

REQUIRES TWO-THIRDS MAJORITY VOTE

(§§ 8, 9, 18, 19, 42)

A.B. 464

ASSEMBLY BILL NO. 464—COMMITTEE ON TAXATION

MARCH 23, 2015

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to state financial administration. (BDR 32-851)

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

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

1 **Section 1.** Title 32 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 61, inclusive, of this act.

4 **Sec. 2.** As used in this chapter, unless the context otherwise
5 requires, the words and terms defined in sections 2 to 13,
6 inclusive, of this act have the meanings ascribed to them in those
7 sections.

8 **Sec. 3.** “Business” means any activity engaged in or caused
9 to be engaged in with the object of gain, benefit or advantage,
10 either direct or indirect, to any person or governmental entity.

11 **Sec. 4.** 1. Except as otherwise provided in subsection 2,
12 “business entity” means a corporation, partnership,
13 proprietorship, limited-liability company, business association,
14 joint venture, limited-liability partnership, business trust,
15 professional association, joint stock company, holding company
16 and any other person engaged in a business, and includes a
17 combined group.

18 2. “Business entity” does not include:

19 (a) Any person or other entity which this State is prohibited
20 from taxing pursuant to the Constitution or laws of the United
21 States or the Nevada Constitution.



1 (b) A natural person, unless that person is engaging in a
2 business and is required to file with the Internal Revenue Service
3 a Schedule C (Form 1040), Profit or Loss from Business, or its
4 equivalent or successor form, a Schedule E (Form 1040),
5 Supplemental Income and Loss, or its equivalent or successor
6 form, or a Schedule F (Form 1040), Profit or Loss from Farming,
7 or its equivalent or successor form, for that business.

8 (c) A governmental entity.

9 (d) A nonprofit religious, charitable, fraternal or other
10 organization that qualifies as a tax-exempt organization pursuant
11 to 26 U.S.C. § 501(c).

12 (e) A business entity organized pursuant to chapter 82 or 84 of
13 NRS.

14 (f) A credit union organized under the provisions of chapter
15 678 of NRS or the Federal Credit Union Act.

16 (g) A grantor trust as defined by section 671 and
17 7701(a)(30)(E) of the Internal Revenue Code, 26 U.S.C. §§ 671
18 and 7701(a)(30)(E), all of the grantors and beneficiaries of which
19 are natural persons or charitable entities as described in section
20 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3),
21 excluding a trust taxable as a business entity pursuant to 26
22 C.F.R. § 301.7701-4(b).

23 (h) An estate of a natural person as defined by section
24 7701(a)(30)(D) of the Internal Revenue Code, 26 U.S.C. §
25 7701(a)(30)(D), excluding an estate taxable as a business entity
26 pursuant to 26 C.F.R. § 301.7701-4b.

27 (i) A real estate investment trust, as defined by section 856 of
28 the Internal Revenue Code, 26 U.S.C. § 856, and its qualified real
29 estate investment trust subsidiaries, as defined by section 856(i)(2)
30 of the Internal Revenue Code, 26 U.S.C. § 856(i)(2), except that:

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1 (1) A real estate investment trust with any amount of its
2 assets in direct holdings of real estate, other than real estate it
3 occupies for business purposes, as opposed to holding interests in
4 limited partnerships or other entities that directly hold the real
5 estate, is a business entity pursuant to this section; and

6 (2) A limited partnership or other entity that directly holds
7 the real estate as described in subparagraph (1) is a business entity
8 pursuant to this section, without regard to whether a real estate
9 investment trust holds an interest in it.

10 (j) A real estate mortgage investment conduit, as defined by
11 section 860D of the Internal Revenue Code, 26 U.S.C. § 860D.

12 (k) A trust qualified under section 401(a) of the Internal
13 Revenue Code, 26 U.S.C. § 401(a).

14 (l) A passive entity.

15 (m) A person whose activities within this State are confined to
16 the owning, maintenance and management of the person's
17 intangible investments or of the intangible investments of persons
18 or statutory trusts or business trusts registered as investment
19 companies under the Investment Company Act of 1940, 15 U.S.C.
20 §§ 80a-1 et seq., as amended, and the collection and distribution of
21 the income from such investments or from tangible property
22 physically located outside this State. For the purposes of this
23 paragraph, "intangible investments" includes, without limitation,
24 investments in stocks, bonds, notes and other debt obligations,
25 including, without limitation, debt obligations of affiliated
26 corporations, real estate investment trusts, patents, patent
27 applications, trademarks, trade names and similar types of
28 intangible assets or an entity that is registered as an investment
29 company under the Investment Company Act of 1940, 15 U.S.C.
30 §§ 80a-1 et seq.



1 Sec. 5. "Commerce tax" means the tax required to be paid
2 pursuant to this chapter.

3 Sec. 6. "Engaging in a business" means commencing,
4 conducting or continuing a business, the exercise of corporate or
5 franchise powers regarding a business, and the liquidation of a
6 business which is or was engaging in a business when the
7 liquidator holds itself out to the public as conducting that
8 business.

9 Sec. 7. "Governmental entity" means:

10 1. The United States and any of its unincorporated agencies
11 and instrumentalities.

12 2. Any incorporated agency or instrumentality of the United
13 States wholly owned by the United States or by a corporation
14 wholly owned by the United States.

15 3. The State of Nevada and any of its unincorporated
16 agencies and instrumentalities.

17 4. Any county, city, district or other political subdivision of
18 this State.

19 Sec. 8. 1. Except as otherwise provided in subsection 3,
20 "gross revenue" means the total amount realized by a business
21 entity from engaging in a business in this State, without deduction
22 for the cost of goods sold or other expenses incurred, that
23 contributes to the production of gross income, including, without
24 limitation, the fair market value of any property and any services
25 received, and any debt transferred or forgiven as consideration.

26 2. Except as otherwise provided in subsection 3, the term
27 includes, without limitation:

28 (a) Amounts realized from the sale, exchange or other
29 disposition of a business entity's property;

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1 (b) Amounts realized from the performance of services by a
2 business entity;

3 (c) Amounts realized from another person's possession of the
4 property or capital of a business entity; and

5 (d) Any combination of these amounts.

6 3. The term does not include:

7 (a) Amounts realized from the sale, exchange, disposition or
8 other grant of the right to use trademarks, trade names, patents,
9 copyrights and similar intellectual property;

10 (b) The value of cash discounts allowed by the business entity
11 and taken by a customer; and

12 (c) The value of goods or services provided to a customer on a
13 complimentary basis.

14 Sec. 9. "Nevada gross revenue" means the gross revenue of a
15 business entity from engaging in a business in this State, as
16 adjusted pursuant to section 21 of this act and sitused to this State
17 pursuant to section 22 of this act.

18 Sec. 10. "North American Industry Classification System" or
19 "NAICS" means the 2012 North American Industry Classification
20 System published by the Bureau of the Census of the United States
21 Department of Commerce.

22 Sec. 11. 1. "Pass-through revenue" means:

23 (a) Revenue received by a business entity that is required by
24 law or fiduciary duty to be distributed to another person or
25 governmental entity;

26 (b) Taxes collected from a third party by a business entity and
27 remitted by the business entity to a taxing authority;



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1 (c) Reimbursement for advances made by a business entity on
2 behalf of a customer or client, other than with respect to services
3 rendered or with respect to purchases of goods by the business
4 entity in carrying out the business in which it engages;

5 (d) Revenue received by a business entity that is mandated by
6 contract or subcontract to be distributed to another person or
7 entity if the revenue constitutes:

8 (1) Sales commissions that are paid to a person who is not
9 an employee of the business entity, including, without limitation, a
10 split-fee real estate commission;

11 (2) The tax basis of securities underwritten by the business
12 entity, as determined for the purposes of federal income taxation;
13 or

14 (3) Subcontracting payments under a contract or
15 subcontract entered into by a business entity to provide services,
16 labor or materials in connection with the actual or proposed
17 design, construction, remodeling, remediation or repair of
18 improvements on real property or the location of the boundaries of
19 real property;

20 (e) Revenue received by a business entity that provides legal
21 services if the revenue received by the business entity is:

22 (1) Mandated by law, fiduciary duty or contract to be
23 distributed to a claimant by the claimant's attorney or to another
24 person or entity on behalf of a claimant by the claimant's attorney,
25 including, without limitation, revenue received:

26 (I) For damages due to a client represented by the
27 business entity;

28 (II) That are subject to a lien or other contractual
29 obligation arising out of the representation provided by the

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1 business entity, other than fees owed to the business entity for the
2 provision of legal services;

3 (III) That are subject to a subrogation interest or other
4 third-party contractual claim; and

5 (IV) That are required to be paid to another attorney
6 who provided legal services in a matter and who is not a member,
7 partner, shareholder or employee of the business entity; and

8 (2) Reimbursement of the expenses incurred by the
9 business entity in providing legal services to a claimant that are
10 specific to the claimant's matter and that are not general
11 operating expenses of the business entity; or

12 (f) Revenue received by a business entity that is part of an
13 affiliated group from another member of the affiliated group.

14 2. As used in this section:

15 (a) "Affiliated group" means a group of two or more business
16 entities, each of which is controlled by one or more common
17 owners or by one or more members of the group.

18 (b) "Controlled by" means the direct or indirect ownership,
19 control or possession of 50 percent or more of a business entity.

20 (c) "Sales commission" means:

21 (1) Any form of compensation paid to a person for
22 engaging in an act for which a license is required pursuant to
23 chapter 645 of NRS; or

24 (2) Compensation paid to a sales representative by a
25 principal in an amount that is based on the amount or level of
26 orders for or sales on behalf of the principal and that the principal
27 is required to report on Internal Revenue Service Form 1099-
28 MISC, Miscellaneous Income.

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1 Sec. 12. "Taxable year" means the 12-month period
2 beginning on July 1 and ending on June 30 of the following year.

3 Sec. 13. "Wages" means any remuneration paid for personal
4 services, including, without limitation, commissions and bonuses,
5 and remuneration payable in any medium other than cash.

6 Sec. 14. 1. For the purposes of this chapter, a business is a
7 "passive entity" only if:

8 (a) The business is a general partnership, limited-liability
9 partnership or limited partnership or a trust, other than a business
10 trust;

11 (b) During the period for which the gross revenue of the
12 business entity is reported pursuant to section 20 of this act, at
13 least 90 percent of the business entity's federal gross income
14 consists of the following income:

15 (1) Dividends, interest, foreign currency exchange gains,
16 periodic and nonperiodic payments with respect to notional
17 principal contracts, option premiums, cash settlements or
18 termination payments with respect to a financial instrument, and
19 income from a limited-liability company;

20 (2) Capital gains from the sale of real property, gains from
21 the sale of commodities traded on a commodities exchange and
22 gains from the sale of securities; and

23 (3) Royalties, bonuses or delay rental income from mineral
24 properties and income from other nonoperating mineral interests;
25 and

26 (c) The business entity does not receive more than 10 percent
27 of its federal gross income from conducting an active trade or
28 business.

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1 2. As used in paragraph (b) of subsection 1, the term
2 “income” does not include any:

3 (a) Rent; or

4 (b) Income received by a nonoperator from mineral properties
5 under a joint operating agreement if the nonoperator is a member
6 of an affiliated group and another member of that group is the
7 operator under that joint operating agreement.

8 3. For the purposes of paragraph (c) of subsection 1:

9 (a) Except as otherwise provided in this subsection, a business
10 entity is “conducting an active trade or business” if:

11 (1) The activities being carried on by the business entity
12 include one or more active operations that form a part of the
13 process of earning income or profit, and the business entity
14 performs active management and operating functions; or

15 (2) Any assets, including, without limitation, royalties,
16 patents, trademarks and other intangible assets, held by the
17 business entity are used in the active trade or business of one or
18 more related business entities.

19 (b) The ownership of a royalty interest or a nonoperating
20 working interest in mineral rights does not constitute the conduct
21 of an active trade or business.

22 (c) The payment of compensation to employees or independent
23 contractors for financial or legal services reasonably necessary for
24 the operation of a business does not constitute the conduct of an
25 active trade or business.

26 (d) Holding a seat on the board of directors of a business entity
27 does not by itself constitute the conduct of an active trade or
28 business.

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1 (e) Activities performed by a business entity include activities
2 performed by persons outside the business entity, including
3 independent contractors, to the extent that those persons perform
4 services on behalf of the business entity and those services
5 constitute all or any part of the business entity's trade or business.

6 Sec. 15. For the purposes of this chapter, if a business entity
7 engaging in a business in this State is engaged in business in more
8 than one business category set forth in sections 24 to 49, inclusive,
9 of this act, the business entity shall be deemed to be primarily
10 engaged in the business category in which the highest percentage
11 of its Nevada gross revenue is generated.

12 Sec. 16. The Department shall:

13 1. Administer and enforce the provisions of this chapter, and
14 may adopt such regulations as it deems appropriate for that
15 purpose.

16 2. Deposit all fees, interest and penalties it receives pursuant
17 to this chapter in the State Treasury for credit to the State General
18 Fund.

19 Sec. 17. 1. Each person responsible for maintaining the
20 records of a business entity shall:

21 (a) Keep such records as may be necessary to determine the
22 amount of the liability of the business entity pursuant to the
23 provisions of this chapter;

24 (b) Preserve those records for 4 years or until any litigation or
25 prosecution pursuant to this chapter is finally determined,
26 whichever is longer; and

27 (c) Make the records available for inspection by the
28 Department upon demand at reasonable times during regular
29 business hours.

30 2. The Department may by regulation specify the types of
31 records which must be kept to determine the amount of the
32 liability of a business entity pursuant to the provisions of this

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1 chapter. The regulations adopted by the Department pursuant to
2 this subsection must specify:

3 (a) The type of information that a business entity engaging in
4 a business in this State must keep in the normal course of its
5 financial recordkeeping for the purpose of determining the
6 amount of the commerce tax owed by the business entity; and

7 (b) The records that must be kept by a business entity that
8 pursuant to section 50 of this act elects an accounting method for
9 the reporting of its Nevada gross revenue and determining the
10 amount of the commerce tax owed by the business entity that is
11 different from the accounting method used by the business entity
12 in the normal course of its financial recordkeeping.

13 Sec. 18. 1. To verify the accuracy of any return filed or, if
14 no return is filed by a business entity, to determine the amount of
15 the commerce tax required to be paid pursuant to this chapter, the
16 Department, or any person authorized in writing by the
17 Department, may examine the books, papers and records of any
18 person who may be liable for the commerce tax.

19 2. Any person who may be liable for the commerce tax and
20 who keeps outside of this State any books, papers or records
21 relating thereto shall pay to the Department an amount equal to
22 the allowance provided for state officers and employees generally
23 while traveling outside of the State for each day or fraction thereof
24 during which an employee of the Department is engaged in
25 examining those documents, plus any other actual expenses
26 incurred by the employee while he or she is absent from his or her
27 regular place of employment to examine those documents.

28 Sec. 19. The Executive Director may request from any other
29 governmental agency or officer such information as the Executive
30 Director deems necessary to carry out the provisions of this
31 chapter. If the Executive Director obtains any confidential
32 information pursuant to such a request, he or she shall maintain
33 the confidentiality of that information in the same manner and to



1 the same extent as provided by law for the agency or officer from
2 whom the information was obtained.

3 Sec. 20. 1. For the privilege of engaging in a business in
4 this State, a commerce tax is hereby imposed upon each business
5 entity whose Nevada gross revenue in a taxable year exceeds
6 \$3,500,000 in an amount determined pursuant to sections 23 to 49,
7 inclusive, of this act. The commerce tax is due and payable as
8 provided in this section.

9 2. Each business entity engaging in a business in this State
10 during a taxable year shall, on or before the 45th day immediately
11 following the end of that taxable year, file with the Department a
12 report on a form prescribed by the Department. The report
13 required by this subsection must include such information as is
14 required by the Department. A business entity shall remit with the
15 return the amount of commerce tax due pursuant to subsection 1.

16 3. For the purposes of determining the amount of the
17 commerce tax due pursuant to this chapter, the initial report filed
18 by a business entity with the Department pursuant to subsection 2
19 must designate the business category in which the business entity
20 is primarily engaged. A business entity may not change the
21 business category designated for that business entity unless the
22 person applies to the Department to change such designation and
23 the Department determines that the business is no longer
24 primarily engaged in the designated business category.

25 4. Upon written application made before the date on which
26 payment of the commerce tax due pursuant to this chapter must be
27 made, the Department may for good cause extend by not more
28 than 30 days the time within which a business entity is required to
29 pay the commerce tax. If the commerce tax is paid during the
30 period of extension, no penalty or late charge may be imposed for
31 failure to pay the commerce tax at the time required, but the
32 business entity shall pay interest at the rate of 0.75 percent per
33 month from the date on which the amount would have been due

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1 without the extension until the date of payment, unless otherwise
2 provided in NRS 360.232 or 360.320.

3 Sec. 21. 1. In computing the commerce tax owed by a
4 business entity pursuant to this chapter, the business entity is
5 entitled to deduct from its gross revenue the following amounts, to
6 the extent such amounts are included in gross revenue of the
7 business entity:

8 (a) Any gross revenue which this State is prohibited from
9 taxing pursuant to the Constitution or laws of the United States or
10 the Nevada Constitution.

11 (b) Any gross revenue of the business entity attributable to
12 dividends and interest upon any bonds or securities of the Federal
13 Government, the State of Nevada or a political subdivision of this
14 State.

15 (c) If a business entity is required to pay a license fee pursuant
16 to NRS 463.370, the amount of its gross receipts used to determine
17 the amount of that fee.

18 (d) If the business entity is required to pay a tax on the net
19 proceeds from mineral extraction and royalties subject to the
20 excise tax pursuant to the provisions of NRS 362.100 to 362.240,
21 inclusive, the amount of the gross proceeds used to determine the
22 amount of that tax.

23 (e) If the business entity is required to pay the tax imposed
24 pursuant to NRS 369.330, the amount of revenue from the sale of
25 any liquor or malt beverage subject to that tax.

26 (f) If the business entity is required to pay the tax imposed
27 pursuant to chapter 680B of NRS:

28 (1) The amount of the total income derived from direct
29 premiums written and all other considerations for insurance, bail

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1 or annuity contracts used to determine the amount of the tax
2 imposed pursuant to chapter 680B of NRS;

3 (2) Any amounts excluded from total income derived from
4 direct premiums pursuant to NRS 680B.025; and

5 (3) Gross premiums upon policies on risks located in this
6 State received by a factory mutual and amounts deducted from
7 such gross premiums to determine the amount of the tax imposed
8 by NRS 680B.027 upon the factory mutual pursuant to NRS
9 680B.033.

10 (g) If the business entity is required to pay the tax imposed
11 pursuant to NRS 694C.450, the amount of the net direct
12 premiums, as defined in that section, used to determine the
13 amount of that tax.

14 (h) If the business entity is required to pay the tax imposed
15 pursuant to NRS 685A.180, the amount of the premiums, as
16 defined in that section, used to determine the amount of that tax.

17 (i) Except as otherwise provided by paragraph (j), the total
18 amount of payments received by a health care provider:

19 (1) From Medicaid, Medicare, the Children's Health
20 Insurance Program, the Fund for Hospital Care to Indigent
21 Persons created pursuant to NRS 428.175 or TRICARE;

22 (2) For professional services provided in relation to a
23 workers' compensation claim; and

24 (3) For the actual cost to the health care provider for any
25 uncompensated care provided by the health care provider, except
26 that if the health care provider later receives payment for all or
27 part of that care, the health care provider must include the amount
28 of the payment in his or her gross receipts for the calendar quarter
29 in which the payment is received.

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1 (j) If the business entity is engaging in a business in this State
2 as a health care provider that is a health care institution, an
3 amount equal to 50 percent of the amounts described in paragraph
4 (i) that are received by the health care institution.

5 (k) If the business entity is engaging in business in this State
6 as an employee leasing company, the amount of any payments
7 received from a client company for wages, payroll taxes on those
8 wages, employee benefits and workers' compensation benefits for
9 employees leased to the client company.

10 (l) The amount of any pass-through revenue of the business
11 entity.

12 (m) The tax basis of securities and loans sold by the business
13 entity, as determined for the purposes of federal income taxation.

14 (n) The amount of revenue received by the business entity that
15 is directly derived from the operation of a facility that is:

16 (1) Located on property owned or leased by the Federal
17 Government; and

18 (2) Managed or operated primarily to house members of the
19 Armed Forces of the United States.

20 (o) Interest income other than interest on credit sales.

21 (p) Dividends and distributions from corporations, and
22 distributive or proportionate shares of receipts and income from a
23 pass-through entity.

24 (q) Receipts from the sale, exchange or other disposition of an
25 asset described in section 1221 or 1231 of the Internal Revenue
26 Code, 26 U.S.C. § 1221 or 1231, without regard to the length of
27 time the business entity held the asset.

28 (r) Receipts from a hedging transaction, as defined in section
29 1221 of the Internal Revenue Code, 26 U.S.C. § 1221, or a
30 transaction accorded hedge accounting treatment under Statement
31 No. 133 of the Financial Accounting Standards Board,
32 Accounting for Derivative Instruments and Hedging Activities, to
33 the extent the transaction is entered into primarily to protect a
34 financial position, including, without limitation, managing the
35 risk of exposure to foreign currency fluctuations that affect assets,
36 liabilities, profits, losses, equity or investments in foreign

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- 1 operations, to interest rate fluctuations or to commodity price
2 fluctuations. For the purposes of this paragraph, receipts from the
3 actual transfer of title of real or tangible personal property to
4 another business entity are not receipts from a hedging
5 transaction or a transaction accorded hedge accounting treatment.
6 (s) Proceeds received by a business entity that are attributable
7 to the repayment, maturity or redemption of the principal of a
8 loan, bond, mutual fund, certificate of deposit or marketable
9 instrument.
10 (t) The principal amount received under a repurchase
11 agreement or on account of any transaction properly
12 characterized as a loan.
13 (u) Proceeds received from the issuance of the business
14 entity's own stock, options, warrants, puts or calls, from the sale of
15 the business entity's treasury stock or as contributions to the
16 capital of the business entity.
17 (v) Proceeds received on account of payments from insurance
18 policies, except those proceeds received for the loss of business
19 revenue.
20 (w) Damages received as a result of litigation in excess of
21 amounts that, if received without litigation, would not have been
22 included in the gross receipts of the business entity pursuant to
23 this section.
24 (x) Bad debts expensed for the purposes of federal income
25 taxation.
26 (y) Returns and refunds to customers.
27 (z) Amounts realized from the sale of an account receivable to
28 the extent the receipts from the underlying transaction were
29 included in the gross receipts of the business entity.
30 (aa) If the business entity owns an interest in a passive entity,
31 the business entity's share of the net income of the passive entity,
32 but only to the extent the net income of the passive entity was
33 generated by the gross revenue of another business entity.
34 2. As used in this section:
35 (a) "Children's Health Insurance Program" means the
36 program established pursuant to 42 U.S.C. §§ 1397aa to 1397jj.



