

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON TAXATION

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
May 14, 1981

The Senate Committee on Taxation was called to order by Chairman Keith Ashworth, at 2:06 p.m., Thursday, May 14, 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  
Senator William J. Raggio

COMMITTEE MEMBER ABSENT:

Senator Floyd R. Lamb

GUEST LEGISLATORS:

Assemblyman Paul W. May  
Assemblyman Jan Stewart

STAFF MEMBERS PRESENT:

Ed Shorr, Deputy Fiscal Analyst  
Colleen Crum, Committee Secretary

SENATE BILL NO. 325 and SENATE BILL NO. 328

Mr. Chuck Neely, representing Clark County School District, and Mr. John Hawkins, representing the Nevada State School Board, supported Senate Bill No. 328. Mr. Neely explained Senate Bill No. 325 had been incorporated into Senate Bill No. 328.

Mr. Neely stated a portion of the motor vehicle privilege tax presently is allocated to the counties. The counties set

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aside this revenue for bond indebtedness. Presently, there is a reserve in the bond indebtedness fund. The reserve is being used to pay off existing bonds or to obtain short-term loans for additional building projects. Senate Bill No. 328 would allocate the portion of the motor vehicle privilege tax, which presently goes to the counties, directly to the schools for use in the capital projects fund. If Senate Bill No. 328 is approved, Clark County would receive up to \$1.5 million annually. This revenue would be allowed to accumulate in the capital projects fund up to 10 years and would permit school districts to undertake capital improvement projects without having to obtain short-term loans. The intent of the measure is to get on a "pay as you go" basis.

Mr. Neely presented recommended amendments to Senate Bill No. 328. (See Exhibit C.)

The chairman noted conflict notices had been issued on Senate Bill No. 328. Senate Bill No. 328 conflicts with Senate Bill No. 69 and Assembly Bill No. 43.

The chairman asked the meaning of "special tax" on page one, line 18. Mr. George Brighton, representing the Washoe County School District, explained school districts would be permitted to levy a tax, not to exceed 35 cents per \$100, to finance the capital projects fund proposed in Senate Bill No. 328.

Senator Kosinski felt the 35-cent special tax would be part of the motor vehicle privilege tax provision in NRS 387.195.

The chairman asked whether school districts would be permitted to increase the tax levy under Senate Bill No. 328. Mr. Neely stated there was no intention to increase the tax.

Senator Kosinski asked how this issue is handled under the present law, Senate Bill No. 204 of the 60th Session, and the new law passed this session, Senate Bill No. 411. Mr. Brighton explained both bills place a cap on the 50-cent school tax for general operations. The debt service tax for schools is applied in addition to the tax for general operations.

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Mr. Marvin Leavitt, a task force member, stated the debt service tax for schools cannot exceed \$3.64 under Senate Bill No. 411. He noted NRS 387.328, which is being amended in Senate Bill No. 328, is repealed in Senate Bill No. 411. He stated the 35-cent capital projects fund tax is part of the general operations tax, under the proposal in Senate Bill No. 328. Page one, lines 11-13 of the bill states, "Any levy of an annual special tax authorized by this subsection must be included within the tax levy authorized by NRS 387.195."

The chairman asked whether the capital projects fund could be used to pay teachers' salaries. Mr. Neely stated the capital projects fund could not be used to pay teachers' salaries.

Senator Kosinski asked whether bonding companies opposed the establishment of a capital projects fund. Mr. Neely stated the bonding companies would not object to the capital projects fund because bonds are based upon the general obligation from the ad valorem tax.

Mr. Leavitt explained Senate Bill No. 328 mandates allocating the tax revenue for debt service directly to the schools rather than the counties.

The chairman stated those counties which have not been allocating the revenue to the schools would lose revenue under this proposal.

Mr. Ed Shorr, Deputy Fiscal Analyst, was instructed to prepare a fiscal note on the impact of Senate Bill No. 328 on the counties.

Senator Kosinski asked how Washoe County would satisfy its bonds if the capital projects fund is established. Mr. Brighton stated the debt service tax would be increased by 1.5 cents to two cents. This tax would be in addition to the 50-cent general operations tax.

The chairman stated Senate Bill No. 328 will lower the tax rate in the long run because school districts will not have to obtain capital improvement loans and pay the interest on these loans.

