read as follows:

7 374.640 1. No refund [ shall ] may be allowed unless a claim  
8 [ therefor ] for it is filed with the department within 3 years from the last  
9 day of the month following the close of the [ quarterly ] period for which  
10 the overpayment was made, or, with respect to determinations made  
11 under NRS 374.405 to 374.460, inclusive, within 6 months after the  
12 determinations become final, or within 6 months from the date of over-  
13 payment, whichever period expires [ the ] later.

14 2. No credit [ shall ] may be allowed after the expiration of the  
15 period specified for filing claims for refund unless a claim for credit is  
16 filed with the department within [ such ] that period, or unless the credit  
17 relates to a period for which a waiver is given pursuant to NRS 374.435.

18 SEC. 19. NRS 374.665 is hereby amended to read as follows:

19 374.665 1. Interest [ shall ] must be paid upon any overpayment of  
20 any amount of tax at the rate of one-half of 1 percent per month from the  
21 last day of the calendar month following the [ quarterly ] period for which  
22 the overpayment was made; but no refund or credit [ shall ] may be made  
23 of any interest imposed upon the person making the overpayment with  
24 respect to the amount being refunded or credited.

25 2. The interest [ shall ] must be paid as follows:

26 (a) In the case of a refund, to the last day of the calendar month fol-  
27 lowing the date upon which the person making the overpayment, if he  
28 has not already filed a claim, is notified by the department that a claim  
29 may be filed or the date upon which the claim is certified to the board of  
30 county commissioners, whichever date is [ the ] earlier.

31 (b) In the case of a credit, to the same date as that to which interest is  
32 computed on the tax or amount against which the credit is applied.

33 SEC. 20. NRS 374.780 is hereby amended to read as follows:

34 374.780 In the determination of any case arising under this chapter,  
35 the rule of res judicata is applicable only if the liability involved is for the  
36 same [ quarterly ] period as was involved in another case previously deter-  
37 mined.

38 SEC. 20.5. NRS 374.785 is hereby amended to read as follows:

39 374.785 1. All fees, taxes, interest and penalties imposed and all  
40 amounts of tax required to be paid to counties under this chapter [ shall ]  
41 must be paid to the department in the form of remittances payable to the  
42 department.

43 2. The department shall transmit the payments to the state treasurer  
44 to be deposited in the state treasury to the credit of the local school sup-  
45 port tax fund hereby created.

46 3. The state controller, acting upon the collection data furnished by  
47 the department, shall, each month, from the local school support tax  
48 fund:

49 (a) Transfer one-half of 1 percent of all fees, taxes, interest and pen-  
50 alties collected in each county during the preceding month to the general



1 fund in the state treasury as compensation to the state for the costs of  
2 collecting the tax for the counties.

3 (b) Determine for each county treasurer the amount of money equal  
4 to the fees, taxes, interest and penalties collected in the county pursuant to  
5 this chapter during the preceding month less the amount transferred  
6 to the general fund of the state pursuant to paragraph (a) of this sub-  
7 section.

8 (c) Transfer the total amount of taxes collected pursuant to this chap-  
9 ter during the preceding month from out-of-state businesses not main-  
10 taining a fixed place of business within this state to the state distributive  
11 school fund.

12 (d) Remit the amount owed to each county by remitting such moneys  
13 to the credit of the county school district fund.

14 SEC. 20.9. NRS 377.020 is hereby amended to read as follows:

15 377.020 As used in this chapter, unless the context requires other-  
16 wise:

17 1. "Basic city-county relief tax" means that portion of the tax which  
18 is levied at the rate of 0.5 percent.

19 2. "City" means an incorporated city or incorporated town.

20 [2.] 3. "County" includes Carson City.

21 4. "Supplemental city-county relief tax" means the remainder of the  
22 tax after subtracting the basic city-county relief tax.

