

The End of Session Report is organized by topic and summarizes the outcome of key measures supported, opposed and monitored by the McDonald Carano Wilson Government Affairs Group on behalf of the NAIOP Southern Nevada Chapter.

Susan Fisher

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The Session in Review

The Governor's plan for 2015, delivered in his January State-of-the State address, was to enhance education and to build a "New Nevada" with well-educated citizens trained to hold high-paying jobs in a 21st century economy. Education, primarily K-12 education, was most certainly the big winner this session, with new or additional funding for early education, English Language Learners (ELL), schools in impoverished neighborhoods, technology, school counselors and charter school start-ups.

The Governor's \$1.4 billion new revenue package includes, among other tax changes, a new element referred to as the Nevada Commerce Tax. The new Commerce Tax is not without critics, some of whom claim it is a thinly modified gross receipts tax with multiple categories and few exemptions. It also includes a permanent extension of businesses taxes enacted in 2009.

With both houses controlled by Republicans, many Nevada business leaders were advocating for changes in tort laws, collective bargaining modifications and PERS reform. Some reforms were enacted, but compromises reached with the minority party in each house regarding the passage of what some call "landmark tax reform" prevented the passage of some long-held Republican reform initiatives.

Political and philosophical tension in the Republican Assembly caucus influenced more than a debate respecting taxes but politically important conservative social issues such as guns, parental notification regarding abortions, and sexual identity in the K-12 sphere, student data collection and others generated much emotion and significant legislative time.

A number of major economic development bills passed, including abatements for aviation and for data centers. Veterans' issues were also forefront this session, with added benefits to those who employ veterans.

NAIOP took an active role in advocating numerous bills – both for and against – on behalf of the industry. We supported economic development measures and fought efforts to limit developers' options with regard to contractor retainage. While we did not defeat the retainage bill (SB254) we were successful in amending out more problematic provisions and defeated a companion bill outright. We also protected property owners and managers interests by successfully paring down provisions of a commercial landlord/tenant bill. NAIOP also took an active role in presenting our position and/or concerns on several of the numerous tax bills.

On behalf of the entire McDonald Carano team, we are pleased to present this report.

Susan Fisher, Jim Endres, Kathleen Conaboy, Lindsay Knox, Russell Smithson

Commercial Tenancies

AB379: Revises provisions relating to commercial tenancies.

Sponsor: Assemblyman Ohrenschall

Position: Neutral as enrolled

Status: Approved by the Governor (05/27)

Effective October 1, 2015

Notes: The bill has been gutted; the sponsor conceded to a requirement for a commercial landlord to provide notice to the tenant via certified mail three days prior to the posting of notice of lockout on the tenant's door.

*Enrolled version contains additional language not negotiated with bill sponsor: Language now reads that the landlord may change the door locks "*if landlord has provided the tenant with written notice of the delinquency and of the landlord's intent to change the door locks by certified mail, return receipt requested, at least 3 days before changing the door locks.*"

Contracts

SB223: Revises provisions relating to contractors.

Sponsor: Senate Commerce, Labor and Energy

Position: Neutral

Status: Approved by the Governor (06/04)

Effective October 1, 2015

Notes: Provides that a prime contractor is not liable for the labor costs of a subcontractor to the extent that costs are; 1) interest, liquidated damages, attorney's fees or costs resulting from a subcontractor's failure to pay contributions or other payments to, or on behalf of, an employee; or; 2) any amounts for which the prime contractor did not receive adequate notice.

SB254: Revises provisions related to public/private works. Originally written as a Public works bill, but was amended by Primary Sponsor in floor session to expand it to Private works.

Sponsors: Senators Patricia Farley, Joe Heck, Becky Harris, James Settelmeyer

Position: Oppose

Status: Enrolled and delivered to the Governor (05/28)

Notes: Lowers retainage on both public and private works from 10% to a maximum of 5%. Also allows payout upon TCO. Bill proponents were Mechanical Contractors Association and AGC Northern NV. AGC Southern NV moved to neutral.

*EFFECTIVE DATE: **New provisions become effective January 1, 2016.**

SB375: Revises various provisions governing mechanics' and materialmen's liens.

