
SENATE BILL NO. 218—SENATOR TITUS

MARCH 21, 2005

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to licensing and taxing of certain persons by local governments. (BDR 20-789)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

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

AN ACT relating to local governmental financial administration; prohibiting a local government from requiring the licensure of, or imposing a license tax upon, certain professionals; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes a local government, such as a county, city or town, to
2 regulate and collect a license fee or tax on businesses, trades, professions and
3 occupations. (NRS 244.335, 266.355, 266.600, 268.095, 269.170)
4 This bill prohibits a local government from requiring a person to obtain a
5 license or pay a license tax on the sole basis that the person is a professional. This
6 bill defines a “professional” as a person who: (1) holds a license, certificate,
7 registration, permit or similar type of authorization issued by a regulatory body as
8 defined in NRS 622.060, or who is regulated pursuant to the Nevada Supreme
9 Court Rules; (2) has obtained a bachelor’s or higher degree in a particular field of
10 study from an accredited institution of higher education as specified by the
11 regulatory body; and (3) practices his profession for any type of compensation as an
12 employee.

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

1 **Section 1.** NRS 244.335 is hereby amended to read as follows:
2 244.335 1. Except as otherwise provided in ~~subsection 2,~~
3 *subsections 2 and 3*, the board of county commissioners may:



1 (a) Except as otherwise provided in NRS 598D.150, regulate all
2 character of lawful trades, callings, industries, occupations,
3 professions and business conducted in its county outside of the
4 limits of incorporated cities and towns.

5 (b) Except as otherwise provided in NRS 244.3359 and 576.128,
6 fix, impose and collect a license tax for revenue or for regulation, or
7 for both revenue and regulation, on such trades, callings, industries,
8 occupations, professions and business.

9 2. The county license boards have the exclusive power in their
10 respective counties to regulate entertainers employed by an
11 entertainment by referral service and the business of conducting a
12 dancing hall, escort service, entertainment by referral service or
13 gambling game or device permitted by law, outside of an
14 incorporated city. The county license boards may fix, impose and
15 collect license taxes for revenue or for regulation, or for both
16 revenue and regulation, on such employment and businesses.

17 3. *The board of county commissioners or county license*
18 *board shall not require a person to obtain a license or pay a*
19 *license tax on the sole basis that the person is a professional.* No
20 license to engage in any type of business may be granted unless the
21 applicant for the license signs an affidavit affirming that the
22 business has complied with the provisions of NRS 360.780. The
23 county license board shall provide upon request an application for a
24 business license pursuant to NRS 360.780. *As used in this*
25 *subsection, "professional" means a person who:*

26 (a) *Holds a license, certificate, registration, permit or similar*
27 *type of authorization issued by a regulatory body as defined in*
28 *NRS 622.060, or who is regulated pursuant to the Nevada*
29 *Supreme Court Rules;*

30 (b) *Has obtained a bachelor's or higher degree in a particular*
31 *field of study from an accredited institution of higher education as*
32 *specified by the regulatory body; and*

33 (c) *Practices his profession for any type of compensation as an*
34 *employee.*

35 4. No license to engage in business as a seller of tangible
36 personal property may be granted unless the applicant for the license
37 presents written evidence that:

38 (a) The Department of Taxation has issued or will issue a permit
39 for this activity, and this evidence clearly identifies the business by
40 name; or

41 (b) Another regulatory agency of the State has issued or will
42 issue a license required for this activity.



1 5. Any license tax levied for the purposes of NRS 244.3358 or
2 244A.597 to 244A.655, inclusive, constitutes a lien upon the real
3 and personal property of the business upon which the tax was levied
4 until the tax is paid. The lien has the same priority as a lien for
5 general taxes. The lien must be enforced in the following manner:

6 (a) By recording in the office of the county recorder, within 6
7 months after the date on which the tax became delinquent or was
8 otherwise determined to be due and owing, a notice of the tax lien
9 containing the following:

- 10 (1) The amount of tax due and the appropriate year;
11 (2) The name of the record owner of the property;
12 (3) A description of the property sufficient for identification;

13 and

14 (4) A verification by the oath of any member of the board of
15 county commissioners or the county fair and recreation board; and

16 (b) By an action for foreclosure against the property in the same
17 manner as an action for foreclosure of any other lien, commenced
18 within 2 years after the date of recording of the notice of the tax
19 lien, and accompanied by appropriate notice to other lienholders.