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ASSEMBLY BILL NO. 298

Assemblyman May stated Assembly Bill No. 298 removes the requirement that the transfer tax must appear on the face of the deed in cases where declaration of value is made on a form prescribed by the Nevada Tax Commission.

Ms. Jeanne Hannafin, Deputy Executive Director of the Department of Taxation, stated the form prescribed by the Nevada Tax Commission is used optionally by county recorders. The form remains in the county recorder's office.

Senator Kosinski asked whether the intent of the bill was to keep the transfer tax from becoming public record. Assemblyman May stated it was not the intent of the bill to keep the transfer tax from becoming public record. The form applies only to those accounts which do not go through escrow.

The chairman explained the recorder must know whether the tax was paid when accounts do not go through escrow. He said the purpose of the form is to calculate the tax.

ASSEMBLY BILL NO. 492

Assemblyman May explained Assembly Bill No. 492 would become effective only if Question Nine, which removes the sales tax on food, is approved at the next general election. Assembly Bill No. 492 provides a tax equal to the existing sales tax on the service of prepared food in restaurants. He noted the state would lose a tremendous amount of revenue if the sales tax is removed from prepared food, as proposed in Question Nine. The act would become effective January 1, 1983, the same date Question Nine would become effective, if approved.

Senator Don Ashworth questioned how the cost of service and the cost of food would be broken down to determine the amount to tax.

The chairman asked Mr. Frank Daykin, Legislative Counsel, how the tax on service would be applied under this bill and whether the bill could be challenged in court. Mr. Daykin stated a

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court challenge would be unsuccessful because the tax is on the preparation and the service of the food, not the food itself. The measure of the tax is the price of the meal.

Senator Glaser proposed holding the bill until the next legislative session when the fate of Question Nine would be known. Senator Raggio questioned whether the legislature would pass the measure two months after the voters removed the sales tax on food. Mr. Daykin noted the state would lose a tremendous amount of revenue during the time lag between the passage of Question Nine and Assembly Bill No. 492.

ASSEMBLY BILL NO. 116

Senator Kosinski asked Mr. Daykin whether Assembly Bill No. 116 could be challenged in court on the basis that classification of mobile homes is unconstitutional either based on an equal protection argument or under the provisions of Article 10 of the Nevada Constitution.

Mr. Daykin stated Assembly Bill No. 116 would be sustainable under the equal protection arguments because classification is based on the age of the trailer. It is reasonable for the legislature to determine that a trailer manufactured after July 1, 1983 will be constructed better than its earlier predecessor and, consequently, will depreciate at a different rate than older trailers. The Nevada Constitution requires a uniform and equal rate of assessment and taxation. This is accomplished in Assembly Bill No. 116 because all trailers are assessed at 35 percent of full cash value and taxed at the uniform rate in each jurisdiction. The Nevada Constitution also charges the legislature with adopting regulations which will secure a just valuation of real and personal property. The question in Assembly Bill No. 116 is just valuation, not the assessment or the taxation.

Senator Kosinski asked whether the legislature should justify the reasonable classification for the record. Mr. Daykin recommended justifying the classification for the record.

Senator Kosinski asked what is available to justify the classification for the record. Assemblyman Jan Stewart stated a

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companion bill, Assembly Bill No. 20, will be sent to the Senate. The bill proposes to charge sales tax for materials only. Presently, both labor and materials are taxed. Assembly Bill No. 20 also abolishes the requirement to charge sales tax when a mobile home is sold. Assembly Bill No. 20 and Assembly Bill No. 116 are part of the process to treat mobile homes like stick homes.

SENATE BILL NO. 360

Mr. Noel Clark, Director of the Department of Energy, and Mr. Kelly Jackson, Deputy Director of the Department of Energy, supported the concept of the bill. Mr. Clark explained the bill would enhance the development of geothermal energy in the production of petroleum-ethanol, which is used to mix gasohol in a nine-to-one ratio. He acknowledged passage of the bill would reduce the revenue for the highway fund.

Mr. Jackson stated Nevada is one of the few western states which has not enacted tax incentives for alcohol fuel use. He suggested amending the bill to restrict the exemption specifically to alcohol fuels manufactured in the state and to reduce the amount of the exemption.

The chairman noted the present tax would not be excessive compared to the taxes levied by other states if the proposed fuel tax increase is not approved by the legislature.

Senator Glaser stated the highway fund cannot withstand a reduction in revenue.

Mr. Neil Townsend, an ethanol-alcohol producer, stated a four-cent tax break was needed for gasohol to sell at the same price as unleaded gasoline.