23 SEC. 21. NRS 377.030 is hereby amended to read as follows:

24 377.030 [1. Upon petition by the majority of the governing body of  
25 each city within a county, the] 1. The board of county commissioners  
26 shall enact an ordinance imposing a city-county relief tax. [The board  
27 shall not enact such ordinance unless all cities within the county so peti-  
28 tion.

29 2. The board of supervisors of Carson City may on its own motion  
30 enact an ordinance imposing a city-county relief tax.

31 3. The board of county commissioners of a county having no incor-  
32 porated cities may on its own motion enact an ordinance imposing a city-  
33 county relief tax.

34 4. Any] 2. The ordinance enacted pursuant to this section [shall]  
35 must provide that the city-county relief tax [shall] be imposed on the  
36 first day of the first [calendar quarter] month following the effective date  
37 of the ordinance. [, or on July 1, 1969, whichever is later.

38 5. An ordinance so enacted shall not be repealed, except by the  
39 board of supervisors of Carson City, unless a majority of the govern-  
40 ing body of each city within the county petitions for its repeal. In the case  
41 of an ordinance adopted pursuant to subsection 3, the provisions thereof  
42 may be repealed by proper action of the board of county commis-  
43 sioners.]

44 SEC. 22. NRS 377.040 is hereby amended to read as follows:

45 377.040 [Any] The city-county relief tax ordinance enacted under  
46 this chapter [shall] must include provisions in substance as follows:

47 1. A provision imposing a tax upon retailers at the rate of [one-half  
48 of 1] 2.25 percent of the gross receipts of any retailer from the sale of all  
49 tangible personal property sold at retail, or stored, used or otherwise con-  
50 sumed, in a county.



1 2. Provisions substantially identical to those of the Local School Sup-  
2 port Tax Law, insofar as applicable.

3 3. A provision that all amendments to the provisions of the Local  
4 School Support Tax Law subsequent to the date of enactment of the  
5 ordinance, not inconsistent with this chapter, [shall] automatically  
6 become a part of the city-county relief tax ordinance of the county.

7 4. A provision that the county shall contract [prior to] before the  
8 effective date of the city-county relief tax ordinance with the department  
9 to perform all functions incident to the administration or operation of  
10 the city-county relief tax.

11 SEC. 22.5. NRS 377.040 is hereby amended to read as follows:

12 377.040. The city-county relief tax ordinance enacted under this  
13 chapter must include provisions in substance as follows:

14 1. A provision imposing a tax upon retailers at the rate of [2.25]  
15 one-half of 1 percent of the gross receipts of any retailer from the sale  
16 of all tangible personal property sold at retail, or stored, used or other-  
17 wise consumed, in a county.

18 2. Provisions substantially identical to those of the Local School  
19 Support Tax Law, insofar as applicable.

20 3. A provision that all amendments to the provisions of the Local  
21 School Support Tax Law subsequent to the date of enactment of the  
22 ordinance, not inconsistent with this chapter, automatically become a part  
23 of the city-county relief tax ordinance of the county.

24 4. A provision that the county shall contract before the effective date  
25 of the city-county relief tax ordinance with the department to perform all  
26 functions incident to the administration or operation of the city-county  
27 relief tax.

28 SEC. 23. NRS 377.050 is hereby amended to read as follows:

29 377.050 1. All fees, taxes, interest and penalties imposed and all  
30 amounts of tax required to be paid to counties under this chapter [shall]  
31 must be paid to the department in the form of remittances made payable  
32 to the department.

33 2. The department shall [transmit] deposit the payments. [to] with  
34 the state treasurer [to be deposited in the state treasury to the credit of]  
35 for credit to the city-county relief tax fund which is hereby created.

36 3. The state controller, acting upon the collection data furnished by  
37 the department, shall monthly [:

38 (a) Transfer] transfer from the city-county relief tax fund one-half of  
39 1 percent of all fees, taxes, interests and penalties collected in each county  
40 during the preceding month to the state general fund [in the state treas-  
41 ury] as compensation to the state for the cost of collecting the tax for the  
42 counties.

