

SENATE BILL NO. 378—SENATORS
SPEARMAN, PARKS AND DENIS

MARCH 17, 2015

Referred to Committee on Revenue and
Economic Development

SUMMARY—Makes various changes concerning governmental
financial administration. (BDR 32-150)

FISCAL NOTE: Effect on Local Government: Increases or Newly
Provides for Term of Imprisonment in County or City
Jail or Detention Facility.
Effect on the State: Yes.

~

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

AN ACT relating to governmental financial administration;
providing for the repeal of certain taxes on business and
the imposition, administration and payment of a
supplemental revenue fee by persons engaged in business
in this State; revising provisions governing the abatement
of taxes and the issuance of transferable tax credits;
revising provisions governing the rate of the payroll tax
imposed on certain businesses engaged in mining in this
State; revising provisions governing the annual state
business license fee; revising provisions governing the
computation of the net proceeds from certain mining
operations conducted in this State; providing penalties;
and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Sections 2-34** of this bill impose a quarterly supplemental revenue fee on each
2 business entity engaged in business in this State whose taxable gross receipts
3 exceed \$25,000 in a calendar quarter, effective July 1, 2015. **Section 17** of this bill
4 requires each business entity engaging in business in this State to file a return with
5 the Department of Taxation not later than 45 calendar days after the end of each
6 calendar quarter of a fiscal year. Under **section 17**, a business entity whose taxable
7 gross receipts for that calendar quarter exceed \$25,000 must remit with the return a
8 fee in an amount equal to \$50 plus 0.465 percent of the portion of its taxable gross
9 receipts for that calendar quarter that exceed \$25,000. In accordance with **section**
10 **12** of this bill, the taxable gross receipts of a business entity is determined by taking



* S B 3 7 8 *

11 the amount of its gross receipts, making certain deductions from that amount under
12 **section 20** of this bill, and then situsing all or part of that adjusted amount to this
13 State pursuant to **section 21** of this bill. **Sections 2-34** of this bill provide for the
14 administration, collection and enforcement of the fee by the Department of
15 Taxation.

16 Existing law imposes an excise tax on certain businesses other than financial
17 institutions at a specified percentage of the total wages paid by the business each
18 calendar quarter. (NRS 363B.110) Existing law also imposes an excise tax on
19 financial institutions at a higher percentage of the total wages paid by the financial
20 institution each calendar quarter. (NRS 363A.130) **Section 80** of this bill repeals
21 the tax imposed on the wages paid by employers that are not financial institutions
22 effective on July 1, 2015, and **section 45** of this bill requires certain employers
23 engaged in mineral extraction in this State to pay the tax on the wages paid by that
24 person at the same rate as the rate that is paid by financial institutions under
25 existing law. **Section 78** of this bill enacts provisions addressing abatements of the
26 tax on the wages paid by a business and transferable credits against that tax which
27 were issued before July 1, 2015.

28 Existing law imposes an annual fee of \$200 for a state business license (NRS
29 76.100, 76.130) On July 1, 2015, this fee is scheduled to change to \$100. (Chapter
30 429, Statutes of Nevada 2009, as last amended by chapter 518, Statutes of Nevada
31 2013, at p. 3426) **Sections 76 and 80** of this bill make the \$200 annual fee for a
32 state business license permanent. However, under **sections 46 and 47** of this bill, a
33 business entity that does not perform a service or engage in a trade for profit is
34 required to pay a \$400 annual fee for a state business license.

35 Existing law provides that effective January 1, 2016, in computing the net
36 proceeds from certain mining operations conducted in this State, a person may
37 deduct certain amounts expended for health care for employees actually engaged in
38 mining operations in this State. (Chapter 449, Statutes of Nevada 2011, as amended
39 by chapter 518, Statutes of Nevada 2013, at p. 3426) **Sections 77 and 80** of this bill
40 remove this deduction.

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 34, 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 3 to 12,*
6 *inclusive, of this act have the meanings ascribed to them in those*
7 *sections.*

8 **Sec. 3. 1.** *“Affiliated group” means a group of two or more*
9 *business entities, each of which is controlled by one or more*
10 *common owners or by one or more members of the group.*

11 **2.** *As used in this section, “controlled by” means the direct or*
12 *indirect ownership, control or possession of the power to vote 50*
13 *percent of the outstanding voting securities of a business entity.*

14 **Sec. 4.** *“Business” means any activity engaged in or caused*
15 *to be engaged in with the object of gain, benefit or advantage,*
16 *either direct or indirect, to any person or governmental entity.*



1 **Sec. 5. 1. Except as otherwise provided in subsection 2,**
2 **“business entity” means:**

3 (a) **Any person, except a natural person, that is engaging in a**
4 **business;**

5 (b) **Any natural person who is engaging in a business if the**
6 **natural person is required to file with the Internal Revenue**
7 **Service a Schedule C (Form 1040), Profit or Loss From Business,**
8 **or its equivalent or successor form, a Schedule E (Form 1040),**
9 **Supplemental Income and Loss, or its equivalent or successor**
10 **form, or a Schedule F (Form 1040), Profit or Loss From Farming,**
11 **or its equivalent or successor form, for engaging in that business;**
12 **or**

13 (c) **Any entity organized pursuant to title 7 of NRS, including,**
14 **without limitation, those entities required to file with the Secretary**
15 **of State, whether or not the entity is engaging in a business.**

16 2. **The term does not include:**

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

20 (b) **A natural person, unless that person is engaging in a**
21 **business and is required to file with the Internal Revenue Service**
22 **a Schedule C (Form 1040), Profit or Loss From Business, or its**
23 **equivalent or successor form, a Schedule E (Form 1040),**
24 **Supplemental Income and Loss, or its equivalent or successor**
25 **form, or a Schedule F (Form 1040), Profit or Loss From Farming,**
26 **or its equivalent or successor form, for that business.**

27 (c) **A governmental entity.**

28 (d) **A nonprofit religious, charitable, fraternal or other**
29 **organization that qualifies as a tax-exempt organization pursuant**
30 **to 26 U.S.C. § 501(c)(3).**

31 (e) **A business entity organized pursuant to chapter 82 or 84 of**
32 **NRS.**

33 (f) **A natural person who operates a business from his or her**
34 **home and whose net earnings from that business are not more**
35 **than 66 2/3 percent of the average annual wage, as computed for**
36 **the preceding calendar year pursuant to chapter 612 of NRS and**
37 **rounded to the nearest hundred dollars.**

38 (g) **A natural person whose sole business is the rental of four**
39 **or fewer dwelling units to others.**

40 (h) **A credit union organized under the provisions of chapter**
41 **678 of NRS or the Federal Credit Union Act.**

42 (i) **A grantor trust as defined by section 671 and**
43 **7701(a)(30)(E) of the Internal Revenue Code, 26 U.S.C. §§ 671**
44 **and 7701(a)(30)(E), all of the grantors and beneficiaries of which**
45 **are natural persons or charitable entitled as described in section**



1 *501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3),*
2 *excluding a trust taxable as a business entity pursuant to 26*
3 *C.F.R. § 301.7701-4(b).*

4 *(j) An estate of a natural person as defined by section*
5 *7701(a)(30)(D) of the Internal Revenue Code, 26 U.S.C. §*
6 *7701(a)(30)(D), excluding an estate taxable as a business entity*
7 *pursuant to 26 C.F.R. § 301.7701-4b.*

8 *(k) A real estate investment trust, as defined by section 856 of*
9 *the Internal Revenue Code, 26 U.S.C. § 856, and its qualified real*
10 *estate investment trust subsidiaries, as defined by section 856(i)(2)*
11 *of the Internal Revenue Code, 26 U.S.C. 856(i)(2), except that:*

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

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

21 *(l) A real estate mortgage investment conduit, as defined by*
22 *section 860D of the Internal Revenue Code, 26 U.S.C. § 860D.*

23 *(m) A trust qualified under section 401(a) of the Internal*
24 *Revenue Code, 26 U.S.C. § 401(a).*

25 *(n) A passive entity.*

26 **Sec. 6.** *“Commission” means the Nevada Tax Commission.*

27 **Sec. 7.** *“Engaging in a business” means commencing,*
28 *conducting or continuing a business, the exercise of corporate or*
29 *franchise powers regarding a business, and the liquidation of a*
30 *business which is or was engaging in a business when the*
31 *liquidator holds itself out to the public as conducting that*
32 *business.*

33 **Sec. 8.** *“Fiscal year” means the 12-month period beginning*
34 *on the first day of July and ending on the last day of June.*

35 **Sec. 9.** *“Governmental entity” means:*

36 *1. The United States and any of its unincorporated agencies*
37 *and instrumentalities.*

38 *2. Any incorporated agency or instrumentality of the United*
39 *States wholly owned by the United States or by a corporation*
40 *wholly owned by the United States.*

41 *3. The State of Nevada and any of its unincorporated*
42 *agencies and instrumentalities.*

43 *4. Any county, city, district or other political subdivision of*
44 *this State.*



1 **Sec. 10. 1.** *Except as otherwise provided in subsection 3,*
2 *“gross receipts” means the total amount realized by a business*
3 *entity from engaging in a business, without deduction for the cost*
4 *of goods sold or other expenses incurred, that contributes to the*
5 *production of gross income, including, without limitation, the fair*
6 *market value of any property and any services received, and any*
7 *debt transferred or forgiven as consideration.*

8 **2.** *The term includes, without limitation:*

9 **(a)** *Amounts realized from the sale, exchange or other*
10 *disposition of a business entity’s property;*

11 **(b)** *Amounts realized from a business entity’s performance of*
12 *services;*

13 **(c)** *Amounts realized from another’s possession of a business*
14 *entity’s property or capital; and*

15 **(d)** *Any combination of those amounts.*

16 **3.** *The term does not include amounts realized from the sale,*
17 *exchange, disposition or other grant of the right to use*
18 *trademarks, trade names, patents, copyrights and similar*
19 *intellectual property.*

20 **Sec. 11. 1.** *“Pass-through revenue” means:*

21 **(a)** *Revenue received by a business entity solely on behalf of*
22 *another in a disclosed agency capacity, including, without*
23 *limitation, revenue received as a broker, bailee, consignee or*
24 *auctioneer, notwithstanding that the business entity may incur*
25 *liability, primarily or secondarily, in a transaction in its capacity*
26 *as an agent;*

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

29 **(c)** *Reimbursement for advances made by a business entity on*
30 *behalf of a customer or client, other than with respect to services*
31 *rendered or with respect to purchases of goods by the business*
32 *entity in carrying out the business in which it engages;*

33 **(d)** *Revenue received by a business entity that is mandated by*
34 *contract or subcontract to be distributed to another only if the*
35 *revenue constitutes:*

36 **(1)** *Sales commissions that are paid to a person who is*
37 *not an employee of the business, including, without limitation, a*
38 *split-fee real estate commission;*

39 **(2)** *The tax basis of securities underwritten by the business*
40 *entity, as determined for the purposes of federal income taxation;*
41 *and*

42 **(3)** *Subcontracting payments under a contract or*
43 *subcontract entered into by a business to provide services, labor or*
44 *materials in connection with the actual or proposed design,*



1 *construction, remodeling, remediation or repair of improvements*
2 *on real property or the location of the boundaries of real property;*

3 *(e) Revenue received by a business entity that provides legal*
4 *services only if the revenue received by the business is:*

5 *(I) Mandated by law, fiduciary duty or contract to be*
6 *distributed to a claimant by the claimant's attorney or to another*
7 *on behalf of a claimant by the claimant's attorney, including,*
8 *without limitation, revenue received:*

9 *(I) For damages due to a client represented by the*
10 *business entity;*

11 *(II) That are subject to a lien or other contractual*
12 *obligation arising out of the representation provided by the*
13 *business entity, other than fees owed to the business entity for the*
14 *provision of legal services;*

15 *(III) That are subject to a subrogation interest or other*
16 *third-party contractual claim; and*

17 *(IV) That are required to be paid to another attorney*
18 *who provided legal service in a matter and who is not a member,*
19 *partner, shareholder or employee of the business; and*

20 *(2) Reimbursement of the expenses incurred by the*
21 *business in providing legal services to a claimant that are specific*
22 *to the claimant's matter and that are not general operating*
23 *expenses of the business; or*

24 *(f) Revenue received by a business that is part of an affiliated*
25 *group from another member of the affiliated group.*

26 *2. As used in this section, "sales commission" means:*

27 *(a) Any form of compensation paid to a person for engaging in*
28 *an act for which a license is required pursuant to chapter 645 of*
29 *NRS; or*

30 *(b) Compensation paid to a sales representative by a principal*
31 *in an amount that is based on the amount or level of certain*
32 *orders for or sales on behalf of the principal and that the principal*
33 *is required to report on Internal Revenue Service Form 1099-*
34 *MISC, Miscellaneous Income.*

35 **Sec. 12.** *"Taxable gross receipts" means the gross receipts of*
36 *a business entity, as adjusted pursuant to section 20 of this act and*
37 *sitused to this State pursuant to section 21 of this act.*

38 **Sec. 13. 1.** *For the purposes of this chapter, a business*
39 *entity is a "passive entity" only if:*

40 *(a) The business entity is a general partnership, limited-*
41 *liability partnership or limited partnership or a trust, other than a*
42 *business trust;*

43 *(b) During the period for which the gross receipts of the*
44 *business entity is reported pursuant to section 17 of this act, the*



1 *business entity's federal gross income consists of at least 90*
2 *percent of the following income:*

3 *(1) Dividends, interest, foreign currency exchange gain,*
4 *periodic and nonperiodic payments with respect to notional*
5 *principal contracts, option premiums, cash settlements or*
6 *termination payments with respect to a financial instrument, and*
7 *income from a limited-liability company;*

8 *(2) Capital gains from the sale of real property, gains from*
9 *the sale of commodities traded on a commodities exchange and*
10 *gains from the sale of securities; and*

11 *(3) Royalties, bonuses or delay rental income from mineral*
12 *properties and income from other nonoperating mineral interests;*
13 *and*

14 *(c) The business entity does not receive more than 10 percent*
15 *of its federal gross income from conducting an active trade or*
16 *business.*

17 *2. As used in paragraph (b) of subsection 1, the term*
18 *"income" does not include any:*

19 *(a) Rent; or*

20 *(b) Income received by a nonoperator from mineral properties*
21 *under a joint operating agreement if the nonoperator is a member*
22 *of an affiliated group and another member of that group is the*
23 *operator under that joint operating agreement.*

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

25 *(a) Except as otherwise provided in this subsection, a business*
26 *entity is "conducting an active trade or business" if:*

27 *(1) The activities being carried on by the business entity*
28 *include one or more active operations that form a part of the*
29 *process of earning income or profit, and the business entity*
30 *performs active management and operating functions; or*

31 *(2) Any assets, including, without limitation, royalties,*
32 *patents, trademarks and other intangible assets, held by the*
33 *business entity are used in the active trade or business of one or*
34 *more related entities.*

35 *(b) The ownership of a royalty interest or a nonoperating*
36 *working interest in mineral rights does not constitute the conduct*
37 *of an active trade or business.*

38 *(c) The payment of compensation to employees or independent*
39 *contractors for financial or legal services reasonably necessary for*
40 *the operation of a business does not constitute the conduct of an*
41 *active trade or business.*

42 *(d) Holding a seat on the board of directors of a business entity*
43 *does not by itself constitute the conduct of an active trade or*
44 *business.*



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

6 **Sec. 14.** *The Department shall:*

7 1. *Administer and enforce the provisions of this chapter, and*
8 *may adopt such regulations as it deems appropriate for that*
9 *purpose.*

10 2. *Deposit all fees, interest and penalties it receives pursuant*
11 *to this chapter in the State Treasury for credit to the State General*
12 *Fund.*

13 **Sec. 15.** 1. *Each person responsible for maintaining the*
14 *records of a business entity shall:*

15 (a) *Keep such records as may be necessary to determine the*
16 *amount of the liability of the business entity pursuant to the*
17 *provisions of this chapter;*

18 (b) *Preserve those records for 4 years or until any litigation or*
19 *prosecution pursuant to this chapter is finally determined,*
20 *whichever is longer; and*