Sponsor: Senator Patricia Farley on behalf of Mechanical Contractors Association (MCA)

Position: Opposed

Status: The measure **failed**

Notes: Bill would have required owners and lessees to establish and record trust accounts for retainage funds. It would have created a rebuttable presumption that the owner had breached their fiduciary duty if they used the proceeds of any loan/pledge or money earmarked for construction in any way other than to satisfy and pay the prime contractor and lower tiers. The bill would have put the building officials in charge of determining whether a dispute is resolved and enforcement was unclear, and so on. We negotiated with Farley to kill this bill in exchange for our commitment to negotiate in good faith a resolution on SB254 (retainage bill).

Economic Development

AB17: Revises provisions relating to economic development.

Sponsor: Assembly Judiciary on behalf of Governor's Office on Economic Development

Position: Neutral

Status: Approved by the Governor (05/25)

Sections 1 to 4, inclusive, and 6 of this act effective: (a) May 25, 2015, for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and (b) July 1, 2015, for all other purposes.

Section 5 of this act effective July 1, 2036.

Notes: Changes to NRS Ch. 231, chapter governing the Governor's Economic Development Authority. Requesting changes to confidentiality requirements, currently, all info provided to GOED by companies, must be made public, however, there is some proprietary information that GOED would like access to in authorizing abatements, this bill would allow GOED the ability to access such info without the requirement that it be made public. Effective July 1, 2015.

Regulations: GOED shall adopt regulations pursuant to Section 3 subsection 12 (a).

AB161: Authorizes certain businesses to apply to the Office of Economic Development for a partial abatement from taxes (aviation tax abatement bill).

Sponsor: Assemblywoman Bustamante-Adams

Position: Support

Status: Approved by the Governor (06/08)

Effective June 8, 2015. Sections 1 to 11, inclusive, of this act expire by limitation on June 30, 2035.

Notes: Identical to SB93, which NAIOP supported. Bill was product of Southern Nevada Economic Forum. Authorizes certain qualified businesses in this State what own, operate, manufacture,

AB161 continued

service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft to apply to be approved by the Governor's Office of Economic Development (GOED) for a partial abatement from certain property or sales and use taxes. Abatement period for up to 20 years; claw-back provisions apply. Applicable to any General Aviation aircraft which includes UAV/UAS. Does not apply to commercial air carriers.

Regulations: GOED may adopt regulations pursuant to Section 1 subsection 8. The Nevada Tax Commission may adopt regulations pursuant to Section 1 subsection 9.

SB74: Revises provisions governing the abatement of certain taxes for economic development purposes (Primary jobs).

Sponsor: Senate Revenue and Economic Development

Position: Neutral

Status: Approved by the Governor (05/27)

1. Effective: (a) May 27, 2015 for the purposes of adapting regulations and performing any other preparatory administrative tasks to carry out the provisions of this act; and (b) On July 1, 2015 for all other purposes.

2. Section 2 of this act expires by limitation on June 20, 2023.

Notes: Presented by GOED; Revision to NRS Ch 360.750, chapter on abatements, narrows some abatement requirements, including audit requirements. Also, allows companies 8 months (currently 4), to create jobs required to receive abatement. Effective upon passage and approval for the purpose of promulgating regulations and starting application process.

Regulations: GOED shall adopt regulations pursuant to Section 10.

SB93: Authorizes certain business to apply to the Office of Economic Development for a partial abatement from aviation business taxes.

-See AB 161, above

SB151: Authorizes a natural gas utility to expand its infrastructure in a manner consistent with a program of economic development.

Sponsors: Senators Kelvin Atkinson, Ruben Kihuen, Aaron Ford, James Settelmeyer; Assembly members Marilyn Kirkpatrick, Michael Sprinkle, Maggie Carlton.

Position: Neutral

Status: Approved by the Governor (05/13)

Effective May 13, 2015

Notes: This issue came out of the So NV Econ Forum conducted over the past year. There are several areas of the state where natural gas customers are underserved, meaning there is some infrastructure, but not sufficient infrastructure; and others that are unserved -- no infrastructure. This bill is to assist development in underserved areas. There was discussion about "public benefit" and suggestions that cost be borne by those getting immediate benefit (site-based assessments). Amendment makes measure effective upon passage & approval.

Regulations: The PUC shall adopt regulations pursuant to Section 1 subsection 1.

SB170: Provides for a partial abatement of certain taxes for new or expanding data centers and related businesses in this State – “Switch Bill”

Sponsor: Senators Michael Roberson, Aaron Ford, Mark Lipparelli, Becky Harris. Assembly members Marilyn Kirkpatrick, John Hambrick.