- 1 inclusive, to provide health insurance for uninsured children from
2 low-income families in this State.
3 (b) "Client company" has the meaning ascribed to it in
4 NRS 616B.670.
5 (c) "Employee leasing company" has the meaning ascribed to
6 it in NRS 616B.670.
7 (d) "Health care institution" means:
8 (1) A medical facility as defined in NRS 449.0151; and
9 (2) A pharmacy as defined in NRS 639.012.
10 (e) "Health care provider" means a business that receives any
11 payments listed in paragraph (i) of subsection 1 as a provider of
12 health care services, including, without limitation, mental health
13 care services.
14 (f) "Medicaid" means the program established pursuant to
15 Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq., to
16 provide assistance for part or all of the cost of medical care
17 rendered on behalf of indigent persons.
18 (g) "Medicare" means the program of health insurance for
19 aged persons and persons with disabilities established pursuant to
20 Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395 et seq.
21 Sec. 22. 1. In computing the commerce tax owed by a
22 business entity, the gross revenue of the business entity, as
23 adjusted pursuant to section 21 of this act, must be sitused to this
24 State in accordance with the following rules:
25 (a) Gross rents and royalties from real property are sitused to
26 this State if the real property is located in this State.
27 (b) Gross revenue from the sale of real property are sitused to
28 this State if the real property is located in this State.
29 (c) Gross rents and royalties from tangible personal property is
30 sitused to this State to the extent the tangible personal property is
31 located or used in this State.



1 (d) Gross revenue from the sale of tangible personal property
2 is situated to this State if the property is delivered or shipped to a
3 buyer in this State, regardless of the F.O.B. point or any other
4 condition of sale.

5 (e) Gross revenue from the sale of transportation services is
6 situated to this State if both the origin and the destination point of
7 the transportation are located in this State.

8 (f) Gross revenue from the sale of any services not otherwise
9 described in this section is situated to this State in the proportion
10 that the purchaser's benefit in this State, with respect to what was
11 purchased, bears to the purchaser's benefit everywhere with
12 respect to what was purchased.

13 (g) Gross revenue not otherwise described in this section is
14 situated to this State if the gross receipts are from business
15 conducted in this State.

16 2. If the application of the provisions of subsection 1 do not
17 fairly represent the extent of the business conducted in this State
18 by a business entity, the Department may authorize the business
19 entity to the use of an alternative method of situsing gross revenue
20 to this State.

21 Sec. 23. Except as otherwise provided in this section, the
22 commerce tax required to be paid by a business entity engaging in
23 a business in this State is equal to the amount obtained by
24 subtracting \$3,500,000 from the Nevada gross revenue of the
25 business entity for the taxable year and multiplying that amount
26 by the rate set forth in sections 24 to 48, inclusive, of this act for
27 the business category in which the business entity is primarily
28 engaged. If the business entity cannot be categorized in a business
29 category set forth in sections 24 to 48, inclusive, of this act, the
30 commerce tax required to be paid by that business entity is equal
31 to the amount obtained by subtracting \$3,500,000 from the
32 Nevada gross revenue of the business entity for the taxable year

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1 and multiplying that amount by the rate set forth in section 49 of
2 this act.

3 Sec. 24. 1. The agriculture, forestry, fishing and hunting
4 business category (NAICS 11) includes all business entities
5 primarily engaged in agricultural production or agricultural
6 support activities, or both, including, without limitation, growing
7 crops, raising animals, harvesting timber and harvesting fish and
8 other animals from a farm, ranch or their natural habitats.

9 2. Examples of business entities in this category include,
10 without limitation, farms, ranches, dairies, greenhouses,
11 nurseries, orchards and hatcheries.

12 3. This category does not include business entities primarily
13 engaged in agricultural research or administering programs for
14 regulating and conserving land, minerals, wildlife or forest use.

15 4. The amount of the commerce tax for a business entity
16 included in this category is the amount obtained by subtracting
17 \$3,500,000 from the Nevada gross revenue of the business entity
18 for the taxable year and multiplying that amount by 0.063 percent.

19 Sec. 25. 1. The mining, quarrying and oil and gas
20 extraction business category (NAICS 21) includes all business
21 entities primarily engaged in mining operations and mining
22 support activities, including, without limitation, extracting:

23 (a) Naturally occurring mineral solids, such as coal and ores;

24 (b) Liquid minerals, such as crude petroleum; and

25 (c) Gases, such as natural gas.

26 2. Examples of business entities in this category include,
27 without limitation:



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1 (a) Business entities operating mines, quarries or oil and gas
2 wells on their own account or for others on a contract or fee basis.

3 (b) Mining support activities, including business entities that
4 perform exploration or other mining services, or both, on a
5 contract or fee basis, except geophysical surveying, mine site
6 preparation and the construction of oil and gas pipelines.

7 3. As used in subsections 1 and 2, the term "mining" includes
8 quarrying, well operations and beneficiating, including, without
9 limitation, crushing, screening, washing, flotation and other
10 preparation customarily performed at a mine site or as a part of
11 mining activity.

12 4. The amount of the commerce tax for a business entity
13 included in this category is the amount obtained by subtracting
14 \$3,500,000 from the Nevada gross revenue of the business entity
15 for the taxable year and multiplying that amount by 0.051 percent.

16 Sec. 26. 1. The utilities and telecommunications business
17 category (NAICS 22 and 517, respectively) includes:

18 (a) All business entities primarily engaged in providing utility
19 services, including, without limitation, electric power, natural gas,
20 steam supply, water supply and sewage removal; and

21 (b) All business entities primarily engaged in providing
22 telecommunications and the services related to that activity,
23 including, without limitation, telephony, cable and satellite
24 distribution services, Internet access and telecommunications
25 reselling services.

26 2. This category does not include business entities primarily
27 engaged in waste management services that are described in
28 section 42 of this act.

29 3. The amount of the commerce tax for a business entity
30 included in this category is the amount obtained by subtracting



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1 \$3,500,000 from the Nevada gross revenue of the business entity
2 for the taxable year and multiplying that amount by 0.136 percent.

3 Sec. 27. 1. The construction business category (NAICS 23)
4 includes all business entities primarily engaged in the construction
5 of buildings or engineering projects, such as highways and utility
6 systems. Business entities engaged in the preparation of sites for
7 new construction and business entities primarily engaged in
8 subdividing land for sale as building sites also are included in this
9 category.

10 2. Examples of business entities in this category include,
11 without limitation, general contractors, design-builders,
12 construction managers, turnkey contractors, joint-venture
13 contractors, specialty trade contractors, for-sale builders,
14 speculative builders and merchant builders.

15 3. The amount of the commerce tax for a business entity
16 included in this category is the amount obtained by subtracting
17 \$3,500,000 from the Nevada gross revenue of the business entity
18 for the taxable year and multiplying that amount by 0.083 percent.

19 Sec. 28. 1. The manufacturing business category (NAICS
20 31, 32 and 33) includes all business entities primarily engaged in
21 the mechanical, physical or chemical transformation of materials,
22 substances or components into new products.

23 2. Examples of business entities in this category include,
24 without limitation, milk bottling and pasteurizing, water bottling
25 and processing, fresh fish packaging, apparel jobbing, contracting
26 on materials owned by others, printing and related activities,
27 ready-mixed concrete production, leather converting, grinding of
28 lenses to prescription, wood preserving, electroplating, plating,
29 metal heat, treating and polishing for the trade, lapidary work for
30 the trade, fabricating signs and advertising displays, rebuilding or
31 remanufacturing machinery, ship repair and renovation, machine
32 shops and tire retreading.



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1 3. The amount of the commerce tax for a business entity
2 included in this category is the amount obtained by subtracting
3 \$3,500,000 from the Nevada gross revenue of the business entity
4 for the taxable year and multiplying that amount by 0.091 percent.

5 Sec. 29. 1. The wholesale trade business category (NAICS
6 42) includes all business entities primarily engaged in wholesaling
7 merchandise, generally without transformation, and rendering
8 services incidental to the sale of merchandise.

9 2. The amount of the commerce tax for a business entity
10 included in this category is the amount obtained by subtracting
11 \$3,500,000 from the Nevada gross revenue of the business entity
12 for the taxable year and multiplying that amount by 0.101 percent.

13 Sec. 30. 1. The retail trade business category (NAICS 44
14 and 45) includes all businesses primarily engaged in retailing
15 merchandise, generally without transformation, and rendering
16 services incidental to the sale of merchandise.

17 2. The amount of the commerce tax for a business entity
18 included in this category is the amount obtained by subtracting
19 \$3,500,000 from the Nevada gross revenue of the business entity
20 for the taxable year and multiplying that amount by 0.111 percent.

21 Sec. 31. 1. The air transportation business category
22 (NAICS 481) includes all business entities primarily engaged in
23 providing air transportation of passengers or cargo, or both, using
24 aircraft, such as an airplane and helicopter.

25 2. The amount of the commerce tax for a business entity
26 included in this category is the amount obtained by subtracting
27 \$3,500,000 from the Nevada gross revenue of the business entity
28 for the taxable year and multiplying that amount by 0.058 percent.

29 Sec. 32. 1. The truck transportation business category
30 (NAICS 484) includes all business entities primarily engaged in



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1 providing over-the-road transportation of cargo using motor
2 vehicles, such as a truck and tractor trailer.

3 2. The amount of the commerce tax for a business entity
4 included in this category is the amount obtained by subtracting
5 \$3,500,000 from the Nevada gross revenue of the business entity
6 for the taxable year and multiplying that amount by 0.202 percent.

7 Sec. 33. 1. The rail transportation business category
8 (NAICS 482) includes all business entities primarily engaged in
9 providing rail transportation of passengers or cargo, or both,
10 using railroad rolling stock.

11 2. The amount of the commerce tax for a business entity
12 included in this category is the amount obtained by subtracting
13 \$3,500,000 from the Nevada gross revenue of the business entity
14 for the taxable year and multiplying that amount by 0.331 percent.

15 Sec. 34. 1. The other transportation business category
16 (NAICS 483, 485, 486, 487, 488, 491 and 492) includes all
17 business entities primarily engaged in:

18 (a) Water transportation, including, without limitation, the
19 transportation of passengers and cargo using watercraft;

20 (b) Transit and ground passenger transportation, including,
21 without limitation, charter buses, school buses, interurban bus
22 transportation, taxis and limousine services, street railroads,
23 commuter rail and rapid transit;

24 (c) Pipeline transportation, including, without limitation,
25 using transmission pipelines to transport products, such as crude
26 oil, natural gas, refined petroleum products and slurry;

27 (d) Scenic and sightseeing transportation, including, without
28 limitation, on land or the water, or in the air;

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1 (e) Support activities for transportation, including, without
2 limitation, air traffic control services, marine cargo handling,
3 motor vehicle towing, railroad switching and terminals, and ship
4 repair and maintenance not done in a shipyard, such as floating
5 drydock services in a harbor;

6 (f) Postal services, including, without limitation, the activities
7 of the United States Postal Service and its subcontractors
8 operating under a universal service obligation to provide mail
9 services, deliver letters and small parcels, and rural post offices on
10 contract to the United States Postal Service; and

11 (g) Courier and messenger services, including, without
12 limitation, the provision of intercity, local or international delivery
13 of parcels and documents without operating under a universal
14 service obligation.

15 2. The amount of the commerce tax for a business entity
16 included in this category is the amount obtained by subtracting
17 \$3,500,000 from the Nevada gross revenue of the business entity
18 for the taxable year and multiplying that amount by 0.129 percent.

19 Sec. 35. 1. The warehousing and storage business category
20 (NAICS 493) includes all business entities primarily engaged in
21 operating warehousing and storage facilities for general
22 merchandise, refrigerated goods and other warehouse products.

23 2. The amount of the commerce tax for a business entity
24 included in this category is the amount obtained by subtracting
25 \$3,500,000 from the Nevada gross revenue of the business entity
26 for the taxable year and multiplying that amount by 0.128 percent.

27 Sec. 36. 1. The publishing, software and data processing
28 business category (NAICS 511, 512, 515 and 518) includes all
29 business entities primarily engaged in:

30 (a) Publishing, except on the Internet, including, without
31 limitation, the publishing of newspapers, magazines, other

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1 periodicals and books, as well as directory and mailing list and
2 software publishing;

3 (b) Motion picture and sound recording, including, without
4 limitation, the production and distribution of motion pictures and
5 sound recordings;

6 (c) Broadcasting, except on the Internet, including, without
7 limitation, creating content or acquiring the right to distribute
8 content and subsequently broadcast the content; and

9 (d) Data processing, hosting and related services, including,
10 without limitation, the provision of infrastructure for hosting and
11 data processing services.

12 2. The amount of the commerce tax for a business entity
13 included in this category is the amount obtained by subtracting
14 \$3,500,000 from the Nevada gross revenue of the business entity
15 for the taxable year and multiplying that amount by 0.253 percent.

16 Sec. 37. 1. The finance and insurance business category
17 (NAICS 52) includes all business entities primarily engaged in
18 financial transactions or in facilitating financial transactions.

19 2. The amount of the commerce tax for a business entity
20 included in this category is the amount obtained by subtracting
21 \$3,500,000 from the Nevada gross revenue of the business entity
22 for the taxable year and multiplying that amount by 0.111 percent.

23 Sec. 38. 1. The real estate and rental and leasing business
24 category (NAICS 53) includes all business entities primarily
25 engaged in renting, leasing or otherwise allowing the use of
26 tangible or intangible assets, providing related services, managing
27 real estate for others, selling, renting or buying real estate for
28 others, and appraising real estate.

29 2. The amount of the commerce tax for a business entity
30 included in this category is the amount obtained by subtracting

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1 \$3,500,000 from the Nevada gross revenue of the business entity
2 for the taxable year and multiplying that amount by 0.25 percent.

3 Sec. 39. 1. The professional, scientific and technical
4 services business category (NAICS 54) includes all business
5 entities primarily engaged in performing professional, scientific
6 and technical activities for others.

7 2. The amount of the commerce tax for a business entity
8 included in this category is the amount obtained by subtracting
9 \$3,500,000 from the Nevada gross revenue of the business entity
10 for the taxable year and multiplying that amount by 0.181 percent.

11 Sec. 40. 1. The management of companies and enterprises
12 business category (NAICS 55) includes all business entities
13 primarily engaged in:

14 (a) Holding the securities of, or other equity interests in,
15 companies and enterprises for the purpose of owning a controlling
16 interest or influencing management decisions; or

17 (b) Administering, overseeing and managing establishments of
18 the company or enterprise and that normally undertake the
19 strategic or organizational planning and decision-making role of
20 the company or enterprise.

21 2. The amount of the commerce tax for a business entity
22 included in this category is the amount obtained by subtracting
23 \$3,500,000 from the Nevada gross revenue of the business entity
24 for the taxable year and multiplying that amount by 0.137 percent.

25 Sec. 41. 1. The administrative and support services
26 business category (NAICS 561) includes all business entities
27 primarily engaged in activities that support the day-to-day
28 operations of other organizations.

29 2. The amount of the commerce tax for a business entity
30 included in this category is the amount obtained by subtracting

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1 \$3,500,000 from the Nevada gross revenue of the business entity
2 for the taxable year and multiplying that amount by 0.154 percent.

3 Sec. 42. 1. The waste management and remediation
4 services business category (NAICS 562) includes all business
5 entities primarily engaged in the collection, treatment and disposal
6 of waste materials.

7 2. The amount of the commerce tax for a business entity
8 included in this category is the amount obtained by subtracting
9 \$3,500,000 from the Nevada gross revenue of the business entity
10 for the taxable year and multiplying that amount by 0.261 percent.

11 Sec. 43. 1. The educational services business category
12 (NAICS 61) includes all businesses primarily engaged in
13 providing instruction and training in a wide variety of subjects.

14 2. The amount of the commerce tax for a business entity
15 included in this category is the amount obtained by subtracting
16 \$3,500,000 from the Nevada gross revenue of the business entity
17 for the taxable year and multiplying that amount by 0.281 percent.

18 Sec. 44. 1. The health care and social assistance business
19 category (NAICS 62) includes all business entities primarily
20 engaged in providing health care and social assistance for natural
21 persons.

22 2. The amount of the commerce tax for a business entity
23 included in this category is the amount obtained by subtracting
24 \$3,500,000 from the Nevada gross revenue of the business entity
25 for the taxable year and multiplying that amount by 0.190 percent.

26 Sec. 45. 1. The arts, entertainment and recreation business
27 category (NAICS 71) includes all business entities primarily
28 engaged in operating facilities or providing services to meet varied
29 cultural, entertainment and recreational interests of their patrons.

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1 2. The amount of the commerce tax for a business entity
2 included in this category is the amount obtained by subtracting
3 \$3,500,000 from the Nevada gross revenue of the business entity
4 for the taxable year and multiplying that amount by 0.24 percent.

5 Sec. 46. 1. The accommodation business category (NAICS
6 721) includes all business entities primarily engaged in providing
7 lodging or short-term accommodations for travelers, vacationers
8 and others.

9 2. The amount of the commerce tax for a business entity
10 included in this category is the amount obtained by subtracting
11 \$3,500,000 from the Nevada gross revenue of the business entity
12 for the taxable year and multiplying that amount by 0.2 percent.

13 Sec. 47. 1. The food services and drinking places business
14 category (NAICS 722) includes all business entities primarily
15 engaged in preparing meals, snacks and beverages to customer
16 order for immediate on-premises and off-premises consumption.

17 2. The amount of the commerce tax for a business entity
18 included in this category is the amount obtained by subtracting
19 \$3,500,000 from the Nevada gross revenue of the business entity
20 for the taxable year and multiplying that amount by 0.194 percent.

21 Sec. 48. 1. The other services business category (NAICS
22 81) includes all business entities primarily engaged in providing
23 services not included in any of the business categories described in
24 sections 24 to 47, inclusive, of this act. Business entities in this
25 category are primarily engaged in activities such as repairing
26 equipment and machinery, promoting or administering religious
27 activities, grantmaking, advocacy, and providing dry cleaning and
28 laundry services, personal care services, death care services, pet
29 care services, photofinishing services, temporary parking services
30 and dating services.

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1 2. The amount of the commerce tax for a business entity
2 included in this category is the amount obtained by subtracting
3 \$3,500,000 from the Nevada gross revenue of the business entity
4 for the taxable year and multiplying that amount by 0.142 percent.

5 Sec. 49. 1. The unclassified business category includes any
6 business entity not included in any of the business categories
7 established by sections 24 to 48, inclusive, of this act.

8 2. The amount of the commerce tax for a business entity
9 included in this category is the amount obtained by subtracting
10 \$3,500,000 from the Nevada gross revenue of the business entity
11 for the taxable year and multiplying that amount by 0.128 percent.

12 Sec. 50. A business entity engaging in a business in this
13 State:

14 1. May use either the cash or accrual method of accounting
15 for the purposes of reporting and determining the amount of the
16 commerce tax owed by the business entity.

17 2. May not change that method of accounting more often
18 than once every 3 years unless the Department consents to the
19 change. For the purposes of this subsection, a change in
20 accounting method may not occur solely because the change
21 results in a lower amount of commerce tax owed by the business
22 entity.

23 Sec. 51. If the Department determines that any tax, penalty
24 or interest has been paid more
25 than once or has been erroneously or illegally collected or
26 computed, the Department shall set forth that fact in the records of
27 the Department and certify to the State Board of Examiners the
28 amount collected in excess of the amount legally due and the
29 person from whom it was collected or by whom it was paid. If
30 approved by the State Board of Examiners, the excess amount
31 collected or paid must, after being credited against any amount

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1 then due from the person in accordance with NRS 360.236, be
2 refunded to the person or his or her successors in interest.

3 Sec. 52. 1. Except as otherwise provided in NRS 360.235
4 and 360.395:

5 (a) No refund may be allowed unless a claim for it is filed with
6 the Department within 3 years after the last day of the month
7 following the last month of the taxable year for which the
8 overpayment was made.

9 (b) No credit may be allowed after the expiration of the period
10 specified for filing claims for refund unless a claim for credit is
11 filed with the Department within that period.

12 2. Each claim must be in writing and must state the specific
13 grounds upon which the claim is founded.

14 3. Failure to file a claim within the time prescribed in this
15 chapter constitutes a waiver of any demand against the State on
16 account of overpayment.

17 4. Within 30 days after rejecting any claim in whole or in
18 part, the Department shall serve notice of its action on the
19 claimant in the manner prescribed for service of notice of a
20 deficiency determination.

21 Sec. 53. 1. Except as otherwise provided in this section and
22 NRS 360.320 or any other specific statute, interest must be paid
23 upon any overpayment of any amount of the commerce tax at the
24 rate set forth in, and in accordance with the provisions of, NRS
25 360.2937.

26 2. If the Department determines that any overpayment has
27 been made intentionally or by reason of carelessness, the
28 Department shall not allow any interest on the overpayment.

29 Sec. 54. 1. No injunction, writ of mandate or other legal or
30 equitable process may issue in any suit, action or proceeding in
31 any court against this State or against any officer of this State to

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1 prevent or enjoin the collection under this chapter of the
2 commerce tax or any amount of tax, penalty or interest required to
3 be collected.

4 2. No suit or proceeding may be maintained in any court for
5 the recovery of any amount alleged to have been erroneously or
6 illegally determined or collected unless a claim for refund or credit
7 has been filed.

8 Sec. 55. 1. Within 90 days after a final decision upon a
9 claim filed pursuant to this chapter is rendered by the
10 Commission, the claimant may bring an action against the
11 Department on the grounds set forth in the claim in a court of
12 competent jurisdiction in Carson City, the county of this State
13 where the claimant resides or maintains his or her principal place
14 of business or a county in which any relevant proceedings were
15 conducted by the Department, for the recovery of the whole or any
16 part of the amount with respect to which the claim has been
17 disallowed.

18 2. Failure to bring an action within the time specified
19 constitutes a waiver of any demand against the State on account of
20 alleged overpayments.

21 Sec. 56. 1. If the Department fails to mail notice of action
22 on a claim within 6 months after the claim is filed, the claimant
23 may consider the claim disallowed and file an appeal with the
24 Commission within 30 days after the last day of the 6-month
25 period. If the claimant is aggrieved by the decision of the
26 Commission rendered on appeal, the claimant may, within 90 days
27 after the decision is rendered, bring an action against the
28 Department on the grounds set forth in the claim for the recovery
29 of the whole or any part of the amount claimed as an
30 overpayment.

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1 2. If judgment is rendered for the plaintiff, the amount of the
2 judgment must first be credited toward any tax due from the
3 plaintiff.

4 3. The balance of the judgment must be refunded to the
5 plaintiff.

6 **Sec. 57.** In any judgment, interest must be allowed at the rate
7 of 3 percent per annum upon the amount found to have been
8 illegally collected from the date of payment of the amount to the
9 date of allowance of credit on account of the judgment, or to a
10 date preceding the date of the refund warrant by not more than 30
11 days. The date must be determined by the Department.

12 **Sec. 58.** A judgment may not be rendered in favor of the
13 plaintiff in any action brought against the Department to recover
14 any amount paid when the action is brought by or in the name of
15 an assignee of the person paying the amount or by any person
16 other than the person who paid the amount.

17 **Sec. 59.** 1. The Department may recover a refund or any
18 part thereof which is erroneously made and any credit or part
19 thereof which is erroneously allowed in an action brought in a
20 court of competent jurisdiction in Carson City or Clark County in
21 the name of the State of Nevada.

22 2. The action must be tried in Carson City or Clark County
23 unless the court, with the consent of the Attorney General, orders
24 a change of place of trial.

25 3. The Attorney General shall prosecute the action, and the
26 provisions of the Nevada Revised Statutes, the Nevada Rules of
27 Civil Procedure and the Nevada Rules of Appellate Procedure
28 relating to service of summons, pleadings, proofs, trials and
29 appeals are applicable to the proceedings.