43 [(b) Determine for each county an amount of money equal to the  
44 sum of:

45 (1) Any fees, taxes, interest and penalties collected in that county  
46 pursuant to this chapter during the preceding month, less the amount  
47 transferred to the general fund of the state pursuant to paragraph (a)  
48 of this subsection; and

49 (2) That portion of the total amount of taxes collected pursuant to

1 this chapter during the preceding month from out-of-state businesses not  
2 maintaining a fixed place of business within this state which the popula-  
3 tion of that county bears to the total population of all counties which  
4 have in effect a city-county relief tax ordinance.

5 (c) Remit the amount determined for each county in the following  
6 manner:

7 (1) If there is one incorporated city in the county, apportion such  
8 moneys between the city and the county general fund in proportion to the  
9 respective populations of the city and the unincorporated area of the  
10 county.

11 (2) If there are two or more cities in the county, apportion all such  
12 moneys among the cities in proportion to their respective populations.

13 (3) If there are no incorporated cities in the county, remit the entire  
14 amount to the county treasurer for deposit in the county general fund.

15 4. The provisions of subsection 3 do not apply to Carson City, where  
16 the treasurer shall deposit the entire amount determined to the city and  
17 received from the state controller in the general fund.

18 5. Population shall be determined by the last preceding national cen-  
19 sus of the Bureau of the Census of the United States Department of  
20 Commerce.]

21 SEC. 24. Chapter 377 of NRS is hereby amended by adding thereto  
22 the provisions set forth as sections 25 and 26 of this act.

23 SEC. 25. 1. The state controller, acting upon the collection data fur-  
24 nished by the department, shall monthly:

25 (a) Determine for each county an amount of money equal to the sum of:

26 (1) Any fees and any taxes, interest and penalties which derive from  
27 the basic city-county relief tax collected in that county pursuant to this  
28 chapter during the preceding month, less the amount transferred to the  
29 state general fund pursuant to subsection 3 of NRS 377.050; and

30 (2) That portion of the total amount of taxes which derive from  
31 that portion of the tax levied at the rate of one-half of 1 percent collected  
32 pursuant to this chapter during the preceding month from out-of-state  
33 businesses not maintaining a fixed place of business within this state which  
34 the population of that county bears to the total population of all counties  
35 which have in effect a city-county relief tax ordinance.

36 (b) Remit the amount determined for each county in the following man-  
37 ner:

38 (1) If there is one incorporated city in the county, apportion the  
39 money between the city and the county general fund in proportion to  
40 the respective populations of the city and the unincorporated area of the  
41 county.

42 (2) If there are two or more cities in the county, apportion all such  
43 money among the cities in proportion to their respective populations.

44 (3) If there are no incorporated cities in the county, remit the entire  
45 amount to the county treasurer for deposit in the county general fund.

46 2. The provisions of paragraph (b) of subsection 1 do not apply to  
47 Carson City, where the treasurer shall deposit the entire amount deter-  
48 mined to the city and received from the state controller in the general  
49 fund.

50 3. The governor shall annually, on or before January 1, certify the

1. population of each county and city to be used for the purposes of this section during the fiscal year beginning on the following July 1.

3. SEC. 26. 1. The state controller, acting upon the relevant information furnished by the department, shall monthly from the fees, taxes, interest and penalties which derive from the supplemental city-county relief tax collected in all counties and from out-of-state businesses during the preceding month:

8 (a) Distribute \$20,000 to each county, except that in any one fiscal year no county may receive more than its basic ad valorem revenue.

10 (b) Distribute the amount specified in this paragraph among the following counties and cities in the following percentages:

Political Subdivision	Percentage
Churchill County	3.23
City of North Las Vegas	46.52
City of Carlin	2.72
Esmeralda County	20
Eureka County	.71
City of Winnemucca	5.56
City of Caliente	46
City of Yerington	4.77
Mineral County	9.96
City of Gabbs	4.31
Pershing County	2.52
City of Lovelock	5.77
White Pine County	5.37
City of Ely	7.90

27 For the fiscal year beginning July 1, 1981, the monthly amount is \$71,110. For each succeeding fiscal year, this amount must be reduced by \$7,111 from the preceding year.