Position: Moderate Support

Status: Enrolled and delivered to the Governor (06/01)

Notes: Abatement must not exceed 75% of the amount of personal property taxes payable by a data center for eligible equipment and machinery located in the data center. Abatement does not include local school support tax for FY 2015-2016.

Regulations: GOED shall adopt regulations pursuant to Section 1 subsection 12 (a) and (b). The Nevada Tax Commission shall adopt regulations pursuant to Section 1 subsection 13 (a) (b).

SB182: Directs the Office of Economic Development to create a pilot program to encourage the growth of existing businesses in this state.

Sponsor: Senator Spearman, et al.

Status: The measure **failed**

Education

SB302: School choice; provides grant for children to receive educational instruction from a certain entity other than from a public school.

Sponsor: Senator Scott Hammond

Status: Approved by Governor 06/02/2015.

Effective dates: 1) July 1, 2015, for the purposes of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act; and 2) January 1, 2016, for all other purposes.

Notes: Establishes a program by which a child enrolled in a private school may receive a grant of money in an amount equal to 90%, or if the child has a disability or the household income is less than 185% of the federally designated level signifying poverty, 100%, of the statewide average basic support per pupil. The bill allows a child to enroll part-time in public school while receiving part of his or her instruction from an entity that participates in the program to receive a partial grant.

Employment

AB133: Prohibits a licensed contractor from knowingly employing an unauthorized alien.

Sponsor: Assemblyman Hansen

Status: The measure **failed**

AB235: Requires an employer to provide paid sick leave to each employee of the employer under certain circumstances.

Sponsor: Assemblywoman Neal, et al.

Status: The measure **failed**

SB167: Revises provisions relating to employment.

Sponsor: Senator Roberson, et al.

Status: The measure **failed**

Notes: Would have required unlawful discrimination complaints to be filed within 300 days a decision or practice resulting in discriminatory compensation is adopted; (2) a person becomes subject to a decision or practice; or (3) a person is affected by an application of a decision or practice.

SJR6: Amends the Nevada Constitution to revise the method for determining the minimum wage.

Sponsor: Senator Hardy

Status: The measure **failed**

Energy

SB374: Revises provisions relating to energy.

Sponsor: Senator Patricia Farley

Position: Neutral

Status: Approved by the Governor (06/05)

Notes: Current law requires Dir of Office of Energy and local govt to adopt certain energy conservation standards in buildings. SB374 prohibits the Director and governing body from adopting standards mandating requirements for air changes per hour, and other conservation matters. Bill was expanded to include Net Metering and requires utility co to submit a proposed tariff to the PUCN for net metering customers.

Regulations: The Director of the Office of Energy shall adopt regulations pursuant to Section 1 subsections 1 to 3 and 8. The PUC shall adopt regulations pursuant to Section 2.7 subsection 2, Section 2.95 subsection 6.

Graffiti

SB56: Revises provisions governing graffiti.

Sponsor: Senate Judiciary

Position: Neutral

Status: Approved by the Governor (06/05)

Effective October 1, 2015

Notes: Section 15 authorizes governing body of a city to order an owner of nonresidential property to cover or remove certain graffiti on the owner's property. Proposed Amendment from Clark Co (NRS 244.3694) removes limitations of graffiti removal on non-residential property, so that it no longer has to be viewable from the public ROW. The provisions set forth for graffiti removal

SB56 continued

under NRS 244.3694 would apply to any properties that are non-residential. ACLU opposed bill. City of Henderson supports.

Industrial Insurance

SB194: Revises provisions relating to industrial insurance.

Sponsor: Senate Commerce, Labor and Energy

Position: Neutral

Status: Enrolled and delivered to the Governor (05/29)

Notes: Revises the threshold cost of a construction project at which a private company, public entity or utility may establish a consolidated insurance program.

Judgments

AB207: Makes various changes to provisions relating to the enforcement of judgements.

Sponsor: Assemblywoman Spiegel, et al.

Status: The measure **failed**

Legislative Operations

AB495: Makes various changes relating to bill draft requests.

Sponsor: Assembly Committee on Legislative Operations and Elections

Status: Approved by the Governor (06/10)

Effective July 1, 2015

Notes: Current law allows a legislator or authorized agency to request a bill 'placeholder' by a date certain, then provide additional detail later on. This new law eliminates placeholders and requires the bill requestor to provide sufficient detail to allow complete drafting concurrent with the request. If details are not provided, then a bill draft request (BDR) number will not be assigned and posted until full details are provided. Earlier BDR numbers receive higher drafting priority by LCB. This puts more responsibility on legislators to provide thoughtful information early on. Legislators do not have to provide full legal language; an outline is sufficient.