21 (c) *Make the records available for inspection by the*
22 *Department upon demand at reasonable times during regular*
23 *business hours.*

24 2. *The Department may by regulation specify the types of*
25 *records which must be kept to determine the amount of the*
26 *liability of a business entity pursuant to the provisions of this*
27 *chapter.*

28 3. *Any person who violates the provisions of subsection 1 is*
29 *guilty of a misdemeanor.*

30 **Sec. 16.** 1. *To verify the accuracy of any return filed or, if*
31 *no return is filed by a business entity, to determine the amount*
32 *required to be paid, the Department, or any person authorized in*
33 *writing by the Department, may examine the books, papers and*
34 *records of any person who may be liable for the fee imposed by*
35 *this chapter.*

36 2. *Any person who may be liable for the fee imposed by this*
37 *chapter and who keeps outside of this State any books, papers or*
38 *records relating thereto shall pay to the Department an amount*
39 *equal to the allowance provided for state officers and employees*
40 *generally while traveling outside of the State for each day or*
41 *fraction thereof during which an employee of the Department is*
42 *engaged in examining those documents, plus any other actual*
43 *expenses incurred by the employee while he or she is absent from*
44 *his or her regular place of employment to examine those*
45 *documents.*



1 **Sec. 17. 1.** *For the privilege of engaging in business in this*
2 *State, a supplemental revenue fee is hereby imposed upon each*
3 *business entity whose taxable gross receipts in a calendar quarter*
4 *of a fiscal year exceed \$25,000 in an amount equal to \$50 plus*
5 *0.465 percent of the taxable gross receipts of the business entity*
6 *for that calendar quarter in excess of \$25,000. The fee is due and*
7 *payable as provided in this section.*

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

16 **Sec. 18. 1.** *In addition to the returns required by section 17*
17 *of this act, a business entity that is a member of an affiliated group*
18 *and is engaged in a unitary business in this State with one or more*
19 *other members of the affiliated group shall file with the*
20 *Department such reports regarding the unitary business as the*
21 *Department determines to be appropriate for the administration*
22 *and enforcement of the provisions of this chapter.*

23 **2.** *The Department may allow two or more business entities*
24 *that are members of an affiliated group to file a consolidated*
25 *return for the purposes of this chapter if the business entities are*
26 *allowed to file a consolidated return for the purposes of federal*
27 *income taxation.*

28 **3.** *As used in this section, "unitary business" means a*
29 *business characterized by unity of ownership, functional*
30 *integration, centralization of management and economy of scale.*

31 **Sec. 19.** *Upon written application made before the date on*
32 *which a business entity is otherwise required to file a return and*
33 *pay the fee imposed by this chapter, the Department may for good*
34 *cause extend by 30 days the time for filing the return required by*
35 *this chapter. If the fee is paid during a period of extension granted*
36 *pursuant to this subsection, no penalty or late charge may be*
37 *imposed for failure to pay at the time required, but the business*
38 *entity shall pay interest at the rate of 0.75 percent per month from*
39 *the date on which the amount would have been due without the*
40 *extension until the date of payment, unless otherwise provided in*
41 *NRS 360.232 or 360.320.*

42 **Sec. 20. 1.** *In computing the supplemental revenue fee*
43 *owed by a business entity pursuant to this chapter, the business*
44 *entity is entitled to deduct from its gross receipts:*



1 (a) Any gross receipts which this State is prohibited from
2 taxing pursuant to the Constitution or laws of the United States or
3 the Nevada Constitution.

4 (b) Any gross receipts of the business attributable to dividends
5 and interest upon any bonds or securities of the Federal
6 Government, the State of Nevada or a political subdivision of this
7 State.

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

11 (d) If the business entity is required to pay a tax on the net
12 proceeds from mineral extraction and royalties subject to the
13 excise tax pursuant to the provisions of NRS 362.100 to 362.240,
14 inclusive, the amount of the gross proceeds used to determine the
15 amount of that tax.

16 (e) If the business entity is required to pay the tax imposed
17 pursuant to chapter 680B of NRS, the amount of the total income
18 derived from direct premium written and all other considerations
19 for insurance, bail or annuity contracts used to determine the
20 amount of the tax imposed pursuant to chapter 680B of NRS.

21 (f) Except as otherwise provided by paragraph (g), the total
22 amount of payments received by a health care provider:

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

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

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

34 (g) If the business entity is engaging in business in this State
35 as a health care provider that is a health care institution, an
36 amount equal to 50 percent of the amounts described in paragraph
37 (f) that are received by the health care institution.

38 (h) If the business entity is engaging in business in this State
39 as an employee leasing company, the amount of any payments
40 received from a client company for wages, payroll taxes on those
41 wages, employee benefits and workers' compensation benefits for
42 employees leased to the client company.

43 (i) The amount of any pass-through revenue of the business
44 entity.



1 (j) *The tax basis of securities and loans sold by the business*
2 *entity, as determined for the purposes of federal income taxation.*

3 (k) *The amount of revenue received by the business entity that*
4 *is directly derived from the operation of a facility that is:*

5 (1) *Located on property owned or leased by the Federal*
6 *Government; and*

7 (2) *Managed or operated primarily to house members of the*
8 *Armed Forces of the United States.*

9 (l) *Interest income other than interest on credit sales.*

10 (m) *Dividends and distributions from corporations, and*
11 *distributive or proportionate shares of receipts and income from a*
12 *pass-through entity.*

13 (n) *Receipts from the sale, exchange or other disposition of an*
14 *asset described in section 1221 or 1231 of the Internal Revenue*
15 *Code, 26 U.S.C. § 1221 or 1231, without regard to the length of*
16 *time the business entity held the asset.*

17 (o) *Receipts from a hedging transaction, as defined in section*
18 *1221 of the Internal Revenue Code, 26 U.S.C. § 1221, or a*
19 *transaction accorded hedge accounting treatment under Statement*
20 *No. 133 of the Financial Accounting Standards Board,*
21 *Accounting for Derivative Instruments and Hedging Activities, to*
22 *the extent the transaction is entered into primarily to protect a*
23 *financial position, including, without limitation, managing the*
24 *risk of exposure to foreign currency fluctuations that affect assets,*
25 *liabilities, profits, losses, equity or investments in foreign*
26 *operations, to interest rate fluctuations or to commodity price*
27 *fluctuations. For the purposes of this paragraph, receipts from the*
28 *actual transfer of title of real or tangible personal property to*
29 *another business are not receipts from a hedging transaction or a*
30 *transaction accorded hedge accounting treatment.*

31 (p) *Proceeds received by a business entity that are attributable*
32 *to the repayment, maturity or redemption of the principal of a*
33 *loan, bond, mutual fund, certificate of deposit or marketable*
34 *instrument.*

35 (q) *The principal amount received under a repurchase*
36 *agreement or on account of any transaction properly*
37 *characterized as a loan.*

38 (r) *Proceeds received from the issuance of the business entity's*
39 *own stock, options, warrants, puts or calls, from the sale of the*
40 *business entity's treasury stock or as contributions to the capital of*
41 *the business entity.*

42 (s) *Proceeds received on account of payments from insurance*
43 *policies, except those proceeds received for the loss of business*
44 *revenue.*



1 (t) Damages received as a result of litigation in excess of
2 amounts that, if received without litigation, would not have been
3 included in the gross receipts of the business entity pursuant to
4 this section.

5 (u) Bad debts expensed for the purposes of federal income
6 taxation.

7 (v) Returns and refunds to customers.

8 (w) The value of cash discounts allowed by the business entity
9 and taken by a customer.

10 (x) The value of goods or services provided to a customer on a
11 complimentary basis.

12 (y) Amounts realized from the sale of an account receivable to
13 the extent the receipts from the underlying transaction were
14 included in the gross receipts of the business entity.

15 (z) If the business entity owns an interest in a passive entity,
16 the person's share of the net income of the passive entity, but only
17 to the extent the net income of the passive entity was generated by
18 the gross revenue of another business entity.

19 2. As used in this section:

20 (a) "Children's Health Insurance Program" means the
21 program established pursuant to 42 U.S.C. §§ 1397aa to 1397jj,
22 inclusive, to provide health insurance for uninsured children from
23 low-income families in this State.

24 (b) "Client company" has the meaning ascribed to it in
25 NRS 616B.670.

26 (c) "Employee leasing company" has the meaning ascribed to
27 it in NRS 616B.670.

28 (d) "Health care institution" means:

29 (1) A medical facility as defined in NRS 449.0151; and

30 (2) A pharmacy as defined in NRS 639.012.

31 (e) "Health care provider" means a business that receives any
32 payments listed in paragraph (f) of subsection 1 as a provider of
33 health care services, including, without limitation, mental health
34 care services.

35 (f) "Medicaid" means the program established pursuant to
36 Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq., to
37 provide assistance for part or all of the cost of medical care
38 rendered on behalf of indigent persons.

39 (g) "Medicare" means the program of health insurance for
40 aged persons and persons with disabilities established pursuant to
41 Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395 et seq.

42 **Sec. 21. 1.** In computing the supplemental revenue fee
43 owed by a business entity, the gross receipts of the business entity,
44 as adjusted pursuant to section 20 of this act, must be sitused to
45 this State in accordance with the following rules:



1 (a) *Gross rents and royalties from real property are situsd to*
2 *this State if the real property is located in this State.*

3 (b) *Gross receipts from the sale of real property are situsd to*
4 *this State if the real property is located in this State.*

5 (c) *Gross rents and royalties from tangible personal property*
6 *are situsd to this State to the extent the tangible personal property*
7 *is located or used in this State.*

8 (d) *Gross receipts from the sale of tangible personal property*
9 *are situsd to this State if the property is delivered or shipped to a*
10 *buyer in this State, regardless of the F.O.B. point or any other*
11 *condition of sale.*

12 (e) *Gross receipts from the sale of transportation services are*
13 *situsd to this State if both the origin and the destination point of*
14 *the transportation are located in this State.*

15 (f) *Gross receipts from the sale of any services not otherwise*
16 *described in this section are situsd to this State in the proportion*
17 *that the purchaser's benefit in this State, with respect to what was*
18 *purchased, bears to the purchaser's benefit everywhere with*
19 *respect to what was purchased.*

20 (g) *Gross receipts not otherwise described in this section is*
21 *situsd to this State if the gross receipts are from business done in*
22 *this State.*

23 2. *If the application of the provisions of subsection 1 do not*
24 *fairly represent the extent of the business conducted in this State*
25 *by a business entity, the business entity may petition the*
26 *Department for, or the Department may require, the use of an*
27 *alternative method of situsing gross revenue to this State.*

28 **Sec. 22.** *A business entity's method of accounting for gross*
29 *receipts for a calendar quarter for the purposes of determining the*
30 *amount of the fee due pursuant to this chapter must be the same*
31 *as the business entity's method of accounting for federal income*
32 *tax purposes for the business entity's federal taxable year that*
33 *includes that calendar quarter. If a business entity's method of*
34 *accounting for federal income tax purposes changes, its method of*
35 *accounting for gross receipts pursuant to this chapter must be*
36 *changed accordingly.*

37 **Sec. 23.** *If the Department determines that any fee, penalty*
38 *or interest has been paid more than once or has been erroneously*
39 *or illegally collected or computed, the Department shall set forth*
40 *that fact in the records of the Department and certify to the State*
41 *Board of Examiners the amount collected in excess of the amount*
42 *legally due and the person from whom it was collected or by whom*
43 *it was paid. If approved by the State Board of Examiners,*
44 *the excess amount collected or paid must, after being credited*
45 *against any amount then due from the person in accordance with*



1 *NRS 360.236, be refunded to the person or his or her successors in*
2 *interest.*

3 **Sec. 24. 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 taxable year for which the overpayment was made.*

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

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

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

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

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

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

28 **Sec. 26. 1.** *No injunction, writ of mandate or other legal or*
29 *equitable process may issue in any suit, action or proceeding in*
30 *any court against this State or against any officer of this State to*
31 *prevent or enjoin the collection under this chapter of the fee*
32 *imposed by this chapter or any amount of fee, penalty or interest*
33 *required to be collected.*

34 **2.** *No suit or proceeding may be maintained in any court for*
35 *the recovery of any amount alleged to have been erroneously or*
36 *illegally determined or collected unless a claim for refund or credit*
37 *has been filed.*

38 **Sec. 27. 1.** *Within 90 days after a final decision upon a*
39 *claim filed pursuant to this chapter is rendered by the*
40 *Commission, the claimant may bring an action against the*
41 *Department on the grounds set forth in the claim in a court of*
42 *competent jurisdiction in Carson City, the county of this State*
43 *where the claimant resides or maintains his or her principal place*
44 *of business or a county in which any relevant proceedings were*
45 *conducted by the Department, for the recovery of the whole or any*



1 *part of the amount with respect to which the claim has been*
2 *disallowed.*

3 *2. Failure to bring an action within the time specified*
4 *constitutes a waiver of any demand against the State on account of*
5 *alleged overpayments.*

6 **Sec. 28.** *1. If the Department fails to mail notice of action*
7 *on a claim within 6 months after the claim is filed, the claimant*
8 *may consider the claim disallowed and file an appeal with the*
9 *Commission within 30 days after the last day of the 6-month*
10 *period. If the claimant is aggrieved by the decision of the*
11 *Commission rendered on appeal, the claimant may, within 90 days*
12 *after the decision is rendered, bring an action against the*
13 *Department on the grounds set forth in the claim for the recovery*
14 *of the whole or any part of the amount claimed as an*
15 *overpayment.*

16 *2. If judgment is rendered for the plaintiff, the amount of the*
17 *judgment must first be credited toward any supplemental revenue*
18 *fee due from the plaintiff pursuant to this chapter.*

19 *3. The balance of the judgment must be refunded to the*
20 *plaintiff.*

21 **Sec. 29.** *In any judgment, interest must be allowed at the rate*
22 *of 3 percent per annum upon the amount found to have been*
23 *illegally collected from the date of payment of the amount to the*
24 *date of allowance of credit on account of the judgment, or to a*
25 *date preceding the date of the refund warrant by not more than 30*
26 *days. The date must be determined by the Department.*

27 **Sec. 30.** *A judgment may not be rendered in favor of the*
28 *plaintiff in any action brought against the Department to recover*
29 *any amount paid when the action is brought by or in the name of*
30 *an assignee of the person paying the amount or by any person*
31 *other than the person who paid the amount.*

32 **Sec. 31.** *1. The Department may recover a refund or any*
33 *part thereof which is erroneously made and any credit or part*
34 *thereof which is erroneously allowed in an action brought in a*
35 *court of competent jurisdiction in Carson City or Clark County in*
36 *the name of the State of Nevada.*

37 *2. The action must be tried in Carson City or Clark County*
38 *unless the court, with the consent of the Attorney General, orders*
39 *a change of place of trial.*

40 *3. The Attorney General shall prosecute the action, and the*
41 *provisions of the Nevada Revised Statutes, the Nevada Rules of*
42 *Civil Procedure and the Nevada Rules of Appellate Procedure*
43 *relating to service of summons, pleadings, proofs, trials and*
44 *appeals are applicable to the proceedings.*



1 **Sec. 32. 1.** *If any amount in excess of \$25 has been*
2 *illegally determined, either by the Department or by the person*
3 *filing the return, the Department shall certify that fact to the State*
4 *Board of Examiners, and the latter shall authorize the*
5 *cancellation of the amount upon the records of the Department.*

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

11 **Sec. 33. 1.** *A person shall not:*

12 **(a)** *Make, cause to be made or permit to be made any false or*
13 *fraudulent return or declaration or false statement in any return*
14 *or declaration with intent to defraud the State or to evade payment*
15 *of the fee or any part of the fee imposed by this chapter.*

16 **(b)** *Make, cause to be made or permit to be made any false*
17 *entry in books, records or accounts with intent to defraud the State*
18 *or to evade the payment of the fee or any part of the fee imposed*
19 *by this chapter.*

20 **(c)** *Keep, cause to be kept or permit to be kept more than one*
21 *set of books, records or accounts with intent to defraud the State*
22 *or to evade the payment of the fee or any part of the fee imposed*
23 *by this chapter.*

24 **2.** *Any person who violates the provisions of subsection 1 is*
25 *guilty of a gross misdemeanor.*

26 **Sec. 34.** *The remedies of the State provided for in this*
27 *chapter are cumulative, and no action taken by the Department or*
28 *the Attorney General constitutes an election by the State to pursue*
29 *any remedy to the exclusion of any other remedy for which*
30 *provision is made in this chapter.*

31 **Sec. 35.** NRS 360.225 is hereby amended to read as follows:

32 360.225 1. During the course of an investigation undertaken
33 pursuant to NRS 360.130 of a person claiming:

34 **(a)** A partial abatement of property taxes pursuant to
35 NRS 361.0687;

36 **(b)** ~~An exemption from taxes pursuant to NRS 363B.120;~~

37 ~~—(e)~~ A deferral of the payment of taxes on the sale of eligible
38 property pursuant to NRS 372.397 or 374.402;

39 ~~(d)~~ **(c)** An abatement of taxes on the gross receipts from the
40 sale, storage, use or other consumption of eligible machinery or
41 equipment pursuant to NRS 374.357;

42 ~~(e)~~ **(d)** A partial abatement of taxes pursuant to NRS 360.752;
43 or

44 ~~(f)~~ **(e)** An abatement of taxes pursuant to NRS 360.950,



1 ↳ the Department shall investigate whether the person meets the
2 eligibility requirements for the abatement, partial abatement,
3 exemption or deferral that the person is claiming.