20 6. The board of county commissioners may delegate the
21 authority to enforce liens from taxes levied for the purposes of NRS
22 244A.597 to 244A.655, inclusive, to the county fair and recreation
23 board. If the authority is so delegated, the board of county
24 commissioners shall revoke or suspend the license of a business
25 upon certification by the county fair and recreation board that the
26 license tax has become delinquent, and shall not reinstate the license
27 until the tax is paid. Except as otherwise provided in NRS 244.3357,
28 all information concerning license taxes levied by an ordinance
29 authorized by this section or other information concerning the
30 business affairs or operation of any licensee obtained as a result of
31 the payment of such license taxes or as the result of any audit or
32 examination of the books by any authorized employee of a county
33 fair and recreation board of the county for any license tax levied for
34 the purpose of NRS 244A.597 to 244A.655, inclusive, is
35 confidential and must not be disclosed by any member, officer or
36 employee of the county fair and recreation board or the county
37 imposing the license tax unless the disclosure is authorized by the
38 affirmative action of a majority of the members of the appropriate
39 county fair and recreation board. Continuing disclosure may be so
40 authorized under an agreement with the Department of Taxation for
41 the exchange of information concerning taxpayers.

42 **Sec. 2.** NRS 266.355 is hereby amended to read as follows:

43 266.355 1. Except as otherwise provided in ~~subsection 3,~~
44 *subsections 3 and 4*, the city council may:



1 (a) Except as otherwise provided in NRS 598D.150, regulate all
2 businesses, trades and professions.

3 (b) Except as otherwise provided in NRS 576.128, fix, impose
4 and collect a license tax for revenue upon all businesses, trades and
5 professions.

6 2. The city council may establish any equitable standard to be
7 used in fixing license taxes required to be collected pursuant to this
8 section.

9 3. The city council may license insurance agents, brokers,
10 analysts, adjusters and managing general agents within the
11 limitations and under the conditions prescribed in NRS 680B.020.

12 ***4. The city council shall not require a person to obtain a***
13 ***license or pay a license tax on the sole basis that the person is***
14 ***a professional. As used in this subsection, "professional" means a***
15 ***person who:***

16 (a) ***Holds a license, certificate, registration, permit or similar***
17 ***type of authorization issued by a regulatory body as defined in***
18 ***NRS 622.060, or who is regulated pursuant to the Nevada***
19 ***Supreme Court Rules;***

20 (b) ***Has obtained a bachelor's or higher degree in a particular***
21 ***field of study from an accredited institution of higher education as***
22 ***specified by the regulatory body; and***

23 (c) ***Practices his profession for any type of compensation as an***
24 ***employee.***

25 **Sec. 3.** NRS 266.600 is hereby amended to read as follows:

26 266.600 The city council may:

27 1. Control the finances of the corporation.

28 2. Appropriate money for corporate purposes only, and provide
29 for payment of debts and expenses of the corporation.

30 3. Levy and collect taxes within the city for general and special
31 purposes on real and personal property, as provided by law.

32 4. Borrow money on the credit of the city for corporate
33 purposes, in the manner and to the extent allowed by the
34 constitution and the laws, and issue general obligations therefor, but
35 no city may issue or have outstanding at any time bonds in an
36 amount in excess of 30 percent of the total assessed valuation of the
37 taxable property within such city as shown by the last preceding tax
38 list or assessment roll, nor warrants, certificates, scrip or other
39 evidences of indebtedness, excepting the bonded indebtedness, in
40 excess of 20 percent of the assessed valuation. This subsection does
41 not restrict the power of cities as to taxation, assessment, borrowing
42 money, contracting debts or loaning their credit for procuring
43 supplies of water.



1 5. Secure additionally the payment of any general obligation
2 securities by a pledge of any revenues, other than tax proceeds,
3 legally available therefor.

4 6. Divide the city into districts for the purpose of local
5 taxation, or create districts for that purpose, as occasion may
6 require.

7 7. Except as otherwise provided in NRS 576.128 ~~§~~ and
8 *subsection 4 of NRS 266.355*, raise revenue by levying and
9 collecting a license fee or tax on any private corporation or business
10 within the limits of the city, and regulate it by ordinance. All such
11 license fees and taxes must be uniform with respect to the class
12 upon which they are imposed.

13 8. Fix the amount of licenses and the terms and manner of their
14 issuance.

15 **Sec. 4.** NRS 268.095 is hereby amended to read as follows:

16 268.095 1. ~~The~~ *Except as otherwise provided in subsection*
17 *3, the* city council or other governing body of each incorporated city
18 in this State, whether organized under general law or special charter,
19 may:

20 (a) Except as otherwise provided in NRS 268.0968 and 576.128,
21 fix, impose and collect for revenues or for regulation, or both, a
22 license tax on all character of lawful trades, callings, industries,
23 occupations, professions and businesses conducted within its
24 corporate limits.