Liens

SB197: Prohibits the filing of false or fraudulent liens or encumbrances against certain persons.

Sponsor: Senator Greg Brower

Position: Neutral

Status: Approved by the Governor (05/28)

SB197 continued

Effective October 1, 2015

Notes: Raises fines from \$5K to \$20K, adds additional penalties for subsequent offenses, including prison and fines up to \$150K.

Regulations: The Secretary of State may adopt regulations pursuant to Section 3 subsection 2.

The Secretary of State may adopt regulations pursuant to Section 4 subsection 6.

Local Government

SB11: Grants power to local governments to perform certain acts or duties which are not prohibited or limited by statute.

Sponsor: Senator Pete Goichoechea

Position: Neutral

Status: The measure **failed**

Notes: Home rule bill.

SB29: Grants power to a board of county commissioners to address matters of local concern and within certain parameters.

Sponsor: Senate Government Affairs

Position: None

Status: Enrolled and delivered to the Governor (05/28)

Notes: Partial Home Rule. Effective July 1, 2015. Allows local govts (county govt) to address matters of local concern without legislative action. Matters include: Public health, safety and welfare in the county; planning, zoning, development and redevelopment in the county; nuisances and graffiti, outdoor assemblies; contracts and purchasing by county government; operation, management and control of county jails and prisoners; public property, buildings, lands, utilities and other public works owned, leased, operated, managed or controlled by county government, including; roads, highways and bridges; parks, rec centers, cultural centers, libraries and museums, etc. NACO must report to the legislature in 2017 on progress/activities.

Regulations: Local governments may enact new ordinances that would otherwise have required legislative action.

SB47: Makes various changes relating to the Consolidated Local Improvements Law.

Sponsor: Senate Government Affairs

Position: Neutral

Status: Approved by the Governor
Effective on July 1, 2015

Notes: Revises the definition of a commercial area vitalization project, changes the term to neighborhood improvement project, and allows the establishment of such a project in any area of the local improvement district instead of an area zoned primarily for business or commercial

SB47 continued

purposes. The measure also revises provisions relevant to the collection of delinquent assessments prior to a county conveying a deed.

SB66: Revises provisions governing local governmental agreements for the development of land.

Sponsor: Senate Government Affairs on behalf of City of Henderson

Position: Neutral

Status: Approved by the Governor (05/14)

Effective on July 1, 2015

Notes: City of Henderson bill to address a particular development project. Henderson was forthcoming and open to amendments to address concerns from long line of concerned parties, including Chambers, developers, BANN, etc. NAIOP Position changed from O to N with Amendments.

Mortgages, Deeds of Trust

AB311: Makes various changes to the regulation of residential mortgage bankers, mortgage brokers, mortgage loan originators and mortgage servicers and enacts the Nevada Private Money Real Estate Loan Act.

Sponsor: Assemblyman Araujo, et al.

Status: The measure **failed**

Notes: Bill was not a NAIOP priority, however, NAIOP members participated in 18 month working group to revise provisions of statute on behalf of Dept of Business and Industry. The group was appointed by Legislative Commission and bill was assigned to Mr. Araujo by Marilyn Kirkpatrick to carry. Because it was a division clean-up bill, it impacted many, many sections of law. It was visually intimidating to both the Chairman of the assigned committee and committee members (over 100 pages). However, many provisions from this bill were amended into [AB480](#), which passed and approved by the Governor on June 9.

SB239: Revises provisions relating to real property.

Sponsor: Senator Michael Roberson

Position: Neutral

Status: Approved by the Governor (06/01)

Effective June 1, 2015

Notes: Authorizes certain persons to file a notice to terminate a revolving line of credit secured by a deed of trust or mortgage; authorizing certain trustees to file a declaration of nonmonetary status under certain circumstances; revising provisions governing an action to declare void a trustee's sale; authorizing a beneficiary to substitute as trustee for the purpose of re-conveying a deed of trust.

Overtime, Minimum Wage

SB193: Revises provisions governing compensation for overtime, plus raises Minimum Wage.

Sponsor: Senate Commerce, Labor and Energy

Status: The measure **failed**

Pipeline and Subsurface Safety

SB86: Revises provisions governing pipeline and subsurface safety.