4 2. If the Department finds that the person does not meet the
5 eligibility requirements for the abatement, exemption or deferral
6 which the person is claiming, the Department shall report its
7 findings to the Office of Economic Development and take any other
8 necessary actions.

9 **Sec. 36.** NRS 360.2937 is hereby amended to read as follows:

10 360.2937 1. Except as otherwise provided in this section,
11 NRS 360.320 or any other specific statute, and notwithstanding the
12 provisions of NRS 360.2935, interest must be paid upon an
13 overpayment of any tax provided for in chapter 362, 363A, ~~363B,~~
14 369, 370, 372, 374, 377, 377A or 377C of NRS, any fee provided
15 for in NRS 444A.090 or 482.313, *or sections 2 to 34, inclusive, of*
16 *this act*, or any assessment provided for in NRS 585.497, at the rate
17 of 0.25 percent per month from the last day of the calendar month
18 following the period for which the overpayment was made.

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

22 3. The interest must be paid:

23 (a) In the case of a refund, to the last day of the calendar month
24 following the date upon which the person making the overpayment,
25 if the person has not already filed a claim, is notified by the
26 Department that a claim may be filed or the date upon which the
27 claim is certified to the State Board of Examiners, whichever is
28 earlier.

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

32 **Sec. 37.** NRS 360.300 is hereby amended to read as follows:

33 360.300 1. If a person fails to file a return or the Department
34 is not satisfied with the return or returns of any tax, contribution ,
35 ~~or~~ premium *or fee* or amount of tax, contribution , ~~or~~ premium *or*
36 *fee* required to be paid to the State by any person, in accordance
37 with the applicable provisions of this chapter ~~or~~ *or* chapter 360B,
38 362, 363A, ~~363B,~~ 369, 370, 372, 372A, 374, 377, 377A, 377C or
39 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS, *or*
40 *sections 2 to 34, inclusive, of this act*, as administered or audited by
41 the Department, it may compute and determine the amount required
42 to be paid upon the basis of:

43 (a) The facts contained in the return;

44 (b) Any information within its possession or that may come into
45 its possession; or



1 (c) Reasonable estimates of the amount.

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

4 3. In making its determination of the amount required to be
5 paid, the Department shall impose interest on the amount of tax *or*
6 *fee* determined to be due, calculated at the rate and in the manner set
7 forth in NRS 360.417, unless a different rate of interest is
8 specifically provided by statute.

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

12 5. When a business is discontinued, a determination may be
13 made at any time thereafter within the time prescribed in NRS
14 360.355 as to liability arising out of that business, irrespective of
15 whether the determination is issued before the due date of the
16 liability.

17 **Sec. 38.** NRS 360.417 is hereby amended to read as follows:

18 360.417 Except as otherwise provided in NRS 360.232 and
19 360.320, and unless a different penalty or rate of interest is
20 specifically provided by statute, any person who fails to pay any tax
21 provided for in chapter 362, 363A, ~~363B,~~ 369, 370, 372, 374, 377,
22 377A, 377C, 444A or 585 of NRS, or any fee provided for in NRS
23 482.313, and any person or governmental entity that fails to pay any
24 fee provided for in NRS 360.787, *or sections 2 to 34, inclusive, of*
25 *this act*, to the State or a county within the time required, shall pay a
26 penalty of not more than 10 percent of the amount of the tax or fee
27 which is owed, as determined by the Department, in addition to the
28 tax or fee, plus interest at the rate of 0.75 percent per month, or
29 fraction of a month, from the last day of the month following the
30 period for which the amount or any portion of the amount should
31 have been reported until the date of payment. The amount of any
32 penalty imposed must be based on a graduated schedule adopted by
33 the Nevada Tax Commission which takes into consideration the
34 length of time the tax or fee remained unpaid.

35 **Sec. 39.** NRS 360.510 is hereby amended to read as follows:

36 360.510 1. If any person is delinquent in the payment of any
37 tax or fee administered by the Department or if a determination has
38 been made against the person which remains unpaid, the
39 Department may:

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

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



1 ↳ give a notice of the delinquency and a demand to transmit
2 personally or by registered or certified mail to any person,
3 including, without limitation, any officer or department of this State
4 or any political subdivision or agency of this State, who has in his or
5 her possession or under his or her control any credits or other
6 personal property belonging to the delinquent, or owing any debts to
7 the delinquent or person against whom a determination has been
8 made which remains unpaid, or owing any debts to the delinquent or
9 that person. In the case of any state officer, department or agency,
10 the notice must be given to the officer, department or agency before
11 the Department presents the claim of the delinquent taxpayer to the
12 State Controller.

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

16 3. After receiving the demand to transmit, the person notified
17 by the demand may not transfer or otherwise dispose of the credits,
18 other personal property, or debts in his or her possession or under
19 his or her control at the time the person received the notice until the
20 Department consents to a transfer or other disposition.

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

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

39 6. If the notice of the delinquency seeks to prevent the transfer
40 or other disposition of a deposit in a bank or credit union or other
41 credits or personal property in the possession or under the control of
42 a bank, credit union or other depository institution, the notice must
43 be delivered or mailed to any branch or office of the bank, credit
44 union or other depository institution at which the deposit is carried
45 or at which the credits or personal property is held.



1 7. If any person notified by the notice of the delinquency
2 makes any transfer or other disposition of the property or debts
3 required to be withheld or transmitted, to the extent of the value of
4 the property or the amount of the debts thus transferred or paid, that
5 person is liable to the State for any indebtedness due pursuant to this
6 chapter, chapter 360B, 362, 363A, ~~363B~~ 369, 370, 372, 372A,
7 374, 377, 377A, 377C or 444A of NRS, NRS 482.313, or chapter
8 585 or 680B of NRS *or sections 2 to 34, inclusive, of this act*, from
9 the person with respect to whose obligation the notice was given if
10 solely by reason of the transfer or other disposition the State is
11 unable to recover the indebtedness of the person with respect to
12 whose obligation the notice was given.

13 **Sec. 40.** NRS 360.750 is hereby amended to read as follows:

14 360.750 1. A person who intends to locate or expand a
15 business in this State may apply to the Office of Economic
16 Development pursuant to this section for a partial abatement of one
17 or more of the taxes *or fees* imposed on the new or expanded
18 business pursuant to chapter 361 ~~363B~~ or 374 of NRS ~~363B~~ *or*
19 *sections 2 to 34, inclusive, of this act.*

20 2. The Office of Economic Development shall approve an
21 application for a partial abatement pursuant to this section if the
22 Office makes the following determinations:

23 (a) The business is consistent with:

24 (1) The State Plan for Economic Development developed by
25 the Executive Director of the Office of Economic Development
26 pursuant to subsection 2 of NRS 231.053; and

27 (2) Any guidelines adopted by the Executive Director of the
28 Office to implement the State Plan for Economic Development.

29 (b) The applicant has executed an agreement with the Office
30 which must:

31 (1) Comply with the requirements of NRS 360.755;

32 (2) State that the business will, after the date on which the
33 abatement becomes effective, continue in operation in this State for
34 a period specified by the Office, which must be at least 5 years, and
35 will continue to meet the eligibility requirements set forth in this
36 subsection; and

37 (3) Bind the successors in interest of the business for the
38 specified period.

39 (c) The business is registered pursuant to the laws of this State
40 or the applicant commits to obtain a valid business license and all
41 other permits required by the county, city or town in which the
42 business operates.

43 (d) Except as otherwise provided in NRS 361.0687, if the
44 business is a new business in a county whose population is 100,000



1 or more or a city whose population is 60,000 or more, the business
2 meets at least two of the following requirements:

3 (1) The business will have 50 or more full-time employees
4 on the payroll of the business by the fourth calendar quarter
5 following the calendar quarter in which the abatement becomes
6 effective who will be employed at the location of the business in
7 that county or city until at least the date which is 5 years after the
8 date on which the abatement becomes effective.

9 (2) Establishing the business will require the business to
10 make, not later than the date which is 2 years after the date on which
11 the abatement becomes effective, a capital investment of at least
12 \$1,000,000 in this State in capital assets that will be retained at the
13 location of the business in that county or city until at least the date
14 which is 5 years after the date on which the abatement becomes
15 effective.

16 (3) The average hourly wage that will be paid by the new
17 business to its employees in this State is at least 100 percent of the
18 average statewide hourly wage as established by the Employment
19 Security Division of the Department of Employment, Training and
20 Rehabilitation on July 1 of each fiscal year and:

21 (I) The business will, by the fourth calendar quarter
22 following the calendar quarter in which the abatement becomes
23 effective, provide a health insurance plan for all employees that
24 includes an option for health insurance coverage for dependents of
25 the employees; and

26 (II) The cost to the business for the health care benefits
27 the business provides to its employees in this State will meet the
28 minimum requirements for health care benefits established by the
29 Office by regulation pursuant to subsection 8.

30 (e) Except as otherwise provided in NRS 361.0687, if the
31 business is a new business in a county whose population is less than
32 100,000 or a city whose population is less than 60,000, the business
33 meets at least two of the following requirements:

34 (1) The business will have 10 or more full-time employees
35 on the payroll of the business by the fourth calendar quarter
36 following the calendar quarter in which the abatement becomes
37 effective who will be employed at the location of the business in
38 that county or city until at least the date which is 5 years after the
39 date on which the abatement becomes effective.

40 (2) Establishing the business will require the business to
41 make, not later than the date which is 2 years after the date on which
42 the abatement becomes effective, a capital investment of at least
43 \$250,000 in this State in capital assets that will be retained at the
44 location of the business in that county or city until at least the date



1 which is 5 years after the date on which the abatement becomes
2 effective.

3 (3) The average hourly wage that will be paid by the new
4 business to its employees in this State is at least 100 percent of the
5 average statewide hourly wage or the average countywide hourly
6 wage, whichever is less, as established by the Employment Security
7 Division of the Department of Employment, Training and
8 Rehabilitation on July 1 of each fiscal year and:

9 (I) The business will, by the fourth calendar quarter
10 following the calendar quarter in which the abatement becomes
11 effective, provide a health insurance plan for all employees that
12 includes an option for health insurance coverage for dependents of
13 the employees; and

14 (II) The cost to the business for the health care benefits
15 the business provides to its employees in this State will meet the
16 minimum requirements for health care benefits established by the
17 Office by regulation pursuant to subsection 8.

18 (f) If the business is an existing business, the business meets at
19 least two of the following requirements:

20 (1) For a business in:

21 (I) A county whose population is 100,000 or more or a
22 city whose population is 60,000 or more, the business will, by the
23 fourth calendar quarter following the calendar quarter in which the
24 abatement becomes effective, increase the number of employees on
25 its payroll in that county or city by 10 percent more than it
26 employed in the fiscal year immediately preceding the fiscal year in
27 which the abatement becomes effective or by twenty-five
28 employees, whichever is greater, who will be employed at the
29 location of the business in that county or city until at least the date
30 which is 5 years after the date on which the abatement becomes
31 effective; or

32 (II) A county whose population is less than 100,000 or a
33 city whose population is less than 60,000, the business will, by the
34 fourth calendar quarter following the calendar quarter in which the
35 abatement becomes effective, increase the number of employees on
36 its payroll in that county or city by 10 percent more than it
37 employed in the fiscal year immediately preceding the fiscal year in
38 which the abatement becomes effective or by six employees,
39 whichever is greater, who will be employed at the location of the
40 business in that county or city until at least the date which is 5 years
41 after the date on which the abatement becomes effective.

42 (2) The business will expand by making a capital investment
43 in this State, not later than the date which is 2 years after the date on
44 which the abatement becomes effective, in an amount equal to at
45 least 20 percent of the value of the tangible property possessed by



1 the business in the fiscal year immediately preceding the fiscal year
2 in which the abatement becomes effective, and the capital
3 investment will be in capital assets that will be retained at the
4 location of the business in that county or city until at least the date
5 which is 5 years after the date on which the abatement becomes
6 effective. The determination of the value of the tangible property
7 possessed by the business in the immediately preceding fiscal year
8 must be made by the:

9 (I) County assessor of the county in which the business
10 will expand, if the business is locally assessed; or

11 (II) Department, if the business is centrally assessed.

12 (3) The average hourly wage that will be paid by the existing
13 business to its new employees in this State is at least the amount of
14 the average hourly wage required to be paid by businesses pursuant
15 to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of
16 NRS 361.0687, whichever is applicable, and:

17 (I) The business will, by the fourth calendar quarter
18 following the calendar quarter in which the abatement becomes
19 effective, provide a health insurance plan for all new employees that
20 includes an option for health insurance coverage for dependents of
21 the employees; and

22 (II) The cost to the business for the health care benefits
23 the business provides to its new employees in this State will
24 meet the minimum requirements for health care benefits established
25 by the Office by regulation pursuant to subsection 8.

26 3. Notwithstanding the provisions of subsection 2, the Office
27 of Economic Development:

28 (a) Shall not consider an application for a partial abatement
29 pursuant to this section unless the Office has requested a letter of
30 acknowledgment of the request for the abatement from any affected
31 county, school district, city or town.

32 (b) Shall consider the level of health care benefits provided by
33 the business to its employees, the projected economic impact of the
34 business and the projected tax revenue of the business after
35 deducting projected revenue from the abated taxes.

36 (c) May, if the Office determines that such action is necessary:

37 (1) Approve an application for a partial abatement pursuant
38 to this section by a business that does not meet the requirements set
39 forth in paragraph (d), (e) or (f) of subsection 2;

40 (2) Make the requirements set forth in paragraph (d), (e) or
41 (f) of subsection 2 more stringent; or

42 (3) Add additional requirements that a business must meet to
43 qualify for a partial abatement pursuant to this section.

44 4. If the Office of Economic Development approves an
45 application for a partial abatement pursuant to this section, the



1 Office shall immediately forward a certificate of eligibility for the
2 abatement to:

- 3 (a) The Department;
- 4 (b) The Nevada Tax Commission; and
- 5 (c) If the partial abatement is from the property tax imposed
6 pursuant to chapter 361 of NRS, the county treasurer.

7 5. An applicant for a partial abatement pursuant to this section
8 or an existing business whose partial abatement is in effect shall,
9 upon the request of the Executive Director of the Office of
10 Economic Development, furnish the Executive Director with copies
11 of all records necessary to verify that the applicant meets the
12 requirements of subsection 2.