30 **Sec. 60.** 1. If any amount in excess of \$25 has been
31 illegally determined, either by the Department or by the person

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1 filing the return, the Department shall certify that fact to the State
2 Board of Examiners, and the latter shall authorize the
3 cancellation of the amount upon the records of the Department.

4 2. If an amount not exceeding \$25 has been illegally
5 determined, either by the Department or by the person filing the
6 return, the Department, without certifying that fact to the State
7 Board of Examiners, shall authorize the cancellation of the
8 amount upon the records of the Department.

9 Sec. 61. The remedies of the State provided for in this
10 chapter are cumulative, and no action taken by the Department or
11 the Attorney General constitutes an election by the State to pursue
12 any remedy to the exclusion of any other remedy for which
13 provision is made in this chapter.

14 ~~Section 1.~~ **Sec. 62.** NRS 360.2937 is hereby amended to
15 read as follows:

16 360.2937 1. Except as otherwise provided in this section and
17 NRS 360.320 or any other specific statute, and notwithstanding the
18 provisions of NRS 360.2935, interest must be paid upon an
19 overpayment of any tax provided for in chapter 362, 363A, 363B,
20 369, 370, 372, 374, 377, 377A or 377C of NRS, or sections 2 to 61,
21 inclusive, of this act, any fee provided for in NRS 444A.090 or
22 482.313, or any assessment provided for in NRS 585.497, at the rate
23 of 0.25 percent per month from the last day of the calendar month
24 following the period for which the overpayment was made.

25 2. No refund or credit may be made of any interest imposed on
26 the person making the overpayment with respect to the amount
27 being refunded or credited.

28 3. The interest must be paid:

29 (a) In the case of a refund, to the last day of the calendar month
30 following the date upon which the person making the overpayment,
31 if the person has not already filed a claim, is notified by the
32 Department that a claim may be filed or the date upon which the



1 claim is certified to the State Board of Examiners, whichever is
2 earlier.

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

6 ~~Sec. 2.~~ **Sec. 63.** NRS 360.300 is hereby amended to read
7 as follows:

8 360.300 1. If a person fails to file a return or the Department
9 is not satisfied with the return or returns of any tax, contribution or
10 premium or amount of tax, contribution or premium required to be
11 paid to the State by any person, in accordance with the applicable
12 provisions of this chapter, chapter 360B, 362, 363A, 363B, 369,
13 370, 372, 372A, 374, 377, 377A, 377C or 444A of NRS, NRS
14 482.313, or chapter 585 or 680B of NRS, sections 2 to 61,
15 inclusive, of this act, as administered or audited by the Department,
16 it may compute and determine the amount required to be paid upon
17 the basis of:

18 (a) The facts contained in the return;

19 (b) Any information within its possession or that may come into
20 its possession; or

21 (c) Reasonable estimates of the amount.

22 2. One or more deficiency determinations may be made with
23 respect to the amount due for one or for more than one period.

24 3. In making its determination of the amount required to be
25 paid, the Department shall impose interest on the amount of tax
26 determined to be due, calculated at the rate and in the manner set
27 forth in NRS 360.417, unless a different rate of interest is
28 specifically provided by statute.

29 4. The Department shall impose a penalty of 10 percent in
30 addition to the amount of a determination that is made in the case of
31 the failure of a person to file a return with the Department.

32 5. When a business is discontinued, a determination may be
33 made at any time thereafter within the time prescribed in NRS
34 360.355 as to liability arising out of that business, irrespective of
35 whether the determination is issued before the due date of the
36 liability.



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1 ~~[Sec. 3.]~~ **Sec. 64.** NRS 360.417 is hereby amended to read
2 as follows:

3 360.417 Except as otherwise provided in NRS 360.232 and
4 360.320, and unless a different penalty or rate of interest is
5 specifically provided by statute, any person who fails to pay any tax
6 provided for in chapter 362, 363A, 363B, 369, 370, 372, 374, 377,
7 377A, 377C, 444A or 585 of NRS, or sections 2 to 61, inclusive, of
8 this act, or any fee provided for in NRS 482.313, and any person or
9 governmental entity that fails to pay any fee provided for in NRS
10 360.787, to the State or a county within the time required, shall pay
11 a penalty of not more than 10 percent of
12 the amount of the tax or fee which is owed, as determined by the
13 Department, in addition to the tax or fee, plus interest at the rate of
14 0.75 percent per month, or fraction of a month, from the last day of
15 the month following the period for which the amount or any portion
16 of the amount should have been reported until the date of payment.
17 The amount of any penalty imposed must be based on a graduated
18 schedule adopted by the Nevada Tax Commission which takes into
19 consideration the length of time the tax or fee remained unpaid.

20 ~~[Sec. 4.]~~ **Sec. 65.** NRS 360.510 is hereby amended to read
21 as follows:

22 360.510 1. If any person is delinquent in the payment of any
23 tax or fee administered by the Department or if a determination has
24 been made against the person which remains unpaid, the
25 Department may:

26 (a) Not later than 3 years after the payment became delinquent
27 or the determination became final; or

28 (b) Not later than 6 years after the last recording of an abstract
29 of judgment or of a certificate constituting a lien for tax owed,

30 ↪ give a notice of the delinquency and a demand to transmit
31 personally or by registered or certified mail to any person,
32 including, without limitation, any officer or department of this State
33 or any political subdivision or agency of this State, who has in his or
34 her possession or under his or her control any credits or other
35 personal property belonging to the delinquent, or owing any debts to

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1 the delinquent or person against whom a determination has been
2 made which remains unpaid, or owing any debts to the delinquent or
3 that person. In the case of any state officer, department or agency,
4 the notice must be given to the officer, department or agency before
5 the Department presents the claim of the delinquent taxpayer to the
6 State Controller.

7 2. A state officer, department or agency which receives such a
8 notice may satisfy any debt owed to it by that person before it
9 honors the notice of the Department.

10 3. After receiving the demand to transmit, the person notified
11 by the demand may not transfer or otherwise dispose of the credits,
12 other personal property, or debts in his or her possession or under
13 his or her control at the time the person received the notice until the
14 Department consents to a transfer or other disposition.

15 4. Every person notified by a demand to transmit shall, within
16 10 days after receipt of the demand to transmit, inform the
17 Department of and transmit to the Department all such credits, other
18 personal property or debts in his or her possession, under his or her
19 control or owing by that person within the time and in the manner
20 requested by the Department. Except as otherwise provided in
21 subsection 5, no further notice is required to be served to that
22 person.

23 5. If the property of the delinquent taxpayer consists of a series
24 of payments owed to him or her, the person who owes or controls
25 the payments shall transmit the payments to the Department until
26 otherwise notified by the Department. If the debt of the delinquent
27 taxpayer is not paid within 1 year after the Department issued the
28 original demand to transmit, the Department shall issue another
29 demand to transmit to the person responsible for making the
30 payments informing him or her to continue to transmit payments to
31 the Department or that his or her duty to transmit the payments to
32 the Department has ceased.

33 6. If the notice of the delinquency seeks to prevent the transfer
34 or other disposition of a deposit in a bank or credit union or other
35 credits or personal property in the possession or under the control of
36 a bank, credit union or other depository institution, the notice must
37 be delivered or mailed to any branch or office of the bank, credit

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1 union or other depository institution at which the deposit is carried
2 or at which the credits or personal property is held.

3 7. If any person notified by the notice of the delinquency
4 makes any transfer or other disposition of the property or debts
5 required to be withheld or transmitted, to the extent of the value of
6 the property or the amount of the debts thus transferred or paid, that
7 person is liable to the State for any indebtedness due pursuant to this
8 chapter, chapter 360B, 362, 363A, 363B, 369, 370, 372, 372A, 374,
9 377, 377A, 377C or 444A of NRS, NRS 482.313, or chapter 585 or
10 680B of NRS or sections 2 to 61, inclusive, of this act, from the
11 person with respect to whose obligation the notice was given if
12 solely by reason of the transfer or other disposition the State is
13 unable to recover the indebtedness of the person with respect to
14 whose obligation the notice was given.

15 ~~Sec. 5. NRS 360.759 is hereby amended to read as follows:~~

16 ~~360.759 1. A producer of a qualified production that is~~
17 ~~produced in this State in whole or in part may, on or before~~
18 ~~December 31, 2017, apply to the Office of Economic Development~~
19 ~~for a certificate of eligibility for transferable tax credits for any~~
20 ~~qualified expenditures and production costs identified in NRS~~
21 ~~360.7591. The transferable tax credits may be applied to:~~

22 ~~(a) Any tax imposed by [chapters 363A and] chapter 363B of~~
23 ~~NRS;~~

24 ~~(b) The gaming license fees imposed by the provisions of~~
25 ~~NRS 463.370;~~

26 ~~(c) Any tax imposed pursuant to chapter 680B of NRS; or~~

27 ~~(d) Any combination of the fees and taxes described in~~
28 ~~paragraphs (a), (b) and (c).~~

29 ~~2. The Office shall approve an application for a certificate of~~
30 ~~eligibility for transferable tax credits if the Office finds that the~~
31 ~~producer of the qualified production qualifies for the transferable tax~~
32 ~~credits pursuant to subsection 3 and shall calculate the estimated~~
33 ~~amount of the transferable tax credits pursuant to NRS 360.7592,~~
34 ~~360.7593 and 360.7594.~~

35 ~~3. To be eligible for transferable tax credits pursuant to this~~
36 ~~section, a producer must:~~



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- 1 ~~—(a) Submit an application that meets the requirements of~~
2 ~~subsection 4;~~
3 ~~—(b) Provide proof satisfactory to the Office that the qualified~~
4 ~~production is in the economic interest of the State;~~
5 ~~—(c) Provide proof satisfactory to the Office that 50 percent or~~
6 ~~more of the funding for the qualified production has been placed in~~
7 ~~an escrow account or trust account for the benefit of the qualified~~
8 ~~production;~~
9 ~~—(d) Provide proof satisfactory to the Office that at least 60~~
10 ~~percent of the total qualified expenditures and production costs for~~
11 ~~the qualified production, including preproduction and~~
12 ~~postproduction, will be incurred in this State;~~
13 ~~—(e) At the completion of the qualified production, provide the~~
14 ~~Office with an audit of the qualified production that includes an~~
15 ~~itemized report of qualified expenditures and production costs~~
16 ~~which:~~
17 ~~—(1) Shows that the qualified production incurred qualified~~
18 ~~expenditures and production costs in this State of \$500,000 or more;~~
19 ~~and~~
20 ~~—(2) Is certified by an independent certified public accountant~~
21 ~~in this State who is approved by the Office;~~
22 ~~—(f) Pay the cost of the audit required by paragraph (e); and~~
23 ~~—(g) Meet any other requirements prescribed by regulation~~
24 ~~pursuant to this section.~~
25 ~~—4. An application submitted pursuant to subsection 3 must~~
26 ~~contain:~~
27 ~~—(a) A script, storyboard or synopsis of the qualified production;~~
28 ~~—(b) The names of the producer, director and proposed cast;~~
29 ~~—(c) An estimated timeline to complete the qualified production;~~
30 ~~—(d) A detailed budget for the entire production, including~~
31 ~~projected expenses incurred outside of Nevada;~~
32 ~~—(e) Details regarding the financing of the project, including,~~
33 ~~without limitation, any information relating to a binding financing~~
34 ~~commitment, loan application, commitment letter or investment~~
35 ~~letter;~~
36 ~~—(f) An insurance certificate, binder or quote for general liability~~
37 ~~insurance of \$1,000,000 or more;~~



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1 ~~—(g) The business address of the producer, which must be an~~
2 ~~address in this State;~~
3 ~~—(h) Proof that the qualified production meets any applicable~~
4 ~~requirements relating to workers' compensation insurance;~~
5 ~~—(i) Proof that the producer has secured all licenses required to do~~
6 ~~business in each location in this State at which the qualified~~
7 ~~production will be produced; and~~
8 ~~—(j) Any other information required by regulations adopted by the~~
9 ~~Office pursuant to subsection 8.~~
10 ~~— 5. If the Office approves an application for a certificate of~~
11 ~~eligibility for transferable tax credits pursuant to this section, the~~
12 ~~Office shall immediately forward a copy of the certificate of~~
13 ~~eligibility which identifies the estimated amount of the tax credits~~
14 ~~available pursuant to NRS 360.7592 to:~~
15 ~~—(a) The applicant;~~
16 ~~—(b) The Department; and~~
17 ~~—(c) The State Gaming Control Board.~~
18 ~~— 6. Within 14 business days after receipt of an audit provided by~~
19 ~~the producer pursuant to paragraph (e) of subsection 3 and any other~~
20 ~~accountings or other information required by the Office, the Office~~
21 ~~shall determine whether to certify the audit and make a final~~
22 ~~determination of whether a certificate of transferable tax credits will~~
23 ~~be issued. If the Office certifies the audit and determines that all~~
24 ~~other requirements for the transferable tax credits have been met, the~~
25 ~~Office shall notify the producer that the transferable tax credits will~~
26 ~~be issued. Within 30 days after the receipt of the notice, the~~
27 ~~producer shall make an irrevocable declaration of the amount of~~
28 ~~transferable tax credits that will be applied to each fee or tax set~~
29 ~~forth in subsection 1, thereby accounting for all of the credits which~~
30 ~~will be issued. Upon receipt of the declaration, the Office shall issue~~
31 ~~to the eligible producer a certificate of transferable tax credits in the~~
32 ~~amount approved by the Office for the fees or taxes included in the~~
33 ~~declaration of the producer. The producer shall notify the Office~~
34 ~~upon transferring any of the transferable tax credits. The Office shall~~
35 ~~notify the Department and the State Gaming Control Board of all~~
36 ~~transferable tax credits issued, segregated by each fee or tax set~~



1 ~~forth in subsection 1, and the amount of any transferable tax credits~~
2 ~~transferred.~~
3 ~~7. An applicant for transferable tax credits pursuant to this~~
4 ~~section shall, upon the request of the Executive Director of the~~
5 ~~Office, furnish the Executive Director with copies of all records~~
6 ~~necessary to verify that the applicant meets the requirements of~~
7 ~~subsection 3.~~
8 ~~8. The Office:~~
9 ~~(a) Shall adopt regulations prescribing:~~
10 ~~(1) Any additional requirements to receive transferable tax~~
11 ~~credits;~~
12 ~~(2) Any additional qualified expenditures or production costs~~
13 ~~that may serve as the basis for transferable tax credits pursuant to~~
14 ~~NRS 360.7591;~~
15 ~~(3) Any additional information that must be included with an~~
16 ~~application pursuant to subsection 4;~~
17 ~~(4) The application review process;~~
18 ~~(5) Any type of qualified production which, due to obscene~~
19 ~~or sexually explicit material, is not eligible for transferable tax~~
20 ~~credits; and~~
21 ~~(6) The requirements for notice pursuant to NRS 360.7595;~~
22 ~~and~~
23 ~~(b) May adopt any other regulations that are necessary to carry~~
24 ~~out the provisions of NRS 360.758 to 360.7598, inclusive.~~
25 ~~9. The Nevada Tax Commission and the Nevada Gaming~~
26 ~~Commission:~~
27 ~~(a) Shall adopt regulations prescribing the manner in which~~
28 ~~transferable tax credits will be administered.~~
29 ~~(b) May adopt any other regulations that are necessary to carry~~
30 ~~out the provisions of NRS 360.758 to 360.7598, inclusive.~~
31 ~~Sec. 6. NRS 360.910 is hereby amended to read as follows:~~
32 ~~360.910 "Employer excise taxes" means the taxes imposed on~~
33 ~~the wages paid by an employer pursuant to chapter 363A or 363B of~~
34 ~~NRS.~~
35 ~~Sec. 7. NRS 360.945 is hereby amended to read as follows:~~



1 ~~360.945~~ 1. On behalf of a project, the lead participant in the
2 project may apply to the Office of Economic Development for:
3 ~~(a) A certificate of eligibility for transferable tax credits which~~
4 ~~may be applied to:~~
5 ~~(1) Any tax imposed by chapters 363A and [chapter] 363B of~~
6 ~~NRS;~~
7 ~~(2) The gaming license fees imposed by the provisions of~~
8 ~~NRS 463.370;~~
9 ~~(3) Any tax imposed by chapter 680B of NRS; or~~
10 ~~(4) Any combination of the fees and taxes described in~~
11 ~~subparagraphs (1), (2) and (3);~~
12 ~~(b) An abatement of property taxes, employer excise taxes or~~
13 ~~local sales and use taxes, or any combination of any of those taxes.~~
14 2. For a project to be eligible for the transferable tax credits
15 described in paragraph (a) of subsection 1 and abatement of the
16 taxes described in paragraph (b) of subsection 1, the lead participant
17 in the project must, on behalf of the project:
18 ~~(a) Submit an application that meets the requirements of~~
19 ~~subsection 3;~~
20 ~~(b) Provide documentation satisfactory to the Office that~~
21 ~~approval of the application would promote the economic~~
22 ~~development of this State and aid the implementation of the State~~
23 ~~Plan for Economic Development developed by the Executive~~
24 ~~Director of the Office pursuant to subsection 2 of NRS 231.053;~~
25 ~~(c) Provide documentation satisfactory to the Office that the~~
26 ~~participants in the project collectively will make a total new capital~~
27 ~~investment of at least \$3.5 billion in this State within the 10-year~~
28 ~~period immediately following approval of the application;~~
29 ~~(d) Provide documentation satisfactory to the Office that the~~
30 ~~participants in the project are engaged in a common purpose or~~
31 ~~business endeavor;~~
32 ~~(e) Provide documentation satisfactory to the Office that the~~
33 ~~place of business of each participant is or will be located within the~~
34 ~~geographic boundaries of the project site;~~
35 ~~(f) Provide documentation satisfactory to the Office that each~~
36 ~~participant in the project is registered pursuant to the laws of this~~
37 ~~State or commits to obtaining a valid business license and all other~~



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1 ~~permits required by the county, city or town in which the project~~
2 ~~operates;~~
3 ~~—(g) Provide documentation satisfactory to the Office of the~~
4 ~~number of employees engaged or anticipated to be engaged in the~~
5 ~~construction of the project;~~
6 ~~—(h) Provide documentation satisfactory to the Office of the~~
7 ~~number of qualified employees employed or anticipated to be~~
8 ~~employed at the project by the participants;~~
9 ~~—(i) Provide documentation satisfactory to the Office that each~~
10 ~~employer engaged in the construction of the project provides a plan~~
11 ~~of health insurance and that each employee engaged in the~~
12 ~~construction of the project is offered coverage under the plan of~~
13 ~~health insurance provided by his or her employer;~~
14 ~~—(j) Provide documentation satisfactory to the Office that each~~
15 ~~participant in the project provides a plan of health insurance and that~~
16 ~~each employee employed at the project by each participant is~~
17 ~~offered coverage under the plan of health insurance provided by his~~
18 ~~or her employer;~~
19 ~~—(k) Provide documentation satisfactory to the Office that at least~~
20 ~~50 percent of the employees engaged or anticipated to be engaged in~~
21 ~~construction of the project and 50 percent of the employees~~
22 ~~employed at the project are residents of Nevada, unless waived by~~
23 ~~the Executive Director of the Office upon proof satisfactory to the~~
24 ~~Executive Director of the Office that there is an insufficient number~~
25 ~~of Nevada residents available and qualified for such employment;~~
26 ~~—(l) Agree to provide the Office with a full compliance audit of~~
27 ~~the participants in the project at the end of each fiscal year which:~~
28 ~~—(1) Shows the amount of money invested in this State by~~
29 ~~each participant in the project;~~
30 ~~—(2) Shows the number of employees engaged in the~~
31 ~~construction of the project and the number of those employees who~~
32 ~~are residents of Nevada;~~
33 ~~—(3) Shows the number of employees employed at the project~~
34 ~~by each participant and the number of those employees who are~~
35 ~~residents of Nevada; and~~
36 ~~—(4) Is certified by an independent certified public accountant~~
37 ~~in this State who is approved by the Office;~~



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1 ~~—(m) Pay the cost of the audit required by paragraph (l); and~~
2 ~~—(n) Meet any other requirements prescribed by the Office.~~
3 ~~3. An application submitted pursuant to subsection 2 must~~
4 ~~include:~~
5 ~~—(a) A detailed description of the project, including a description~~
6 ~~of the common purpose or business endeavor in which the~~
7 ~~participants in the project are engaged;~~
8 ~~—(b) A detailed description of the location of the project,~~
9 ~~including a precise description of the geographic boundaries of the~~
10 ~~project site;~~
11 ~~—(c) The name and business address of each participant in the~~
12 ~~project, which must be an address in this State;~~
13 ~~—(d) A detailed description of the plan by which the participants~~
14 ~~in the project intend to comply with the requirement that the~~
15 ~~participants collectively make a total new capital investment of at~~
16 ~~least \$3.5 billion in this State in the 10-year period immediately~~
17 ~~following approval of the application;~~
18 ~~—(e) If the application includes one or more abatements, an~~
19 ~~agreement executed by the Office with the lead participant in the~~
20 ~~project which:~~
21 ~~—(1) Complies with the requirements of NRS 360.755;~~
22 ~~—(2) States that the project will, after the date on which a~~
23 ~~certificate of eligibility for the abatement is approved pursuant to~~
24 ~~NRS 360.965, continue in operation in this State for a period~~
25 ~~specified by the Office; and~~
26 ~~—(3) Binds successors in interest of the lead participant for the~~
27 ~~specified period; and~~
28 ~~—(f) Any other information required by the Office.~~
29 ~~4. For an employee to be considered a resident of Nevada for~~
30 ~~the purposes of this section, each participant in the project must~~
31 ~~maintain the following documents in the personnel file of the~~
32 ~~employee:~~
33 ~~—(a) A copy of the current and valid Nevada driver's license of~~
34 ~~the employee or a current and valid identification card for the~~
35 ~~employee issued by the Department of Motor Vehicles;~~



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1 ~~—(b) If the employee is a registered owner of one or more motor~~
2 ~~vehicles in Nevada, a copy of the current motor vehicle registration~~
3 ~~of at least one of those vehicles;~~
4 ~~—(c) Proof that the employee is employed full-time and scheduled~~
5 ~~to work for an average minimum of 30 hours per week; and~~
6 ~~—(d) Proof that the employee is offered coverage under a plan of~~
7 ~~health insurance provided by his or her employer.~~
8 ~~—5. For the purpose of obtaining from the Executive Director of~~
9 ~~the Office any waiver of the requirement set forth in paragraph (k)~~
10 ~~of subsection 2, the lead participant in the project must submit to the~~
11 ~~Executive Director of the Office written documentation of the~~
12 ~~efforts to meet the requirement and documented proof that an~~
13 ~~insufficient number of Nevada residents is available and qualified~~
14 ~~for employment.~~
15 ~~—6. The Executive Director of the Office shall make available to~~
16 ~~the public and post on the Internet website for the Office:~~
17 ~~—(a) Any request for a waiver of the requirements set forth in~~
18 ~~paragraph (k) of subsection 2; and~~
19 ~~—(b) Any approval of such a request for a waiver that is granted~~
20 ~~by the Executive Director of the Office.~~
21 ~~—7. The Executive Director of the Office shall post a request for~~
22 ~~a waiver of the requirements set forth in paragraph (k) of subsection~~
23 ~~2 on the Internet website of the Office within 3 days after receiving~~
24 ~~the request and shall keep the request posted on the Internet website~~
25 ~~for not less than 5 days. The Executive Director of the Office shall~~
26 ~~ensure that the Internet website allows members of the public to post~~
27 ~~comments regarding the request.~~
28 ~~—8. The Executive Director of the Office shall consider any~~
29 ~~comments posted on the Internet website concerning any request for~~
30 ~~a waiver of the requirements set forth in paragraph (k) of subsection~~
31 ~~2 before making a decision regarding whether to approve the~~
32 ~~request. If the Executive Director of the Office approves the request~~
33 ~~for a waiver, the Executive Director of the Office must post the~~
34 ~~approval on the Internet website of the Office within 3 days and~~
35 ~~ensure that the Internet website allows members of the public to post~~
36 ~~comments regarding the approval.]~~



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1 **Sec. 66. NRS 363A.030 is hereby amended to read as**
2 **follows:**

3 363A.030 ~~“Employer”~~
4 1. Except as otherwise provided in this section, “employer”
5 means any ~~financial~~ :

6 (a) Financial institution who is required to pay a contribution
7 pursuant to NRS 612.535 for any calendar quarter with respect to
8 any business activity of the financial institution. ~~except~~

9 (b) Person who is subject to the tax on the net proceeds of
10 minerals imposed pursuant to the provisions of NRS 362.100 to
11 362.240, inclusive, whether or not the person is required to pay
12 that tax in a particular calendar year, and who is required to pay a
13 contribution pursuant to NRS 612.535 for any calendar quarter
14 with respect to any business activity of the person.