25 (b) Assign the proceeds of any one or more of such license taxes
26 to the county within which the city is situated for the purpose or
27 purposes of making the proceeds available to the county:

28 (1) As a pledge as additional security for the payment of any
29 general obligation bonds issued pursuant to NRS 244A.597 to
30 244A.655, inclusive;

31 (2) For redeeming any general obligation bonds issued
32 pursuant to NRS 244A.597 to 244A.655, inclusive;

33 (3) For defraying the costs of collecting or otherwise
34 administering any such license tax so assigned, of the county fair
35 and recreation board and of officers, agents and employees hired
36 thereby, and of incidentals incurred thereby;

37 (4) For operating and maintaining recreational facilities
38 under the jurisdiction of the county fair and recreation board;

39 (5) For improving, extending and bettering recreational
40 facilities authorized by NRS 244A.597 to 244A.655, inclusive; and

41 (6) For constructing, purchasing or otherwise acquiring such
42 recreational facilities.

43 (c) Pledge the proceeds of any tax imposed on the revenues from
44 the rental of transient lodging pursuant to this section for the



1 payment of any general or special obligations issued by the city for
2 a purpose authorized by the laws of this State.

3 (d) Use the proceeds of any tax imposed pursuant to this section
4 on the revenues from the rental of transient lodging:

5 (1) To pay the principal, interest or any other indebtedness
6 on any general or special obligations issued by the city pursuant to
7 the laws of this State;

8 (2) For the expense of operating or maintaining, or both, any
9 facilities of the city; and

10 (3) For any other purpose for which other money of the city
11 may be used.

12 2. The proceeds of any tax imposed pursuant to this section
13 that are pledged for the repayment of general obligations may be
14 treated as "pledged revenues" for the purposes of NRS 350.020.

15 3. *The city council or other governing body of an*
16 *incorporated city shall not require a person to obtain a license or*
17 *pay a license tax on the sole basis that the person is a professional.*

18 No license to engage in any type of business may be granted unless
19 the applicant for the license signs an affidavit affirming that the
20 business has complied with the provisions of NRS 360.780. The city
21 licensing agency shall provide upon request an application for a
22 business license pursuant to NRS 360.780. *As used in this*
23 *subsection, "professional" means a person who:*

24 (a) *Holds a license, certificate, registration, permit or similar*
25 *type of authorization issued by a regulatory body as defined in*
26 *NRS 622.060, or who is regulated pursuant to the Nevada*
27 *Supreme Court Rules;*

28 (b) *Has obtained a bachelor's or higher degree in a particular*
29 *field of study from an accredited institution of higher education as*
30 *specified by the regulatory body; and*

31 (c) *Practices his profession for any type of compensation as an*
32 *employee.*

33 4. No license to engage in business as a seller of tangible
34 personal property may be granted unless the applicant for the license
35 presents written evidence that:

36 (a) The Department of Taxation has issued or will issue a permit
37 for this activity, and this evidence clearly identifies the business by
38 name; or

39 (b) Another regulatory agency of the State has issued or will
40 issue a license required for this activity.

41 5. Any license tax levied under the provisions of this section
42 constitutes a lien upon the real and personal property of the business
43 upon which the tax was levied until the tax is paid. The lien has the
44 same priority as a lien for general taxes. The lien must be enforced
45 in the following manner:



1 (a) By recording in the office of the county recorder, within 6
2 months following the date on which the tax became delinquent or
3 was otherwise determined to be due and owing, a notice of the tax
4 lien containing the following:

- 5 (1) The amount of tax due and the appropriate year;
- 6 (2) The name of the record owner of the property;
- 7 (3) A description of the property sufficient for identification;

8 and

9 (4) A verification by the oath of any member of the board of
10 county commissioners or the county fair and recreation board; and

11 (b) By an action for foreclosure against such property in the
12 same manner as an action for foreclosure of any other lien,
13 commenced within 2 years after the date of recording of the notice
14 of the tax lien, and accompanied by appropriate notice to other
15 lienholders.