30 (c) Distribute to each local government the amount calculated for it by the department of taxation pursuant to subsection 2.

32 2. The maximum amounts distributable under paragraphs (a) and (c) of subsection 1 must be estimated for each fiscal year. The percentage of basic ad valorem revenue to be replaced in each county by the supplemental city-county relief tax must be as nearly equal among the several counties as possible. The amount apportioned to each county must then be apportioned among the several local governments therein, including the county and excluding the school district, in the proportion which each local government's basic ad valorem revenue bears to the total basic ad valorem revenue of all these local governments except that no local government may receive more than the amount to which it is entitled pursuant to subsections 2 and 3 of section 3 of Senate Bill No. 411 of this session. When any local government has received the maximum supplemental city-county relief tax calculated to be distributed to it, any remaining money otherwise distributable to it reverts to the reserve fund for the supplemental city-county relief tax.

47 3. As used in this section, the "basic ad valorem revenue":

48 (a) Of each local government is its assessed valuation for the year of distribution, multiplied by the rate levied on its behalf for the fiscal year ending June 30, 1981, for purposes other than paying the interest on

1 *and principal of its general obligations. For the purposes of this para-*  
2 *graph:*

3 (1) *A county whose actual tax rate, for purposes other than debt*  
4 *service, for the fiscal year ending on June 30, 1981, was less than 50*  
5 *cents per \$100 of assessed valuation is entitled to the use of a rate not*  
6 *greater than 80 cents per \$100 of assessed valuation.*

7 (2) *A fire district in such a county whose tax rate was more than*  
8 *50 cents per \$100 of assessed valuation is entitled to the use of a rate*  
9 *not greater than \$1.10 per \$100 of assessed valuation.*

10 (b) *Of the county for the distribution under subsection 1 is the sum of*  
11 *its individual basic ad valorem revenue and those of the other local*  
12 *governments within it, excluding the school district.*

13 **SEC. 27. NRS 118.165 is hereby amended to read as follows:**

14 118.165 1. Unless exempted by subsection 3, every landlord of real  
15 property leased or otherwise rented to a tenant shall deliver to the tenant  
16 in July of each year, and whenever the periodic rent changes, a state-  
17 ment which shows separately for each periodic payment of rent:

18 (a) The amount which represents property taxes paid by the land-  
19 lord; and

20 (b) The remainder of that payment.

21 2. If the property rented is one of several upon which the landlord  
22 pays taxes together, the amount which represents property taxes must be  
23 calculated by:

24 (a) Apportioning the total property tax paid for the year upon the  
25 entire property among the individual properties rented according to  
26 their respective areas.

27 (b) Reducing the amount so apportioned to each particular property  
28 for the year by the appropriate fraction to correspond to the period for  
29 which rent on it is paid.

30 3. This section does not apply to:

31 (a) Any property covered by a written agreement which requires the  
32 tenant to pay the property tax or otherwise provides for calculation and  
33 notice to the tenant of its amount.

34 (b) Any lodging unless it contains its own cooking and toilet facilities,  
35 separate from other living quarters.

36 (c) Any room in a hotel or motel.

37 (d) Any concession within a larger commercial enterprise, or any  
38 other property not customarily used separately from adjacent units.

39 (e) Any property for which the rent is a share of sales or profit.

40 4. The statements required in July [1979] 1981 by subsection 1  
41 must show, in addition to the information required as of the date the  
42 statement is prepared, the comparable information as of July [1978.]  
43 1980. Each landlord of property which is subject to this section shall  
44 reduce the periodic rent otherwise payable by an amount equal to 90  
45 percent of any reduction from [1978 to 1979] 1980 to 1981 of the  
46 amount which represents property taxes as shown in the statements  
47 required by that subsection.