Mr. Daryl Capurro, Managing Director of Nevada Motor Transport Association, opposed the bill. He said he wasn't opposed to encouraging the development of ethanol-alcohol, but felt the state highway fund could not afford a reduction in revenue. He suggested providing an exemption through the General Fund. He noted the legislature has approved a law exempting alcohol

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from taxation when it is used as liquor or motor fuel. It would not be taxed except as a component of gasoline.

Senator Glaser stated there is credence to exempting ethanol-alcohol from taxation because the nation must become less dependent on petroleum for its fuel. He stated ethanol-alcohol could be taxed after the industry is developed.

Mr. Mark Hinkley, representing Western Mountain Oil, supported the bill. He stated the tax exemption is needed for gasohol to be competitive with unleaded gasoline.

The chairman asked for consideration on Assembly Bill No. 116.

Senator Don Ashworth moved that Assembly Bill No. 116 be approved.

Senator Raggio seconded the motion.

Senator Kosinski suggested holding the bill until the companion bill, Assembly Bill No. 20, was studied by the committee.

Senator Don Ashworth withdrew his motion.

Senator Raggio withdrew his second.

The chairman asked for consideration on Senate Bill No. 325.

Senator Getto moved that Senate Bill No. 325 be indefinitely postponed.

Senator Don Ashworth seconded the motion.

The motion carried.

The chairman asked for consideration on Senate Bill No. 328. Senator Kosinski opposed allowing an increase in the ad valorem tax rate at a time when the legislature is struggling to reduce the tax rate.

The chairman stated the ad valorem tax rate could presently be increased to fund bond indebtedness for schools.

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Senator Raggio stated the problem of counties which presently do not allocate the revenue to the schools has not been addressed.

The committee decided to hold the bill until information was compiled by Mr. Shorr.

The chairman asked for consideration on Assembly Bill No. 298. Senator Kosinski felt the new language in the bill would supercede the language in NRS 375.030. He questioned the need for the bill. He stated the bill would eliminate the requirement that the transfer tax be shown on the face of the deed.

Senator Don Ashworth questioned why the transfer tax should be public record.

Senator Raggio stated the bill conflicted with NRS 375.030, which states, "Upon receipt of the tax due, the county recorder shall show on the face of the document the amount of tax paid."

The chairman appointed Senator Getto to determine whether the bill conflicts with NRS 375.030.

The chairman asked for consideration on Assembly Bill No. 492.

Senator Kosinski moved that Assembly Bill No. 492 be indefinitely postponed.

Senator Getto seconded the motion.

The motion carried.

The chairman asked for a motion to rescind the action whereby amendments were placed on Assembly Bill No. 134.

Senator Raggio moved that the previous action whereby amendments were placed on Assembly Bill No. 134 be rescinded.

Senator Getto seconded the motion.

The motion carried.

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Senator Getto moved that Assembly Bill No. 134 be approved without amendments. (See Exhibit D.)

Senator Glaser seconded the motion.

The motion carried.

The chairman asked for consideration on Senate Bill No. 360. The committee debated whether the alcohol portion of the gasohol mixture only be exempt from taxation.

Senator Kosinski moved that Senate Bill No. 360 be amended to limit the exemption to alcohol produced in the state and limit the exemption to the alcohol portion of the mixture only, and be approved.

Senator Glaser seconded the motion.


The motion failed. (Senators Don Ashworth, Keith Ashworth, and Raggio voted "No".)

There being no further business, the meeting adjourned at 4:07 p.m.

Respectfully submitted by:

  
Colleen Crum, Secretary

APPROVED BY:

  
Senator Keith Ashworth, Chairman

DATE: 5-19-81

SENATE AGENDA

COMMITTEE MEETINGS

EXHIBIT A

Amended 5-13-81

Committee on TAXATION, Room 213.

Day Thursday, Date May 14, 1981, Time 2:00 p.m.

AMENDED AGENDA

REPORT FROM SUB-COMMITTEE ON OTHER FEES.

S. B. No. 360-- Exempts petroleum-ethol mixture from motor vehicle fuel taxes under certain conditions.

S. B. No. 325--Alters formula for allocating vehicle privilege tax to county school districts.

S. B. No. 328--Alters formula for allocating vehicle privilege tax to school districts and requires use of portion of tax for school construction.