15 2. The term does not include an Indian tribe, a nonprofit
16 organization or a political subdivision.

17 3. For the purposes of this section:

18 ~~11~~ (a) “Indian tribe” includes any entity described in
19 subsection 10 of NRS 612.055.

20 ~~12~~ (b) “Nonprofit organization” means a nonprofit religious,
21 charitable, fraternal or other organization that qualifies as a tax-
22 exempt organization pursuant to 26 U.S.C. § 501(c).

23 ~~13~~ (c) “Political subdivision” means any entity described in
24 subsection 9 of NRS 612.055.

25 **Sec. 67. NRS 363A.130 is hereby amended to read as**
26 **follows:**

27 363A.130 1. There is hereby imposed an excise tax on each
28 employer at the rate of 2 percent of the wages, as defined in NRS
29 612.190, paid by the employer during a calendar quarter with
30 respect to employment in connection with the business activities of
31 the employer.

32 2. The tax imposed by this section:

33 (a) Does not apply to any person or other entity or any wages
34 this State is prohibited from taxing under the Constitution, laws or
35 treaties of the United States or the Nevada Constitution.

—



1 (b) Must not be deducted, in whole or in part, from any wages of
2 persons in the employment of the employer.

3 3. Each employer shall, on or before the last day of the month
4 immediately following each calendar quarter for which the
5 employer is required to pay a contribution pursuant to NRS
6 612.535:

7 (a) File with the Department a return on a form prescribed by
8 the Department; and

9 (b) Remit to the Department any tax due pursuant to this section
10 for that calendar quarter.

11 4. An employer is entitled to receive a credit against the tax
12 imposed by this section in an amount equal to 50 percent of the
13 amount of the commerce tax paid by the employer pursuant to
14 sections 2 to 61, inclusive, of this act, for the preceding taxable
15 year. The credit may only be used against an amount of the tax
16 that the taxpayer is required to pay pursuant to this section for any
17 of the 4 calendar quarters immediately following the end of the
18 taxable year for which the commerce tax was paid. The amount of
19 credit used for a calendar quarter may not exceed the amount of
20 tax due for that calendar quarter. Any unused credit may not be
21 carried forward beyond the fourth calendar quarter immediately
22 following the end of the taxable year for which the commerce tax
23 was paid, and a taxpayer is not entitled to a refund of any unused
24 credit.

25 Sec. 68. Chapter 363B of NRS is hereby amended by
26 adding thereto a new section to read as follows:

27 1. On or before September 30 of each even-numbered year,
28 the Department shall determine the combined revenue from the
29 tax imposed by this chapter, the tax imposed by chapter 363A of
30 NRS and the commerce tax imposed by sections 2 to 61, inclusive,
31 of this act, for the preceding fiscal year.

32 2. If the combined revenue determined pursuant to
33 subsection 1 exceeds by more than 4 percent the amount of the
34 combined anticipated revenue from those taxes for that fiscal year,



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1 as projected by the Economic Forum for that fiscal year pursuant
2 to paragraph (e) of subsection 1 of NRS 353.228 and as adjusted
3 by any legislation enacted by the Legislature that affects state
4 revenue for that fiscal year, the Department shall determine the
5 rate at which the tax imposed pursuant to NRS 363B.110 would
6 have generated a combined revenue of 4 percent more than the
7 amount anticipated.

8 3. Effective on July 1 of the odd-numbered year immediately
9 following the year in which the Department made the
10 determination described in subsection 1, the rate determined
11 pursuant to subsection 2, rounded to the nearest one-thousandth
12 of a percent, or 1.17 percent, whichever is greater, must thereafter
13 be the rate of the tax imposed pursuant to NRS 363B.110, unless
14 further adjusted in a subsequent fiscal year.

15 ~~Sec. 8.~~ **Sec. 69.** NRS 363B.030 is hereby amended to read
16 as follows:

17 363B.030 ~~“Employer”~~
18 1. Except as otherwise provided in this section, “employer”
19 means any employer who is required to pay a contribution pursuant
20 to NRS 612.535 for any calendar quarter with respect to any
21 business activity of the employer. ~~;~~ ~~except~~ ~~at~~.

22 2. The term does not include:

23 (a) A financial institution, ~~and~~ ;

24 (b) Any person who is subject to the tax on the net proceeds of
25 minerals imposed pursuant to the provisions of NRS 362.100 to
26 362.240, inclusive, whether or not the person is required to pay
27 that tax in a particular calendar year, and who is required to pay a
28 contribution pursuant to NRS 612.535 for any calendar quarter
29 with respect to any business activity of the person;

30 (c) An Indian tribe, a nonprofit organization, ~~or~~ ;

31 (d) A political subdivision ; or ~~any~~ ;

32 (e) Any person who does not supply a product or service, but
33 who only consumes a service.

34 3. For the purposes of this section:



1 ~~11~~ (a) “Financial institution” has the meaning ascribed to it in
2 NRS 363A.050.
3 ~~12~~ (b) “Indian tribe” includes any entity described in subsection
4 10 of NRS 612.055.
5 ~~13~~ ~~12~~ (c) “Nonprofit organization” means a nonprofit
6 religious, charitable, fraternal or other organization that qualifies as
7 a tax-exempt organization pursuant to 26 U.S.C. § 501(c).
8 ~~14~~ ~~13~~ (d) “Political subdivision” means any entity described
9 in subsection 9 of NRS 612.055.
10 ~~15~~ ~~14~~ Sec. 70. NRS 363B.110 is hereby amended to read
11 as follows:

12 363B.110 1. ~~16~~ Except as otherwise provided in section
13 68 of this act, there is hereby imposed an excise tax on each
14 employer at the rate of ~~10.63~~ ~~1.56~~ 1.475 percent of the amount by
15 which the sum of all the wages, as defined in NRS 612.190, paid by
16 the employer during a calendar quarter with respect to employment
17 in connection with the business activities of the employer ~~17~~
18 exceeds \$50,000.
19 2. The tax imposed by this section:
20 (a) Does not apply to any person or other entity or any wages
21 this State is prohibited from taxing under the Constitution, laws or
22 treaties of the United States or the Nevada Constitution.
23 (b) Must not be deducted, in whole or in part, from any wages of
24 persons in the employment of the employer.
25 3. Each employer shall, on or before the last day of the month
26 immediately following each calendar quarter for which the
27 employer is required to pay a contribution pursuant to
28 NRS 612.535:
29 (a) File with the Department a return on a form prescribed by
30 the Department; and
31 (b) Remit to the Department any tax due pursuant to this chapter
32 for that calendar quarter.
33 4. An employer is entitled to receive a credit against the tax
34 imposed by this section in an amount equal to 50 percent of the
35 amount of the commerce tax paid by the employer pursuant to
36 sections 2 to 61, inclusive, of this act, for the preceding taxable



1 year. The credit may only be used against an amount of the tax
 2 that the taxpayer is required to pay pursuant to this section for any
 3 of the 4 calendar quarters immediately following the end of the
 4 taxable year for which the commerce tax was paid. The amount of
 5 credit used for a calendar quarter may not exceed the amount of
 6 tax due for that calendar quarter. Any unused credit may not be
 7 carried forward beyond the fourth calendar quarter immediately
 8 following the end of the taxable year for which the commerce tax
 9 was paid, and a taxpayer is not entitled to a refund of any unused
 10 credit.

11 **Sec. 71. NRS 371.060 is hereby amended to read as follows:**

12 371.060 1. Except as otherwise provided in subsection 2 and
 13 subsection 2 of NRS 371.040, each vehicle must be depreciated by
 14 the Department for the purposes of the annual governmental
 15 services tax according to the following schedule:

	Age	Percentage of Initial Value
20	New	100 percent
21	1 year	105 85 percent
22	2 years	185 75 percent
23	3 years	175 65 percent
24	4 years	165 55 percent
25	5 years	155 45 percent
26	6 years	145 35 percent
27	7 years	135 25 percent
28	8 years	125 15 percent
29	9 years or more	115 5 percent

30
 31 2. Except as otherwise provided in subsection 2 of NRS
 32 371.040, each bus, truck or truck-tractor having a declared gross
 33 weight of 10,000 pounds or more and each trailer or semitrailer
 34 having an unladen weight of 4,000 pounds or more must be

—



1 depreciated by the Department for the purposes of the annual
2 governmental services tax according to the following schedule:

5	Age	Percentage of Initial Value
7	New	100 percent
8	1 year	85 <u>75</u> percent
9	2 years	69 <u>59</u> percent
10	3 years	57 <u>47</u> percent
11	4 years	47 <u>37</u> percent
12	5 years	38 <u>28</u> percent
13	6 years	33 <u>23</u> percent
14	7 years	30 <u>20</u> percent
15	8 years	27 <u>17</u> percent
16	9 years	25 <u>15</u> percent
17	10 years or more	23 <u>13</u> percent

18
19 3. Notwithstanding any other provision of this section, the
20 minimum amount of the governmental services tax:

21 (a) On any trailer having an unladen weight of 1,000 pounds or
22 less is \$3; and

23 (b) On any other vehicle is ~~\$16~~ \$6.

24 4. For the purposes of this section, a vehicle shall be deemed a
25 "new" vehicle if the vehicle has never been registered with the
26 Department and has never been registered with the appropriate
27 agency of any other state, the District of Columbia, any territory or
28 possession of the United States or any foreign state, province or
29 country.

30 **Sec. 72. NRS 371.230 is hereby amended to read as follows:**

31 371.230 Except as otherwise provided in NRS 371.1035,
32 482.180 ~~+~~ and 482.181 ~~,~~ and ~~482.182,~~
33 Department for governmental services taxes and penalties pursuant
34 to the provisions of this chapter must be deposited with the State
35 Treasurer to the credit of the Motor Vehicle Fund.

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1 ~~[Sec. 10. Chapter 40 of NRS is hereby amended by adding~~
2 ~~thereto the provisions set forth as sections 11, 12 and 13 of this~~
3 ~~act.~~

4 ~~Sec. 11. As used in NRS 40.451 to 40.463, inclusive, and~~
5 ~~sections 11, 12 and 13 of this act, unless the context otherwise~~
6 ~~requires, the words and terms defined in NRS 40.451 and sections~~
7 ~~12 and 13 of this act have the meanings ascribed to them in those~~
8 ~~sections.~~

9 ~~Sec. 12. "Business activity" means the performance of a~~
10 ~~service or engagement in a trade for profit.~~

11 ~~Sec. 13. 1. Except as otherwise provided in subsection 2,~~
12 ~~"financial institution" means:~~

13 ~~(a) An institution licensed, registered or otherwise authorized~~
14 ~~to do business in this State pursuant to the provisions of title 55 or~~
15 ~~56 of NRS or chapter 604A, 645B or 645E of NRS, or a similar~~
16 ~~institution chartered or licensed pursuant to federal law;~~

17 ~~(b) A person licensed or registered or required to be licensed~~
18 ~~or registered pursuant to NRS 90.310, 90.330, 90.453, 686A.340 or~~
19 ~~688C.190;~~

20 ~~(c) A person holding or required to hold a solicitation permit or~~
21 ~~license pursuant to NRS 692B.040, 692B.190 or 692B.260;~~

22 ~~(d) A person designated or registered or required to be~~
23 ~~designated or registered pursuant to the Commodity Exchange~~
24 ~~Act, 7 U.S.C. §§ 1 et seq., the Securities Exchange Act of 1934, 15~~
25 ~~U.S.C. §§ 78a et seq., the Public Utility Holding Company Act of~~
26 ~~2005, 47 U.S.C. §§ 16451 et seq., the Investment Company Act of~~
27 ~~1940, 15 U.S.C. §§ 80a-1 et seq., or the Investment Advisers Act~~
28 ~~of 1940, 15 U.S.C. §§ 806-1 et seq., as amended;~~

29 ~~(e) A person licensed pursuant to 7 U.S.C. § 2009cc-3 to~~
30 ~~operate as a rural business investment company;~~

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- 1 ~~== (f) A person registered or required to be registered as a~~
2 ~~savings and loan holding company pursuant to 12 U.S.C. § 1467a;~~
- 3 ~~== (g) A person registered or required to be registered as a bank~~
4 ~~holding company pursuant to 12 U.S.C. § 1844;~~
- 5 ~~== (h) An investment bank holding company supervised pursuant~~
6 ~~to 15 U.S.C. § 78a;~~
- 7 ~~== (i) A person electing to be treated as a business development~~
8 ~~company pursuant to 15 U.S.C. § 80a-53;~~
- 9 ~~== (j) A person licensed pursuant to 15 U.S.C. § 681 to operate as~~
10 ~~a small business investment company;~~
- 11 ~~== (k) A person granted final approval pursuant to 15 U.S.C. §~~
12 ~~689c to operate as a New Markets Venture Capital Company;~~
- 13 ~~== (l) A person qualifying as and electing to be considered a real~~
14 ~~estate investment trust pursuant to 26 U.S.C. § 856;~~
- 15 ~~== (m) A bank, as defined in 12 U.S.C. § 1813(a);~~
- 16 ~~== (n) A savings association, as defined in 12 U.S.C. § 1813(b);~~
- 17 ~~== (o) A savings bank, as defined in 12 U.S.C. § 1813(g);~~
- 18 ~~== (p) A thrift institution, as defined in 12 U.S.C. § 1841(i);~~
- 19 ~~== (q) A national banking association organized under the~~
20 ~~National Bank Act, 12 U.S.C. §§ 21 et seq.;~~
- 21 ~~== (r) An entity that is related to any of the entities described in~~
22 ~~paragraphs (a), (b), (d) to (k), inclusive, and (m) to (q), inclusive,~~
23 ~~regardless of whether the entity described in any of those~~
24 ~~paragraphs is doing business in this State; and~~
- 25 ~~== (s) An issuer or a service provider;~~

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1 ~~→ who is conducting a business activity in this State.~~

2 ~~== 2. The term does not include:~~

3 ~~== (a) A credit union organized under the provisions of chapter~~
4 ~~678 of NRS or the Federal Credit Union Act, 12 U.S.C. §§ 1751 et~~
5 ~~seq.;~~

6 ~~== (b) A federal land credit association, farm credit bank,~~
7 ~~agricultural credit association or similar institution organized~~
8 ~~under the provisions of the Farm Credit Act, 12 U.S.C. §§ 2001 et~~
9 ~~seq.; and~~

10 ~~== (c) Any person or other entity that this State is prohibited from~~
11 ~~taxing under the Constitution, laws or treaties of the United~~
12 ~~States or the Nevada Constitution.~~

13 ~~== 3. For the purposes of this section:~~

14 ~~== (a) "Credit card" has the meaning ascribed to it in~~
15 ~~NRS 97A.050.~~

16 ~~== (b) "Entity" includes, without limitation, any corporation,~~
17 ~~limited liability company, association, organization, company,~~
18 ~~firm, partnership, joint venture, trust, business trust, receiver,~~
19 ~~trustee, syndicate, cooperative or assignee, or any other group or~~
20 ~~combination acting as a unit.~~

21 ~~== (c) "Issuer" has the meaning ascribed to it in NRS 97A.100,~~
22 ~~except that the term does not include a seller of goods or provider~~
23 ~~of services who issues a credit card for the purpose of providing or~~
24 ~~extending credit only in connection with the goods he or she sells~~
25 ~~or the services he or she provides.~~

26 ~~== (d) Entities are "related" if at least 50 percent of the interest,~~
27 ~~either by vote or value, in each entity is owned, either directly or~~
28 ~~indirectly, by the same entity, including either of those entities.~~

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1 ~~“(c) “Service provider” has the meaning ascribed to it in NRS~~
2 ~~97A.130, except that the term does not include a service provider~~
3 ~~who acts in that capacity solely on behalf of a seller of goods or~~
4 ~~provider of services who issues a credit card for the purpose of~~
5 ~~providing or extending credit only in connection with the goods he~~
6 ~~or she sells or the services he or she provides.~~

7 ~~Sec. 14. NRS 40.451 is hereby amended to read as follows:~~

8 ~~40.451 [As used in NRS 40.451 to 40.463, inclusive,~~
9 ~~“indebtedness”] “Indebtedness” means the principal balance of the~~
10 ~~obligation secured by a mortgage or other lien on real property,~~
11 ~~together with all interest accrued and unpaid prior to the time of~~
12 ~~foreclosure sale, all costs and fees of such a sale, all advances made~~
13 ~~with respect to the property by the beneficiary, and all other~~
14 ~~amounts secured by the mortgage or other lien on the real property~~
15 ~~in favor of the person seeking the deficiency judgment. Such~~
16 ~~amount constituting a lien is limited to the amount of the~~
17 ~~consideration paid by the lienholder.~~

18 ~~Sec. 15. NRS 40.455 is hereby amended to read as follows:~~

19 ~~40.455 1. Except as otherwise provided in subsection 3, upon~~
20 ~~application of the judgment creditor or the beneficiary of the deed of~~
21 ~~trust within 6 months after the date of the foreclosure sale or the~~
22 ~~trustee’s sale held pursuant to NRS 107.080, respectively, and after~~
23 ~~the required hearing, the court shall award a deficiency judgment to~~
24 ~~the judgment creditor or the beneficiary of the deed of trust if it~~
25 ~~appears from the sheriff’s return or the recital of consideration in the~~
26 ~~trustee’s deed that there is a deficiency of the proceeds of the sale~~
27 ~~and a balance remaining due to the judgment creditor or the~~
28 ~~beneficiary of the deed of trust, respectively.~~

29 ~~2. If the indebtedness is secured by more than one parcel of~~
30 ~~real property, more than one interest in the real property or more~~
31 ~~than one mortgage or deed of trust, the 6-month period begins to run~~
32 ~~after the date of the foreclosure sale or trustee’s sale of the last~~
33 ~~parcel or other interest in the real property securing the~~

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1 ~~indebtedness, but in no event may the application be filed more than~~
2 ~~2 years after the initial foreclosure sale or trustee's sale.~~
3 ~~3. If the judgment creditor or the beneficiary of the deed of~~
4 ~~trust is a financial institution, the court may not award a deficiency~~
5 ~~judgment to the judgment creditor or the beneficiary of the deed of~~
6 ~~trust, even if there is a deficiency of the proceeds of the sale and a~~
7 ~~balance remaining due the judgment creditor or beneficiary of the~~
8 ~~deed of trust, if:~~
9 ~~—(a) The real property is a single family dwelling and the debtor~~
10 ~~or grantor was the owner of the real property at the time of the~~
11 ~~foreclosure sale or trustee's sale;~~
12 ~~—(b) The debtor or grantor used the amount for which the real~~
13 ~~property was secured by the mortgage or deed of trust to purchase~~
14 ~~the real property;~~
15 ~~—(c) The debtor or grantor continuously occupied the real~~
16 ~~property as the debtor's or grantor's principal residence after~~
17 ~~securing the mortgage or deed of trust; and~~
18 ~~—(d) The debtor or grantor did not refinance the mortgage or deed~~
19 ~~of trust after securing it.~~
20 ~~4. As used in this section, "financial institution" has the~~
21 ~~meaning ascribed to it in NRS 363A.050.~~
22 ~~Sec. 16. NRS 40.4638 is hereby amended to read as follows:~~
23 ~~40.4638 1. A person to whom an obligation secured by a~~
24 ~~junior mortgage or lien on real property is owed may not bring any~~
25 ~~action to enforce that obligation after a foreclosure sale of the real~~
26 ~~property which secured that obligation or a sale in lieu of a~~
27 ~~foreclosure sale if:~~
28 ~~—(a) The person is a financial institution;~~
29 ~~—(b) The real property which secured the obligation is a single-~~
30 ~~family dwelling and the debtor or grantor was the owner of the real~~
31 ~~property at the time of the foreclosure sale or sale in lieu of a~~
32 ~~foreclosure sale;~~
33 ~~—(c) The debtor or grantor used the amount of the obligation to~~
34 ~~purchase the real property;~~



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1 ~~—(d) The debtor or grantor continuously occupied the real~~
2 ~~property as the debtor's or grantor's principal residence after~~
3 ~~securing the obligation; and~~

4 ~~—(e) The debtor or grantor did not refinance the obligation after~~
5 ~~securing it.~~

6 ~~—2. As used in this section, "financial institution" has the~~
7 ~~meaning ascribed to it in [NRS 363A.050.] *section 13 of this act.*~~

8 ~~—Sec. 17. **Chapter 76 of NRS is hereby amended by adding**~~
9 ~~**thereto a new section to read as follows:**~~

10 ~~—1. In addition to the information required to be included in~~
11 ~~an application for the issuance or renewal of a state business~~
12 ~~license submitted pursuant to NRS 76.100 or 76.130, respectively,~~
13 ~~each application for the issuance or renewal of a state business~~
14 ~~license must include the following information:~~

15 ~~—(a) If the applicant was required to file a federal income tax~~
16 ~~return for the immediately preceding federal taxable year, the~~
17 ~~principal business activity code, if any, indicated on the federal~~
18 ~~income tax return of the applicant for the immediately preceding~~
19 ~~taxable year;~~

20 ~~—(b) If the applicant was required to file a federal income tax~~
21 ~~return for the immediately preceding federal taxable year and~~
22 ~~was treated for the purposes of that return as a corporation, the~~
23 ~~amount reported on line 1a of Internal Revenue Service Form 1120~~
24 ~~or 1120S, or the equivalent or successor of those forms, whichever~~
25 ~~is applicable, as gross receipts or sales for the immediately~~
26 ~~preceding federal taxable year;~~

27 ~~—(c) If the applicant was required to file a federal income tax~~
28 ~~return for the immediately preceding federal taxable year and~~
29 ~~was treated for the purposes of that return as a partnership, the~~
30 ~~amount reported on line 1a of Internal Revenue Service Form~~
31 ~~1065, or its equivalent or successor form, as gross receipts or sales~~
32 ~~for the immediately preceding federal taxable year;~~