Sponsor: Senate Commerce, Labor and Energy at request of Homeland Security.

Position: Neutral

Status: Approved by the Governor (05/14)

Effective on July 1, 2015

Notes: Testimony provided by Homeland Security and utility companies. Increases civil penalties for breach of high-impact subsurface lines, putting them in same category as high voltage power lines which carry an act of terrorism for breach. "High consequence subsurface installation" means the following types of subsurface installations:

1. A high-pressure natural gas pipeline with a normal operating pressure greater than 100 lbs p/sq in gauge;
2. A petroleum pipeline;
3. A pressurized sewage pipeline or force main;
4. A high-voltage electric supply line, conductor or cable that has a phase-to-phase potential of 115 kV or more;
5. A high-capacity water pipeline that is 18 inches or more in diameter;
6. An optical carrier level communications line and any related facility;
7. A hazardous materials pipeline; or
8. Any other subsurface installation that if damaged will interrupt services provided by any facility or agency that provides health or safety services to the public, including hospitals, law enforcement agencies, armed forces, firefighting agencies, detention centers, air traffic control, emergency operation centers, telecommunication towers and water or sewer treatment plants.

Public Works

AB215: Revises provisions governing public works.

Sponsor: Assembly Government Affairs

Status: The measure **failed**

SB108: Revises provisions relating to public works projects.

Sponsor: Senator Settelmeyer

Status: The measure **failed**

Notes: Would have changed the \$100K threshold to \$500K for cost of project for payment of prevailing wage on a public works project. Would also have raised the threshold from \$100K to \$500K for award of bids for “small emerging businesses” for public works projects bid through GOED.

SB149: Provides for a program of matching grants to local governments for the maintenance and repair of public works.

Sponsor: Senator Atkinson

Status: The measure **failed**

SB326: Revises provisions relating to public works.

Sponsor: Senators Patricia Farley and Pete Goicoechea

SB326 continued

Status: The measure **failed**

Notes: Bill would have revised provisions regarding overtime for hours worked in excess of 40 hours in a week or 8 hours in a day.

State Contractor's Board

SB50: Makes various changes to the regulation of contractors by the State Contractor's Board.

Sponsor: Senate Commerce, Labor and Energy

Position: Neutral

Status: Approved by the Governor (06/04)

Section 1 of this act became effective June 4, 2015. Sections 2 to 6, inclusive, of this act become effective on October 1, 2015.

Notes: Addresses a number of housekeeping items for the State Contractors' Board. Revises the circumstances under which a natural person may qualify on behalf of another for more than one active contractor's license. Replaces the term “Uniform Building Code” with “International Building Code.” Section 1 deletes the requirement for State Contractor's Board to establish an advisory committee concerning licensure of those who install and maintain building shell or thermal system installations. Sections 2-6 authorize the Board to inquire into previous experiences and legal actions against applicants; allows the Board to investigate financial responsibility of applicant or licensee; adds certain international building codes to standards.

Regulations: The State Contractor's Board may adopt regulations pursuant to Section 1 subsection 1.

Tax Measures

AB71: Act relating to taxation, provides deduction from the payroll tax for wages paid to newly hired full-time employees who are veterans.

Sponsor: Committee on Taxation at request of Governor's Office on Veteran's Affairs

Position: Neutral

Status: Enrolled and delivered to Governor (06/08)

Notes: This measure provides various benefits to veterans, with additional benefit to employers of veterans who are previously unemployed. When an unemployed veteran who is receiving unemployment benefits for a minimum of 3 months is hired, the employer may receive a payroll tax exemption in the amount of 100% for the first year of full-time employment and 50% deduction during 5th through 12th full calendar quarters following the hiring of the employee. Employees must be hired on or after July 1, 2015 and on or before June 30, 2019. The exemption does not apply if a non-veteran employee is dismissed in order to hire a veteran. Provisions of this bill relative to exemption expire July 21, 2022.

AB191: Revises provisions governing taxes on fuels for motor vehicles.

Sponsors: Assemblymen Paul Anderson and Marilyn Kirkpatrick, Senators Scott Hammond and Michael Roberson.