48 5. This section does not purport to regulate the total amount of  
49 rent payable.

1 6. A landlord who fails to reduce the periodic rent in accordance  
2 with subsection 4 is liable to each tenant whose rent was not properly  
3 reduced for an amount equal to three times the amount which was over-  
4 paid by the tenant, unless the landlord shows good cause for the failure.  
5 *If the tenant made written demand upon his landlord at least 20 days*  
6 *before bringing his action under this subsection, a judgment for the tenant*  
7 *must include costs and a reasonable attorney's fee.*

8 7. The department of taxation is responsible for enforcing the provi-  
9 sions of this section.

10 SEC. 28. NRS 387.1233 is hereby amended to read as follows:

11 387.1233 1. Except as otherwise provided in subsection 2, basic  
12 support of each school district must be computed by:

13 (a) Multiplying the basic support guarantee per pupil established for  
14 that school district for that school year by the sum of:

15 (1) Six-tenths the count of pupils enrolled in the kindergarten  
16 department on the last day of the first school month of the school year.

17 (2) The count of pupils enrolled in grades 1 to 12, inclusive, on  
18 the last day of the first school month of the school year.

19 (3) The count of handicapped minors receiving special education  
20 pursuant to the provisions of NRS 388.440 to 388.520, inclusive, on the  
21 last day of the first school month of the school year.

22 (4) The count of children detained in detention homes and juvenile  
23 forestry camps receiving instruction pursuant to the provisions of NRS  
24 388.550 to 388.570, inclusive, on the last day of the first school month of  
25 the school year.

26 (5) One-fourth the average daily attendance—highest 3 months of  
27 part-time pupils enrolled in classes and taking courses necessary to  
28 receive a high school diploma.

29 (b) Multiplying the number of special education program units main-  
30 tained and operated by the amount per program established for that  
31 school year.

32 (c) [Multiplying the assessed valuation of property in the school dis-  
33 trict, as certified by the department of taxation for the concurrent school  
34 year, by .003 or a greater or lesser multiplier which corresponds to 80  
35 cents for each \$100 of assessed valuation minus the rate levied for the  
36 current fiscal year pursuant to subsection 1 of NRS 387.195.

37 (d)] Adding the amounts computed in paragraphs (a) [(b) and  
38 (c)] and (b).

39 2. If the sum of the counts prescribed in subparagraphs (1) to (4),  
40 inclusive, of paragraph (a) of subsection 1 is less than the sum similarly  
41 obtained for the immediately preceding school year, the larger sum must  
42 be used in computing basic support.

43 3. Pupils who are excused from attendance at examinations or have  
44 completed their work in accordance with the rules of the board of trustees  
45 must be credited with attendance during that period.

46 SEC. 29. NRS 387.1245 is hereby amended to read as follows:

47 387.1245 1. The board of trustees of any school district in this state  
48 whose estimated receipts from all sources provided by this chapter and  
49 chapter 374 of NRS are less than the total estimated receipts from such