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- 1 ~~== (d) If the applicant was required to file a Schedule C (Form~~
2 ~~1040), Profit or Loss From Business, or its equivalent or successor~~
3 ~~form, for the immediately preceding federal taxable year, the~~
4 ~~amount reported on line 1 of that Schedule, or its equivalent or~~
5 ~~successor form, as gross receipts or sales;~~
- 6 ~~== (e) If the applicant did not file any of the forms or schedules~~
7 ~~listed in paragraph (b), (c) or (d), the amount of the gross receipts~~
8 ~~or sales of the applicant from conducting a business for the~~
9 ~~immediately preceding calendar year; and~~
- 10 ~~== (f) If the applicant included in the application the information~~
11 ~~listed in paragraph (b), (c) or (d), whether the amounts reported~~
12 ~~pursuant to those paragraphs were the result of business~~
13 ~~conducted solely in this State or whether those amounts were the~~
14 ~~result of business conducted both within and outside this State.~~
- 15 ~~== 2. Upon request of the Fiscal Analysis Division of the~~
16 ~~Legislative Counsel Bureau, the Secretary of State shall provide to~~
17 ~~the Fiscal Analysis Division the information collected for each~~
18 ~~applicant pursuant to subsection 1.~~
- 19 ~~== 3. Except as otherwise provided in:~~
- 20 ~~== (a) Subsection 2 or another specific statute, the Secretary of~~
21 ~~State shall not disclose any information reported to the Secretary~~
22 ~~of State pursuant to this section.~~
- 23 ~~== (b) This paragraph or another specific statute, any~~
24 ~~information obtained by the Fiscal Analysis Division pursuant to~~
25 ~~subsection 2 shall be deemed a work product that is confidential~~
26 ~~pursuant to NRS 218F.150. The Fiscal Analysis Division may~~
27 ~~analyze the information and issue written reports based on that~~
28 ~~information but shall not disclose any proprietary or confidential~~
29 ~~information obtained from the Secretary of State pursuant to~~
30 ~~subsection 2.~~



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1 ~~Sec. 18.1~~ **Sec. 73.** NRS 76.100 is hereby amended to read as
2 follows:

- 3 76.100 1. A person shall not conduct a business in this State
4 unless and until the person obtains a state business license issued by
5 the Secretary of State. If the person is:
- 6 (a) An entity required to file an initial or annual list with the
7 Secretary of State pursuant to this title, the person must obtain the
8 state business license at the time of filing the initial or annual list.
 - 9 (b) Not an entity required to file an initial or annual list with the
10 Secretary of State pursuant to this title, the person must obtain the
11 state business license before conducting a business in this State.
- 12 2. An application for a state business license must:
- 13 (a) Be made upon a form prescribed by the Secretary of State;
 - 14 (b) Set forth the name under which the applicant transacts or
15 intends to transact business, or if the applicant is an entity organized
16 pursuant to this title and on file with the Secretary of State, the exact
17 name on file with the Secretary of State, the entity number as
18 assigned by the Secretary of State, if known, and the location in this
19 State of the place or places of business;
 - 20 (c) Be accompanied by a fee in the amount of ~~+\$100;~~ ***\$300,***
21 ***except that if the applicant is a corporation organized pursuant to***
22 ***chapter 78, 78A or 78B of NRS, or a foreign corporation required***
23 ***to file an initial or annual list with the Secretary of State pursuant***
24 ***to chapter 80 of NRS, the application must be accompanied by a***
25 ***fee of \$500;*** and
 - 26 (d) Include any other information that the Secretary of State
27 deems necessary.
- 28 ➤ If the applicant is an entity organized pursuant to this title and on
29 file with the Secretary of State and the applicant has no location in
30 this State of its place of business, the address of its registered agent
31 shall be deemed to be the location in this State of its place of
32 business.
- 33 3. The application must be signed pursuant to NRS 239.330 by:
- 34 (a) The owner of a business that is owned by a natural person.
 - 35 (b) A member or partner of an association or partnership.
 - 36 (c) A general partner of a limited partnership.



1 (d) A managing partner of a limited-liability partnership.
2 (e) A manager or managing member of a limited-liability
3 company.

4 (f) An officer of a corporation or some other person specifically
5 authorized by the corporation to sign the application.

6 4. If the application for a state business license is defective in
7 any respect or the fee required by this section is not paid, the
8 Secretary of State may return the application for correction or
9 payment.

10 5. The state business license required to be obtained pursuant
11 to this section is in addition to any license to conduct business that
12 must be obtained from the local jurisdiction in which the business is
13 being conducted.

14 6. For the purposes of this chapter, a person shall be deemed to
15 conduct a business in this State if a business for which the person is
16 responsible:

17 (a) Is organized pursuant to this title, other than a business
18 organized pursuant to:

19 (1) Chapter 82 or 84 of NRS; or

20 (2) Chapter 81 of NRS if the business is a nonprofit
21 religious, charitable, fraternal or other organization that qualifies as
22 a tax-exempt organization pursuant to 26 U.S.C. § 501(c).

23 (b) Has an office or other base of operations in this State;

24 (c) Has a registered agent in this State; or

25 (d) Pays wages or other remuneration to a natural person who
26 performs in this State any of the duties for which he or she is paid.

27 7. As used in this section, "registered agent" has the meaning
28 ascribed to it in NRS 77.230.

29 ~~Sec. 19.~~ **Sec. 74.** NRS 76.130 is hereby amended to read
30 as follows:

31 76.130 1. ~~A~~ **Except as otherwise provided in subsection 2,**
32 **a** person who applies for renewal of a state business license shall
33 submit a fee in the amount of ~~\$100~~ **\$300** to the Secretary of State:

34 (a) If the person is an entity required to file an annual list with
35 the Secretary of State pursuant to this title, at the time the person
36 submits the annual list to the Secretary of State, unless the person



1 submits a certificate or other form evidencing the dissolution of the
2 entity; or

3 (b) If the person is not an entity required to file an annual list
4 with the Secretary of State pursuant to this title, on the last day of
5 the month in which the anniversary date of issuance of the state
6 business license occurs in each year, unless the person submits a
7 written statement to the Secretary of State, at least 10 days before
8 that date, indicating that the person will not be conducting a
9 business in this State after that date.

10 2. *If the person applying for the renewal of a state business*
11 *license pursuant to subsection 1 is a corporation organized*
12 *pursuant to chapter 78, 78A or 78B of NRS, or a foreign*
13 *corporation required to file an initial or annual list with the*
14 *Secretary of State pursuant to chapter 80 of NRS, the fee for the*
15 *renewal of a state business license is \$500.*

16 3. The Secretary of State shall, 90 days before the last day for
17 filing an application for renewal of the state business license of a
18 person who holds a state business license, provide to the person a
19 notice of the state business license fee due pursuant to this section
20 and a reminder to file the application for renewal required pursuant
21 to this section. Failure of any person to receive a notice does not
22 excuse the person from the penalty imposed by law.

23 ~~3~~ 4. If a person fails to submit the annual state business
24 license fee required pursuant to this section in a timely manner and
25 the person is:

26 (a) An entity required to file an annual list with the Secretary of
27 State pursuant to this title, the person:

28 (1) Shall pay a penalty of \$100 in addition to the annual state
29 business license fee;

30 (2) Shall be deemed to have not complied with the
31 requirement to file an annual list with the Secretary of State; and

32 (3) Is subject to all applicable provisions relating to the
33 failure to file an annual list, including, without limitation, the
34 provisions governing default and revocation of its charter or right to
35 transact business in this State, except that the person is required to
36 pay the penalty set forth in subparagraph (1).

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1 (b) Not an entity required to file an annual list with the Secretary
2 of State, the person shall pay a penalty in the amount of \$100 in
3 addition to the annual state business license fee. The Secretary of
4 State shall provide to the person a written notice that:

5 (1) Must include a statement indicating the amount of the
6 fees and penalties required pursuant to this section and the costs
7 remaining unpaid.

8 (2) May be provided electronically, if the person has
9 requested to receive communications by electronic transmission, by
10 electronic mail or other electronic communication.

11 **Sec. 75. NRS 78.245 is hereby amended to read as follows:**

12 78.245 ~~Not~~ **1. Except as otherwise provided in subsection**
13 **2, no** stocks, bonds or other securities issued by any corporation
14 organized under this chapter, nor the income or profits therefrom,
15 nor the transfer thereof by assignment, descent, testamentary
16 disposition or otherwise, shall be taxed by this State when such
17 stocks, bonds or other securities shall be owned by nonresidents of
18 this State or by foreign corporations.

19 **2. The provisions of subsection 1 do not apply to the**
20 **commerce tax imposed pursuant to sections 2 to 61, inclusive, of**
21 **this act.**

22 ~~Sec. 20.~~ **Sec. 76.** NRS 90.420 is hereby amended to read
23 as follows:

24 90.420 1. The Administrator by order may deny, suspend or
25 revoke any license, fine any licensed person, limit the activities
26 governed by this chapter that an applicant or licensed person may
27 perform in this State, bar an applicant or licensed person from
28 association with a licensed broker-dealer or investment adviser or
29 bar from employment with a licensed broker-dealer or investment
30 adviser a person who is a partner, officer, director, sales
31 representative, investment adviser or representative of an investment
32 adviser, or a person occupying a similar status or performing a
33 similar function for an applicant or licensed person, if the
34 Administrator finds that the order is in the public interest and that
35 the applicant or licensed person or, in the case of a broker-dealer or



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1 investment adviser, any partner, officer, director, sales
2 representative, investment adviser, representative of an investment
3 adviser, or person occupying a similar status or performing similar
4 functions or any person directly or indirectly controlling the broker-
5 dealer or investment adviser, or any transfer agent or any person
6 directly or indirectly controlling the transfer agent;

7 (a) Has filed an application for licensing with the Administrator
8 which, as of its effective date, or as of any date after filing in the
9 case of an order denying effectiveness, was incomplete in a material
10 respect or contained a statement that was, in light of the
11 circumstances under which it was made, false or misleading with
12 respect to a material fact;

13 (b) Has violated or failed to comply with a provision of this
14 chapter as now or formerly in effect or a regulation or order adopted
15 or issued under this chapter;

16 (c) Is the subject of an adjudication or determination after notice
17 and opportunity for hearing, within the last 5 years by a securities
18 agency or administrator of another state or a court of competent
19 jurisdiction that the person has violated the Securities Act of 1933,
20 the Securities Exchange Act of 1934, the Investment Advisers Act
21 of 1940, the Investment Company Act of 1940, the Commodity
22 Exchange Act or the securities law of any other state, but only if the
23 acts constituting the violation of that state's law would constitute a
24 violation of this chapter had the acts taken place in this State;

25 (d) Has been convicted of a felony or, within the previous 10
26 years has been convicted of a misdemeanor, which the
27 Administrator finds:

28 (1) Involves the purchase or sale of a security, taking a false
29 oath, making a false report, bribery, perjury, burglary, robbery or
30 conspiracy to commit any of the foregoing offenses;

31 (2) Arises out of the conduct of business as a broker-dealer,
32 investment adviser, depository institution, insurance company or
33 fiduciary;

34 (3) Involves the larceny, theft, robbery, extortion, forgery,
35 counterfeiting, fraudulent concealment, embezzlement, fraudulent
36 conversion or misappropriation of money or securities or conspiracy
37 to commit any of the foregoing offenses; or

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- 1 (4) Involves moral turpitude;
- 2 (e) Is or has been permanently or temporarily enjoined by any
3 court of competent jurisdiction, unless the order has been vacated,
4 from acting as an investment adviser, representative of an
5 investment adviser, underwriter, broker-dealer or as an affiliated
6 person or employee of an investment company, depository
7 institution or insurance company or from engaging in or continuing
8 any conduct or practice in connection with any of the foregoing
9 activities or in connection with the purchase or sale of a security;
- 10 (f) Is or has been the subject of an order of the Administrator,
11 unless the order has been vacated, denying, suspending or revoking
12 the person's license as a broker-dealer, sales representative,
13 investment adviser, representative of an investment adviser or
14 transfer agent;
- 15 (g) Is or has been the subject of any of the following orders
16 which were issued within the last 5 years, unless the order has been
17 vacated:
- 18 (1) An order by the securities agency or administrator of
19 another state, jurisdiction, Canadian province or territory, the
20 Commodity Futures Trading Commission, or by the Securities and
21 Exchange Commission or a comparable regulatory agency of
22 another country, entered after notice and opportunity for hearing,
23 denying, suspending or revoking the person's license as a broker-
24 dealer, sales representative, investment adviser, representative of an
25 investment adviser or transfer agent;
- 26 (2) A suspension or expulsion from membership in or
27 association with a member of a self-regulatory organization;
- 28 (3) An order by a self-regulatory organization that prohibits
29 the person from serving, indefinitely or for a specified period, as a
30 principal or in a supervisory capacity within a business or
31 organization which is a member of a self-regulatory organization;
- 32 (4) An order of the United States Postal Service relating to
33 fraud;
- 34 (5) An order to cease and desist entered after notice and
35 opportunity for hearing by the Administrator, the securities agency
36 or administrator of another state, jurisdiction, Canadian province or
37 territory, the Securities and Exchange Commission or a comparable

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1 regulatory agency of another country, or the Commodity Futures
2 Trading Commission; or

3 (6) An order by the Commodity Futures Trading
4 Commission denying, suspending or revoking registration under the
5 Commodity Exchange Act;

6 (h) Has engaged in unethical or dishonest practices in the
7 securities business;

8 (i) Is insolvent, either in the sense that liabilities exceed assets or
9 in the sense that obligations cannot be met as they mature, but the
10 Administrator may not enter an order against a broker-dealer or
11 investment adviser under this paragraph without a finding of
12 insolvency as to the broker-dealer or investment adviser;

13 (j) Has failed to pay a tax as required pursuant to the provisions
14 of chapter 363A ~~363B~~ of NRS, or sections 2 to 61, inclusive, of
15 this act;

16 (k) Is determined by the Administrator in compliance with NRS
17 90.430 not to be qualified on the basis of lack of training,
18 experience and knowledge of the securities business; or

19 (l) Has failed reasonably to supervise a sales representative,
20 employee or representative of an investment adviser.

21 2. The Administrator may not institute a proceeding on the
22 basis of a fact or transaction known to the director when the license
23 became effective unless the proceeding is instituted within 90 days
24 after issuance of the license.

25 3. If the Administrator finds that an applicant or licensed
26 person is no longer in existence or has ceased to do business as a
27 broker-dealer, sales representative, investment adviser,
28 representative of an investment adviser or transfer agent or is
29 adjudicated mentally incompetent or subjected to the control of a
30 committee, conservator or guardian or cannot be located after
31 reasonable search, the Administrator may by order deny the
32 application or revoke the license.

33 ~~Sec. 77.~~ **Sec. 77.** NRS 90.730 is hereby amended to read
34 as follows:



1 90.730 1. Except as otherwise provided in subsection 2,
2 information and records filed with or obtained by the Administrator
3 are public information and are available for public examination.

4 2. Except as otherwise provided in subsections 3 and 4 and
5 NRS 239.0115, the following information and records do not
6 constitute public information under subsection 1 and are
7 confidential:

8 (a) Information or records obtained by the Administrator in
9 connection with an investigation concerning possible violations of
10 this chapter; and

11 (b) Information or records filed with the Administrator in
12 connection with a registration statement filed under this chapter or a
13 report under NRS 90.390 which constitute trade secrets or
14 commercial or financial information of a person for which that
15 person is entitled to and has asserted a claim of privilege or
16 confidentiality authorized by law.

17 3. The Administrator may submit any information or evidence
18 obtained in connection with an investigation to the:

19 (a) Attorney General or appropriate district attorney for the
20 purpose of prosecuting a criminal action under this chapter; and

21 (b) Department of Taxation for its use in carrying out the
22 provisions of chapter 363A ~~363B~~ of NRS ~~41~~ and the chapter
23 consisting of sections 2 to 61, inclusive, of this act.

24 4. The Administrator may disclose any information obtained in
25 connection with an investigation pursuant to NRS 90.620 to the
26 agencies and administrators specified in subsection 1 of NRS 90.740
27 but only if disclosure is provided for the purpose of a civil,
28 administrative or criminal investigation or proceeding, and the
29 receiving agency or administrator represents in writing that under
30 applicable law protections exist to preserve the integrity,
31 confidentiality and security of the information.

32 5. This chapter does not create any privilege or diminish any
33 privilege existing at common law, by statute, regulation or
34 otherwise.

35 **Sec. 78. NRS 482.180 is hereby amended to read as follows:**



- 1 482.180 1. The Motor Vehicle Fund is hereby created as an
2 agency fund. Except as otherwise provided in subsection 4 or by a
3 specific statute, all money received or collected by the Department
4 must be deposited in the State Treasury for credit to the Motor
5 Vehicle Fund.
- 6 2. The interest and income on the money in the Motor Vehicle
7 Fund, after deducting any applicable charges, must be credited to
8 the State Highway Fund.
- 9 3. Any check accepted by the Department in payment of the
10 governmental services tax or any other fee required to be collected
11 pursuant to this chapter must, if it is dishonored upon presentation
12 for payment, be charged back against the Motor Vehicle Fund or the
13 county to which the payment was credited pursuant to this section or
14 NRS 482.181, in the proper proportion.
- 15 4. Except as otherwise provided in subsection 6, all money
16 received or collected by the Department for the basic governmental
17 services tax must be distributed in the manner set forth in NRS
18 482.181. ~~and 482.182.~~
- 19 5. Money for the administration of the provisions of this
20 chapter must be provided by direct legislative appropriation from
21 the State Highway Fund or other legislative authorization, upon the
22 presentation of budgets in the manner required by law. Out of the
23 appropriation or authorization, the Department shall pay every item
24 of expense.
- 25 6. The Department shall withhold 6 percent from the amount of
26 the governmental services tax collected by the Department as a
27 commission. From the amount of the governmental services tax
28 collected by a county assessor, the State Controller shall credit 1
29 percent to the Department as a commission and remit 5 percent to
30 the county for credit to its general fund as commission for the
31 services of the county assessor. All money withheld by or credited
32 to the Department pursuant to this subsection must be used only for
33 the administration of this chapter as authorized by the Legislature
34 pursuant to subsection 5.
- 35 7. When the requirements of this section and NRS 482.181
36 ~~and 482.182~~ have been met, and when directed by the Department,



1 the State Controller shall transfer monthly to the State Highway
2 Fund any balance in the Motor Vehicle Fund.

3 8. If a statute requires that any money in the Motor Vehicle
4 Fund be transferred to another fund or account, the Department shall
5 direct the State Controller to transfer the money in accordance with
6 the statute.

SECOND
PARALLEL
SECTION

Sec. 79. NRS 482.181 is hereby amended to read as follows:

8 482.181 1. Except as otherwise provided in subsection 5,
9 after deducting the amount withheld by the Department and the
10 amount credited to the Department pursuant to subsection 6 of NRS
11 482.180, ~~and the amount transferred to the State Highway Fund~~
12 ~~pursuant to NRS 482.182,~~ the Department shall certify monthly to
13 the State Board of Examiners the amount of the basic and
14 supplemental governmental services taxes collected for each county
15 by the Department and its agents during the preceding month, and
16 that money must be distributed monthly as provided in this section.

17 2. Any supplemental governmental services tax collected for a
18 county must be distributed only to the county, to be used as
19 provided in NRS 371.043, 371.045 and 371.047.

20 3. The distribution of the basic governmental services tax
21 received or collected for each county must be made to the county
22 school district within each county before any distribution is made to
23 a local government, special district or enterprise district. For the
24 purpose of calculating the amount of the basic governmental
25 services tax to be distributed to the county school district, the taxes
26 levied by each local government, special district and enterprise
27 district are the product of its certified valuation, determined
28 pursuant to subsection 2 of NRS 361.405, and its tax rate,
29 established pursuant to NRS 361.455 for the fiscal year beginning
30 on July 1, 1980, except that the tax rate for school districts,
31 including the rate attributable to a district's debt service, is the rate
32 established pursuant to NRS 361.455 for the fiscal year beginning
33 on July 1, 1978, but if the rate attributable to a district's debt service
34 in any fiscal year is greater than its rate for the fiscal year beginning
35 on July 1, 1978, the higher rate must be used to determine the
36 amount attributable to debt service.

—



1 4. After making the distributions set forth in subsection 3, the
2 remaining money received or collected for each county must be
3 deposited in the Local Government Tax Distribution Account
4 created by NRS 360.660 for distribution to local governments,
5 special districts and enterprise districts within each county pursuant
6 to the provisions of NRS 360.680 and 360.690.

7 5. An amount equal to any basic governmental services tax
8 distributed to a redevelopment agency in the Fiscal Year 1987-1988
9 must continue to be distributed to that agency as long as it exists but
10 must not be increased.

11 6. The Department shall make distributions of the basic
12 governmental services tax directly to county school districts.

13 7. As used in this section:

14 (a) "Enterprise district" has the meaning ascribed to it in NRS
15 360.620.

16 (b) "Local government" has the meaning ascribed to it in NRS
17 360.640.

18 (c) "Received or collected for each county" means:

19 (1) For the basic governmental services tax collected on
20 vehicles subject to the provisions of chapter 706 of NRS, the
21 amount determined for each county based on the following
22 percentages:

23
24 Carson City 1.07 percent Lincoln 3.12 percent
25 Churchill 5.21 percent Lyon 2.90 percent
26 Clark 22.54 percent Mineral 2.40 percent
27 Douglas 2.52 percent Nye 4.09 percent
28 Elko 13.31 percent Pershing 7.00 percent
29 Esmeralda 2.52 percent Storey 0.19 percent
30 Eureka 3.10 percent Washoe 12.24 percent
31 Humboldt 8.25 percent White Pine 5.66 percent
32 Lander 3.88 percent
33

34 (2) For all other basic and supplemental governmental
35 services tax received or collected by the Department, the amount
36 attributable to each county based on the county of registration of the
37 vehicle for which the tax was paid.



1 (d) "Special district" has the meaning ascribed to it in NRS
2 360.650.

3 **Sec. 80. NRS 482.260 is hereby amended to read as follows:**

4 482.260 1. When registering a vehicle, the Department and
5 its agents or a registered dealer shall:

6 (a) Collect the fees for license plates and registration as
7 provided for in this chapter.

8 (b) Collect the governmental services tax on the vehicle, as
9 agent ~~for the State and~~ for the county where the applicant intends
10 to base the vehicle for the period of registration, unless the vehicle is
11 deemed to have no base.

12 (c) Collect the applicable taxes imposed pursuant to chapters
13 372, 374, 377 and 377A of NRS.

14 (d) Issue a certificate of registration.

15 (e) If the registration is performed by the Department, issue the
16 regular license plate or plates.

17 (f) If the registration is performed by a registered dealer, provide
18 information to the owner regarding the manner in which the regular
19 license plate or plates will be made available to the owner.

20 2. Upon proof of ownership satisfactory to the Director, the
21 Director shall cause to be issued a certificate of title as provided in
22 this chapter.

23 3. Except as otherwise provided in NRS 371.070 and
24 subsections 6 and 7, every vehicle being registered for the first time
25 in Nevada must be taxed for the purposes of the governmental
26 services tax for a 12-month period.

27 4. The Department shall deduct and withhold 2 percent of the
28 taxes collected pursuant to paragraph (c) of subsection 1 and remit
29 the remainder to the Department of Taxation.

30 5. A registered dealer shall forward all fees and taxes collected
31 for the registration of vehicles to the Department.

32 6. A trailer being registered pursuant to NRS 482.2065 must be
33 taxed for the purposes of the governmental services tax for a 3-year
34 period.