Position: Support

Status: Approved by the Governor (06/05)

Sections 2 and 16 to 19, inclusive, and 20 of this act effective June 5, 2015. Sections 1, 4, 7, 9 and 12 of this act effective November 9, 2016, if the question placed on the ballot at the general election on November 8, 2016, pursuant to NRS 373.0663, as amended by section 2 of this act, is approved by a majority of the registered voters in Clark County voting on the question. Sections 3, 4.5, 6, 7.5, 9.5, 11, 12.5, 14 and 14.5 of this act effective on January 1, 2017, if: (a) The question placed on the ballot at the general election on November 8, 2016, pursuant to NRS 373.0663, as amended by section 2 of this act, is not approved by a majority of the registered voters in Clark County voting on the question; and (b) The question placed on the ballot at the general election on November 8, 2016, pursuant to section 17 of this act is approved by a majority of the registered voters in any county in this state voting on the question. Sections 3, 5, 6, 8, 10, 11, 13, 14 and 15 of this act effective on January 1, 2017, if: (a) The question placed on the ballot at the general election on November 8, 2016, pursuant to NRS 373.0663, as amended by section 2 of this act, is not approved by a majority of the registered voters in Clark County voting on the question; and (b) The question placed on the ballot at the general election on November 8, 2016, pursuant to section 17 of this act is approved by a majority of the registered voters in any county in this state voting on the question.

Notes: Removes prohibition on County Commission from raising fuel taxes; puts issue to vote of the people Nov 2016, provides for annual increases beginning Jan. 1, 2017 but requires funds to be invested where raised. Sunsets Dec., 2026, unless put on the ballot in Nov 2026 to start again in 2027.

AB380: Revises provisions relating to sales and use taxes (internet sales).

Sponsor: Assemblywoman Kirkpatrick

Position: Neutral

Status: Approved by the Governor (05/27)

Sections 1, 1.5, 2, 4, 5, and 7 of this act effective July 1, 2015. Sections 3, 6 and 6.5 of this act effective October 1, 2015.

Notes: Enacts provisions based on a Colo. law which creates the presumption that a retailer is required to impose, collect and remit sales and use taxes on internet sales if the retailer has brick and mortar presence in the state. This issue has been discussed at NV Legislature for the past 10 years and has been proposed in the past by very conservative Rs (e.g. former Senator Ann O'Connell). Nevada was one of first states to participate in streamlined sales & use tax. Efforts ongoing in Congress to pass federal legislation. NV SJR 4, encouraging Congress passed Assembly 5/18, 29-12 and passed the Senate 3/3, 21-0.

The Department of Taxation is now required to submit a report to the Director of LCB concerning each finding, ruling or agreement by the Department or the Nevada Tax Commission which provides that the provisions of existing law requiring a retailer to impose, collect and remit sales and use taxes do not apply to the retailer, even if they own or operate a warehouse, distribution center, fulfillment center or similar facility in the state.

AB412: Revises provisions relating to public financial administration (raises property tax cap).

Sponsor: Assemblywoman Kirkpatrick at the request of Clark County.

Position: Opposed

Status: The measure **failed**.

Notes: The bill would have authorized the board of county commissioners, by majority vote and without going to a vote of the people, to impose throughout the county an ad valorem tax at the rate of up to 5 cents per \$100 of assessed value on all taxable property in the county. The bill started out with income-based valuation provisions, and while Kirkpatrick gave the nod to several proposed amendments, but the bill was not processed in the end game.

AB452: Revises provisions relating to property taxes.

Sponsor: Assembly Taxation

Position: none

Status: Enrolled and delivered to the Governor (06/03)

Notes: This bill was pushed by proponents who represent owners seeking adjustment of taxes at the county level. They reported having issues with Clark Co Assessor dismissing property tax appeals due to appeal not being filed by actual property owner, but rather, by an agent/employee on behalf of the owner. Sec. 1 defines "owner" as someone who owns, controls or possesses taxable property and is authorized rep. Effective July 1, 2015.

SB80: Makes changes relating to the imposition of use taxes on the storage, use or other consumption of personal property used in interstate or foreign commerce.

Sponsor: Senate Revenue and Economic Development on behalf of Dept of Taxation

Position: Opposed

Status: The measure **failed**.

Notes: Opposed by trucking, manufacturing, vehicle dealers and many others. For one particular local airline, this bill would create a negative ability to grow in Las Vegas, as it would add north of \$1m in sales and use tax to every aircraft they bring into the state, regardless of where it was purchased. Not only would this discourage the airline from bringing additional aircraft into the state, but the jobs follow the aircraft...meaning that any new pilot and flight attendant jobs created by aircraft growth would be sited in other states.