13 6. If a business whose partial abatement has been approved
14 pursuant to this section and is in effect ceases:

- 15 (a) To meet the requirements set forth in subsection 2; or
- 16 (b) Operation before the time specified in the agreement
17 described in paragraph (b) of subsection 2,

18 ➔ the business shall repay to the Department or, if the partial
19 abatement was from the property tax imposed pursuant to chapter
20 361 of NRS, to the county treasurer, the amount of the exemption
21 that was allowed pursuant to this section before the failure of the
22 business to comply unless the Nevada Tax Commission determines
23 that the business has substantially complied with the requirements of
24 this section. Except as otherwise provided in NRS 360.232 and
25 360.320, the business shall, in addition to the amount of the
26 exemption required to be paid pursuant to this subsection, pay
27 interest on the amount due at the rate most recently established
28 pursuant to NRS 99.040 for each month, or portion thereof, from the
29 last day of the month following the period for which the payment
30 would have been made had the partial abatement not been approved
31 until the date of payment of the tax **+** *or fee.*

32 7. A county treasurer:

33 (a) Shall deposit any money that he or she receives pursuant to
34 subsection 6 in one or more of the funds established by a local
35 government of the county pursuant to NRS 354.6113 or 354.6115;
36 and

37 (b) May use the money deposited pursuant to paragraph (a) only
38 for the purposes authorized by NRS 354.6113 and 354.6115.

39 8. The Office of Economic Development:

40 (a) Shall adopt regulations relating to the minimum level of
41 health care benefits that a business must provide to its employees;
42 and

43 (b) May adopt such other regulations as the Office of Economic
44 Development determines to be necessary to carry out the provisions
45 of this section and NRS 360.755.



1 9. The Nevada Tax Commission:

2 (a) Shall adopt regulations regarding:

3 (1) The capital investment that a new business must make to
4 meet the requirement set forth in paragraph (d) or (e) of subsection
5 2; and

6 (2) Any security that a business is required to post to qualify
7 for a partial abatement pursuant to this section.

8 (b) May adopt such other regulations as the Nevada Tax
9 Commission determines to be necessary to carry out the provisions
10 of this section and NRS 360.755.

11 10. An applicant for a partial abatement pursuant to this section
12 who is aggrieved by a final decision of the Office of Economic
13 Development may petition for judicial review in the manner
14 provided in chapter 233B of NRS.

15 **Sec. 41.** 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~~ *chapter* 363A ~~and 363B~~ of
23 NRS ~~or~~ *or* ~~imposed by sections 2 to 34, inclusive, of this act;~~

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:

37 (a) Submit an application that meets the requirements of
38 subsection 4;

39 (b) Provide proof satisfactory to the Office that the qualified
40 production is in the economic interest of the State;

41 (c) Provide proof satisfactory to the Office that 50 percent or
42 more of the funding for the qualified production has been placed in
43 an escrow account or trust account for the benefit of the qualified
44 production;



1 (d) Provide proof satisfactory to the Office that at least 60
2 percent of the total qualified expenditures and production costs for
3 the qualified production, including preproduction and
4 postproduction, will be incurred in this State;

5 (e) At the completion of the qualified production, provide the
6 Office with an audit of the qualified production that includes an
7 itemized report of qualified expenditures and production costs
8 which:

9 (1) Shows that the qualified production incurred qualified
10 expenditures and production costs in this State of \$500,000 or more;
11 and

12 (2) Is certified by an independent certified public accountant
13 in this State who is approved by the Office;

14 (f) Pay the cost of the audit required by paragraph (e); and

15 (g) Meet any other requirements prescribed by regulation
16 pursuant to this section.

17 4. An application submitted pursuant to subsection 3 must
18 contain:

19 (a) A script, storyboard or synopsis of the qualified production;

20 (b) The names of the producer, director and proposed cast;

21 (c) An estimated timeline to complete the qualified production;

22 (d) A detailed budget for the entire production, including
23 projected expenses incurred outside of Nevada;

24 (e) Details regarding the financing of the project, including,
25 without limitation, any information relating to a binding financing
26 commitment, loan application, commitment letter or investment
27 letter;

28 (f) An insurance certificate, binder or quote for general liability
29 insurance of \$1,000,000 or more;

30 (g) The business address of the producer, which must be an
31 address in this State;

32 (h) Proof that the qualified production meets any applicable
33 requirements relating to workers' compensation insurance;

34 (i) Proof that the producer has secured all licenses required to do
35 business in each location in this State at which the qualified
36 production will be produced; and

37 (j) Any other information required by regulations adopted by the
38 Office pursuant to subsection 8.

39 5. If the Office approves an application for a certificate of
40 eligibility for transferable tax credits pursuant to this section, the
41 Office shall immediately forward a copy of the certificate of
42 eligibility which identifies the estimated amount of the tax credits
43 available pursuant to NRS 360.7592 to:

44 (a) The applicant;

45 (b) The Department; and



1 (c) The State Gaming Control Board.

2 6. Within 14 business days after receipt of an audit provided by
3 the producer pursuant to paragraph (e) of subsection 3 and any other
4 accountings or other information required by the Office, the Office
5 shall determine whether to certify the audit and make a final
6 determination of whether a certificate of transferable tax credits will
7 be issued. If the Office certifies the audit and determines that all
8 other requirements for the transferable tax credits have been met, the
9 Office shall notify the producer that the transferable tax credits will
10 be issued. Within 30 days after the receipt of the notice, the
11 producer shall make an irrevocable declaration of the amount of
12 transferable tax credits that will be applied to each fee or tax set
13 forth in subsection 1, thereby accounting for all of the credits which
14 will be issued. Upon receipt of the declaration, the Office shall issue
15 to the eligible producer a certificate of transferable tax credits in the
16 amount approved by the Office for the fees or taxes included in the
17 declaration of the producer. The producer shall notify the Office
18 upon transferring any of the transferable tax credits. The Office shall
19 notify the Department and the State Gaming Control Board of all
20 transferable tax credits issued, segregated by each fee or tax set
21 forth in subsection 1, and the amount of any transferable tax credits
22 transferred.

23 7. An applicant for transferable tax credits pursuant to this
24 section shall, upon the request of the Executive Director of the
25 Office, furnish the Executive Director with copies of all records
26 necessary to verify that the applicant meets the requirements of
27 subsection 3.

28 8. The Office:

29 (a) Shall adopt regulations prescribing:

30 (1) Any additional requirements to receive transferable tax
31 credits;

32 (2) Any additional qualified expenditures or production costs
33 that may serve as the basis for transferable tax credits pursuant to
34 NRS 360.7591;

35 (3) Any additional information that must be included with an
36 application pursuant to subsection 4;

37 (4) The application review process;

38 (5) Any type of qualified production which, due to obscene
39 or sexually explicit material, is not eligible for transferable tax
40 credits; and

41 (6) The requirements for notice pursuant to NRS 360.7595;
42 and

43 (b) May adopt any other regulations that are necessary to carry
44 out the provisions of NRS 360.758 to 360.7598, inclusive.



1 9. The Nevada Tax Commission and the Nevada Gaming
2 Commission:

3 (a) Shall adopt regulations prescribing the manner in which
4 transferable tax credits will be administered.

5 (b) May adopt any other regulations that are necessary to carry
6 out the provisions of NRS 360.758 to 360.7598, inclusive.

7 **Sec. 42.** NRS 360.910 is hereby amended to read as follows:

8 360.910 "Employer excise taxes" means the taxes imposed on
9 the wages paid by an employer pursuant to chapter 363A ~~for 363B~~
10 of NRS.

11 **Sec. 43.** NRS 360.945 is hereby amended to read as follows:

12 360.945 1. On behalf of a project, the lead participant in the
13 project may apply to the Office of Economic Development for:

14 (a) A certificate of eligibility for transferable tax credits which
15 may be applied to:

16 (1) Any tax imposed by ~~chapters~~ *chapter* 363A ~~and 363B~~
17 of NRS ~~or~~ *or fee imposed by sections 2 to 34, inclusive, of this act;*

18 (2) The gaming license fees imposed by the provisions of
19 NRS 463.370;

20 (3) Any tax imposed by chapter 680B of NRS; or

21 (4) Any combination of the fees and taxes described in
22 subparagraphs (1), (2) and (3).

23 (b) An abatement of property taxes, employer excise taxes or
24 local sales and use taxes ~~or~~ *or the fee imposed pursuant to sections*
25 *2 to 34, inclusive, of this act,* or any combination of any of those
26 taxes ~~or fees~~.

27 2. For a project to be eligible for the transferable tax credits
28 described in paragraph (a) of subsection 1 and abatement of the
29 taxes *or fees* described in paragraph (b) of subsection 1, the lead
30 participant in the project must, on behalf of the project:

31 (a) Submit an application that meets the requirements of
32 subsection 3;

33 (b) Provide documentation satisfactory to the Office that
34 approval of the application would promote the economic
35 development of this State and aid the implementation of the State
36 Plan for Economic Development developed by the Executive
37 Director of the Office pursuant to subsection 2 of NRS 231.053;

38 (c) Provide documentation satisfactory to the Office that the
39 participants in the project collectively will make a total new capital
40 investment of at least \$3.5 billion in this State within the 10-year
41 period immediately following approval of the application;

42 (d) Provide documentation satisfactory to the Office that the
43 participants in the project are engaged in a common purpose or
44 business endeavor;



1 (e) Provide documentation satisfactory to the Office that the
2 place of business of each participant is or will be located within the
3 geographic boundaries of the project site;

4 (f) Provide documentation satisfactory to the Office that each
5 participant in the project is registered pursuant to the laws of this
6 State or commits to obtaining a valid business license and all other
7 permits required by the county, city or town in which the project
8 operates;

9 (g) Provide documentation satisfactory to the Office of the
10 number of employees engaged or anticipated to be engaged in the
11 construction of the project;

12 (h) Provide documentation satisfactory to the Office of the
13 number of qualified employees employed or anticipated to be
14 employed at the project by the participants;

15 (i) Provide documentation satisfactory to the Office that each
16 employer engaged in the construction of the project provides a plan
17 of health insurance and that each employee engaged in the
18 construction of the project is offered coverage under the plan of
19 health insurance provided by his or her employer;

20 (j) Provide documentation satisfactory to the Office that each
21 participant in the project provides a plan of health insurance and that
22 each employee employed at the project by each participant is
23 offered coverage under the plan of health insurance provided by his
24 or her employer;

25 (k) Provide documentation satisfactory to the Office that at least
26 50 percent of the employees engaged or anticipated to be engaged in
27 construction of the project and 50 percent of the employees
28 employed at the project are residents of Nevada, unless waived by
29 the Executive Director of the Office upon proof satisfactory to the
30 Executive Director of the Office that there is an insufficient number
31 of Nevada residents available and qualified for such employment;

32 (l) Agree to provide the Office with a full compliance audit of
33 the participants in the project at the end of each fiscal year which:

34 (1) Shows the amount of money invested in this State by
35 each participant in the project;

36 (2) Shows the number of employees engaged in the
37 construction of the project and the number of those employees who
38 are residents of Nevada;

39 (3) Shows the number of employees employed at the project
40 by each participant and the number of those employees who are
41 residents of Nevada; and

42 (4) Is certified by an independent certified public accountant
43 in this State who is approved by the Office;

44 (m) Pay the cost of the audit required by paragraph (l); and

45 (n) Meet any other requirements prescribed by the Office.



1 3. An application submitted pursuant to subsection 2 must
2 include:

3 (a) A detailed description of the project, including a description
4 of the common purpose or business endeavor in which the
5 participants in the project are engaged;

6 (b) A detailed description of the location of the project,
7 including a precise description of the geographic boundaries of the
8 project site;

9 (c) The name and business address of each participant in the
10 project, which must be an address in this State;

11 (d) A detailed description of the plan by which the participants
12 in the project intend to comply with the requirement that the
13 participants collectively make a total new capital investment of at
14 least \$3.5 billion in this State in the 10-year period immediately
15 following approval of the application;

16 (e) If the application includes one or more abatements, an
17 agreement executed by the Office with the lead participant in the
18 project which:

19 (1) Complies with the requirements of NRS 360.755;

20 (2) States that the project will, after the date on which a
21 certificate of eligibility for the abatement is approved pursuant to
22 NRS 360.965, continue in operation in this State for a period
23 specified by the Office; and

24 (3) Binds successors in interest of the lead participant for the
25 specified period; and

26 (f) Any other information required by the Office.

27 4. For an employee to be considered a resident of Nevada for
28 the purposes of this section, each participant in the project must
29 maintain the following documents in the personnel file of the
30 employee:

31 (a) A copy of the current and valid Nevada driver's license of
32 the employee or a current and valid identification card for the
33 employee issued by the Department of Motor Vehicles;

34 (b) If the employee is a registered owner of one or more motor
35 vehicles in Nevada, a copy of the current motor vehicle registration
36 of at least one of those vehicles;

37 (c) Proof that the employee is employed full-time and scheduled
38 to work for an average minimum of 30 hours per week; and

39 (d) Proof that the employee is offered coverage under a plan of
40 health insurance provided by his or her employer.

41 5. For the purpose of obtaining from the Executive Director of
42 the Office any waiver of the requirement set forth in paragraph (k)
43 of subsection 2, the lead participant in the project must submit to the
44 Executive Director of the Office written documentation of the
45 efforts to meet the requirement and documented proof that an



1 insufficient number of Nevada residents is available and qualified
2 for employment.

3 6. The Executive Director of the Office shall make available to
4 the public and post on the Internet website for the Office:

5 (a) Any request for a waiver of the requirements set forth in
6 paragraph (k) of subsection 2; and

7 (b) Any approval of such a request for a waiver that is granted
8 by the Executive Director of the Office.

9 7. The Executive Director of the Office shall post a request for
10 a waiver of the requirements set forth in paragraph (k) of subsection
11 2 on the Internet website of the Office within 3 days after receiving
12 the request and shall keep the request posted on the Internet website
13 for not less than 5 days. The Executive Director of the Office shall
14 ensure that the Internet website allows members of the public to post
15 comments regarding the request.

16 8. The Executive Director of the Office shall consider any
17 comments posted on the Internet website concerning any request for
18 a waiver of the requirements set forth in paragraph (k) of subsection
19 2 before making a decision regarding whether to approve the
20 request. If the Executive Director of the Office approves the request
21 for a waiver, the Executive Director of the Office must post the
22 approval on the Internet website of the Office within 3 days and
23 ensure that the Internet website allows members of the public to post
24 comments regarding the approval.

25 **Sec. 44.** NRS 360.965 is hereby amended to read as follows:

26 360.965 1. If the Office of Economic Development approves
27 an application for an abatement of property taxes, employer excise
28 taxes or local sales and use taxes *or the fee imposed by sections 2 to*
29 *34, inclusive, of this act* submitted pursuant to paragraph (b) of
30 subsection 1 of NRS 360.945, the Office shall immediately forward
31 a certificate of eligibility for the abatement of the taxes *or fees*
32 described in that paragraph to:

33 (a) The Department;

34 (b) The Nevada Tax Commission; and

35 (c) The county treasurer of the county in which the qualified
36 project will be located.

37 2. The abatement for the lead participant in the qualified
38 project must:

39 (a) For property taxes, be for a duration of not more than 10
40 years after the date on which the application is submitted and in an
41 amount that equals the amount of the property taxes that would
42 otherwise be owed by each participant for the qualified project;

43 (b) For employer excise taxes, be for a duration of not more than
44 10 years after the date on which the application is submitted and in
45 an amount that equals the amount of the employer excise taxes that



1 would otherwise be owed by each participant for employees
2 employed by the participant for the qualified project; ~~and~~

3 (c) *For the fee imposed pursuant to sections 2 to 34, inclusive,*
4 *of this act, be for a duration of more than 10 years after the date*
5 *on which the application is submitted and in an amount that*
6 *equals the amount of the fee that would otherwise be owed by each*
7 *participant for the qualified project; and*

8 (d) For local sales and use tax, be for a duration of not more
9 than 20 years after the date on which the application is submitted
10 and in an amount that equals the amount of the local sales and use
11 taxes that would otherwise be owed by each participant in the
12 qualified project.

13 3. If the Office approves an abatement of local sales and use
14 taxes, the Office shall issue to the lead participant in the qualified
15 project a document certifying the abatement which can be presented
16 to retailers at the time of sale. The document must clearly state the
17 rate of sales and use taxes which the purchaser is required to pay in
18 the county in which the abatement is effective.