35 7. A full trailer or semitrailer being registered pursuant to
36 subsection 3 of NRS 482.483 must be taxed for the purposes of the

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1 governmental services tax in the amount of \$86. The governmental
2 services tax paid pursuant to this subsection is nontransferable and
3 nonrefundable.

SECOND
PARALLEL
SECTION

Sec. 81. NRS 482.280 is hereby amended to read as follows:

4 482.280 1. The registration of every vehicle expires at
5 midnight on the day specified on the receipt of registration, unless
6 the day specified falls on a Saturday, Sunday or legal holiday. If the
7 day specified on the receipt of registration is a Saturday, Sunday or
8 legal holiday, the registration of the vehicle expires at midnight on
9 the next judicial day. The Department shall mail to each holder of a
10 certificate of registration a notification for renewal of registration
11 for the following period of registration. The notifications must be
12 mailed by the Department in sufficient time to allow all applicants
13 to mail the notifications to the Department or to renew the certificate
14 of registration at a kiosk or authorized inspection station or via the
15 Internet or an interactive response system and to receive new
16 certificates of registration and license plates, stickers, tabs or other
17 suitable devices by mail before the expiration of their registrations.
18 An applicant may present or submit the notification to any agent or
19 office of the Department.
20

21 2. A notification:
22 (a) Mailed or presented to the Department or to a county
23 assessor pursuant to the provisions of this section;
24 (b) Submitted to the Department pursuant to NRS 482.294; or
25 (c) Presented to an authorized inspection station or authorized
26 station pursuant to the provisions of NRS 482.281,
27 ➤ must include, if required, evidence of compliance with standards
28 for the control of emissions.

29 3. The Department shall include with each notification mailed
30 pursuant to subsection 1:
31 (a) The amount of the governmental services tax to be collected
32 **for the county** pursuant to the provisions of NRS 482.260.
33 (b) The amount set forth in a notice of nonpayment filed with
34 the Department by a local authority pursuant to NRS 484B.527.
35 (c) A statement which informs the applicant:

—



1 (1) That, pursuant to NRS 485.185, the applicant is legally
2 required to maintain insurance during the period in which the motor
3 vehicle is registered which must be provided by an insurance
4 company licensed by the Division of Insurance of the Department of
5 Business and Industry and approved to do business in this State; and

6 (2) Of any other applicable requirements set forth in chapter
7 485 of NRS and any regulations adopted pursuant thereto.

8 (d) A statement which informs the applicant that, if the applicant
9 renews a certificate of registration at a kiosk or via the Internet, he
10 or she may make a nonrefundable monetary contribution of \$2 for
11 each vehicle registration renewed for the Complete Streets Program,
12 if any, created pursuant to NRS 244.2643, 277A.285 or 403.575, as
13 applicable, based on the declaration made pursuant to paragraph (c)
14 of subsection 3 of NRS 482.215. The notification must state in a
15 clear and conspicuous manner that a contribution for a Complete
16 Streets Program is nonrefundable and voluntary and is in addition to
17 any fees required for registration.

18 4. An application for renewal of a certificate of registration
19 submitted at a kiosk or via the Internet must include a statement
20 which informs the applicant that he or she may make a
21 nonrefundable monetary contribution of \$2, for each vehicle
22 registration which is renewed at a kiosk or via the Internet, for the
23 Complete Streets Program, if any, created pursuant to NRS
24 244.2643, 277A.285 or 403.575, as applicable, based on the
25 declaration made pursuant to paragraph (c) of subsection 3 of NRS
26 482.215. The application must state in a clear and conspicuous
27 manner that a contribution for a Complete Streets Program is
28 nonrefundable and voluntary and is in addition to any fees required
29 for registration, and must include a method by which the applicant
30 must indicate his or her intention to opt in or opt out of making such
31 a contribution.

32 5. An owner who has made proper application for renewal of
33 registration before the expiration of the current registration but who
34 has not received the license plate or plates or card of registration for
35 the ensuing period of registration is entitled to operate or permit the
36 operation of that vehicle upon the highways upon displaying thereon
37 the license plate or plates issued for the preceding period of

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1 registration for such a time as may be prescribed by the Department
2 as it may find necessary for the issuance of the new plate or plates
3 or card of registration.
4 ~~§Sec. 22.1~~ **Sec. 82.** NRS 604A.820 is hereby amended to
5 read as follows:
6 604A.820 1. If the Commissioner has reason to believe that
7 grounds for revocation or suspension of a license exist, the
8 Commissioner shall give 20 days' written notice to the licensee
9 stating the contemplated action and, in general, the grounds therefor
10 and set a date for a hearing.
11 2. At the conclusion of a hearing, the Commissioner shall:
12 (a) Enter a written order either dismissing the charges, revoking
13 the license or suspending the license for a period of not more than
14 60 days, which period must include any prior temporary suspension.
15 The Commissioner shall send a copy of the order to the licensee by
16 registered or certified mail.
17 (b) Impose upon the licensee an administrative fine of not more
18 than \$10,000 for each violation by the licensee of any provision of
19 this chapter or any regulation adopted pursuant thereto.
20 (c) If a fine is imposed pursuant to this section, enter such order
21 as is necessary to recover the costs of the proceeding, including
22 investigative costs and attorney's fees of the Commissioner.
23 3. The grounds for revocation or suspension of a license are
24 that:
25 (a) The licensee has failed to pay the annual license fee;
26 (b) The licensee, either knowingly or without any exercise of
27 due care to prevent it, has violated any provision of this chapter or
28 any lawful regulation adopted pursuant thereto;
29 (c) The licensee has failed to pay a tax as required pursuant to
30 the provisions of chapter 363A ~~363B~~ of NRS ~~11~~ or sections 2 to
31 61, inclusive, of this act;
32 (d) Any fact or condition exists which would have justified the
33 Commissioner in denying the licensee's original application for a
34 license pursuant to the provisions of this chapter; or
35 (e) The licensee:



1 (1) Failed to open an office for the conduct of the business
2 authorized by his or her license within 180 days after the date the
3 license was issued; or

4 (2) Has failed to remain open for the conduct of the business
5 for a period of 180 days without good cause therefor.

6 4. Any revocation or suspension applies only to the license
7 granted to a person for the particular office for which grounds for
8 revocation or suspension exist.

9 5. An order suspending or revoking a license becomes effective
10 5 days after being entered unless the order specifies otherwise or a
11 stay is granted.

12 ~~Sec. 23.~~ **Sec. 83.** NRS 612.265 is hereby amended to read
13 as follows:

14 612.265 1. Except as otherwise provided in this section and
15 NRS 239.0115 and 612.642, information obtained from any
16 employing unit or person pursuant to the administration of this
17 chapter and any determination as to the benefit rights of any person
18 is confidential and may not be disclosed or be open to public
19 inspection in any manner which would reveal the person's or
20 employing unit's identity.

21 2. Any claimant or a legal representative of a claimant is
22 entitled to information from the records of the Division, to the
23 extent necessary for the proper presentation of the claimant's claim
24 in any proceeding pursuant to this chapter. A claimant or an
25 employing unit is not entitled to information from the records of the
26 Division for any other purpose.

27 3. Subject to such restrictions as the Administrator may by
28 regulation prescribe, the information obtained by the Division may
29 be made available to:

30 (a) Any agency of this or any other state or any federal agency
31 charged with the administration or enforcement of laws relating to
32 unemployment compensation, public assistance, workers'
33 compensation or labor and industrial relations, or the maintenance
34 of a system of public employment offices;

35 (b) Any state or local agency for the enforcement of child
36 support;

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1 (c) The Internal Revenue Service of the Department of the
2 Treasury;

3 (d) The Department of Taxation; and

4 (e) The State Contractors' Board in the performance of its duties
5 to enforce the provisions of chapter 624 of NRS.

6 ➤ Information obtained in connection with the administration of the
7 Division may be made available to persons or agencies for purposes
8 appropriate to the operation of a public employment service or a
9 public assistance program.

10 4. Upon written request made by a public officer of a local
11 government, the Administrator shall furnish from the records of the
12 Division the name, address and place of employment of any person
13 listed in the records of employment of the Division. The request
14 must set forth the social security number of the person about whom
15 the request is made and contain a statement signed by the proper
16 authority of the local government certifying that the request is made
17 to allow the proper authority to enforce a law to recover a debt or
18 obligation owed to the local government. Except as otherwise
19 provided in NRS 239.0115, the information obtained by the local
20 government is confidential and may not be used or disclosed for any
21 purpose other than the collection of a debt or obligation owed to that
22 local government. The Administrator may charge a reasonable fee
23 for the cost of providing the requested information.

24 5. The Administrator may publish or otherwise provide
25 information on the names of employers, their addresses, their type
26 or class of business or industry, and the approximate number of
27 employees employed by each such employer, if the information
28 released will assist unemployed persons to obtain employment or
29 will be generally useful in developing and diversifying the economic
30 interests of this State. Upon request by a state agency which is able
31 to demonstrate that its intended use of the information will benefit
32 the residents of this State, the Administrator may, in addition to the
33 information listed in this subsection, disclose the number of
34 employees employed by each employer and the total wages paid by
35 each employer. The Administrator may charge a fee to cover the
36 actual costs of any administrative expenses relating to the disclosure
37 of this information to a state agency. The Administrator may require

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1 the state agency to certify in writing that the agency will take all
2 actions necessary to maintain the confidentiality of the information
3 and prevent its unauthorized disclosure.

4 6. Upon request therefor, the Administrator shall furnish to any
5 agency of the United States charged with the administration of
6 public works or assistance through public employment, and may
7 furnish to any state agency similarly charged, the name, address,
8 ordinary occupation and employment status of each recipient of
9 benefits and the recipient's rights to further benefits pursuant to this
10 chapter.

11 7. To further a current criminal investigation, the chief
12 executive officer of any law enforcement agency of this State may
13 submit a written request to the Administrator that the Administrator
14 furnish, from the records of the Division, the name, address and
15 place of employment of any person listed in the records of
16 employment of the Division. The request must set forth the social
17 security number of the person about whom the request is made and
18 contain a statement signed by the chief executive officer certifying
19 that the request is made to further a criminal investigation currently
20 being conducted by the agency. Upon receipt of such a request, the
21 Administrator shall furnish the information requested. The
22 Administrator may charge a fee to cover the actual costs of any
23 related administrative expenses.

24 8. In addition to the provisions of subsection 5, the
25 Administrator shall provide lists containing the names and addresses
26 of employers, and information regarding the wages paid by each
27 employer to the Department of Taxation, upon request, for use in
28 verifying returns for the taxes imposed pursuant to chapters 363A
29 and ~~chapter~~ 363B of NRS ~~H~~ and the chapter consisting of
30 sections 2 to 61, inclusive, of this act. The Administrator may
31 charge a fee to cover the actual costs of any related administrative
32 expenses.

33 9. A private carrier that provides industrial insurance in this
34 State shall submit to the Administrator a list containing the name of
35 each person who received benefits pursuant to chapters 616A to
36 616D, inclusive, or chapter 617 of NRS during the preceding month
37 and request that the Administrator compare the information so

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1 provided with the records of the Division regarding persons
2 claiming benefits pursuant to this chapter for the same period. The
3 information submitted by the private carrier must be in a form
4 determined by the Administrator and must contain the social
5 security number of each such person. Upon receipt of the request,
6 the Administrator shall make such a comparison and, if it appears
7 from the information submitted that a person is simultaneously
8 claiming benefits under this chapter and under chapters 616A to
9 616D, inclusive, or chapter 617 of NRS, the Administrator shall
10 notify the Attorney General or any other appropriate law
11 enforcement agency. The Administrator shall charge a fee to cover
12 the actual costs of any related administrative expenses.

13 10. The Administrator may request the Comptroller of the
14 Currency of the United States to cause an examination of the
15 correctness of any return or report of any national banking
16 association rendered pursuant to the provisions of this chapter, and
17 may in connection with the request transmit any such report or
18 return to the Comptroller of the Currency of the United States as
19 provided in section 3305(c) of the Internal Revenue Code of 1954.

20 11. If any employee or member of the Board of Review, the
21 Administrator or any employee of the Administrator, in violation of
22 the provisions of this section, discloses information obtained from
23 any employing unit or person in the administration of this chapter,
24 or if any person who has obtained a list of applicants for work, or of
25 claimants or recipients of benefits pursuant to this chapter uses or
26 permits the use of the list for any political purpose, he or she is
27 guilty of a gross misdemeanor.

28 12. All letters, reports or communications of any kind, oral or
29 written, from the employer or employee to each other or to the
30 Division or any of its agents, representatives or employees are
31 privileged and must not be the subject matter or basis for any
32 lawsuit if the letter, report or communication is written, sent,
33 delivered or prepared pursuant to the requirements of this chapter.

34 ~~Sec. 24.~~ **Sec. 84.** NRS 616B.012 is hereby amended to
35 read as follows:



1 616B.012 1. Except as otherwise provided in this section and
2 NRS 239.0115, 616B.015, 616B.021 and 616C.205, information
3 obtained from any insurer, employer or employee is confidential and
4 may not be disclosed or be open to public inspection in any manner
5 which would reveal the person's identity.
6 2. Any claimant or legal representative of the claimant is
7 entitled to information from the records of the insurer, to the extent
8 necessary for the proper presentation of a claim in any proceeding
9 under chapters 616A to 616D, inclusive, or chapter 617 of NRS.
10 3. The Division and Administrator are entitled to information
11 from the records of the insurer which is necessary for the
12 performance of their duties. The Administrator may, by regulation,
13 prescribe the manner in which otherwise confidential information
14 may be made available to:
15 (a) Any agency of this or any other state charged with the
16 administration or enforcement of laws relating to industrial
17 insurance, unemployment compensation, public assistance or labor
18 law and industrial relations;
19 (b) Any state or local agency for the enforcement of child
20 support;
21 (c) The Internal Revenue Service of the Department of the
22 Treasury;
23 (d) The Department of Taxation; and
24 (e) The State Contractors' Board in the performance of its duties
25 to enforce the provisions of chapter 624 of NRS.
26 ➤ Information obtained in connection with the administration of a
27 program of industrial insurance may be made available to persons or
28 agencies for purposes appropriate to the operation of a program of
29 industrial insurance.
30 4. Upon written request made by a public officer of a local
31 government, an insurer shall furnish from its records the name,
32 address and place of employment of any person listed in its records.
33 The request must set forth the social security number of the person
34 about whom the request is made and contain a statement signed by
35 proper authority of the local government certifying that the request
36 is made to allow the proper authority to enforce a law to recover a
37 debt or obligation owed to the local government. Except as

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1 otherwise provided in NRS 239.0115, the information obtained by
2 the local government is confidential and may not be used or
3 disclosed for any purpose other than the collection of a debt or
4 obligation owed to the local government. The insurer may charge a
5 reasonable fee for the cost of providing the requested information.

6 5. To further a current criminal investigation, the chief
7 executive officer of any law enforcement agency of this State may
8 submit to the Administrator a written request for the name, address
9 and place of employment of any person listed in the records of an
10 insurer. The request must set forth the social security number of the
11 person about whom the request is made and contain a statement
12 signed by the chief executive officer certifying that the request is
13 made to further a criminal investigation currently being conducted
14 by the agency. Upon receipt of a request, the Administrator shall
15 instruct the insurer to furnish the information requested. Upon
16 receipt of such an instruction, the insurer shall furnish the
17 information requested. The insurer may charge a reasonable fee to
18 cover any related administrative expenses.

19 6. Upon request by the Department of Taxation, the
20 Administrator shall provide:

- 21 (a) Lists containing the names and addresses of employers; and
- 22 (b) Other information concerning employers collected and
23 maintained by the Administrator or the Division to carry out the
24 purposes of chapters 616A to 616D, inclusive, or chapter 617 of
25 NRS,

26 ➔ to the Department for its use in verifying returns for the taxes
27 imposed pursuant to chapters 363A and ~~chapter~~ 363B of NRS ~~11~~
28 and the chapter consisting of sections 2 to 61, inclusive, of this act.
29 The Administrator may charge a reasonable fee to cover any related
30 administrative expenses.

31 7. Any person who, in violation of this section, discloses
32 information obtained from files of claimants or policyholders or
33 obtains a list of claimants or policyholders under chapters 616A to
34 616D, inclusive, or chapter 617 of NRS and uses or permits the use
35 of the list for any political purposes, is guilty of a gross
36 misdemeanor.

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1 8. All letters, reports or communications of any kind, oral or
2 written, from the insurer, or any of its agents, representatives or
3 employees are privileged and must not be the subject matter or basis
4 for any lawsuit if the letter, report or communication is written, sent,
5 delivered or prepared pursuant to the requirements of chapters 616A
6 to 616D, inclusive, or chapter 617 of NRS.

7 9. The provisions of this section do not prohibit the
8 Administrator or the Division from disclosing any nonproprietary
9 information relating to an uninsured employer or proof of industrial
10 insurance.

11 ~~Sec. 25.~~ **Sec. 85.** NRS 645B.060 is hereby amended to
12 read as follows:

13 645B.060 1. Subject to the administrative control of the
14 Director of the Department of Business and Industry, the
15 Commissioner shall exercise general supervision and control over
16 mortgage brokers and mortgage agents doing business in this State.

17 2. In addition to the other duties imposed upon him or her by
18 law, the Commissioner shall:

19 (a) Adopt regulations:

20 (1) Setting forth the requirements for an investor to acquire
21 ownership of or a beneficial interest in a loan secured by a lien on
22 real property. The regulations must include, without limitation, the
23 minimum financial conditions that the investor must comply with
24 before becoming an investor.

25 (2) Establishing reasonable limitations and guidelines on
26 loans made by a mortgage broker to a director, officer, mortgage
27 agent or employee of the mortgage broker.

28 (b) Adopt any other regulations that are necessary to carry out
29 the provisions of this chapter, except as to loan brokerage fees.

30 (c) Conduct such investigations as may be necessary to
31 determine whether any person has violated any provision of this
32 chapter, a regulation adopted pursuant to this chapter or an order of
33 the Commissioner.

34 (d) Except as otherwise provided in subsection 4, conduct an
35 annual examination of each mortgage broker doing business in this
36 State. The annual examination must include, without limitation, a

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1 formal exit review with the mortgage broker. The Commissioner
2 shall adopt regulations prescribing:

3 (1) Standards for determining the rating of each mortgage
4 broker based upon the results of the annual examination; and

5 (2) Procedures for resolving any objections made by the
6 mortgage broker to the results of the annual examination. The
7 results of the annual examination may not be opened to public
8 inspection pursuant to NRS 645B.090 until after a period of time set
9 by the Commissioner to determine any objections made by the
10 mortgage broker.

11 (e) Conduct such other examinations, periodic or special audits,
12 investigations and hearings as may be necessary for the efficient
13 administration of the laws of this State regarding mortgage brokers
14 and mortgage agents. The Commissioner shall adopt regulations
15 specifying the general guidelines that will be followed when a
16 periodic or special audit of a mortgage broker is conducted pursuant
17 to this chapter.

18 (f) Classify as confidential certain records and information
19 obtained by the Division when those matters are obtained from a
20 governmental agency upon the express condition that they remain
21 confidential. This paragraph does not limit examination by:

22 (1) The Legislative Auditor; or

23 (2) The Department of Taxation if necessary to carry out the
24 provisions of chapter 363A ~~363B~~ of NRS ~~11~~ or sections 2 to 61,
25 inclusive, of this act.

26 (g) Conduct such examinations and investigations as are
27 necessary to ensure that mortgage brokers and mortgage agents meet
28 the requirements of this chapter for obtaining a license, both at the
29 time of the application for a license and thereafter on a continuing
30 basis.

31 3. For each special audit, investigation or examination, a
32 mortgage broker or mortgage agent shall pay a fee based on the rate
33 established pursuant to NRS 645F.280.

34 4. The Commissioner may conduct examinations of a mortgage
35 broker, as described in paragraph (d) of subsection 2, on a biennial
36 instead of an annual basis if the mortgage broker:

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- 1 (a) Received a rating in the last annual examination that meets a
2 threshold determined by the Commissioner;
3 (b) Has not had any adverse change in financial condition since
4 the last annual examination, as shown by financial statements of the
5 mortgage broker;
6 (c) Has not had any complaints received by the Division that
7 resulted in any administrative action by the Division; and
8 (d) Does not maintain any trust accounts pursuant to NRS
9 645B.170 or 645B.175 or arrange loans funded by private investors.
10 ~~Sec. 26.~~ **Sec. 86.** NRS 645B.670 is hereby amended to
11 read as follows:

- 12 645B.670 1. Except as otherwise provided in NRS 645B.690:
13 (a) For each violation committed by an applicant for a license
14 issued pursuant to this chapter, whether or not the applicant is issued
15 a license, the Commissioner may impose upon the applicant an
16 administrative fine of not more than \$25,000 if the applicant:
17 (1) Has knowingly made or caused to be made to the
18 Commissioner any false representation of material fact;
19 (2) Has suppressed or withheld from the Commissioner any
20 information which the applicant possesses and which, if submitted
21 by the applicant, would have rendered the applicant ineligible to be
22 licensed pursuant to the provisions of this chapter; or
23 (3) Has violated any provision of this chapter, a regulation
24 adopted pursuant to this chapter or an order of the Commissioner in
25 completing and filing his or her application for a license or during
26 the course of the investigation of his or her application for a license.
27 (b) For each violation committed by a mortgage broker, the
28 Commissioner may impose upon the mortgage broker an
29 administrative fine of not more than \$25,000, may suspend, revoke
30 or place conditions upon the mortgage broker's license, or may do
31 both, if the mortgage broker, whether or not acting as such:
32 (1) Is insolvent;
33 (2) Is grossly negligent or incompetent in performing any act
34 for which the mortgage broker is required to be licensed pursuant to
35 the provisions of this chapter;



- 1 (3) Does not conduct his or her business in accordance with
2 law or has violated any provision of this chapter, a regulation
3 adopted pursuant to this chapter or an order of the Commissioner;
4 (4) Is in such financial condition that the mortgage broker
5 cannot continue in business with safety to his or her customers;
6 (5) Has made a material misrepresentation in connection
7 with any transaction governed by this chapter;
8 (6) Has suppressed or withheld from a client any material
9 facts, data or other information relating to any transaction governed
10 by the provisions of this chapter which the mortgage broker knew
11 or, by the exercise of reasonable diligence, should have known;
12 (7) Has knowingly made or caused to be made to the
13 Commissioner any false representation of material fact or has
14 suppressed or withheld from the Commissioner any information
15 which the mortgage broker possesses and which, if submitted by the
16 mortgage broker, would have rendered the mortgage broker
17 ineligible to be licensed pursuant to the provisions of this chapter;
18 (8) Has failed to account to persons interested for all money
19 received for a trust account;
20 (9) Has refused to permit an examination by the
21 Commissioner of his or her books and affairs or has refused or
22 failed, within a reasonable time, to furnish any information or make
23 any report that may be required by the Commissioner pursuant to
24 the provisions of this chapter or a regulation adopted pursuant to this
25 chapter;
26 (10) Has been convicted of, or entered or agreed to enter a
27 plea of guilty or nolo contendere to, a felony in a domestic, foreign
28 or military court within the 7 years immediately preceding the date
29 of the application, or at any time if such felony involved an act of
30 fraud, dishonesty or a breach of trust, moral turpitude or money
31 laundering;
32 (11) Has refused or failed to pay, within a reasonable time,
33 any fees, assessments, costs or expenses that the mortgage broker is
34 required to pay pursuant to this chapter or a regulation adopted
35 pursuant to this chapter;
36 (12) Has failed to satisfy a claim made by a client which has
37 been reduced to judgment;