A. B. No. 116--Removes requirement to classify mobile homes for purposes of property tax assessment.

A. B. No. 298--Provides alternate form for declaring value of transferred real property.

A. B. No. 492--Provides for tax on preparation and serving of food for human consumption.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON TAXATION

EXHIBIT B

DATE: May 14, 1981

PLEASE PRINT	PLEASE PRINT	PLEASE PRINT
NAME	ORGANIZATION & ADDRESS	TELEPHONE
John Hawkins	NEV. STATE School Boards	882-2679
CHUCK NEELY	CLARK COUNTY School Dist.	
JENNIFER GARDNER	Dept TAXATION	885-4892
Nancy Brown	Las Vegas	737-2037
Goni Thomas	Las Vegas	645-4510
Thelma Clark	Las Vegas	457-4597
<del>Phie</del> Demas	Mobile Home Owners League	

C

DRAFT

EXHIBIT C

SENATE BILL NO. 328

Amendment No.

Amend Section 1, Page 1, Line 3 by deleting the term "building reserve fund" and inserting "capitol project fund."

Amend Section 1, Page 1, Line 3 by inserting after "the purpose of" the word "remodeling."

Amend Section 1, Page 1, Line 7 by deleting the term "building reserve fund" and inserting "capitol project fund."

Amend Section 1, Page 2, Line 2 by deleting the term "building reserve fund" and inserting "capitol project fund."

Amend Section 2, Page 2, Line 35 by inserting after "except that the tax rate for school districts" the phrase "including the school districts' debt service portion."

Edward A. Greer  
May 11, 1981

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 134

ASSEMBLY BILL NO. 134—COMMITTEE ON TAXATION

FEBRUARY 11, 1981

Referred to Committee on Taxation

SUMMARY—Increases state license fee on gross revenue of gaming and prohibits local increases. (BDR 41-1348)

FISCAL NOTE: Effect on Local Government: No.  
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 gaming; increasing the state license fee on the gross revenue of gaming and on slot machines; prohibiting local increases of those fees; 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. Chapter 463 of NRS is hereby amended by adding  
2 thereto a new section which shall read as follows:

3 *The license fee or tax imposed by a local government for conducting,*  
4 *carrying on or operating any gambling game, slot machine or other*  
5 *game of chance must not exceed:*

6 1. *The amount, if charged per person, establishment, game or*  
7 *machine; or*

8 2. *The rate, if charged according to revenue,*  
9 *which was in effect for that purpose on April 27, 1981. If on that date*  
10 *the local government was collecting a fee or tax which is afterward held*  
11 *to be invalid, the local government may impose a new fee or tax no*  
12 *greater in amount of estimated revenue to be derived than the fee or tax*  
13 *held invalid.*

14 SEC. 2. NRS 463.370 is hereby amended to read as follows:

15 463.370 1. Except as provided in NRS 463.373, before issuing a  
16 state gaming license, the commission shall charge and collect from each  
17 applicant a license fee based upon all the gross revenue of [such] the  
18 applicant as follows:

19 Three percent of all the gross revenue of [such] an applicant  
20 which does not exceed \$150,000 per quarter year; and also

21 Four percent of all the gross revenue of [each] an applicant  
22 which exceeds \$150,000 per quarter year and does not exceed  
23 \$400,000 per quarter year; and also

## Assembly Bill No. 134 (cont'd)

— 2 —

1 Five and ~~one-half~~ *three-fourths* percent of all the gross revenue  
2 of ~~such~~ *an* applicant which exceeds \$400,000 per quarter year.

3 2. Unless the licensee is operating under a license issued for less than  
4 a full calendar quarter, the commission shall charge and collect the fee  
5 prescribed in subsection 1, based upon the gross revenue for the preced-  
6 ing calendar quarter, on or before the last day of the first month of the  
7 calendar quarter for which the license is issued.

8 3. When a licensee is operating under a license issued for less than  
9 a full calendar quarter, the commission shall charge and collect the fee  
10 prescribed in subsection 1, based on the gross revenue received during  
11 that quarter, on or before the last day of the first month of the following  
12 calendar quarter of operation. The payment of the fee due for the first  
13 calendar quarter of operation based on the gross revenue derived from  
14 gambling pursuant to this section ~~shall~~ *must* be accompanied by the  
15 payment of a fee in like amount for the next full calendar quarter. There-  
16 after, each quarterly license fee ~~shall~~ *must* be paid in advance based  
17 on the gross revenue of the preceding quarter. Any deposit held by the  
18 commission on July 1, 1969, ~~shall~~ *must* be treated as ~~such~~ *an*  
19 advance payment.