19 **Sec. 45.** NRS 363A.030 is hereby amended to read as follows:

20 363A.030 ~~“Employer”~~

21 1. *Except as otherwise provided in this section, “employer”*
22 *means any ~~financial~~ :*

23 (a) *Financial* institution who is required to pay a contribution
24 pursuant to NRS 612.535 for any calendar quarter with respect to
25 any business activity of the financial institution ~~;~~ *and*

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

32 2. *The term does not include* an Indian tribe, a nonprofit
33 organization or a political subdivision.

34 3. For the purposes of this section:

35 ~~1-1~~ (a) “Indian tribe” includes any entity described in
36 subsection 10 of NRS 612.055.

37 ~~1-2~~ (b) “Nonprofit organization” means a nonprofit religious,
38 charitable, fraternal or other organization that qualifies as a tax-
39 exempt organization pursuant to 26 U.S.C. § 501(c).

40 ~~1-3~~ (c) “Political subdivision” means any entity described in
41 subsection 9 of NRS 612.055.

42 **Sec. 46.** NRS 76.100 is hereby amended to read as follows:

43 76.100 1. A person shall not conduct a business in this State
44 unless and until the person obtains a state business license issued by
45 the Secretary of State. If the person is:



1 (a) An entity required to file an initial or annual list with the
2 Secretary of State pursuant to this title, the person must obtain the
3 state business license at the time of filing the initial or annual list.

4 (b) Not an entity required to file an initial or annual list with the
5 Secretary of State pursuant to this title, the person must obtain the
6 state business license before conducting a business in this State.

7 2. An application for a state business license must:

8 (a) Be made upon a form prescribed by the Secretary of State;

9 (b) Set forth the name under which the applicant transacts or
10 intends to transact business, or if the applicant is an entity organized
11 pursuant to this title and on file with the Secretary of State, the exact
12 name on file with the Secretary of State, the entity number as
13 assigned by the Secretary of State, if known, and the location in this
14 State of the place or places of business;

15 (c) Be accompanied by a fee in the amount of \$200 ~~H~~, *except*
16 *that if the applicant is an entity that is required to file an initial or*
17 *annual list with the Secretary of State pursuant to this title and*
18 *does not intend to perform a service or engage in a trade for profit*
19 *in this State, the application must be accompanied by a fee of*
20 *\$400; and*

21 (d) Include any other information that the Secretary of State
22 deems necessary.

23 ➤ If the applicant is an entity organized pursuant to this title and on
24 file with the Secretary of State and the applicant has no location in
25 this State of its place of business, the address of its registered agent
26 shall be deemed to be the location in this State of its place of
27 business.

28 3. The application must be signed pursuant to NRS 239.330 by:

29 (a) The owner of a business that is owned by a natural person.

30 (b) A member or partner of an association or partnership.

31 (c) A general partner of a limited partnership.

32 (d) A managing partner of a limited-liability partnership.

33 (e) A manager or managing member of a limited-liability
34 company.

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

37 4. If the application for a state business license is defective in
38 any respect or the fee required by this section is not paid, the
39 Secretary of State may return the application for correction or
40 payment.

41 5. The state business license required to be obtained pursuant
42 to this section is in addition to any license to conduct business that
43 must be obtained from the local jurisdiction in which the business is
44 being conducted.



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

4 (a) Is organized pursuant to this title, other than a business
5 organized pursuant to:

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

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

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

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

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

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

16 **Sec. 47.** NRS 76.130 is hereby amended to read as follows:

17 76.130 1. ~~1A~~ *Except as otherwise provided in subsection 2,*
18 *a person who applies for renewal of a state business license shall*
19 *submit a fee in the amount of \$200 to the Secretary of State:*

20 (a) If the person is an entity *that is* required to file an annual list
21 with the Secretary of State pursuant to this title ~~1A~~ *and performed a*
22 *service or engaged in a trade for profit in this State during the*
23 *preceding year*, at the time the person submits the annual list to the
24 Secretary of State, unless the person submits a certificate or other
25 form evidencing the dissolution of the entity; or

26 (b) If the person is not an entity required to file an annual list
27 with the Secretary of State pursuant to this title, on the last day of
28 the month in which the anniversary date of issuance of the state
29 business license occurs in each year, unless the person submits a
30 written statement to the Secretary of State, at least 10 days before
31 that date, indicating that the person will not be conducting a
32 business in this State after that date.

33 2. *If the person applying for renewal of a state business*
34 *license pursuant to subsection 1 is an entity that is required to file*
35 *an annual list with the Secretary of State pursuant to this title and*
36 *did not perform a service or engage in a trade for profit in this*
37 *State during the preceding year, at the time the person submits the*
38 *annual list to the Secretary of State, the person shall submit a fee*
39 *in the amount of \$400 to the Secretary of State, unless the person*
40 *submits a certificate or other form evidencing the dissolution of*
41 *the entity.*

42 3. The Secretary of State shall, 90 days before the last day for
43 filing an application for renewal of the state business license of a
44 person who holds a state business license, provide to the person a
45 notice of the state business license fee due pursuant to this section



1 and a reminder to file the application for renewal required pursuant
2 to this section. Failure of any person to receive a notice does not
3 excuse the person from the penalty imposed by law.

4 ~~3-1~~ 4. If a person fails to submit the annual state business
5 license fee required pursuant to this section in a timely manner and
6 the person is:

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

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

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

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

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

22 (1) Must include a statement indicating the amount of the
23 fees and penalties required pursuant to this section and the costs
24 remaining unpaid.

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

28 **Sec. 48.** NRS 78.245 is hereby amended to read as follows:

29 78.245 ~~Not~~

30 *1. Except as otherwise provided in subsection 2, no* stocks,
31 bonds or other securities issued by any corporation organized under
32 this chapter, nor the income or profits therefrom, nor the transfer
33 thereof by assignment, descent, testamentary disposition or
34 otherwise, shall be taxed by this State when such stocks, bonds or
35 other securities shall be owned by nonresidents of this State or by
36 foreign corporations.

37 *2. The provisions of subsection 1 do not apply to the fee*
38 *imposed by sections 2 to 34, inclusive, of this act.*

39 **Sec. 49.** NRS 90.420 is hereby amended to read as follows:

40 90.420 1. The Administrator by order may deny, suspend or
41 revoke any license, fine any licensed person, limit the activities
42 governed by this chapter that an applicant or licensed person may
43 perform in this State, bar an applicant or licensed person from
44 association with a licensed broker-dealer or investment adviser or
45 bar from employment with a licensed broker-dealer or investment



1 adviser a person who is a partner, officer, director, sales
2 representative, investment adviser or representative of an investment
3 adviser, or a person occupying a similar status or performing a
4 similar function for an applicant or licensed person, if the
5 Administrator finds that the order is in the public interest and that
6 the applicant or licensed person or, in the case of a broker-dealer or
7 investment adviser, any partner, officer, director, sales
8 representative, investment adviser, representative of an investment
9 adviser, or person occupying a similar status or performing similar
10 functions or any person directly or indirectly controlling the broker-
11 dealer or investment adviser, or any transfer agent or any person
12 directly or indirectly controlling the transfer agent:

13 (a) Has filed an application for licensing with the Administrator
14 which, as of its effective date, or as of any date after filing in the
15 case of an order denying effectiveness, was incomplete in a material
16 respect or contained a statement that was, in light of the
17 circumstances under which it was made, false or misleading with
18 respect to a material fact;

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

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

31 (d) Has been convicted of a felony or, within the previous 10
32 years has been convicted of a misdemeanor, which the
33 Administrator finds:

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

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

40 (3) Involves the larceny, theft, robbery, extortion, forgery,
41 counterfeiting, fraudulent concealment, embezzlement, fraudulent
42 conversion or misappropriation of money or securities or conspiracy
43 to commit any of the foregoing offenses; or

44 (4) Involves moral turpitude;



1 (e) Is or has been permanently or temporarily enjoined by any
2 court of competent jurisdiction, unless the order has been vacated,
3 from acting as an investment adviser, representative of an
4 investment adviser, underwriter, broker-dealer or as an affiliated
5 person or employee of an investment company, depository
6 institution or insurance company or from engaging in or continuing
7 any conduct or practice in connection with any of the foregoing
8 activities or in connection with the purchase or sale of a security;

9 (f) Is or has been the subject of an order of the Administrator,
10 unless the order has been vacated, denying, suspending or revoking
11 the person's license as a broker-dealer, sales representative,
12 investment adviser, representative of an investment adviser or
13 transfer agent;

14 (g) Is or has been the subject of any of the following orders
15 which were issued within the last 5 years, unless the order has been
16 vacated:

17 (1) An order by the securities agency or administrator of
18 another state, jurisdiction, Canadian province or territory, the
19 Commodity Futures Trading Commission, or by the Securities and
20 Exchange Commission or a comparable regulatory agency of
21 another country, entered after notice and opportunity for hearing,
22 denying, suspending or revoking the person's license as a broker-
23 dealer, sales representative, investment adviser, representative of an
24 investment adviser or transfer agent;

25 (2) A suspension or expulsion from membership in or
26 association with a member of a self-regulatory organization;

27 (3) An order by a self-regulatory organization that prohibits
28 the person from serving, indefinitely or for a specified period, as a
29 principal or in a supervisory capacity within a business or
30 organization which is a member of a self-regulatory organization;

31 (4) An order of the United States Postal Service relating to
32 fraud;

33 (5) An order to cease and desist entered after notice and
34 opportunity for hearing by the Administrator, the securities agency
35 or administrator of another state, jurisdiction, Canadian province or
36 territory, the Securities and Exchange Commission or a comparable
37 regulatory agency of another country, or the Commodity Futures
38 Trading Commission; or

39 (6) An order by the Commodity Futures Trading
40 Commission denying, suspending or revoking registration under the
41 Commodity Exchange Act;

42 (h) Has engaged in unethical or dishonest practices in the
43 securities business;

44 (i) Is insolvent, either in the sense that liabilities exceed assets or
45 in the sense that obligations cannot be met as they mature, but the



1 Administrator may not enter an order against a broker-dealer or
2 investment adviser under this paragraph without a finding of
3 insolvency as to the broker-dealer or investment adviser;

4 (j) Has failed to pay a tax as required pursuant to the provisions
5 of chapter 363A of NRS ~~H~~ *or a fee as required by sections 2 to 34,*
6 *inclusive, of this act;*

7 (k) Is determined by the Administrator in compliance with NRS
8 90.430 not to be qualified on the basis of lack of training,
9 experience and knowledge of the securities business; or

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

12 2. The Administrator may not institute a proceeding on the
13 basis of a fact or transaction known to the director when the license
14 became effective unless the proceeding is instituted within 90 days
15 after issuance of the license.

16 3. If the Administrator finds that an applicant or licensed
17 person is no longer in existence or has ceased to do business as a
18 broker-dealer, sales representative, investment adviser,
19 representative of an investment adviser or transfer agent or is
20 adjudicated mentally incompetent or subjected to the control of a
21 committee, conservator or guardian or cannot be located after
22 reasonable search, the Administrator may by order deny the
23 application or revoke the license.

24 **Sec. 50.** NRS 90.730 is hereby amended to read as follows:

25 90.730 1. Except as otherwise provided in subsection 2,
26 information and records filed with or obtained by the Administrator
27 are public information and are available for public examination.

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

32 (a) Information or records obtained by the Administrator in
33 connection with an investigation concerning possible violations of
34 this chapter; and

35 (b) Information or records filed with the Administrator in
36 connection with a registration statement filed under this chapter or a
37 report under NRS 90.390 which constitute trade secrets or
38 commercial or financial information of a person for which that
39 person is entitled to and has asserted a claim of privilege or
40 confidentiality authorized by law.

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

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



1 (b) Department of Taxation for its use in carrying out the
2 provisions of chapter 363A of NRS ~~†~~ *and sections 2 to 34,*
3 *inclusive, of this act.*

4 4. The Administrator may disclose any information obtained in
5 connection with an investigation pursuant to NRS 90.620 to the
6 agencies and administrators specified in subsection 1 of NRS 90.740
7 but only if disclosure is provided for the purpose of a civil,
8 administrative or criminal investigation or proceeding, and the
9 receiving agency or administrator represents in writing that under
10 applicable law protections exist to preserve the integrity,
11 confidentiality and security of the information.

12 5. This chapter does not create any privilege or diminish any
13 privilege existing at common law, by statute, regulation or
14 otherwise.

15 **Sec. 51.** NRS 338.173 is hereby amended to read as follows:

16 338.173 1. The State Board of Architecture, Interior Design
17 and Residential Design shall issue a certificate of eligibility to
18 receive a preference when competing for public works to a person
19 who holds a certificate of registration to engage in the practice of
20 architecture pursuant to the provisions of chapter 623 of NRS and
21 submits to the Board an affidavit from a certified public accountant
22 setting forth that the person has, while holding a certificate of
23 registration to engage in the practice of architecture in this State:

24 (a) Paid directly, on his or her own behalf ~~the excise tax~~
25 ~~imposed upon an employer by NRS 363B.110~~, *wages in this State*
26 of not less than ~~[\$1,500]~~ *\$300,000* for each consecutive 12-month
27 period for 36 months immediately preceding the submission of the
28 affidavit from the certified public accountant; or

29 (b) Acquired, by purchase, inheritance, gift or transfer through a
30 stock option plan, all the assets and liabilities of a viable, operating
31 business that engages in the practice of architecture that:

32 (1) Satisfies the requirements of NRS 623.350; and

33 (2) Possesses a certificate of eligibility to receive a
34 preference when competing for public works.

35 2. The State Board of Landscape Architecture shall issue a
36 certificate of eligibility to receive a preference when competing for
37 public works to a person who holds a certificate of registration to
38 engage in the practice of landscape architecture pursuant to the
39 provisions of chapter 623A of NRS and submits to the Board an
40 affidavit from a certified public accountant setting forth that the
41 person has, while holding a certificate of registration to engage in
42 the practice of landscape architecture in this State:

43 (a) Paid directly, on his or her own behalf ~~the excise tax~~
44 ~~imposed upon an employer by NRS 363B.110~~, *wages in this State*
45 of not less than ~~[\$1,500]~~ *\$300,000* for each consecutive 12-month



1 period for 36 months immediately preceding the submission of the
2 affidavit from the certified public accountant; or

3 (b) Acquired, by purchase, inheritance, gift or transfer through a
4 stock option plan, all the assets and liabilities of a viable, operating
5 business that engages in the practice of landscape architecture that:

6 (1) Satisfies the requirements of NRS 623A.250; and

7 (2) Possesses a certificate of eligibility to receive a
8 preference when competing for public works.

9 3. The State Board of Professional Engineers and Land
10 Surveyors shall issue a certificate of eligibility to receive a
11 preference when competing for public works to a professional
12 engineer or professional land surveyor who is licensed pursuant to
13 the provisions of chapter 625 of NRS and submits to the Board an
14 affidavit from a certified public accountant setting forth that the
15 professional engineer or professional land surveyor has, while
16 licensed as a professional engineer or professional land surveyor in
17 this State:

18 (a) Paid directly, on his or her own behalf ~~the excise tax~~
19 ~~imposed upon an employer by NRS 363B.110~~, *wages in this State*
20 of not less than ~~\$1,500~~ *\$300,000* for each consecutive 12-month
21 period for 36 months immediately preceding the submission of the
22 affidavit from the certified public accountant; or

23 (b) Acquired, by purchase, inheritance, gift or transfer through a
24 stock option plan, all the assets and liabilities of a viable, operating
25 business that engages in engineering or land surveying that:

26 (1) Satisfies the requirements of NRS 625.407; and

27 (2) Possesses a certificate of eligibility to receive a
28 preference when competing for public works.

29 4. For the purposes of complying with the requirements set
30 forth in paragraph (a) of subsection 1, paragraph (a) of subsection 2
31 and paragraph (a) of subsection 3, a person shall be deemed to have
32 paid ~~the~~ *wages in this State*:

33 (a) ~~The excise tax imposed upon an employer by NRS~~
34 ~~363B.110~~ *If the wages were paid* by an affiliate or parent company
35 of the person ~~the~~ *and* the affiliate or parent company also satisfies
36 the requirements of NRS 623.350, 623A.250 or 625.407, as
37 applicable; ~~and~~ *or*

38 (b) ~~The excise tax imposed upon an employer by NRS~~
39 ~~363B.110~~ *If the wages were paid* by a joint venture in which the
40 person is a participant, in proportion to the amount of interest the
41 person has in the joint venture.