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- 1 (13) Has failed to account for or to remit any money of a
2 client within a reasonable time after a request for an accounting or
3 remittal;
- 4 (14) Has commingled the money or other property of a client
5 with his or her own or has converted the money or property of
6 others to his or her own use;
- 7 (15) Has engaged in any other conduct constituting a
8 deceitful, fraudulent or dishonest business practice;
- 9 (16) Has repeatedly violated the policies and procedures of
10 the mortgage broker;
- 11 (17) Has failed to exercise reasonable supervision and
12 control over the activities of a mortgage agent as required by
13 NRS 645B.460;
- 14 (18) Has instructed a mortgage agent to commit an act that
15 would be cause for the revocation of the license of the mortgage
16 broker, whether or not the mortgage agent commits the act;
- 17 (19) Has employed a person as a mortgage agent or
18 authorized a person to be associated with the mortgage broker as a
19 mortgage agent at a time when the mortgage broker knew or, in light
20 of all the surrounding facts and circumstances, reasonably should
21 have known that the person:
- 22 (I) Had been convicted of, or entered or agreed to enter a
23 plea of guilty or nolo contendere to, a felony in a domestic, foreign
24 or military court within the 7 years immediately preceding the date
25 of application, or at any time if such felony involved an act of fraud,
26 dishonesty or a breach of trust, moral turpitude or money
27 laundering; or
- 28 (II) Had a license or registration as a mortgage agent,
29 mortgage banker, mortgage broker or residential mortgage loan
30 originator revoked in this State or any other jurisdiction or had a
31 financial services license or registration revoked within the
32 immediately preceding 10 years;
- 33 (20) Has violated NRS 645C.557;
- 34 (21) Has failed to pay a tax as required pursuant to the
35 provisions of chapter 363A ~~363B~~ of NRS ~~4~~ or sections 2 to 61,
36 inclusive, of this act; or



- 1 (22) Has, directly or indirectly, paid any commission, fees,
2 points or any other compensation as remuneration for the services of
3 a mortgage agent to a person other than a mortgage agent who:
- 4 (I) Is an employee of or associated with the mortgage
5 broker; or
- 6 (II) If the mortgage agent is required to register with the
7 Registry, is an employee of and whose sponsorship has been entered
8 with the Registry by the mortgage broker as required by subsection
9 2 of NRS 645B.450.
- 10 (c) For each violation committed by a mortgage agent, the
11 Commissioner may impose upon the mortgage agent an
12 administrative fine of not more than \$25,000, may suspend, revoke
13 or place conditions upon the mortgage agent's license, or may do
14 both, if the mortgage agent, whether or not acting as such:
- 15 (1) Is grossly negligent or incompetent in performing any act
16 for which the mortgage agent is required to be licensed pursuant to
17 the provisions of this chapter;
- 18 (2) Has made a material misrepresentation in connection
19 with any transaction governed by this chapter;
- 20 (3) Has suppressed or withheld from a client any material
21 facts, data or other information relating to any transaction governed
22 by the provisions of this chapter which the mortgage agent knew or,
23 by the exercise of reasonable diligence, should have known;
- 24 (4) Has knowingly made or caused to be made to the
25 Commissioner any false representation of material fact or has
26 suppressed or withheld from the Commissioner any information
27 which the mortgage agent possesses and which, if submitted by the
28 mortgage agent, would have rendered the mortgage agent ineligible
29 to be licensed pursuant to the provisions of this chapter;
- 30 (5) Has been convicted of, or entered or agreed to enter a
31 plea of guilty or nolo contendere to, a felony in a domestic, foreign
32 or military court within the 7 years immediately preceding the date
33 of the application, or at any time if such felony involved an act of
34 fraud, dishonesty or a breach of trust, moral turpitude or money
35 laundering;



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1 (6) Has failed to account for or to remit any money of a
2 client within a reasonable time after a request for an accounting or
3 remittal;
4 (7) Has commingled the money or other property of a client
5 with his or her own or has converted the money or property of
6 others to his or her own use;
7 (8) Has engaged in any other conduct constituting a
8 deceitful, fraudulent or dishonest business practice;
9 (9) Has violated NRS 645C.557;
10 (10) Has repeatedly violated the policies and procedures of
11 the mortgage broker with whom the mortgage agent is associated or
12 by whom he or she is employed;
13 (11) Has, directly or indirectly, received any commission,
14 fees, points or any other compensation as remuneration for his or
15 her services as a mortgage agent:
16 (I) From a person other than the mortgage broker with
17 whom the mortgage agent is associated or by whom he or she is
18 employed; or
19 (II) If the mortgage agent is required to be registered with
20 the Registry, from a person other than the mortgage broker by
21 whom the mortgage agent is employed and on whose behalf
22 sponsorship was entered as required by subsection 2 of NRS
23 645B.450; or
24 (12) Has violated any provision of this chapter, a regulation
25 adopted pursuant to this chapter or an order of the Commissioner or
26 has assisted or offered to assist another person to commit such a
27 violation.
28 2. This section does not prohibit the co-brokering of a
29 commercial loan through the cooperation of two or more mortgage
30 brokers so long as such a transaction is not inconsistent with any
31 other provision of this chapter.
32 ~~Sec. 27.~~ **Sec. 87.** NRS 645E.300 is hereby amended to
33 read as follows:
34 645E.300 1. Subject to the administrative control of the
35 Director of the Department of Business and Industry, the



1 Commissioner shall exercise general supervision and control over
2 mortgage bankers doing business in this State.

3 2. In addition to the other duties imposed upon him or her by
4 law, the Commissioner shall:

5 (a) Adopt regulations establishing reasonable limitations and
6 guidelines on loans made by a mortgage banker to a director, officer
7 or employee of the mortgage banker.

8 (b) Adopt any other regulations that are necessary to carry out
9 the provisions of this chapter, except as to loan fees.

10 (c) Conduct such investigations as may be necessary to
11 determine whether any person has violated any provision of this
12 chapter, a regulation adopted pursuant to this chapter or an order of
13 the Commissioner.

14 (d) Except as otherwise provided in subsection 4, conduct an
15 annual examination of each mortgage banker doing business in this
16 State.

17 (e) Conduct such other examinations, periodic or special audits,
18 investigations and hearings as may be necessary for the efficient
19 administration of the laws of this State regarding mortgage bankers.

20 (f) Classify as confidential certain records and information
21 obtained by the Division when those matters are obtained from a
22 governmental agency upon the express condition that they remain
23 confidential. This paragraph does not limit examination by:

24 (1) The Legislative Auditor; or

25 (2) The Department of Taxation if necessary to carry out the
26 provisions of chapter 363A ~~363B~~ of NRS ~~4~~ or sections 2 to 61,
27 inclusive, of this act.

28 (g) Conduct such examinations and investigations as are
29 necessary to ensure that mortgage bankers meet the requirements of
30 this chapter for obtaining a license, both at the time of the
31 application for a license and thereafter on a continuing basis.

32 3. For each special audit, investigation or examination, a
33 mortgage banker shall pay a fee based on the rate established
34 pursuant to NRS 645F.280.

35 4. The Commissioner may conduct biennial examinations of a
36 mortgage banker instead of annual examinations, as described in
37 paragraph (d) of subsection 2, if the mortgage banker:

—



1 (a) Received a rating in the last annual examination that meets a
2 threshold determined by the Commissioner;

3 (b) Has not had any adverse change in financial condition since
4 the last annual examination, as shown by financial statements of the
5 mortgage banker; and

6 (c) Has not had any complaints received by the Division that
7 resulted in any administrative action by the Division.

8 ~~Sec. 28.~~ **Sec. 88.** NRS 645E.670 is hereby amended to
9 read as follows:

10 645E.670 1. For each violation committed by an applicant,
11 whether or not the applicant is issued a license, the Commissioner
12 may impose upon the applicant an administrative fine of not more
13 than \$25,000 if the applicant:

14 (a) Has knowingly made or caused to be made to the
15 Commissioner any false representation of material fact;

16 (b) Has suppressed or withheld from the Commissioner any
17 information which the applicant possesses and which, if submitted
18 by the applicant, would have rendered the applicant ineligible to be
19 licensed pursuant to the provisions of this chapter; or

20 (c) Has violated any provision of this chapter, a regulation
21 adopted pursuant to this chapter or an order of the Commissioner in
22 completing and filing his or her application for a license or during
23 the course of the investigation of his or her application for a license.

24 2. For each violation committed by a licensee, the
25 Commissioner may impose upon the licensee an administrative fine
26 of not more than \$25,000, may suspend, revoke or place conditions
27 upon the license, or may do both, if the licensee, whether or not
28 acting as such:

29 (a) Is insolvent;

30 (b) Is grossly negligent or incompetent in performing any act for
31 which the licensee is required to be licensed pursuant to the
32 provisions of this chapter;

33 (c) Does not conduct his or her business in accordance with law
34 or has violated any provision of this chapter, a regulation adopted
35 pursuant to this chapter or an order of the Commissioner;



- 1 (d) Is in such financial condition that the licensee cannot
2 continue in business with safety to his or her customers;
- 3 (e) Has made a material misrepresentation in connection with
4 any transaction governed by this chapter;
- 5 (f) Has suppressed or withheld from a client any material facts,
6 data or other information relating to any transaction governed by the
7 provisions of this chapter which the licensee knew or, by the
8 exercise of reasonable diligence, should have known;
- 9 (g) Has knowingly made or caused to be made to the
10 Commissioner any false representation of material fact or has
11 suppressed or withheld from the Commissioner any information
12 which the licensee possesses and which, if submitted by the
13 licensee, would have rendered the licensee ineligible to be licensed
14 pursuant to the provisions of this chapter;
- 15 (h) Has failed to account to persons interested for all money
16 received for a trust account;
- 17 (i) Has refused to permit an examination by the Commissioner
18 of his or her books and affairs or has refused or failed, within a
19 reasonable time, to furnish any information or make any report that
20 may be required by the Commissioner pursuant to the provisions of
21 this chapter or a regulation adopted pursuant to this chapter;
- 22 (j) Has been convicted of, or entered or agreed to enter a plea of
23 nolo contendere to, a felony in a domestic, foreign or military court
24 within the 7 years immediately preceding the date of the application,
25 or at any time if such felony involved an act of fraud, dishonesty or
26 a breach of trust, moral turpitude or money laundering;
- 27 (k) Has refused or failed to pay, within a reasonable time, any
28 fees, assessments, costs or expenses that the licensee is required to
29 pay pursuant to this chapter or a regulation adopted pursuant to this
30 chapter;
- 31 (l) Has failed to pay a tax as required pursuant to the provisions
32 of chapter ~~363B~~ 363A of NRS, or sections 2 to 61, inclusive, of
33 this act;
- 34 (m) Has failed to satisfy a claim made by a client which has
35 been reduced to judgment;



- 1 (n) Has failed to account for or to remit any money of a client
2 within a reasonable time after a request for an accounting or
3 remittal;
- 4 (o) Has violated NRS 645C.557;
- 5 (p) Has commingled the money or other property of a client
6 with his or her own or has converted the money or property of
7 others to his or her own use; or
- 8 (q) Has engaged in any other conduct constituting a deceitful,
9 fraudulent or dishonest business practice.
- 10 3. An order that imposes discipline and the findings of fact and
11 conclusions of law supporting that order are public records.
- 12 ~~Sec. 29.~~ **Sec. 89.** NRS 658.151 is hereby amended to read
13 as follows:
- 14 658.151 1. The Commissioner may forthwith take possession
15 of the business and property of any depository institution to which
16 this title or title 56 of NRS applies when it appears that the
17 depository institution:
- 18 (a) Has violated its charter or any laws applicable thereto.
- 19 (b) Is conducting its business in an unauthorized or unsafe
20 manner.
- 21 (c) Is in an unsafe or unsound condition to transact its business.
- 22 (d) Has an impairment of its stockholders' or members' equity.
- 23 (e) Has refused to pay its depositors in accordance with the
24 terms on which such deposits were received, or has refused to pay
25 its holders of certificates of indebtedness or investment in
26 accordance with the terms upon which those certificates of
27 indebtedness or investment were sold.
- 28 (f) Has become or is in imminent danger of becoming otherwise
29 insolvent.
- 30 (g) Has neglected or refused to comply with the terms of a
31 lawful order of the Commissioner.
- 32 (h) Has refused, upon proper demand, to submit its records,
33 affairs and concerns for inspection and examination of an appointed
34 or authorized examiner of the Commissioner.
- 35 (i) Has made a voluntary assignment of its assets to trustees.



1 (j) Has failed to pay a tax as required pursuant to the provisions
2 of chapter ~~363A~~ ~~363B~~ of NRS, or sections 2 to 61, inclusive, of
3 this act.

4 2. The Commissioner also may forthwith take possession of the
5 business and property of any depository institution to which this title
6 or title 56 of NRS applies when it appears that the officers of the
7 depository institution have refused to be examined upon oath
8 regarding its affairs.

9 ~~Sec. 30.~~ **Sec. 90.** NRS 665.133 is hereby amended to read
10 as follows:

11 665.133 1. The records and information described in NRS
12 665.130 may be disclosed to:

13 (a) An agency of the Federal Government or of another state
14 which regulates the financial institution which is the subject of the
15 records or information;

16 (b) The Director of the Department of Business and Industry for
17 the Director's confidential use;

18 (c) The State Board of Finance for its confidential use, if the
19 report or other information is necessary for the State Board of
20 Finance to perform its duties under this title;

21 (d) The Department of Taxation for its use in carrying out the
22 provisions of chapter ~~363A~~ ~~363B~~ of NRS, and the chapter
23 consisting of sections 2 to 61, inclusive, of this act;

24 (e) An entity which insures or guarantees deposits;

25 (f) A public officer authorized to investigate criminal charges in
26 connection with the affairs of the depository institution;

27 (g) A person preparing a proposal for merging with or acquiring
28 an institution or holding company, but only after notice of the
29 disclosure has been given to the institution or holding company;

30 (h) Any person to whom the subject of the report has authorized
31 the disclosure;

32 (i) Any other person if the Commissioner determines, after
33 notice and opportunity for hearing, that disclosure is in the public
34 interest and outweighs any potential harm to the depository
35 institution and its stockholders, members, depositors and creditors;
36 and



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1 (j) Any court in a proceeding initiated by the Commissioner
2 concerning the financial institution.

3 2. All the reports made available pursuant to this section
4 remain the property of the Division of Financial Institutions, and no
5 person, agency or authority to whom the reports are made available,
6 or any officer, director or employee thereof, may disclose any of the
7 reports or any information contained therein, except in published
8 statistical material that does not disclose the affairs of any natural
9 person or corporation.

10 **Sec. 91. NRS 669.275 is hereby amended to read as follows:**

11 669.275 1. The Commissioner may require a licensee to
12 provide an audited financial statement prepared by an independent
13 certified public accountant licensed to do business in this State.

14 2. On the fourth Monday in January of each year, each licensee
15 shall submit to the Commissioner a list of stockholders required to
16 be maintained pursuant to paragraph (c) of subsection 1 of NRS
17 78.105 or the list of members required to be maintained pursuant to
18 paragraph (a) of subsection 1 of NRS 86.241, verified by the
19 president or a manager, as appropriate.

20 3. The list of members required to be maintained pursuant to
21 paragraph (a) of subsection 1 of NRS 86.241 must include the
22 percentage of each member's interest in the company, in addition to
23 the requirements set forth in that section.

24 4. Except as otherwise provided in NRS 239.0115, any
25 document submitted pursuant to this section is confidential. **This**
26 **subsection does not limit the examination of any document by the**
27 **Department of Taxation if necessary to carry out the provisions of**
28 **sections 2 to 61, inclusive, of this act.**

29 ~~{Sec. 31}~~ **Sec. 92.** NRS 669.2825 is hereby amended to
30 read as follows:

31 669.2825 1. The Commissioner may institute disciplinary
32 action or forthwith initiate proceedings to take possession of the
33 business and property of any retail trust company when it appears
34 that the retail trust company:



- 1 (a) Has violated its charter or any state or federal laws
2 applicable to the business of a trust company.
3 (b) Is conducting its business in an unauthorized or unsafe
4 manner.
5 (c) Is in an unsafe or unsound condition to transact its business.
6 (d) Has an impairment of its stockholders' equity.
7 (e) Has refused to pay or transfer account assets to its account
8 holders as required by the terms of the accounts' governing
9 instruments.
10 (f) Has become insolvent.
11 (g) Has neglected or refused to comply with the terms of a
12 lawful order of the Commissioner.
13 (h) Has refused, upon proper demand, to submit its records,
14 affairs and concerns for inspection and examination of an appointed
15 or authorized examiner of the Commissioner.
16 (i) Has made a voluntary assignment of its assets to receivers,
17 conservators, trustees or creditors without complying with
18 NRS 669.230.
19 (j) Has failed to pay a tax as required pursuant to the provisions
20 of chapter 363A ~~363B~~ of NRS, or sections 2 to 61, inclusive, of
21 this act.
22 (k) Has materially and willfully breached its fiduciary duties to
23 its customers.
24 (l) Has failed to properly disclose all fees, interest and other
25 charges to its customers.
26 (m) Has willfully engaged in material conflicts of interest
27 regarding a customer's account.
28 (n) Has made intentional material misrepresentations regarding
29 any aspect of the services performed or proposed to be performed by
30 the retail trust company.
31 2. The Commissioner also may forthwith initiate proceedings
32 to take possession of the business and property of any trust company
33 when it appears that the officers of the trust company have refused
34 to be examined upon oath regarding its affairs.
35 ~~Sec. 32~~ **Sec. 93.** NRS 669.2847 is hereby amended to
36 read as follows:



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- 1 669.2847 1. If the Commissioner has reason to believe that
2 grounds for revocation or suspension of a license exist, the
3 Commissioner shall give at least 20 days' written notice to the
4 licensee stating the contemplated action and, in general, the grounds
5 therefor and set a date for a hearing.
- 6 2. At the conclusion of a hearing, the Commissioner shall:
- 7 (a) Enter a written order dismissing the charges, revoking the
8 license or suspending the license for a period of not more than 60
9 days, which period must include any prior temporary suspension.
10 The Commissioner shall send a copy of the order to the licensee by
11 registered or certified mail.
- 12 (b) Impose upon the licensee an administrative fine of not more
13 than \$10,000 for each violation by the licensee of any provision of
14 this chapter or any regulation adopted pursuant thereto.
- 15 (c) If a fine is imposed pursuant to this section, enter such order
16 as is necessary to recover the costs of the proceeding, including his
17 or her investigative costs and attorney's fees.
- 18 3. The grounds for revocation or suspension of a license are
19 that:
- 20 (a) The licensee has failed to pay the annual license fee;
- 21 (b) The licensee, either knowingly or without any exercise of
22 due care to prevent it, has violated any provision of this chapter or
23 any regulation adopted pursuant thereto or any lawful order of the
24 Division of Financial Institutions;
- 25 (c) The licensee has failed to pay a tax as required pursuant to
26 the provisions of chapter 363A ~~363B~~ of NRS or sections 2 to
27 61, inclusive, of this act;
- 28 (d) Any fact or condition exists which would have justified the
29 Commissioner in denying the licensee's original application for a
30 license pursuant to the provisions of this chapter; or
- 31 (e) The licensee:
- 32 (1) Failed to open an office for the conduct of the business
33 authorized by his or her license within 180 days after the date the
34 license was issued; or
- 35 (2) Has failed to remain open for the conduct of the business
36 for a period of 30 days without good cause therefor.



1 4. An order suspending or revoking a license becomes effective
2 5 days after being entered unless the order specifies otherwise or a
3 stay is granted.

4 **Sec. 94. NRS 669.285 is hereby amended to read as follows:**

5 669.285 Except as otherwise provided in NRS 239.0115, any
6 application and personal or financial records submitted by a person
7 pursuant to the provisions of this chapter and any personal or
8 financial records or other documents obtained by the Division of
9 Financial Institutions pursuant to an examination or audit conducted
10 by the Division are confidential and may be disclosed only to:

11 1. The Division, any authorized employee of the Division and
12 any state or federal agency investigating the activities covered under
13 the provisions of this chapter; ~~and~~

14 2. *The Department of Taxation for its use in carrying out the*
15 *provisions of sections 2 to 61, inclusive, of this act; and*

16 3. Any person when the Commissioner, in the Commissioner's
17 discretion, determines that the interests of the public that would be
18 protected by disclosure outweigh the interest of any person in the
19 confidential information not being disclosed.

20 **Sec. 95. NRS 669A.310 is hereby amended to read as**
21 **follows:**

22 669A.310 1. Except as otherwise provided in this section,
23 any application and personal or financial records submitted by a
24 person pursuant to the provisions of this chapter, any personal or
25 financial records or other documents obtained by the Division of
26 Financial Institutions pursuant to an examination or audit conducted
27 by the Division pursuant to this chapter and any other private
28 information relating to a family trust company are confidential and
29 may be disclosed only to:

30 (a) The Division, any authorized employee of the Division and a
31 state or federal agency investigating activities regulated pursuant to
32 this chapter; ~~and~~

33 (b) *The Department of Taxation for its use in carrying out the*
34 *provisions of sections 2 to 61, inclusive, of this act; and*



1 (c) Any other person if the Commissioner, in the
2 Commissioner's discretion, determines that the interests of the
3 public in disclosing the information outweigh the interests of the
4 person about whom the information pertains in not disclosing the
5 information.

6 2. The Commissioner shall give to the family trust company to
7 which the information relates 10-days' prior written notice of intent
8 to disclose confidential information directly or indirectly to a person
9 pursuant to paragraph ~~(b)~~ (c) of subsection 1. Any family trust
10 company which receives such a notice may object to the disclosure
11 of the confidential information and will be afforded the right to a
12 hearing in accordance with the provisions of chapter 233B of NRS.
13 If a family trust company requests a hearing, the Commissioner may
14 not reveal confidential information prior to the conclusion of the
15 hearing and a ruling. Prior to dissemination of any confidential
16 information, the Commissioner shall require a written agreement not
17 to reveal the confidential information by the party receiving the
18 confidential information. In no event shall the Commissioner
19 disclose confidential information to the general public, any
20 competitor or any potential competitor of a family trust company.

21 3. Nothing in this chapter is intended to preclude a law
22 enforcement officer from gaining access to otherwise confidential
23 records by subpoena, court order, search warrant or other lawful
24 means. Notwithstanding any other provision of this chapter, the
25 Commissioner shall have the ability to share information with other
26 out of state or federal regulators with whom the Department of
27 Business and Industry has an agreement regarding the sharing of
28 information. Nothing in this chapter is intended to preclude any
29 agency of this State from gaining access to otherwise confidential
30 records in accordance with any applicable law.

31 ~~{Sec. 33.}~~ **Sec. 96.** NRS 673.484 is hereby amended to read
32 as follows:

33 673.484 The Commissioner may after notice and hearing
34 suspend or revoke the charter of any association for:

35 1. Repeated failure to abide by the provisions of this chapter or
36 the regulations adopted thereunder.



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1 2. Failure to pay a tax as required pursuant to the provisions
2 of chapter 363A ~~363B~~ of NRS or sections 2 to 61, inclusive, of
3 this act.