- 1 sources in the final approved budget for such fiscal year, and which can-  
2 not therefore provide a minimum program of education and meet its con-  
3 tract obligations, may apply for emergency financial assistance from the  
4 state distributive school fund. [and may be granted such assistance upon  
5 compliance with the following conditions and procedures:
- 6 1. The tax levy for the applying district shall be the maximum of  
7 \$1.50 for operating costs as authorized by law, not including any special  
8 tax authorized by the provisions of NRS 387.328.
  - 9 2. Such application shall] 2. *The application must* be made to the  
10 state board of education in [such form as shall be] *the form* prescribed  
11 by the superintendent of public instruction, and in accordance with guide-  
12 lines for evaluating needs for emergency financial assistance as established  
13 by the state board of education.
  - 14 3. Before acting on any such application, the state board of education  
15 and state board of examiners, jointly, shall determine the difference  
16 between the total amount of money appropriated and authorized for  
17 expenditure during the current biennium from the state distributive  
18 school fund and the total amount of money estimated to be payable from  
19 that fund during the biennium, and shall make no distribution in excess  
20 of that difference.
  - 21 4. The state board of education shall review each application and  
22 shall by resolution find the least amount of additional money, if any,  
23 which it deems necessary to enable the board of trustees of the applying  
24 school district to provide a minimum educational program and meet its  
25 irreducible contract obligations. In making such determination, the state  
26 board of education shall consider also the amount available in the distrib-  
27 utive school fund and the anticipated amount of future applications, so  
28 that no deserving school district will be wholly denied relief.
  - 29 5. If the state board of education finds that emergency assistance  
30 should be granted to an applying school district, it shall transmit its reso-  
31 lution finding such amount to the state board of examiners, along with a  
32 report of its then current estimate of the total requirements to be paid  
33 from the state distributive school fund during the then current fiscal year.
  - 34 6. The state board of examiners shall independently review each reso-  
35 lution so transmitted by the state board of education, may require the  
36 submission of such additional justification as it deems necessary, and shall  
37 find by resolution the amount of emergency assistance, if any, to be  
38 granted. The board may defer, and subsequently grant or deny, any part  
39 of a request.
  - 40 7. The state board of examiners shall transmit one copy of its find-  
41 ing to the state board of education and one copy to the state controller.  
42 Upon receipt of a claim pursuant to a grant of emergency assistance,  
43 [such claim shall] *the claim must* be paid from the state distributive  
44 school fund as other claims against the state are paid.
  - 45 8. Money received by a school district pursuant to a grant of relief  
46 may be expended only in accordance with the approved budget of such  
47 school district for the fiscal year for which such grant is made. No formal  
48 action to incorporate the money so received in the approved budget is  
49 required, but [such receipts shall] *the receipts must* be reported as other

1 receipts are reported and explained in a footnote as short-term financing  
2 is explained.

3 9. The state board of education shall transmit to the legislature a  
4 report of each grant of emergency assistance paid pursuant to this section.

5 SEC. 30. NRS 387.195 is hereby amended to read as follows:

6 387.195 - 1. [When recommended by the board of trustees of the  
7 county school district, each] Each board of county commissioners shall  
8 levy a tax [:

9 (a) Not more than] of 50 cents on each \$100 of assessed valuation of  
10 taxable property within the county for the support of the public schools  
11 within the county school district. [or a lesser or greater amount fixed by  
12 the state board of examiners if the state board of examiners is directed  
13 by law to fix a lesser or greater amount for that fiscal year; or

14 (b) The rate which will produce the revenue permitted by NRS 387.-  
15 199, whichever is lower.]

16 2. In addition to any tax levied in accordance with subsection 1,  
17 each board of county commissioners shall levy a tax for the payment  
18 of interest and redemption of outstanding bonds of the county school  
19 district.

20 SEC. 31. NRS 387.199 and 387.328 are hereby repealed.

21 SEC. 32. Each board of county commissioners shall adopt or amend  
22 the ordinance required by this act before May 1, 1981, as an emergency  
23 measure notwithstanding any contrary provision of law. Any defect or  
24 informality in the adoption or amendment, or failure by a board to act,  
25 does not prevent the tax from becoming effective on May 1, 1981, at the  
26 rate prescribed in this act.

27 SEC. 33. Section 5 of chapter 56, Statutes of Nevada 1981, is hereby  
28 amended to read as follows:-

29 Sec. 5. NRS 372.405 is hereby amended to read as follows:

30 372.405 The amount of the determination, exclusive of penal-  
31 ties, bears interest at the rate of [one-half of 1] 1.5 percent per  
32 month, or fraction of a month, from the last day of the month fol-  
33 lowing the period for which the amount or any portion of it should  
34 have been returned until the date of payment.