42 5. A design professional who has received a certificate of
43 eligibility to receive a preference when competing for public works
44 pursuant to subsection 1, 2 or 3 must, at the time for the renewal of
45 his or her professional license or certificate of registration, as



1 applicable, pursuant to chapter 623, 623A or 625 of NRS, submit to
2 the applicable licensing board an affidavit from a certified public
3 accountant setting forth that the design professional has, during the
4 immediately preceding 12 months, paid the taxes required pursuant
5 to paragraph (a) of subsection 1, paragraph (a) of subsection 2 or
6 paragraph (a) of subsection 3, as applicable, to maintain eligibility
7 to hold such a certificate.

8 6. A design professional who fails to submit an affidavit to the
9 applicable licensing board pursuant to subsection 5 ceases to be
10 eligible to receive a preference when competing for public works
11 unless the design professional reapplies for and receives a certificate
12 of eligibility pursuant to subsection 1, 2 or 3, as applicable.

13 7. If a design professional holds more than one license or
14 certificate of registration, the design professional must submit a
15 separate application for each license or certificate of registration
16 pursuant to which the design professional wishes to qualify for a
17 preference when competing for public works. Upon issuance, the
18 certificate of eligibility to receive a preference when competing for
19 public works becomes part of the design professional's license or
20 certificate of registration for which the design professional
21 submitted the application.

22 8. If a design professional who applies to a licensing board for
23 a certificate of eligibility to receive a preference when competing
24 for public works pursuant to subsection 1, 2 or 3 submits false
25 information to the licensing board regarding the required payment of
26 taxes, the design professional is not eligible to receive a preference
27 when competing for public works for a period of 5 years after the
28 date on which the licensing board becomes aware of the submission
29 of the false information.

30 9. The State Board of Architecture, Interior Design and
31 Residential Design, the State Board of Landscape Architecture and
32 the State Board of Professional Engineers and Land Surveyors shall
33 adopt regulations and may assess reasonable fees relating to their
34 respective certification of design professionals for a preference
35 when competing for public works.

36 10. A person or entity who believes that a design professional
37 wrongfully holds a certificate of eligibility to receive a preference
38 when competing for public works may challenge the validity of the
39 certificate by filing a written objection with the public body which
40 selected, for the purpose of providing services for a public work, the
41 design professional who holds the certificate. A written objection
42 authorized pursuant to this subsection must:

43 (a) Set forth proof or substantiating evidence to support the
44 belief of the person or entity that the design professional wrongfully



1 holds a certificate of eligibility to receive a preference when
2 competing for public works; and

3 (b) Be filed with the public body not later than 3 business days
4 after:

5 (1) The date on which the public body makes available to the
6 public pursuant to subsection 3 of NRS 338.1725 the information
7 required by that subsection, if the design-build team of which the
8 design professional who holds the certificate is a part was selected
9 as a finalist pursuant to NRS 338.1725;

10 (2) The date on which the Department of Transportation
11 makes available to the public pursuant to subsection 3 of NRS
12 408.3885 the information required by that subsection, if the design-
13 build team of which the design professional who holds the
14 certificate is a part was selected as a finalist pursuant to
15 NRS 408.3885; or

16 (3) The date on which the licensing board which issued the
17 certificate to the design professional posted on its Internet website
18 the information required by NRS 338.1425, if the design
19 professional is identified in that information as being selected for a
20 contract governed by NRS 338.155.

21 11. If a public body receives a written objection pursuant to
22 subsection 10, the public body shall determine whether the objection
23 is accompanied by the proof or substantiating evidence required
24 pursuant to paragraph (a) of that subsection. If the public body
25 determines that the objection is not accompanied by the required
26 proof or substantiating evidence, the public body shall dismiss the
27 objection and the public body or its authorized representative may
28 proceed immediately to award the contract. If the public body
29 determines that the objection is accompanied by the required proof
30 or substantiating evidence, the public body shall determine whether
31 the design professional qualifies for the certificate pursuant to the
32 provisions of this section and the public body or its authorized
33 representative may proceed to award the contract accordingly.

34 **12. As used in this section, "wages" has the meaning ascribed**
35 **to it in NRS 612.190.**

36 **Sec. 52.** NRS 604A.820 is hereby amended to read as follows:

37 604A.820 1. If the Commissioner has reason to believe that
38 grounds for revocation or suspension of a license exist, the
39 Commissioner shall give 20 days' written notice to the licensee
40 stating the contemplated action and, in general, the grounds therefor
41 and set a date for a hearing.

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

43 (a) Enter a written order either dismissing the charges, revoking
44 the license or suspending the license for a period of not more than
45 60 days, which period must include any prior temporary suspension.



1 The Commissioner shall send a copy of the order to the licensee by
2 registered or certified mail.

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

6 (c) If a fine is imposed pursuant to this section, enter such order
7 as is necessary to recover the costs of the proceeding, including
8 investigative costs and attorney's fees of the Commissioner.

9 3. The grounds for revocation or suspension of a license are
10 that:

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

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

15 (c) The licensee has failed to pay a tax as required pursuant to
16 the provisions of chapter 363A of NRS ~~H~~ *or a fee as required by*
17 *sections 2 to 34, inclusive, of this act;*

18 (d) Any fact or condition exists which would have justified the
19 Commissioner in denying the licensee's original application for a
20 license pursuant to the provisions of this chapter; or

21 (e) The licensee:

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

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

27 4. Any revocation or suspension applies only to the license
28 granted to a person for the particular office for which grounds for
29 revocation or suspension exist.

30 5. An order suspending or revoking a license becomes effective
31 5 days after being entered unless the order specifies otherwise or a
32 stay is granted.

33 **Sec. 53.** NRS 612.265 is hereby amended to read as follows:

34 612.265 1. Except as otherwise provided in this section and
35 NRS 239.0115 and 612.642, information obtained from any
36 employing unit or person pursuant to the administration of this
37 chapter and any determination as to the benefit rights of any person
38 is confidential and may not be disclosed or be open to public
39 inspection in any manner which would reveal the person's or
40 employing unit's identity.

41 2. Any claimant or a legal representative of a claimant is
42 entitled to information from the records of the Division, to the
43 extent necessary for the proper presentation of the claimant's claim
44 in any proceeding pursuant to this chapter. A claimant or an



1 employing unit is not entitled to information from the records of the
2 Division for any other purpose.

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

6 (a) Any agency of this or any other state or any federal agency
7 charged with the administration or enforcement of laws relating to
8 unemployment compensation, public assistance, workers'
9 compensation or labor and industrial relations, or the maintenance
10 of a system of public employment offices;

11 (b) Any state or local agency for the enforcement of child
12 support;

13 (c) The Internal Revenue Service of the Department of the
14 Treasury;

15 (d) The Department of Taxation; and

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

18 ➤ Information obtained in connection with the administration of the
19 Division may be made available to persons or agencies for purposes
20 appropriate to the operation of a public employment service or a
21 public assistance program.

22 4. Upon written request made by a public officer of a local
23 government, the Administrator shall furnish from the records of the
24 Division the name, address and place of employment of any person
25 listed in the records of employment of the Division. The request
26 must set forth the social security number of the person about whom
27 the request is made and contain a statement signed by the proper
28 authority of the local government certifying that the request is made
29 to allow the proper authority to enforce a law to recover a debt or
30 obligation owed to the local government. Except as otherwise
31 provided in NRS 239.0115, the information obtained by the local
32 government is confidential and may not be used or disclosed for any
33 purpose other than the collection of a debt or obligation owed to that
34 local government. The Administrator may charge a reasonable fee
35 for the cost of providing the requested information.

36 5. The Administrator may publish or otherwise provide
37 information on the names of employers, their addresses, their type
38 or class of business or industry, and the approximate number of
39 employees employed by each such employer, if the information
40 released will assist unemployed persons to obtain employment or
41 will be generally useful in developing and diversifying the economic
42 interests of this State. Upon request by a state agency which is able
43 to demonstrate that its intended use of the information will benefit
44 the residents of this State, the Administrator may, in addition to the
45 information listed in this subsection, disclose the number of



1 employees employed by each employer and the total wages paid by
2 each employer. The Administrator may charge a fee to cover the
3 actual costs of any administrative expenses relating to the disclosure
4 of this information to a state agency. The Administrator may require
5 the state agency to certify in writing that the agency will take all
6 actions necessary to maintain the confidentiality of the information
7 and prevent its unauthorized disclosure.

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

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

28 8. In addition to the provisions of subsection 5, the
29 Administrator shall provide lists containing the names and addresses
30 of employers, and information regarding the wages paid by each
31 employer to the Department of Taxation, upon request, for use in
32 verifying returns for the taxes imposed pursuant to ~~chapters~~
33 *chapter 363A ~~and 363B~~ of NRS ~~and fees imposed by sections~~*
34 *2 to 34, inclusive, of this act.* The Administrator may charge a fee to
35 cover the actual costs of any related administrative expenses.

36 9. A private carrier that provides industrial insurance in this
37 State shall submit to the Administrator a list containing the name of
38 each person who received benefits pursuant to chapters 616A to
39 616D, inclusive, or chapter 617 of NRS during the preceding month
40 and request that the Administrator compare the information so
41 provided with the records of the Division regarding persons
42 claiming benefits pursuant to this chapter for the same period. The
43 information submitted by the private carrier must be in a form
44 determined by the Administrator and must contain the social
45 security number of each such person. Upon receipt of the request,



1 the Administrator shall make such a comparison and, if it appears
2 from the information submitted that a person is simultaneously
3 claiming benefits under this chapter and under chapters 616A to
4 616D, inclusive, or chapter 617 of NRS, the Administrator shall
5 notify the Attorney General or any other appropriate law
6 enforcement agency. The Administrator shall charge a fee to cover
7 the actual costs of any related administrative expenses.

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

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

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

29 **Sec. 54.** NRS 616B.012 is hereby amended to read as follows:

30 616B.012 1. Except as otherwise provided in this section and
31 NRS 239.0115, 616B.015, 616B.021 and 616C.205, information
32 obtained from any insurer, employer or employee is confidential and
33 may not be disclosed or be open to public inspection in any manner
34 which would reveal the person's identity.

35 2. Any claimant or legal representative of the claimant is
36 entitled to information from the records of the insurer, to the extent
37 necessary for the proper presentation of a claim in any proceeding
38 under chapters 616A to 616D, inclusive, or chapter 617 of NRS.

39 3. The Division and Administrator are entitled to information
40 from the records of the insurer which is necessary for the
41 performance of their duties. The Administrator may, by regulation,
42 prescribe the manner in which otherwise confidential information
43 may be made available to:

44 (a) Any agency of this or any other state charged with the
45 administration or enforcement of laws relating to industrial



1 insurance, unemployment compensation, public assistance or labor
2 law and industrial relations;

3 (b) Any state or local agency for the enforcement of child
4 support;

5 (c) The Internal Revenue Service of the Department of the
6 Treasury;

7 (d) The Department of Taxation; and

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

10 ➔ Information obtained in connection with the administration of a
11 program of industrial insurance may be made available to persons or
12 agencies for purposes appropriate to the operation of a program of
13 industrial insurance.

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

27 5. To further a current criminal investigation, the chief
28 executive officer of any law enforcement agency of this State may
29 submit to the Administrator a written request for the name, address
30 and place of employment of any person listed in the records of an
31 insurer. The request must set forth the social security number of the
32 person about whom the request is made and contain a statement
33 signed by the chief executive officer certifying that the request is
34 made to further a criminal investigation currently being conducted
35 by the agency. Upon receipt of a request, the Administrator shall
36 instruct the insurer to furnish the information requested. Upon
37 receipt of such an instruction, the insurer shall furnish the
38 information requested. The insurer may charge a reasonable fee to
39 cover any related administrative expenses.

40 6. Upon request by the Department of Taxation, the
41 Administrator shall provide:

42 (a) Lists containing the names and addresses of employers; and

43 (b) Other information concerning employers collected and
44 maintained by the Administrator or the Division to carry out the



1 purposes of chapters 616A to 616D, inclusive, or chapter 617 of
2 NRS,

3 ➔ to the Department for its use in verifying returns for the taxes
4 imposed pursuant to ~~[chapters]~~ *chapter* 363A ~~[and 363B]~~ of NRS ~~[]~~
5 *and fees imposed by sections 2 to 34, inclusive, of this act.* The
6 Administrator may charge a reasonable fee to cover any related
7 administrative expenses.

8 7. Any person who, in violation of this section, discloses
9 information obtained from files of claimants or policyholders or
10 obtains a list of claimants or policyholders under chapters 616A to
11 616D, inclusive, or chapter 617 of NRS and uses or permits the use
12 of the list for any political purposes, is guilty of a gross
13 misdemeanor.

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

20 9. The provisions of this section do not prohibit the
21 Administrator or the Division from disclosing any nonproprietary
22 information relating to an uninsured employer or proof of industrial
23 insurance.

24 **Sec. 55.** NRS 645B.060 is hereby amended to read as follows:

25 645B.060 1. Subject to the administrative control of the
26 Director of the Department of Business and Industry, the
27 Commissioner shall exercise general supervision and control over
28 mortgage brokers and mortgage agents doing business in this State.

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

31 (a) Adopt regulations:

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

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

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

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



1 (d) Except as otherwise provided in subsection 4, conduct an
2 annual examination of each mortgage broker doing business in this
3 State. The annual examination must include, without limitation, a
4 formal exit review with the mortgage broker. The Commissioner
5 shall adopt regulations prescribing:

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

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

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

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

25 (1) The Legislative Auditor; or

26 (2) The Department of Taxation if necessary to carry out the
27 provisions of chapter 363A of NRS **H or sections 2 to 34, inclusive,**
28 **of this act.**

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

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

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

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

42 (b) Has not had any adverse change in financial condition since
43 the last annual examination, as shown by financial statements of the
44 mortgage broker;



1 (c) Has not had any complaints received by the Division that
2 resulted in any administrative action by the Division; and

3 (d) Does not maintain any trust accounts pursuant to NRS
4 645B.170 or 645B.175 or arrange loans funded by private investors.