20 4. All revenue received from any game or gaming device which is  
21 leased for operation on the premises of the licensee-owner to a person  
22 other than the owner thereof, or located in an area or space on such prem-  
23 ises which is leased by the licensee-owner to any such person, ~~shall~~  
24 *must* be attributed to ~~such~~ *the* owner for the purposes of this section  
25 and ~~shall~~ be counted as part of the gross revenue of the owner. The  
26 lessee ~~shall be~~ *is* liable to the owner for his proportionate share of such  
27 license fees.

28 5. If the amount of license fees required to be reported and paid  
29 pursuant to this section is later determined to be greater or less than the  
30 amount actually reported and paid by the licensee, the commission shall:

31 (a) Charge and collect the additional license fees determined to be  
32 due, with interest thereon until paid; or

33 (b) Refund any overpayment, with interest thereon, to the licensee.  
34 Interest ~~shall~~ *must* be computed at the rate of 7 percent per annum  
35 from the first day of the first month following either the due date of the  
36 additional license fees or the date of overpayment until paid.

37 SEC. 3. NRS 463.370 is hereby amended to read as follows:

38 463.370 1. Except as provided in NRS 463.373, before issuing a  
39 state gaming license, the commission shall charge and collect from each  
40 applicant a license fee based upon all the gross revenue of the applicant  
41 as follows:

42 Three percent of all the gross revenue of an applicant which does not  
43 exceed \$150,000 per quarter year; and also

44 Four percent of all the gross revenue of an applicant which exceeds  
45 \$150,000 per quarter year and does not exceed \$400,000 per  
46 quarter year; and also

47 ~~Five and three-fourths~~ *Five and one-half* percent of all the gross  
48 revenue of an applicant which exceeds \$400,000 per quarter  
49 year.

50 2. Unless the licensee is operating under a license issued for less than

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— 3 —

1 a full calendar quarter, the commission shall charge and collect the fee  
2 prescribed in subsection 1, based upon the gross revenue for the preced-  
3 ing calendar quarter, on or before the last day of the first month of the  
4 calendar quarter for which the license is issued.

5 3. When a licensee is operating under a license issued for less than  
6 a full calendar quarter, the commission shall charge and collect the fee  
7 prescribed in subsection 1, based on the gross revenue received during  
8 that quarter, on or before the last day of the first month of the following  
9 calendar quarter of operation. The payment of the fee due for the first  
10 full calendar quarter of operation based on the gross revenue derived  
11 from gambling pursuant to this section must be accompanied by the pay-  
12 ment of a fee in like amount for the next full calendar quarter. Thereafter,  
13 each quarterly license fee must be paid in advance based on the gross  
14 revenue of the preceding quarter. Any deposit held by the commission on  
15 July 1, 1969, must be treated as an advance payment.

16 4. All revenue received from any game or gaming device which is  
17 leased for operation on the premises of the licensee-owner to a person  
18 other than the owner thereof, or located in an area or space on such  
19 premises which is leased by the licensee-owner to any such person, must  
20 be attributed to the owner for the purposes of this section and be counted  
21 as part of the gross revenue of the owner. The lessee is liable to the  
22 owner for his proportionate share of such license fees.

23 5. If the amount of license fees required to be reported and paid  
24 pursuant to this section is later determined to be greater or less than the  
25 amount actually reported and paid by the licensee, the commission shall:

26 (a) Charge and collect the additional license fees determined to be  
27 due, with interest thereon until paid; or

28 (b) Refund any overpayment, with interest thereon, to the licensee.  
29 Interest must be computed at the rate of 7 percent per annum from the  
30 first day of the first month following either the due date of the additional  
31 license fees or the date of overpayment until paid.

32 SEC. 4. NRS 463.373 is hereby amended to read as follows:

33 463.373 1. Before issuing a state gaming license to an applicant for  
34 the operation of not more than 15 slot machines and no other game or  
35 gaming device, the commission shall charge and collect from such appli-  
36 cant a license fee of ~~[\$25]~~ \$35 for each slot machine for each quarter  
37 year.

38 2. The commission shall charge and collect the fee prescribed in sub-  
39 section 1:

40 (a) On or before the last day of the last month in a calendar quarter,  
41 for the ensuing calendar quarter, from a licensee whose operation is  
42 continuing.