35 SEC. 34. Section 6 of chapter 56, Statutes of Nevada 1981, is hereby  
36 amended to read as follows:

37 Sec. 6. NRS 372.445 is hereby amended to read as follows:

38 372.445 The amount of the determination, exclusive of penal-  
39 ties, bears interest at the rate of [one-half of 1] 1.5 percent per  
40 month, or fraction of a month, from the last day of the month fol-  
41 lowing the period for which the amount or any portion of it should  
42 have been returned until the date of payment.

43 SEC. 35. Section 12 of chapter 56, Statutes of Nevada 1981, is  
44 hereby amended to read as follows:

45 Sec. 12. NRS 374.410 is hereby amended to read as follows:

46 374.410 The amount of the determination, exclusive of penal-  
47 ties, bears interest at the rate of [one-half of 1] 1.5 percent per  
48 month, or fraction of a month, from the last day of the month fol-  
49 lowing the period for which the amount or any portion of it should  
50 have been returned until the date of payment.

1     **SEC. 36.** Section 13 of chapter 56, Statutes of Nevada 1981, is hereby  
2 amended to read as follows:

3     **Sec. 13.** NRS 374.450 is hereby amended to read as follows:

4     374.450 The amount of the determination, exclusive of penal-  
5 ties, bears interest at the rate of [one-half of 1] 1.5 percent per  
6 month, or fraction of a month, from the last day of the month fol-  
7 lowing the period for which the amount or any portion of it should  
8 have been returned until the date of payment.

9     **SEC. 37.** Section 25 of Assembly Bill No. 275 of this session is  
10 hereby amended to read as follows:

11     **Sec. 25.** NRS 370.260 is hereby amended to read as follows:

12     370.260 1. All taxes and license fees imposed by this chapter,  
13 less any refunds granted as provided by law, must be paid to the  
14 department in the form of remittances payable to the department.

15     2. The department shall:

16     (a) As compensation to the state for the costs of collecting the  
17 taxes and license fees, transmit on a monthly basis such sum as the  
18 legislature [shall specify] *specifies* from the remittances made to  
19 it pursuant to subsection 1 during the preceding month to the state  
20 treasurer, who shall deposit [the same] *this amount* to the credit  
21 of the department. [Such] *The deposited [moneys shall] money*  
22 *must* be expended by the department in accordance with its work  
23 program. [established pursuant to law.]

24     (b) Transmit the balance of [such] *the* payments each month  
25 to the state treasurer to be deposited in the state treasury to the  
26 credit of the cigarette tax [fund.] *account in the intergovern-*  
27 *mental trust fund.*

28     (c) Report to the state controller monthly the amount of col-  
29 lections.

30     3. The money in the cigarette tax [fund] *account* is hereby  
31 appropriated to Carson City and to each of the counties in pro-  
32 portion to their respective populations. The amount in the [fund]  
33 *account* which was collected during the preceding month must be  
34 apportioned and distributed by the state treasurer as follows:

35     (a) In counties having a population of 5,000 or more:

36     (1) If there are no incorporated cities within the county, the  
37 entire amount must go into the county treasury.

38     (2) If there is one incorporated city within the county the  
39 money must be apportioned between the city and the county on the  
40 basis of the population of the city and the population of the county  
41 excluding the population of the city.

42     (3) If there are two or more incorporated cities within the  
43 county, the entire amount must be apportioned among the cities in  
44 proportion to their respective populations.

45     (b) In counties having a population of less than 5,000:

46     (1) If there are no incorporated cities or unincorporated towns  
47 within the county, the entire amount must go into the county treas-  
48 ury.

49     (2) If there is one incorporated city or one unincorporated  
50 town within the county the money must be apportioned between the



1 city or town and the county on the basis of the population of the  
2 city or town and the population of the county excluding the popula-  
3 tion of the city or town.