5 **Sec. 56.** NRS 645B.670 is hereby amended to read as follows:

6 645B.670 1. Except as otherwise provided in NRS 645B.690:

7 (a) For each violation committed by an applicant for a license
8 issued pursuant to this chapter, whether or not the applicant is issued
9 a license, the Commissioner may impose upon the applicant an
10 administrative fine of not more than \$25,000 if the applicant:

11 (1) Has knowingly made or caused to be made to the
12 Commissioner any false representation of material fact;

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

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

21 (b) For each violation committed by a mortgage broker, the
22 Commissioner may impose upon the mortgage broker an
23 administrative fine of not more than \$25,000, may suspend, revoke
24 or place conditions upon the mortgage broker's license, or may do
25 both, if the mortgage broker, whether or not acting as such:

26 (1) Is insolvent;

27 (2) Is grossly negligent or incompetent in performing any act
28 for which the mortgage broker is required to be licensed pursuant to
29 the provisions of this chapter;

30 (3) Does not conduct his or her business in accordance with
31 law or has violated any provision of this chapter, a regulation
32 adopted pursuant to this chapter or an order of the Commissioner;

33 (4) Is in such financial condition that the mortgage broker
34 cannot continue in business with safety to his or her customers;

35 (5) Has made a material misrepresentation in connection
36 with any transaction governed by this chapter;

37 (6) Has suppressed or withheld from a client any material
38 facts, data or other information relating to any transaction governed
39 by the provisions of this chapter which the mortgage broker knew
40 or, by the exercise of reasonable diligence, should have known;

41 (7) Has knowingly made or caused to be made to the
42 Commissioner any false representation of material fact or has
43 suppressed or withheld from the Commissioner any information
44 which the mortgage broker possesses and which, if submitted by the



1 mortgage broker, would have rendered the mortgage broker
2 ineligible to be licensed pursuant to the provisions of this chapter;

3 (8) Has failed to account to persons interested for all money
4 received for a trust account;

5 (9) Has refused to permit an examination by the
6 Commissioner of his or her books and affairs or has refused or
7 failed, within a reasonable time, to furnish any information or make
8 any report that may be required by the Commissioner pursuant to
9 the provisions of this chapter or a regulation adopted pursuant to this
10 chapter;

11 (10) Has been convicted of, or entered or agreed to enter a
12 plea of guilty or nolo contendere to, a felony in a domestic, foreign
13 or military court within the 7 years immediately preceding the date
14 of the application, or at any time if such felony involved an act of
15 fraud, dishonesty or a breach of trust, moral turpitude or money
16 laundering;

17 (11) Has refused or failed to pay, within a reasonable time,
18 any fees, assessments, costs or expenses that the mortgage broker is
19 required to pay pursuant to this chapter or a regulation adopted
20 pursuant to this chapter;

21 (12) Has failed to satisfy a claim made by a client which has
22 been reduced to judgment;

23 (13) Has failed to account for or to remit any money of a
24 client within a reasonable time after a request for an accounting or
25 remittal;

26 (14) Has commingled the money or other property of a client
27 with his or her own or has converted the money or property of
28 others to his or her own use;

29 (15) Has engaged in any other conduct constituting a
30 deceitful, fraudulent or dishonest business practice;

31 (16) Has repeatedly violated the policies and procedures of
32 the mortgage broker;

33 (17) Has failed to exercise reasonable supervision and
34 control over the activities of a mortgage agent as required by
35 NRS 645B.460;

36 (18) Has instructed a mortgage agent to commit an act that
37 would be cause for the revocation of the license of the mortgage
38 broker, whether or not the mortgage agent commits the act;

39 (19) Has employed a person as a mortgage agent or
40 authorized a person to be associated with the mortgage broker as a
41 mortgage agent at a time when the mortgage broker knew or, in light
42 of all the surrounding facts and circumstances, reasonably should
43 have known that the person:

44 (I) Had been convicted of, or entered or agreed to enter a
45 plea of guilty or nolo contendere to, a felony in a domestic, foreign



1 or military court within the 7 years immediately preceding the date
2 of application, or at any time if such felony involved an act of fraud,
3 dishonesty or a breach of trust, moral turpitude or money
4 laundering; or

5 (II) Had a license or registration as a mortgage agent,
6 mortgage banker, mortgage broker or residential mortgage loan
7 originator revoked in this State or any other jurisdiction or had a
8 financial services license or registration revoked within the
9 immediately preceding 10 years;

10 (20) Has violated NRS 645C.557;

11 (21) Has failed to pay a tax as required pursuant to the
12 provisions of chapter 363A of NRS ~~§~~ *or a fee as required by*
13 *sections 2 to 34, inclusive, of this act;* or

14 (22) Has, directly or indirectly, paid any commission, fees,
15 points or any other compensation as remuneration for the services of
16 a mortgage agent to a person other than a mortgage agent who:

17 (I) Is an employee of or associated with the mortgage
18 broker; or

19 (II) If the mortgage agent is required to register with the
20 Registry, is an employee of and whose sponsorship has been entered
21 with the Registry by the mortgage broker as required by subsection
22 2 of NRS 645B.450.

23 (c) For each violation committed by a mortgage agent, the
24 Commissioner may impose upon the mortgage agent an
25 administrative fine of not more than \$25,000, may suspend, revoke
26 or place conditions upon the mortgage agent's license, or may do
27 both, if the mortgage agent, whether or not acting as such:

28 (1) Is grossly negligent or incompetent in performing any act
29 for which the mortgage agent is required to be licensed pursuant to
30 the provisions of this chapter;

31 (2) Has made a material misrepresentation in connection
32 with any transaction governed by this chapter;

33 (3) Has suppressed or withheld from a client any material
34 facts, data or other information relating to any transaction governed
35 by the provisions of this chapter which the mortgage agent knew or,
36 by the exercise of reasonable diligence, should have known;

37 (4) Has knowingly made or caused to be made to the
38 Commissioner any false representation of material fact or has
39 suppressed or withheld from the Commissioner any information
40 which the mortgage agent possesses and which, if submitted by the
41 mortgage agent, would have rendered the mortgage agent ineligible
42 to be licensed pursuant to the provisions of this chapter;

43 (5) Has been convicted of, or entered or agreed to enter a
44 plea of guilty or nolo contendere to, a felony in a domestic, foreign
45 or military court within the 7 years immediately preceding the date



1 of the application, or at any time if such felony involved an act of
2 fraud, dishonesty or a breach of trust, moral turpitude or money
3 laundering;

4 (6) Has failed to account for or to remit any money of a
5 client within a reasonable time after a request for an accounting or
6 remittal;

7 (7) Has commingled the money or other property of a client
8 with his or her own or has converted the money or property of
9 others to his or her own use;

10 (8) Has engaged in any other conduct constituting a
11 deceitful, fraudulent or dishonest business practice;

12 (9) Has violated NRS 645C.557;

13 (10) Has repeatedly violated the policies and procedures of
14 the mortgage broker with whom the mortgage agent is associated or
15 by whom he or she is employed;

16 (11) Has, directly or indirectly, received any commission,
17 fees, points or any other compensation as remuneration for his or
18 her services as a mortgage agent:

19 (I) From a person other than the mortgage broker with
20 whom the mortgage agent is associated or by whom he or she is
21 employed; or

22 (II) If the mortgage agent is required to be registered with
23 the Registry, from a person other than the mortgage broker by
24 whom the mortgage agent is employed and on whose behalf
25 sponsorship was entered as required by subsection 2 of NRS
26 645B.450; or

27 (12) Has violated any provision of this chapter, a regulation
28 adopted pursuant to this chapter or an order of the Commissioner or
29 has assisted or offered to assist another person to commit such a
30 violation.

31 2. This section does not prohibit the co-brokering of a
32 commercial loan through the cooperation of two or more mortgage
33 brokers so long as such a transaction is not inconsistent with any
34 other provision of this chapter.

35 **Sec. 57.** NRS 645E.300 is hereby amended to read as follows:

36 645E.300 1. Subject to the administrative control of the
37 Director of the Department of Business and Industry, the
38 Commissioner shall exercise general supervision and control over
39 mortgage bankers doing business in this State.

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

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



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

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

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

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

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

17 (1) The Legislative Auditor; or

18 (2) The Department of Taxation if necessary to carry out the
19 provisions of chapter 363A of NRS ~~H~~ *or sections 2 to 34, inclusive,*
20 *of this act.*

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

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

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

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

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

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

38 **Sec. 58.** NRS 645E.670 is hereby amended to read as follows:

39 645E.670 1. For each violation committed by an applicant,
40 whether or not the applicant is issued a license, the Commissioner
41 may impose upon the applicant an administrative fine of not more
42 than \$25,000 if the applicant:

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



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

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

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

14 (a) Is insolvent;

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

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

21 (d) Is in such financial condition that the licensee cannot
22 continue in business with safety to his or her customers;

23 (e) Has made a material misrepresentation in connection with
24 any transaction governed by this chapter;

25 (f) Has suppressed or withheld from a client any material facts,
26 data or other information relating to any transaction governed by the
27 provisions of this chapter which the licensee knew or, by the
28 exercise of reasonable diligence, should have known;

29 (g) Has knowingly made or caused to be made to the
30 Commissioner any false representation of material fact or has
31 suppressed or withheld from the Commissioner any information
32 which the licensee possesses and which, if submitted by the
33 licensee, would have rendered the licensee ineligible to be licensed
34 pursuant to the provisions of this chapter;

35 (h) Has failed to account to persons interested for all money
36 received for a trust account;

37 (i) Has refused to permit an examination by the Commissioner
38 of his or her books and affairs or has refused or failed, within a
39 reasonable time, to furnish any information or make any report that
40 may be required by the Commissioner pursuant to the provisions of
41 this chapter or a regulation adopted pursuant to this chapter;

42 (j) Has been convicted of, or entered or agreed to enter a plea of
43 nolo contendere to, a felony in a domestic, foreign or military court
44 within the 7 years immediately preceding the date of the application,



1 or at any time if such felony involved an act of fraud, dishonesty or
2 a breach of trust, moral turpitude or money laundering;

3 (k) Has refused or failed to pay, within a reasonable time, any
4 fees, assessments, costs or expenses that the licensee is required to
5 pay pursuant to this chapter or a regulation adopted pursuant to this
6 chapter;

7 (l) Has failed to pay a tax as required pursuant to the provisions
8 of chapter 363A of NRS ~~H~~ *or a fee as required by sections 2 to 34,*
9 *inclusive, of this act;*

10 (m) Has failed to satisfy a claim made by a client which has
11 been reduced to judgment;

12 (n) Has failed to account for or to remit any money of a client
13 within a reasonable time after a request for an accounting or
14 remittal;

15 (o) Has violated NRS 645C.557;

16 (p) Has commingled the money or other property of a client
17 with his or her own or has converted the money or property of
18 others to his or her own use; or

19 (q) Has engaged in any other conduct constituting a deceitful,
20 fraudulent or dishonest business practice.

21 3. An order that imposes discipline and the findings of fact and
22 conclusions of law supporting that order are public records.

23 **Sec. 59.** NRS 658.151 is hereby amended to read as follows:

24 658.151 1. The Commissioner may forthwith take possession
25 of the business and property of any depository institution to which
26 this title or title 56 of NRS applies when it appears that the
27 depository institution:

28 (a) Has violated its charter or any laws applicable thereto.

29 (b) Is conducting its business in an unauthorized or unsafe
30 manner.

31 (c) Is in an unsafe or unsound condition to transact its business.

32 (d) Has an impairment of its stockholders' or members' equity.

33 (e) Has refused to pay its depositors in accordance with the
34 terms on which such deposits were received, or has refused to pay
35 its holders of certificates of indebtedness or investment in
36 accordance with the terms upon which those certificates of
37 indebtedness or investment were sold.

38 (f) Has become or is in imminent danger of becoming otherwise
39 insolvent.

40 (g) Has neglected or refused to comply with the terms of a
41 lawful order of the Commissioner.

42 (h) Has refused, upon proper demand, to submit its records,
43 affairs and concerns for inspection and examination of an appointed
44 or authorized examiner of the Commissioner.

45 (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 of NRS **H** *or a fee as required by sections 2 to 34,*
3 *inclusive, of 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. 60.** NRS 665.133 is hereby amended to read as follows:

10 665.133 1. The records and information described in NRS
11 665.130 may be disclosed to:

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

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

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

20 (d) The Department of Taxation for its use in carrying out the
21 provisions of chapter 363A of NRS **H** *and sections 2 to 34,*
22 *inclusive, of this act;*

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

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

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

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

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

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

38 2. All the reports made available pursuant to this section
39 remain the property of the Division of Financial Institutions, and no
40 person, agency or authority to whom the reports are made available,
41 or any officer, director or employee thereof, may disclose any of the
42 reports or any information contained therein, except in published
43 statistical material that does not disclose the affairs of any natural
44 person or corporation.



1 **Sec. 61.** NRS 669.275 is hereby amended to read as follows:

2 669.275 1. The Commissioner may require a licensee to
3 provide an audited financial statement prepared by an independent
4 certified public accountant licensed to do business in this State.

5 2. On the fourth Monday in January of each year, each licensee
6 shall submit to the Commissioner a list of stockholders required to
7 be maintained pursuant to paragraph (c) of subsection 1 of NRS
8 78.105 or the list of members required to be maintained pursuant to
9 paragraph (a) of subsection 1 of NRS 86.241, verified by the
10 president or a manager, as appropriate.

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

15 4. Except as otherwise provided in NRS 239.0115, any
16 document submitted pursuant to this section is confidential. *This*
17 *subsection does not limit the examination of any document by the*
18 *Department of Taxation if necessary to carry out the provisions of*
19 *sections 2 to 34, inclusive, of this act.*

20 **Sec. 62.** NRS 669.2825 is hereby amended to read as follows:

21 669.2825 1. The Commissioner may institute disciplinary
22 action or forthwith initiate proceedings to take possession of the
23 business and property of any retail trust company when it appears
24 that the retail trust company:

25 (a) Has violated its charter or any state or federal laws
26 applicable to the business of a trust company.

27 (b) Is conducting its business in an unauthorized or unsafe
28 manner.

29 (c) Is in an unsafe or unsound condition to transact its business.

30 (d) Has an impairment of its stockholders' equity.

31 (e) Has refused to pay or transfer account assets to its account
32 holders as required by the terms of the accounts' governing
33 instruments.

34 (f) Has become insolvent.

35 (g) Has neglected or refused to comply with the terms of a
36 lawful order of the Commissioner.

37 (h) Has refused, upon proper demand, to submit its records,
38 affairs and concerns for inspection and examination of an appointed
39 or authorized examiner of the Commissioner.

40 (i) Has made a voluntary assignment of its assets to receivers,
41 conservators, trustees or creditors without complying with
42 NRS 669.230.

43 (j) Has failed to pay a tax as required pursuant to the provisions
44 of chapter 363A of NRS **H** *or a fee as required by sections 2 to 34,*
45 *inclusive, of this act.*



1 (k) Has materially and willfully breached its fiduciary duties to
2 its customers.

3 (l) Has failed to properly disclose all fees, interest and other
4 charges to its customers.

5 (m) Has willfully engaged in material conflicts of interest
6 regarding a customer's account.

7 (n) Has made intentional material misrepresentations regarding
8 any aspect of the services performed or proposed to be performed by
9 the retail trust company.

10 2. The Commissioner also may forthwith initiate proceedings
11 to take possession of the business and property of any trust company
12 when it appears that the officers of the trust company have refused
13 to be examined upon oath regarding its affairs.

14 **Sec. 63.** NRS 669.2847 is hereby amended to read as follows:

15 669.2847 1. If the Commissioner has reason to believe that
16 grounds for revocation or suspension of a license exist, the
17 Commissioner shall give at least 20 days' written notice to the
18 licensee stating the contemplated action and, in general, the grounds
19 therefor and set a date for a hearing.

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

21 (a) Enter a written order dismissing the charges, revoking the
22 license or suspending the license for a period of not more than 60
23 days, which period must include any prior temporary suspension.
24 The Commissioner shall send a copy of the order to the licensee by
25 registered or certified mail.

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

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

32 3. The grounds for revocation or suspension of a license are
33 that:

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

35 (b) The licensee, either knowingly or without any exercise of
36 due care to prevent it, has violated any provision of this chapter or
37 any regulation adopted pursuant thereto or any lawful order of the
38 Division of Financial Institutions;

39 (c) The licensee has failed to pay a tax as required pursuant to
40 the provisions of chapter 363A of NRS ~~H~~ *or a fee as required by*
41 *sections 2 to 34, inclusive, of this act;*

42 (d) Any fact or condition exists which would have justified the
43 Commissioner in denying the licensee's original application for a
44 license pursuant to the provisions of this chapter; or

45 (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 30 days without good cause therefor.

6 4. An order suspending or revoking a license becomes effective
7 5 days after being entered unless the order specifies otherwise or a
8 stay is granted.

9 **Sec. 64.** NRS 669.285 is hereby amended to read as follows:

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

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

19 2. *The Department of Taxation for its use in carrying out the*
20 *provisions of sections 2 to 34, inclusive, of this act; and*

21 3. Any person when the Commissioner, in the Commissioner's
22 discretion, determines that the interests of the public that would be
23 protected by disclosure outweigh the interest of any person in the
24 confidential information not being disclosed.

25 **Sec. 65.** NRS 669A.310 is hereby amended to read as follows:

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

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

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

39 (c) Any other person if the Commissioner, in the
40 Commissioner's discretion, determines that the interests of the
41 public in disclosing the information outweigh the interests
42 of the person about whom the information pertains in not disclosing
43 the information.

44 2. The Commissioner shall give to the family trust company to
45 which the information relates 10-days' prior written notice of intent



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

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

24 **Sec. 66.** NRS 673.484 is hereby amended to read as follows:
25 673.484 The Commissioner may after notice and hearing
26 suspend or revoke the charter of any association for:

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

29 2. Failure to pay a tax as required pursuant to the provisions of
30 chapter 363A of NRS ~~††~~ *or a fee as required by sections 2 to 34,*
31 *inclusive, of this act.*

32 **Sec. 67.** NRS 675.440 is hereby amended to read as follows:

33 675.440 1. If the Commissioner has reason to believe that
34 grounds for revocation or suspension of a license exist, he or she
35 shall give 20 days' written notice to the licensee stating the
36 contemplated action and, in general, the grounds therefor and set a
37 date for a hearing.