SB266 Live Entertainment Tax

Sponsor: Senators Mark Lipparelli, Joe Hardy, Pete Goicoechea, Scott Hammond, Ben Kieckhefer, James Settelmeyer. Assemblywoman Marilyn Kirkpatrick

Position: Neutral

Status: Enrolled and delivered to Governor (06/08)

Notes: This bill revised NRS relating to the live entertainment tax to provide that, regardless of whether live entertainment is provided at a gaming establishment, the tax is imposed only if there is an admission charge to the area where the entertainment is provided (Sec. 1.5). Section 3 lowered the current LET from 10% to 9% for entertainment venues with maximum occupancy under 7,500 and exempted food, beverages and merchandise from tax. Sections 1.03, 1.07, 1.5, 2, 2.1, 3 and 3.2 define escorts and escort services and impose a tax of 9%. "Admission charge" was revised to specifically include in the tax membership fees, service charges and any other charge required to be paid for admission to a facility where live entertainment is provided. Section 1.4 excludes comped services from the tax and certain license and rental fees for luxury suites, boxes, etc., at venues with occupancy greater than 7,500. Current statute was also revised to capture certain nonprofit organizations if they sell 7,500 or more tickets (e.g. Burning Man, EDC).

Entertainment NOT taxed include uncompensated spontaneous performances, go-go dancing, marketing or promotional activities associated with the serving of food and beverages (i.e., if your Applebee's wait staff shows up at your table to sing Happy Birthday, no tax), live entertainment provided by Nevada Interscholastic Activities Association and other athletic events only pupils or faculty provide the entertainment; entertainment contests at NSHE, and NASCAR Sprint Cup Series provided only two races are held in NV.

Effective: Upon passage and approval for the purpose of adopting regulations. Section 3.1 becomes effective on July 1, 2015. Sections 1 to 3, inclusive, and 3.2 to 6.5, inclusive, become effective on October 1, 2015.

SB483: Revises provisions relating to governmental financial administration – “New Nevada” plan.

Sponsor: Senate Revenue and Economic Development

Position: Mixed

Status: Enrolled and delivered to the Governor

Notes: Provides for an extension of sunset taxes enacted in 2009 and will raise more than \$600 million.

The bill sets permanently the Local School Support Tax at \$0.35, raises the tax on a pack of cigarettes from \$0.80 to \$1.80, and sets the payroll tax for mining companies at the rate imposed on financial institutions. Further, the enrolled bill has been [amended](#) to include the Nevada Revenue Plan, highlights:

- Sec 20.1 – the commerce tax is applicable to businesses with gross revenues above \$4 million.
- Sec 31 – commerce tax is calculated by subtracting \$4,000,000 from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by a percentage determined by industry classification.
- Sec 70 – The rate for the MBT has been raised to 1.475 percent on total wages that exceed \$50,000 in each quarter.
- Sec 68.4 – If a business is subject to the commerce tax, the business can subtract 50% of the commerce tax paid as a credit when calculating the MBT
- The bill is effective on July 1, 2015. The taxable year is July 1-June 30.

Regulations: The Department of Taxation shall adopt regulations pursuant to Section 16 subsection 1.

The Department of Taxation may adopt regulations pursuant to Section 17 subsection 2.

Many groups and individual businesses are concerned that the measure was passed too quickly and without thorough vetting. They will be working closely with Department of Taxation and Tax Commission to address issues through the regulatory process.

Tort Reform

SB160: Enacts provisions governing the liability of owners, lessees, or occupants of any premises for injuries to trespassers.

Sponsor: Senator Roberson

Position: Neutral

Status: Approved by the Governor (05/30)
Effective May 30, 2015

Notes: This measure provides that an owner, lessee or occupant of any property does not owe duty of care for injuries to trespassers, unless owner, etc., willfully causes harm to the trespasser; if the owner, etc., fails to exercise reasonable care to prevent harm if trespasser is discovered on property; and if the trespasser is a child (certain conditions must exist). The law now provides penalties for unauthorized base-jumpers and/or those who assist them.

Transportation

AB450: Revises provisions relating to transportation.

Sponsor: Assembly Transportation for Assemblyman Jim Wheeler

Position: Neutral/Watch

Notes: Would have created the Interstate 11 Toll Road Project, but creating a toll lane as opposed to toll road.

Status: The measure **failed**