

SENATE BILL NO. 218—SENATOR TITUS

MARCH 21, 2005

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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.

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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) Existing law also  
4 provides for the regulation and licensing of various professions and occupations in  
5 this State. (Title 54 of NRS; Nevada Supreme Court Rules)  
6 This bill prohibits a local government from requiring a person to obtain a  
7 license or pay a license tax on the sole basis that the person is a professional. This  
8 bill defines a “professional” as a person who: (1) holds a license, certificate,  
9 registration, permit or similar type of authorization issued by any of the bodies that  
10 regulate certain professions and occupations; and (2) practices his profession for  
11 any type of compensation as an employee.

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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; and*

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

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

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

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

40 5. Any license tax levied for the purposes of NRS 244.3358 or  
41 244A.597 to 244A.655, inclusive, constitutes a lien upon the real  
42 and personal property of the business upon which the tax was levied  
43 until the tax is paid. The lien has the same priority as a lien for  
44 general taxes. The lien must be enforced in the following manner:



1 (a) By recording in the office of the county recorder, within 6  
2 months after the date on which the tax became delinquent or was  
3 otherwise determined to be due and owing, a notice of the tax lien  
4 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 the property in the same  
12 manner as an action for foreclosure of any other lien, commenced  
13 within 2 years after the date of recording of the notice of the tax  
14 lien, and accompanied by appropriate notice to other lienholders.

15 6. The board of county commissioners may delegate the  
16 authority to enforce liens from taxes levied for the purposes of NRS  
17 244A.597 to 244A.655, inclusive, to the county fair and recreation  
18 board. If the authority is so delegated, the board of county  
19 commissioners shall revoke or suspend the license of a business  
20 upon certification by the county fair and recreation board that the  
21 license tax has become delinquent, and shall not reinstate the license  
22 until the tax is paid. Except as otherwise provided in NRS 244.3357,  
23 all 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 such license taxes or as the result of any audit or  
27 examination of the books by any authorized employee of a county  
28 fair and recreation board of the county for any license tax levied for  
29 the purpose of NRS 244A.597 to 244A.655, inclusive, is  
30 confidential and must not be disclosed by any member, officer or  
31 employee of the county fair and recreation board or the county  
32 imposing the license tax unless the disclosure is authorized by the  
33 affirmative action of a majority of the members of the appropriate  
34 county fair and recreation board. Continuing disclosure may be so  
35 authorized under an agreement with the Department of Taxation for  
36 the exchange of information concerning taxpayers.

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

38 266.355 1. Except as otherwise provided in ~~subsection 3,~~  
39 *subsections 3 and 4*, the city council may:

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

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



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

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

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

11 ***(a) Holds a license, certificate, registration, permit or similar***  
12 ***type of authorization issued by a regulatory body as defined in***  
13 ***NRS 622.060, or who is regulated pursuant to the Nevada***  
14 ***Supreme Court Rules; and***

15 ***(b) Practices his profession for any type of compensation as an***  
16 ***employee.***

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

18 266.600 The city council may:

19 1. Control the finances of the corporation.

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

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

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

36 5. Secure additionally the payment of any general obligation  
37 securities by a pledge of any revenues, other than tax proceeds,  
38 legally available therefor.

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

42 7. Except as otherwise provided in NRS 576.128 ***and***  
43 ***subsection 4 of NRS 266.355,*** raise revenue by levying and  
44 collecting a license fee or tax on any private corporation or business



1 within the limits of the city, and regulate it by ordinance. All such  
2 license fees and taxes must be uniform with respect to the class  
3 upon which they are imposed.

4 8. Fix the amount of licenses and the terms and manner of their  
5 issuance.

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

7 268.095 1. ~~[The]~~ *Except as otherwise provided in subsection*  
8 *3, the* city council or other governing body of each incorporated city  
9 in this State, whether organized under general law or special charter,  
10 may:

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

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

19 (1) As a pledge as additional security for the payment of any  
20 general obligation bonds issued pursuant to NRS 244A.597 to  
21 244A.655, inclusive;

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

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

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

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

32 (6) For constructing, purchasing or otherwise acquiring such  
33 recreational facilities.

34 (c) Pledge the proceeds of any tax imposed on the revenues from  
35 the rental of transient lodging pursuant to this section for the  
36 payment of any general or special obligations issued by the city for  
37 a purpose authorized by the laws of this State.

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

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

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



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

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

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

9 No license to engage in any type of business may be granted unless  
10 the applicant for the license signs an affidavit affirming that the  
11 business has complied with the provisions of NRS 360.780. The city  
12 licensing agency shall provide upon request an application for a  
13 business license pursuant to NRS 360.780. *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; and*

19 (b) *Practices his profession for any type of compensation as an*  
20 *employee.*

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

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

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

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

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

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

41 and

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



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

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

27 7. The powers conferred by this section are in addition and  
28 supplemental to, and not in substitution for, and the limitations  
29 imposed by this section do not affect the powers conferred by, any  
30 other law. No part of this section repeals or affects any other law or  
31 any part thereof, it being intended that this section provide a  
32 separate method of accomplishing its objectives, and not an  
33 exclusive one.

34 **Sec. 5.** NRS 269.170 is hereby amended to read as follows:

35 269.170 1. Except as otherwise provided in *subsection 5 and*  
36 NRS 576.128 and 598D.150, the town board or board of county  
37 commissioners may, in any unincorporated town:

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

41 (1) Artisans, artists, assayers, auctioneers, bakers, banks and  
42 bankers, barbers, boilermakers, cellars and places where soft drinks  
43 are kept or sold, clothes cleaners, foundries, laundries, lumberyards,  
44 manufacturers of soap, soda, borax or glue, markets, newspaper



1 publishers, pawnbrokers, funeral directors and wood and coal  
2 dealers.

3 (2) Bootmakers, cobblers, dressmakers, milliners,  
4 shoemakers and tailors.

5 (3) Boardinghouses, hotels, lodgingshouses, restaurants and  
6 refreshment saloons.

7 (4) Barrooms, gaming, manufacturers of liquors and other  
8 beverages, and saloons.

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

12 (6) Corrals, hay yards, livery and sale stables and wagon  
13 yards.

14 (7) Electric light companies, illuminating gas companies,  
15 power companies, telegraph companies, telephone companies and  
16 water companies.

17 (8) Carts, drays, express companies, freight companies, job  
18 wagons, omnibuses and stages.

19 (9) Brokers, commission merchants, factors, general agents,  
20 mercantile agents, merchants, traders and stockbrokers.

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

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

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

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

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

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

35 3. Any license tax levied for the purposes of NRS 244A.597 to  
36 244A.655, inclusive, constitutes a lien upon the real and personal  
37 property of the business upon which the tax was levied until the tax  
38 is paid. The lien must be enforced in the same manner as liens for ad  
39 valorem taxes on real and personal property. The town board or  
40 other governing body of the unincorporated town may delegate the  
41 power to enforce such liens to the county fair and recreation board.

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





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

5       **(a) Holds a license, certificate, registration, permit or similar**  
6 **type of authorization issued by a regulatory body as defined in**  
7 **NRS 622.060, or who is regulated pursuant to the Nevada**  
8 **Supreme Court Rules; and**

9       **(b) Practices his profession for any type of compensation as an**  
10 **employee.**

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