16 6. The city council or other governing body of each
17 incorporated city may delegate the power and authority to enforce
18 such liens to the county fair and recreation board. If the authority is
19 so delegated, the governing body shall revoke or suspend the license
20 of a business upon certification by the board that the license tax has
21 become delinquent, and shall not reinstate the license until the tax is
22 paid. Except as otherwise provided in NRS 268.0966, all
23 information concerning license taxes levied by an ordinance
24 authorized by this section or other information concerning the
25 business affairs or operation of any licensee obtained as a result of
26 the payment of those license taxes or as the result of any audit or
27 examination of the books of the city by any authorized employee of
28 a county fair and recreation board for any license tax levied for the
29 purpose of NRS 244A.597 to 244A.655, inclusive, is confidential
30 and must not be disclosed by any member, official or employee of
31 the county fair and recreation board or the city imposing the license
32 tax unless the disclosure is authorized by the affirmative action of a
33 majority of the members of the appropriate county fair and
34 recreation board. Continuing disclosure may be so authorized under
35 an agreement with the Department of Taxation for the exchange of
36 information concerning taxpayers.

37 7. The powers conferred by this section are in addition and
38 supplemental to, and not in substitution for, and the limitations
39 imposed by this section do not affect the powers conferred by, any
40 other law. No part of this section repeals or affects any other law or
41 any part thereof, it being intended that this section provide a
42 separate method of accomplishing its objectives, and not an
43 exclusive one.



1 **Sec. 5.** NRS 269.170 is hereby amended to read as follows:
2 269.170 1. Except as otherwise provided in *subsection 5 and*
3 NRS 576.128 and 598D.150, the town board or board of county
4 commissioners may , in any unincorporated town:

5 (a) Fix and collect a license tax on, and regulate, having due
6 regard to the amount of business done by each person so licensed,
7 and all places of business and amusement so licensed, as follows:

8 (1) Artisans, artists, assayers, auctioneers, bakers, banks and
9 bankers, barbers, boilermakers, cellars and places where soft drinks
10 are kept or sold, clothes cleaners, foundries, laundries, lumberyards,
11 manufacturers of soap, soda, borax or glue, markets, newspaper
12 publishers, pawnbrokers, funeral directors and wood and coal
13 dealers.

14 (2) Bootmakers, cobblers, dressmakers, milliners,
15 shoemakers and tailors.

16 (3) Boardinghouses, hotels, lodginghouses, restaurants and
17 refreshment saloons.

18 (4) Barrooms, gaming, manufacturers of liquors and other
19 beverages, and saloons.

20 (5) Billiard tables, bowling alleys, caravans, circuses,
21 concerts and other exhibitions, dance houses, melodeons,
22 menageries, shooting galleries, skating rinks and theaters.

23 (6) Corrals, hay yards, livery and sale stables and wagon
24 yards.

25 (7) Electric light companies, illuminating gas companies,
26 power companies, telegraph companies, telephone companies and
27 water companies.

28 (8) Carts, drays, express companies, freight companies, job
29 wagons, omnibuses and stages.

30 (9) Brokers, commission merchants, factors, general agents,
31 mercantile agents, merchants, traders and stockbrokers.

32 (10) Drummers, hawkers, peddlers and solicitors.

33 (11) Insurance agents, brokers, analysts, adjusters and
34 managing general agents within the limitations and under the
35 conditions prescribed in NRS 680B.020.

36 (b) Fix and collect a license tax upon all professions, trades or
37 business within the town not specified in paragraph (a).

38 2. No license to engage in business as a seller of tangible
39 personal property may be granted unless the applicant for the license
40 presents written evidence that:

41 (a) The Department of Taxation has issued or will issue a permit
42 for this activity, and this evidence clearly identifies the business by
43 name; or

44 (b) Another regulatory agency of the State has issued or will
45 issue a license required for this activity.



1 3. Any license tax levied for the purposes of NRS 244A.597 to
2 244A.655, inclusive, constitutes a lien upon the real and personal
3 property of the business upon which the tax was levied until the tax
4 is paid. The lien must be enforced in the same manner as liens for ad
5 valorem taxes on real and personal property. The town board or
6 other governing body of the unincorporated town may delegate the
7 power to enforce such liens to the county fair and recreation board.

8 4. The governing body or the county fair and recreation board
9 may agree with the Department of Taxation for the continuing
10 exchange of information concerning taxpayers.

11 5. *The town board or board of county commissioners shall*
12 *not require a person to obtain a license or pay a license tax on the*
13 *sole basis that the person is a professional. As used in this*
14 *subsection, "professional" means a person who:*

15 (a) *Holds a license, certificate, registration, permit or similar*
16 *type of authorization issued by a regulatory body as defined in*
17 *NRS 622.060, or who is regulated pursuant to the Nevada*
18 *Supreme Court Rules;*

19 (b) *Has obtained a bachelor's or higher degree in a particular*
20 *field of study from an accredited institution of higher education as*
21 *specified by the regulatory body; and*

22 (c) *Practices his profession for any type of compensation as an*
23 *employee.*

24 **Sec. 6.** This act becomes effective on July 1, 2005.