43 (b) In advance from a licensee who begins operation or puts addi-  
44 tional slot machines into play during a calendar quarter.

45 3. Except as provided in NRS 463.386, no proration of the fee pre-  
46 scribed in subsection 1 may be allowed for any reason.

47 4. The operator of the location where slot machines are situated  
48 shall pay the fee prescribed in subsection 1 upon the total number of  
49 slot machines situated in such location, whether such machines are owned  
50 by one or more licensee-owners.

Assembly Bill No. 134 (cont'd)

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1     SEC. 5. NRS 463.373 is hereby amended to read as follows:  
2     463.373 1. Before issuing a state gaming license to an applicant for  
3 the operation of not more than 15 slot machines and no other game or  
4 gaming device, the commission shall charge and collect from such appli-  
5 cant a license fee of ~~[\$35]~~ \$25 for each slot machine for each quarter  
6 year.

7     2. The commission shall charge and collect the fee prescribed in sub-  
8 section 1:

9     (a) On or before the last day of the last month in a calendar quarter,  
10 for the ensuing calendar quarter, from a licensee whose operation is  
11 continuing.

12     (b) In advance from a licensee who begins operation or puts addi-  
13 tional slot machines into play during a calendar quarter.

14     3. Except as provided in NRS 463.386, no proration of the fee pre-  
15 scribed in subsection 1 may be allowed for any reason.

16     4. The operator of the location where slot machines are situated  
17 shall pay the fee prescribed in subsection 1 upon the total number of  
18 slot machines situated in such location, whether such machines are owned  
19 by one or more licensee-owners.

20     SEC. 6. NRS 463.375 is hereby amended to read as follows:

21     463.375 1. In addition to any other state gaming license fees pro-  
22 vided for in this chapter, before issuing a state gaming license to an appli-  
23 cant for the operation of 16 or more slot machines or for the operation of  
24 any number of slot machines together with any other game or gaming  
25 device, the commission shall charge and collect from such applicant a  
26 license fee of ~~[\$40]~~ \$80 for each slot machine for each calendar year.

27     2. The commission shall charge and collect the fee prescribed in sub-  
28 section 1, at the rate of ~~[\$10]~~ \$20 for each slot machine for each calen-  
29 dar quarter:

30     (a) On or before the last day of the last month in a calendar quarter,  
31 for the ensuing calendar quarter, from a licensee whose operation is con-  
32 tinuing.

33     (b) In advance from a licensee who begins operation or puts additional  
34 slot machines into play during a calendar quarter.

35     3. Except as provided in NRS 463.386, no proration of the quarterly  
36 amount prescribed in subsection 2 may be allowed for any reason.

37     4. The operator of the location where slot machines are situated shall  
38 pay the fee prescribed in subsection 1 upon the total number of slot  
39 machines situated in such location, whether such machines are owned by  
40 one or more licensee-owners.

41     SEC. 7. NRS 463.375 is hereby amended to read as follows:

42     463.375 1. In addition to any other state gaming license fees pro-  
43 vided for in this chapter, before issuing a state gaming license to an appli-  
44 cant for the operation of 16 or more slot machines or for the operation of  
45 any number of slot machines together with any other game or gaming  
46 device, the commission shall charge and collect from such applicant a  
47 license fee of ~~[\$80]~~ \$40 for each slot machine for each calendar year.

48     2. The commission shall charge and collect the fee prescribed in sub-  
49 section 1, at the rate of ~~[\$20]~~ \$10 for each slot machine for each calen-  
50 dar quarter:



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— 5 —

1 (a) On or before the last day of the last month in a calendar quarter,  
2 for the ensuing calendar quarter, from a licensee whose operation is  
3 continuing.

4 (b) In advance from a licensee who begins operation or puts addi-  
5 tional slot machines into play during a calendar quarter.

6 3. Except as provided in NRS 463.386, no proration of the quarterly  
7 amount prescribed in subsection 2 may be allowed for any reason.

8 4. The operator of the location where slot machines are situated shall  
9 pay the fee prescribed in subsection 1 upon the total number of slot  
10 machines situated in such location, whether such machines are owned by  
11 one or more licensee-owners.

12 SEC. 8. 1. Section 1 of this act shall become effective upon passage  
13 and approval.

14 2. Sections 3, 5 and 7 of this act shall become effective on July 1,  
15 1983.

60