4 ~~Sec. 34.~~ **Sec. 97.** NRS 675.440 is hereby amended to read
5 as follows:

6 675.440 1. If the Commissioner has reason to believe that
7 grounds for revocation or suspension of a license exist, he or she
8 shall give 20 days' written notice to the licensee stating the
9 contemplated action and, in general, the grounds therefor and set a
10 date for a hearing.

11 2. At the conclusion of a hearing, the Commissioner shall:

12 (a) Enter a written order either dismissing the charges, revoking
13 the license, or suspending the license for a period of not more than
14 60 days, which period must include any prior temporary suspension.
15 A copy of the order must be sent by registered or certified mail to
16 the licensee.

17 (b) Impose upon the licensee an administrative fine of not more
18 than \$10,000 for each violation by the licensee of any provision of
19 this chapter or any lawful regulation adopted under it.

20 (c) If a fine is imposed pursuant to this section, enter such order
21 as is necessary to recover the costs of the proceeding, including his
22 or her investigative costs and attorney's fees.

23 3. The grounds for revocation or suspension of a license are
24 that:

25 (a) The licensee has failed to pay the annual license fee;

26 (b) The licensee, either knowingly or without any exercise of
27 due care to prevent it, has violated any provision of this chapter or
28 any lawful regulation adopted under it;

29 (c) The licensee has failed to pay a tax as required pursuant to
30 the provisions of chapter 363A ~~363B~~ of NRS or sections 2 to
31 61, inclusive, of this act;

32 (d) Any fact or condition exists which would have justified the
33 Commissioner in denying the licensee's original application for a
34 license hereunder; or



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1 (e) The applicant failed to open an office for the conduct of the
2 business authorized under this chapter within 120 days after the date
3 the license was issued, or has failed to remain open for the conduct
4 of the business for a period of 120 days without good cause therefor.

5 4. Any revocation or suspension applies only to the license
6 granted to a person for the particular office for which grounds for
7 revocation or suspension exist.

8 5. An order suspending or revoking a license becomes effective
9 5 days after being entered unless the order specifies otherwise or a
10 stay is granted.

11 ~~{Sec. 35.}~~ **Sec. 98.** NRS 677.510 is hereby amended to read
12 as follows:

13 677.510 1. If the Commissioner has reason to believe that
14 grounds for revocation or suspension of a license exist, he or she
15 shall give 20 days' written notice to the licensee stating the
16 contemplated action and, in general, the grounds therefor and set a
17 date for a hearing.

18 2. At the conclusion of a hearing, the Commissioner shall:

19 (a) Enter a written order either dismissing the charges, or
20 revoking the license, or suspending the license for a period of not
21 more than 60 days, which period must include any prior temporary
22 suspension. A copy of the order must be sent by registered or
23 certified mail to the licensee.

24 (b) Impose upon the licensee an administrative fine of not more
25 than \$10,000 for each violation by the licensee of any provision of
26 this chapter or any lawful regulation adopted pursuant thereto.

27 (c) If a fine is imposed pursuant to this section, enter such order
28 as is necessary to recover the costs of the proceeding, including his
29 or her investigative costs and attorney's fees.

30 3. The grounds for revocation or suspension of a license are
31 that:

32 (a) The licensee has failed to pay the annual license fee;

33 (b) The licensee, either knowingly or without any exercise of
34 due care to prevent it, has violated any provision of this chapter, or
35 any lawful regulation adopted pursuant thereto;



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1 (c) The licensee has failed to pay a tax as required pursuant to
2 the provisions of chapter 363A ~~363B~~ of NRS ~~41~~ or sections 2 to
3 61, inclusive, of this act;

4 (d) Any fact or condition exists which would have justified the
5 Commissioner in denying the licensee's original application for a
6 license hereunder; or

7 (e) The applicant failed to open an office for the conduct of the
8 business authorized under this chapter within 120 days after the date
9 the license was issued, or has failed to remain open for the conduct
10 of the business for a period of 120 days without good cause therefor.

11 4. Any revocation or suspension applies only to the license
12 granted to a person for the particular office for which grounds for
13 revocation or suspension exist.

14 5. An order suspending or revoking a license becomes effective
15 5 days after being entered unless the order specifies otherwise or a
16 stay is granted.

17 Sec. 99. NRS 680B.037 is hereby amended to read as
18 follows:

19 680B.037 ~~Payment~~
20 1. Except as otherwise provided in subsection 2, payment by
21 an insurer of the tax imposed by NRS 680B.027 is in lieu of all
22 taxes imposed by the State or any city, town or county upon
23 premiums or upon income of insurers and of franchise, privilege or
24 other taxes measured by income of the insurer.

25 2. The provisions of subsection 1 do not apply to the
26 commerce tax imposed pursuant to the provisions of sections 2 to
27 61, inclusive, of this act.

28 ~~Sec. 36.~~ Sec. 100. NRS 683A.451 is hereby amended to
29 read as follows:

30 683A.451 The Commissioner may refuse to issue a license or
31 certificate pursuant to this chapter or may place any person to whom
32 a license or certificate is issued pursuant to this chapter on
33 probation, suspend the person for not more than 12 months, or
34 revoke or refuse to renew his or her license or certificate, or may



—

- 1 impose an administrative fine or take any combination of the
- 2 foregoing actions, for one or more of the following causes:
- 3 1. Providing incorrect, misleading, incomplete or partially
- 4 untrue information in his or her application for a license.
- 5 2. Violating a law regulating insurance, or violating a
- 6 regulation, order or subpoena of the Commissioner or an equivalent
- 7 officer of another state.
- 8 3. Obtaining or attempting to obtain a license through
- 9 misrepresentation or fraud.
- 10 4. Misappropriating, converting or improperly withholding
- 11 money or property received in the course of the business of
- 12 insurance.
- 13 5. Intentionally misrepresenting the terms of an actual or
- 14 proposed contract of or application for insurance.
- 15 6. Conviction of a felony.
- 16 7. Admitting or being found to have committed an unfair trade
- 17 practice or fraud.
- 18 8. Using fraudulent, coercive or dishonest practices, or
- 19 demonstrated incompetence, untrustworthiness or financial
- 20 irresponsibility in the conduct of business in this State or elsewhere.
- 21 9. Denial, suspension or revocation of a license as a producer
- 22 of insurance, or its equivalent, in any other state, territory or
- 23 province.
- 24 10. Forging another's name to an application for insurance or
- 25 any other document relating to the transaction of insurance.
- 26 11. Improperly using notes or other reference material to
- 27 complete an examination for a license related to insurance.
- 28 12. Knowingly accepting business related to insurance from an
- 29 unlicensed person.
- 30 13. Failing to comply with an administrative or judicial order
- 31 imposing an obligation of child support.
- 32 14. Failing to pay a tax as required pursuant to the provisions
- 33 of chapter 363A ~~363B~~ of NRS, or sections 2 to 61, inclusive, of
- 34 this act.
- 35 **Sec. 101. NRS 686C.360 is hereby amended to read as**
- 36 **follows:**



1 686C.360 The Association is exempt from payment of all fees
2 and all taxes levied by this state or any of its political subdivisions,
3 except taxes on property ~~and~~ and the commerce tax imposed
4 pursuant to sections 2 to 61, inclusive, of this act.

5 ~~Sec. 37.~~ **Sec. 102.** NRS 687A.130 is hereby amended to
6 read as follows:

7 687A.130 The Association is exempt from payment of all fees
8 and all taxes levied by this State or any of its subdivisions, except
9 taxes:

- 10 1. Levied on real or personal property; or
- 11 2. Imposed pursuant to the provisions of chapter 363A or 363B
12 of NRS ~~and~~ or sections 2 to 61, inclusive, of this act.

13 ~~Sec. 38.~~ **Sec. 103.** NRS 688C.210 is hereby amended to
14 read as follows:

15 688C.210 1. After notice, and after a hearing if requested, the
16 Commissioner may suspend, revoke, refuse to issue or refuse to
17 renew a license under this chapter if the Commissioner finds that:

18 (a) There was material misrepresentation in the application for
19 the license;

20 (b) The licensee or an officer, partner, member or significant
21 managerial employee has been convicted of fraudulent or dishonest
22 practices, is subject to a final administrative action for
23 disqualification, or is otherwise shown to be untrustworthy or
24 incompetent;

25 (c) A provider of viatical settlements has engaged in a pattern of
26 unreasonable payments to viators;

27 (d) The applicant or licensee has been found guilty or guilty but
28 mentally ill of, or pleaded guilty, guilty but mentally ill or nolo
29 contendere to, a felony or a misdemeanor involving fraud, forgery,
30 embezzlement, obtaining money under false pretenses, larceny,
31 extortion, conspiracy to defraud or any crime involving moral
32 turpitude, whether or not a judgment of conviction has been entered
33 by the court;

34 (e) A provider of viatical settlements has entered into a viatical
35 settlement in a form not approved pursuant to NRS 688C.220;



1 (f) A provider of viatical settlements has failed to honor
2 obligations of a viatical settlement or an agreement to purchase a
3 viatical settlement;

4 (g) The licensee no longer meets a requirement for initial
5 licensure;

6 (h) A provider of viatical settlements has assigned, transferred
7 or pledged a viaticated policy to a person other than another
8 provider licensed under this chapter, a purchaser of the viatical
9 settlement or a special organization;

10 (i) The applicant or licensee has provided materially untrue
11 information to an insurer that issued a policy that is the subject of a
12 viatical settlement;

13 (j) The applicant or licensee has failed to pay a tax as required
14 pursuant to the provisions of chapter 363A ~~363B~~ of NRS ~~41~~ or
15 sections 2 to 61, inclusive, of this act;

16 (k) The applicant or licensee has violated a provision of this
17 chapter or other applicable provisions; or

18 (l) The applicant or licensee has acted in bad faith with regard to
19 a viator.

20 2. A suspension imposed for grounds set forth in paragraph (k)
21 or (l) of subsection 1 must not exceed a period of 12 months.

22 3. If the Commissioner takes action as described in subsection
23 1, the applicant or licensee may apply in writing for a hearing before
24 the Commissioner to determine the reasonableness of the action
25 taken by the Commissioner, pursuant to the provisions of NRS
26 679B.310 to 679B.370, inclusive.

27 ~~Sec. 39.~~ **Sec. 104.** NRS 694C.450 is hereby amended to
28 read as follows:

29 694C.450 1. Except as otherwise provided in this section, a
30 captive insurer shall pay to the Division, not later than March 1 of
31 each year, a tax at the rate of:

32 (a) Two-fifths of 1 percent on the first \$20,000,000 of its net
33 direct premiums;

34 (b) One-fifth of 1 percent on the next \$20,000,000 of its net
35 direct premiums; and



- 1 (c) Seventy-five thousandths of 1 percent on each additional
2 dollar of its net direct premiums.
- 3 2. Except as otherwise provided in this section, a captive
4 insurer shall pay to the Division, not later than March 1 of each
5 year, a tax at a rate of:
- 6 (a) Two hundred twenty-five thousandths of 1 percent on the
7 first \$20,000,000 of revenue from assumed reinsurance premiums;
- 8 (b) One hundred fifty thousandths of 1 percent on the next
9 \$20,000,000 of revenue from assumed reinsurance premiums; and
- 10 (c) Twenty-five thousandths of 1 percent on each additional
11 dollar of revenue from assumed reinsurance premiums.
- 12 ↪ The tax on reinsurance premiums pursuant to this subsection
13 must not be levied on premiums for risks or portions of risks which
14 are subject to taxation on a direct basis pursuant to subsection 1. A
15 captive insurer is not required to pay any reinsurance premium tax
16 pursuant to this subsection on revenue related to the receipt of assets
17 by the captive insurer in exchange for the assumption of loss
18 reserves and other liabilities of another insurer that is under
19 common ownership and control with the captive insurer, if the
20 transaction is part of a plan to discontinue the operation of the other
21 insurer and the intent of the parties to the transaction is to renew or
22 maintain such business with the captive insurer.
- 23 3. If the sum of the taxes to be paid by a captive insurer
24 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any
25 given year, the captive insurer shall pay a tax of \$5,000 for that
26 year. The maximum aggregate tax for any year must not exceed
27 \$175,000. The maximum aggregate tax to be paid by a sponsored
28 captive insurer applies only to each protected cell and does not
29 apply to the sponsored captive insurer as a whole.
- 30 4. Two or more captive insurers under common ownership and
31 control must be taxed as if they were a single captive insurer.
- 32 5. Notwithstanding any specific statute to the contrary and
33 except as otherwise provided in this subsection, the tax provided for
34 by this section constitutes all the taxes collectible pursuant to the
35 laws of this State from a captive insurer, and no occupation tax or
36 other taxes may be levied or collected from a captive insurer by this
37 State or by any county, city or municipality within this State, except



—

1 for taxes imposed pursuant to chapter 363A or 363B of NRS or
2 sections 2 to 61, inclusive, of this act and ad valorem taxes on real
3 or personal property located in this State used in the production of
4 income by the captive insurer.

5 6. Twenty-five percent of the revenues collected from the tax
6 imposed pursuant to this section must be deposited with the State
7 Treasurer for credit to the Account for the Regulation and
8 Supervision of Captive Insurers created pursuant to NRS 694C.460.
9 The remaining 75 percent of the revenues collected must be
10 deposited with the State Treasurer for credit to the State General
11 Fund.

12 7. A captive insurer that is issued a license pursuant to this
13 chapter after July 1, 2003, is entitled to receive a nonrefundable
14 credit of \$5,000 applied against the aggregate taxes owed by the
15 captive insurer for the first year in which the captive insurer incurs
16 any liability for the payment of taxes pursuant to this section. A
17 captive insurer is entitled to a nonrefundable credit pursuant to this
18 section not more than once after the captive insurer is initially
19 licensed pursuant to this chapter.

20 8. As used in this section, unless the context otherwise
21 requires:

22 (a) "Common ownership and control" means:

23 (1) In the case of a stock insurer, the direct or indirect
24 ownership of 80 percent or more of the outstanding voting stock of
25 two or more corporations by the same member or members.

26 (2) In the case of a mutual insurer, the direct or indirect
27 ownership of 80 percent or more of the surplus and the voting power
28 of two or more corporations by the same member or members.

29 (b) "Net direct premiums" means the direct premiums collected
30 or contracted for on policies or contracts of insurance written by a
31 captive insurer during the preceding calendar year, less the amounts
32 paid to policyholders as return premiums, including dividends on
33 unabsorbed premiums or premium deposits returned or credited to
34 policyholders.

35 **Sec. 105. NRS 695A.550 is hereby amended to read as**
36 **follows:**



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1 695A.550 Every society organized or licensed under this
2 chapter is hereby declared to be a charitable and benevolent
3 institution, and is exempt from every state, county, district,
4 municipal and school tax other than the tax imposed pursuant to
5 sections 2 to 61, inclusive, of this act and taxes on real property and
6 office equipment.

7 ~~[Sec. 40. If a person to whom transferable tax credits that~~
8 ~~have been issued pursuant to the provisions of NRS 360B.759 or~~
9 ~~360.945, as those provisions existed before July 1, 2015, has made~~
10 ~~a declaration to apply the transferable tax credits to the tax~~
11 ~~imposed by chapter 363A of NRS but the credits have not been~~
12 ~~applied to that tax on or before July 1, 2015, the Department of~~
13 ~~Taxation shall allow the transferable tax credits to be applied to the~~
14 ~~tax imposed by chapter 363B of NRS, as amended by sections 8 and~~
15 ~~9 of this act.~~

16 ~~Sec. 41.]~~ **Sec. 106. 1.** The ~~[amendatory]~~ provisions of
17 sections ~~[1 to 4, inclusive, 8, 9, 20 to 39, inclusive, and 42]~~ **2 to 61,**
18 **inclusive,** of this of this act **apply to taxable years that begin on or**
19 **after July 1, 2015.**

20 **2. The amendatory provisions of sections 66, 67, 69 and 70 of**
21 **this act** do not apply to any taxes due for any period ending on or
22 before June 30, 2015.

23 **3. Any rate of the tax imposed by NRS 363B.130 determined**
24 **pursuant to section 68 of this act does not apply to any taxes due**
25 **for any period ending on or before June 30 of the year in which**
26 **the rate becomes effective.**

27 **4. The amendatory provisions of sections 71, 72 and 78 to 81,**
28 **inclusive, of this act apply only to governmental services taxes**
29 **imposed for any period of registration of a vehicle that begins on**
30 **or after July 1, 2016.**

31 **5. As used in this section, "taxable year" has the meaning**
32 **ascribed to it in section 12 of this act.**

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1 ~~[Sec. 42.]~~ **Sec. 107.** NRS ~~[363A.010, 363A.015, 363A.020,~~
2 ~~363A.030, 363A.040, 363A.050, 363A.060, 363A.070, 363A.080,~~
3 ~~363A.090, 363A.120, 363A.130, 363A.135, 363A.140, 363A.150,~~
4 ~~363A.160, 363A.170, 363A.180, 363A.190, 363A.200, 363A.210,~~
5 ~~363A.220, 363A.230, 363A.240, 363A.250, 363A.260 and 363B.115~~
6 ~~are]~~ **482.180** is hereby repealed.

7 ~~[Sec. 43.]~~ **Sec. 108.** 1. This section and sections 1 to ~~[16,]~~
8 ~~70,~~ inclusive, ~~[and 18 to 42,]~~ **73 to 77,** inclusive, **and 82 to 106,**
9 **inclusive,** of this act ~~[become]~~ **becomes** effective ~~[on]~~ :

10 **(a) Upon passage and approval for the purpose of performing**
11 **any preparatory administrative tasks that are necessary to carry**
12 **out the provisions of this act; and**

13 **(b) On July 1, 2015,** ~~f~~

14 ~~2. Section 17 of this act becomes effective on November 1,~~
15 ~~2015, and expires by limitation on October 31, 2021.~~

16 ~~3. Section 5 of this act expires by limitation on June 30, 2023.~~

17 ~~4. Sections 6 and 7 of this act expire by limitation on June 30,~~
18 ~~2036,], for all other purposes.~~

19 **2. Sections 71, 72, 78 to 81, inclusive, and 107 of this act:**

20 **(a) Become effective on July 1, 2016; and**

21 **(b) Expire by limitation on November 1, 2016, if the actual**
22 **ending fund balance of the State General Fund at the end of the**
23 **2015-2016 fiscal year, as determined by the Fiscal Analysis**
24 **Division of the Legislative Counsel Bureau, is less than the amount**
25 **approved by the Legislature.**



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~~{LEADLINES}~~ TEXT OF REPEALED ~~{SECTIONS}~~ SECTION

~~{ 363A.010 Definitions.~~

~~== 363A.015 "Business activity" defined.~~

~~== 363A.020 "Commission" defined.~~

~~== 363A.030 "Employer" defined.~~

~~== 363A.040 "Employment" defined.~~

~~== 363A.050 "Financial institution" defined.~~

~~== 363A.060 "Taxpayer" defined.~~

~~== 363A.070 Duties of Department.~~

~~== 363A.080 Maintenance and availability of records of taxpayer; penalty.~~

~~== 363A.090 Examination of records by Department; payment of expenses of Department for examination of records outside State.~~

~~== 363A.120 Excise tax on banks: Imposition, amount and payment; filing of return.~~

~~== 363A.130 Payroll tax: Imposition, amount and payment; filing of return.~~

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~~== 363A.135 Payroll tax: Deduction of certain amounts paid for health insurance or health benefit plan for employees.~~

~~== 363A.140 Extension of time for payment; payment of interest during period of extension.~~

~~== 363A.150 Certification of excess amount collected; credit and refund.~~

~~== 363A.160 Limitations on claims for refund or credit; form and contents of claim; failure to file claim constitutes waiver; service of notice of rejection of claim.~~

~~== 363A.170 Interest on overpayments; disallowance of interest.~~

~~== 363A.180 Injunction or other process to prevent collection of tax prohibited; filing of claim is condition precedent to maintaining action for refund.~~

~~== 363A.190 Action for refund: Period for commencement; venue; waiver.~~

~~== 363A.200 Rights of claimant upon failure of Department to mail notice of action on claim; allocation of judgment for claimant.~~

~~== 363A.210 Allowance of interest in judgment for amount illegally collected.~~

~~== 363A.220 Standing to recover.~~

~~== 363A.230 Action for recovery of erroneous refund: Jurisdiction; venue; prosecution.~~

~~== 363A.240 Cancellation of illegal determination.~~

~~== 363A.250 Prohibited acts; penalty.~~

~~== 363A.260 Remedies of State are cumulative.~~

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~~363B.115 Deduction of certain amounts paid for health insurance or health benefit plan for employees.]~~

1
2 482.182 Governmental services taxes: Transfer of certain
3 amount from proceeds to State Highway Fund. [Effective July 1,
4 2015.]
5 1. After deducting the amount withheld by the Department
6 and the amount credited to the Department pursuant to
7 subsection 6 of NRS 482.180 and before carrying out the
8 provisions of NRS 482.181 each month, the Department shall
9 direct the State Controller to transfer to the State Highway
10 Fund from the proceeds of the basic governmental services tax
11 collected by the Department and its agents during the preceding
12 month the amounts indicated pursuant to this section.
13 2. Except as otherwise provided in subsection 3, the amount
14 required to be transferred pursuant to subsection 1 from the
15 proceeds of the basic governmental services tax imposed on
16 vehicles depreciated in accordance with:
17 (a) Subsection 1 of NRS 371.060 based upon an age of:
18 (1) One year, is a sum equal to 11 percent of those
19 proceeds;
20 (2) Two years, is a sum equal to 12 percent of those
21 proceeds;
22 (3) Three years, is a sum equal to 13 percent of those
23 proceeds;
24 (4) Four years, is a sum equal to 15 percent of those
25 proceeds;
26 (5) Five years, is a sum equal to 18 percent of those
27 proceeds;
28 (6) Six years, is a sum equal to 22 percent of those
29 proceeds;
30 (7) Seven years, is a sum equal to 29 percent of those
31 proceeds;
32 (8) Eight years, is a sum equal to 40 percent of those
33 proceeds; and



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- 1 (9) Nine years or more, is a sum equal to 67 percent of
2 those proceeds; and
3 (b) Subsection 2 of NRS 371.060 based upon an age of:
4 (1) One year, is a sum equal to 12 percent of those
5 proceeds;
6 (2) Two years, is a sum equal to 14 percent of those
7 proceeds;
8 (3) Three years, is a sum equal to 18 percent of those
9 proceeds;
10 (4) Four years, is a sum equal to 21 percent of those
11 proceeds;
12 (5) Five years, is a sum equal to 26 percent of those
13 proceeds;
14 (6) Six years, is a sum equal to 30 percent of those
15 proceeds;
16 (7) Seven years, is a sum equal to 33 percent of those
17 proceeds;
18 (8) Eight years, is a sum equal to 37 percent of those
19 proceeds;
20 (9) Nine years, is a sum equal to 40 percent of those
21 proceeds; and
22 (10) Ten years or more, is a sum equal to 43 percent of
23 those proceeds.
- 24 3. The amount required to be transferred pursuant to subsection
25 1 from the proceeds of the basic governmental services tax imposed on
26 vehicles to which the minimum amount of that tax applies pursuant to
27 paragraph (b) of subsection 3 of NRS 371.060 is a sum equal to 63
28 percent of those proceeds.
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REQUIRES TWO-THIRDS MAJORITY VOTE

(§§ 8, 9, 18, 19, 42)

A.B. 464

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