4 (3) If there are two or more incorporated cities or unincorporated  
5 towns or an incorporated city and an unincorporated town  
6 within the county, the entire amount must be apportioned among the  
7 cities or towns in proportion to their respective populations.

8 (c) In Carson City the entire amount must go into the city treas-  
9 ury.

10 4. For the purposes of this section, "unincorporated town"  
11 means only those towns governed by town boards organized pur-  
12 suant to NRS 269.016 to 269.019, inclusive.

13 5. The governor shall annually, on or before January 1, certify  
14 the population of each county and city to be used for the purposes  
15 of this section during the fiscal year beginning on the following July  
16 1. He shall also certify the population of each unincorporated town  
17 entitled to share in the distribution, if so requested by the board of  
18 county commissioners on or before the preceding July 1.

19 SEC. 38. Section 28 of Assembly Bill No. 275 of this session is  
20 hereby amended to read as follows:

21 Sec. 28. NRS 374.785 is hereby amended to read as follows:

22 374.785. 1. All fees, taxes, interest and penalties imposed and  
23 all amounts of tax required to be paid to counties under this chapter  
24 must be paid to the department in the form of remittances payable to  
25 the department.

26 2. The department shall [transmit the payments to the state  
27 treasurer to be deposited] *deposit the payments* in the state treasury  
28 to the credit of the [local school support tax fund hereby created.]  
29 *sales and use tax account in the state general fund.*

30 3. The state controller, acting upon the collection data furnished  
31 by the department, shall, each month, from the [local school sup-  
32 port tax fund:] *sales and use tax account in the general fund:*

33 (a) Transfer one-half of 1 percent of all fees, taxes, interest and  
34 penalties collected in each county during the preceding month to the  
35 *appropriate account in the state general fund [in the state treasury]*  
36 *as compensation to the state for the costs of collecting the tax for the*  
37 *counties.*

38 (b) Determine for each county [treasurer] the amount of money  
39 equal to the fees, taxes, interest and penalties collected in the county  
40 pursuant to this chapter during the preceding month less the amount  
41 transferred [to the general fund of the state] pursuant to paragraph  
42 (a) of this subsection.

43 (c) Transfer the total amount of taxes collected pursuant to this  
44 chapter during the preceding month from out-of-state businesses not  
45 maintaining a fixed place of business within this state to the state  
46 distributive school fund.

47 (d) [Remit the amount owed to each county by remitting such  
48 moneys] *Transfer the amount owed to each county to the intergov-*  
49 *ernmental trust fund and remit the money to the credit of the county*  
50 *school district fund.*

Assembly Bill No. 369 (cont'd)

— 20 —

1     **SEC. 39.** Assembly Bill No. 275 of this session is hereby amended by  
2 adding thereto a new section which shall read as follows:

3             **Sec. 44.** Sections 25 and 28 of this act shall become effective at  
4 12:01 a.m. on July 1, 1981.

5             **SEC. 40.** The legislature declares that this bill, Senate Bill No. 69 and  
6 Senate Bill No. 411 of this session constitute an integrated plan for the  
7 relief of the residents of this state from excessive property taxes while  
8 providing revenue for the necessary services of local government, and that  
9 their provisions are not severable. If any provision of any of these bills  
10 which becomes law, or the application thereof to any person, thing or cir-  
11 cumstance is held invalid, the other provisions of each of these bills  
12 become ineffective, and all statutes repealed by any of these bills are  
13 revived.

14             **SEC. 41.** 1. Except as provided in subsection 2, sections 1 to 26,  
15 inclusive, of this act, shall become effective on May 1, 1981.

16             2. Sections 10.5, 11.5 and 22.5 of this act shall become effective on  
17 July 1, 1983.

18             3. Sections 27 to 31, inclusive, of this act shall become effective upon  
19 passage and approval for the purpose of levying taxes and preparing the  
20 required statements, and on July 1, 1981, for all other purposes.

21             4. This section and sections 32 to 40, inclusive, of this act shall  
22 become effective upon passage and approval.

⊙