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

39 (a) Enter a written order either dismissing the charges, revoking
40 the license, or suspending the license for a period of not more than
41 60 days, which period must include any prior temporary suspension.
42 A copy of the order must be sent by registered or certified mail to
43 the licensee.



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

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

7 3. The grounds for revocation or suspension of a license are
8 that:

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

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

13 (c) The licensee has failed to pay a tax as required pursuant to
14 the provisions of chapter 363A of NRS ~~H~~ *or a fee as required by*
15 *sections 2 to 34, inclusive, of this act;*

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

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

23 4. Any revocation or suspension applies only to the license
24 granted to a person for the particular office for which grounds for
25 revocation or suspension exist.

26 5. An order suspending or revoking a license becomes effective
27 5 days after being entered unless the order specifies otherwise or a
28 stay is granted.

29 **Sec. 68.** NRS 677.510 is hereby amended to read as follows:

30 677.510 1. If the Commissioner has reason to believe that
31 grounds for revocation or suspension of a license exist, he or she
32 shall give 20 days' written notice to the licensee stating the
33 contemplated action and, in general, the grounds therefor and set a
34 date for a hearing.

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

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

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



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

4 3. The grounds for revocation or suspension of a license are
5 that:

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

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

10 (c) The licensee has failed to pay a tax as required pursuant to
11 the provisions of chapter 363A of NRS ~~†~~ *or a fee as required by*
12 *sections 2 to 34, inclusive, of this act;*

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

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

20 4. Any revocation or suspension applies only to the license
21 granted to a person for the particular office for which grounds for
22 revocation or suspension exist.

23 5. An order suspending or revoking a license becomes effective
24 5 days after being entered unless the order specifies otherwise or a
25 stay is granted.

26 **Sec. 69.** NRS 680B.037 is hereby amended to read as follows:

27 680B.037 ~~{Payment}~~

28 *1. Except as otherwise provided in subsection 2, payment* by
29 an insurer of the tax imposed by NRS 680B.027 is in lieu of all
30 taxes imposed by the State or any city, town or county upon
31 premiums or upon income of insurers and of franchise, privilege or
32 other taxes measured by income of the insurer.

33 *2. The provisions of subsection 1 do not apply to the fee*
34 *imposed by sections 2 to 34, inclusive, of this act.*

35 **Sec. 70.** NRS 683A.451 is hereby amended to read as follows:

36 683A.451 The Commissioner may refuse to issue a license or
37 certificate pursuant to this chapter or may place any person to whom
38 a license or certificate is issued pursuant to this chapter on
39 probation, suspend the person for not more than 12 months, or
40 revoke or refuse to renew his or her license or certificate, or may
41 impose an administrative fine or take any combination of the
42 foregoing actions, for one or more of the following causes:

43 1. Providing incorrect, misleading, incomplete or partially
44 untrue information in his or her application for a license.



1 2. Violating a law regulating insurance, or violating a
2 regulation, order or subpoena of the Commissioner or an equivalent
3 officer of another state.

4 3. Obtaining or attempting to obtain a license through
5 misrepresentation or fraud.

6 4. Misappropriating, converting or improperly withholding
7 money or property received in the course of the business of
8 insurance.

9 5. Intentionally misrepresenting the terms of an actual or
10 proposed contract of or application for insurance.

11 6. Conviction of a felony.

12 7. Admitting or being found to have committed an unfair trade
13 practice or fraud.

14 8. Using fraudulent, coercive or dishonest practices, or
15 demonstrated incompetence, untrustworthiness or financial
16 irresponsibility in the conduct of business in this State or elsewhere.

17 9. Denial, suspension or revocation of a license as a producer
18 of insurance, or its equivalent, in any other state, territory or
19 province.

20 10. Forging another's name to an application for insurance or
21 any other document relating to the transaction of insurance.

22 11. Improperly using notes or other reference material to
23 complete an examination for a license related to insurance.

24 12. Knowingly accepting business related to insurance from an
25 unlicensed person.

26 13. Failing to comply with an administrative or judicial order
27 imposing an obligation of child support.

28 14. Failing to pay a tax as required pursuant to the provisions
29 of chapter 363A of NRS ~~§~~ *or a fee as required by sections 2 to 34,*
30 *inclusive, of this act.*

31 **Sec. 71.** NRS 686C.360 is hereby amended to read as follows:

32 686C.360 The Association is exempt from payment of all fees
33 and all taxes levied by this state or any of its political subdivisions,
34 except taxes on property ~~§~~ *and the fee imposed by sections 2 to 34,*
35 *inclusive, of this act.*

36 **Sec. 72.** NRS 687A.130 is hereby amended to read as follows:

37 687A.130 The Association is exempt from payment of all fees
38 and all taxes levied by this State or any of its subdivisions, except :
39 ~~{taxes:}~~

40 1. ~~{Levied}~~ *Taxes levied* on real or personal property; ~~{or}~~
41 2. ~~{Imposed}~~ *Taxes imposed* pursuant to the provisions of
42 chapter 363A ~~{or 363B}~~ of NRS ~~§~~; *or*

43 3. *Fees imposed by sections 2 to 34, inclusive, of this act.*



1 **Sec. 73.** NRS 688C.210 is hereby amended to read as follows:

2 688C.210 1. After notice, and after a hearing if requested, the
3 Commissioner may suspend, revoke, refuse to issue or refuse to
4 renew a license under this chapter if the Commissioner finds that:

5 (a) There was material misrepresentation in the application for
6 the license;

7 (b) The licensee or an officer, partner, member or significant
8 managerial employee has been convicted of fraudulent or dishonest
9 practices, is subject to a final administrative action for
10 disqualification, or is otherwise shown to be untrustworthy or
11 incompetent;

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

14 (d) The applicant or licensee has been found guilty or guilty but
15 mentally ill of, or pleaded guilty, guilty but mentally ill or nolo
16 contendere to, a felony or a misdemeanor involving fraud, forgery,
17 embezzlement, obtaining money under false pretenses, larceny,
18 extortion, conspiracy to defraud or any crime involving moral
19 turpitude, whether or not a judgment of conviction has been entered
20 by the court;

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

23 (f) A provider of viatical settlements has failed to honor
24 obligations of a viatical settlement or an agreement to purchase a
25 viatical settlement;

26 (g) The licensee no longer meets a requirement for initial
27 licensure;

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

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

35 (j) The applicant or licensee has failed to pay a tax as required
36 pursuant to the provisions of chapter 363A of NRS ~~§~~ *or a fee as*
37 *required by sections 2 to 34, inclusive, of this act;*

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

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

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

44 3. If the Commissioner takes action as described in subsection
45 1, the applicant or licensee may apply in writing for a hearing before



1 the Commissioner to determine the reasonableness of the action
2 taken by the Commissioner, pursuant to the provisions of NRS
3 679B.310 to 679B.370, inclusive.

4 **Sec. 74.** NRS 694C.450 is hereby amended to read as follows:

5 694C.450 1. Except as otherwise provided in this section, a
6 captive insurer shall pay to the Division, not later than March 1 of
7 each year, a tax at the rate of:

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

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

12 (c) Seventy-five thousandths of 1 percent on each additional
13 dollar of its net direct premiums.

14 2. Except as otherwise provided in this section, a captive
15 insurer shall pay to the Division, not later than March 1 of each
16 year, a tax at a rate of:

17 (a) Two hundred twenty-five thousandths of 1 percent on the
18 first \$20,000,000 of revenue from assumed reinsurance premiums;

19 (b) One hundred fifty thousandths of 1 percent on the next
20 \$20,000,000 of revenue from assumed reinsurance premiums; and

21 (c) Twenty-five thousandths of 1 percent on each additional
22 dollar of revenue from assumed reinsurance premiums.

23 ➤ The tax on reinsurance premiums pursuant to this subsection
24 must not be levied on premiums for risks or portions of risks which
25 are subject to taxation on a direct basis pursuant to subsection 1. A
26 captive insurer is not required to pay any reinsurance premium tax
27 pursuant to this subsection on revenue related to the receipt of assets
28 by the captive insurer in exchange for the assumption of loss
29 reserves and other liabilities of another insurer that is under
30 common ownership and control with the captive insurer, if the
31 transaction is part of a plan to discontinue the operation of the other
32 insurer and the intent of the parties to the transaction is to renew or
33 maintain such business with the captive insurer.

34 3. If the sum of the taxes to be paid by a captive insurer
35 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any
36 given year, the captive insurer shall pay a tax of \$5,000 for that
37 year. The maximum aggregate tax for any year must not exceed
38 \$175,000. The maximum aggregate tax to be paid by a sponsored
39 captive insurer applies only to each protected cell and does not
40 apply to the sponsored captive insurer as a whole.

41 4. Two or more captive insurers under common ownership and
42 control must be taxed as if they were a single captive insurer.

43 5. Notwithstanding any specific statute to the contrary and
44 except as otherwise provided in this subsection, the tax provided for
45 by this section constitutes all the taxes collectible pursuant to the



1 laws of this State from a captive insurer, and no occupation tax or
2 other taxes may be levied or collected from a captive insurer by this
3 State or by any county, city or municipality within this State, except
4 for taxes imposed pursuant to chapter 363A ~~for 363B~~ of NRS *and*
5 *fees imposed by sections 2 to 34, inclusive, of this act* and ad
6 valorem taxes on real or personal property located in this State used
7 in the production of income by the captive insurer.

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

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

23 8. As used in this section, unless the context otherwise
24 requires:

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

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

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

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

38 **Sec. 75.** NRS 695A.550 is hereby amended to read as follows:

39 695A.550 Every society organized or licensed under this
40 chapter is hereby declared to be a charitable and benevolent
41 institution, and is exempt from every state, county, district,
42 municipal and school tax other than *the fee imposed by sections 2 to*
43 *34, inclusive, of this act and* taxes on real property and office
44 equipment.



1 **Sec. 76.** Section 47 of chapter 381, Statutes of Nevada 2009,
2 as last amended by chapter 518, Statutes of Nevada 2013, at page
3 3426, is hereby amended to read as follows:

4 Sec. 47. 1. This section and section 45.5 of this act
5 become effective upon passage and approval.

6 2. Sections 1 to 45, inclusive, 46 and 46.5 of this act
7 become effective:

8 (a) Upon passage and approval for the purposes of
9 adopting regulations and performing any other preparatory
10 actions that are necessary to carry out the provisions of this
11 act; and

12 (b) On October 1, 2009, for all other purposes.

13 ~~{3. Sections 44.3 and 44.7 of this act become effective~~
14 ~~on July 1, 2015.}~~

15 **Sec. 77.** Section 19 of chapter 449, Statutes of Nevada 2011,
16 as amended by chapter 518, Statutes of Nevada 2013, at page 3426,
17 is hereby amended to read as follows:

18 Sec. 19. 1. This section and sections 1 to 12,
19 inclusive, and 13 to 18, inclusive, of this act become effective
20 upon passage and approval.

21 2. Section 12.5 of this act becomes effective on
22 January 1, 2012.

23 ~~{3. Section 12.7 of this act becomes effective on~~
24 ~~January 1, 2016.}~~

25 **Sec. 78.** 1. If, pursuant to the provisions of NRS 360.750, as
26 those provisions existed before July 1, 2015, the Office has
27 approved an application for a partial abatement of the taxes imposed
28 on a business pursuant to chapter 363B of NRS, as those provisions
29 existed before July 1, 2015, the Office shall grant to the business an
30 abatement of the fee imposed on the business pursuant to sections 2
31 to 34, inclusive, of this act, that is equal in amount and duration to
32 the partial abatement approved before July 1, 2015.

33 2. If a person to whom transferable tax credits that have been
34 issued pursuant to the provisions of NRS 360.759 or 360.945, as
35 those provisions existed before July 1, 2015, has made a declaration
36 to apply the transferable tax credits to the tax imposed by chapter
37 363B of NRS, the Office shall issue transferable tax credits in an
38 equal amount to the person which must be applied to the fee set
39 forth in sections 2 to 34, inclusive, of this act.

40 3. As used in this section, "Office" means the Governor's
41 Office of Economic Development.

42 **Sec. 79.** The provisions of subsection 1 of section 80 of this
43 act do not apply to any taxes due for any period ending on or before
44 June 30, 2015.



1 **Sec. 80.** 1. NRS 363B.010, 363B.015, 363B.020, 363B.030,
2 363B.040, 363B.050, 363B.060, 363B.070, 363B.080, 363B.110,
3 363B.115, 363B.120, 363B.130, 363B.140, 363B.150, 363B.160,
4 363B.170, 363B.180, 363B.190, 363B.200, 363B.210, 363B.220,
5 363B.230, 363B.240 and 363B.250 are hereby repealed.

6 2. Section 1 of chapter 429, Statutes of Nevada 2009, at page
7 2408 is hereby repealed.

8 3. Sections 12.7 and 17.5 of chapter 449, Statutes of Nevada
9 2011, at pages 2696 and 2701, respectively, are hereby repealed.

10 **Sec. 81.** 1. This section and sections 76 and 77 of this act
11 and subsections 2 and 3 of section 80 of this act become effective
12 upon passage and approval.

13 2. Sections 1 to 75, inclusive, of this act, subsection 1 of
14 section 80 of this act and sections 78 and 79 of this act become
15 effective:

16 (a) Upon passage and approval for the purposes of adopting
17 regulations and performing any other preparatory administrative
18 tasks that are necessary to carry out the provisions of this act; and

19 (b) On July 1, 2015, for all other purposes.

20 3. Section 41 of this act expires by limitation on June 30, 2023.

21 4. Sections 42, 43 and 44 of this act expire by limitation on
22 June 30, 2036.

**LEADLINES OF REPEALED SECTIONS OF NRS
AND TEXT OF REPEALED SECTIONS OF STATUTES OF
NEVADA**

363B.010 Definitions.

363B.015 “Business activity” defined.

363B.020 “Commission” defined.

363B.030 “Employer” defined.

363B.040 “Employment” defined.

363B.050 “Taxpayer” defined.

363B.060 Duties of Department.

363B.070 Maintenance and availability of records of taxpayer; penalty.

363B.080 Examination of records by Department; payment of expenses of Department for examination of records outside State.

363B.110 Imposition, amount and payment of tax; filing of return.



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

363B.120 Partial abatement of tax during initial period of operation of employer.

363B.130 Extension of time for payment; payment of interest during period of extension.

363B.140 Certification of excess amount collected; credit and refund.

363B.150 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.

363B.160 Interest on overpayments; disallowance of interest.

363B.170 Injunction or other process to prevent collection of tax prohibited; filing of claim is condition precedent to maintaining action for refund.

363B.180 Action for refund: Period for commencement; venue; waiver.

363B.190 Rights of claimant upon failure of Department to mail notice of action on claim; allocation of judgment for claimant.

363B.200 Allowance of interest in judgment for amount illegally collected.

363B.210 Standing to recover.

363B.220 Action for recovery of erroneous refund: Jurisdiction; venue; prosecution.

363B.230 Cancellation of illegal determination.

363B.240 Prohibited acts; penalty.

363B.250 Remedies of State are cumulative.

Section 1 of chapter 429, Statutes of Nevada 2009, at page 2408:

Section 1. Assembly Bill No. 146 of this session is hereby amended by adding thereto new sections to be designated as sections 44.3 and 44.7, immediately following sec. 44, to read as follows:

Sec. 44.3. Section 11 of this act is hereby amended to read as follows:

Sec. 11. 1. A person shall not conduct a business in this State unless and until the person obtains a state business license issued by the Secretary of State. If the person is:

(a) An entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business license at the time of filing the initial or annual list.



(b) Not an entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business license before conducting a business in this State.

2. An application for a state business license must:

(a) Be made upon a form prescribed by the Secretary of State;

(b) Set forth the name under which the applicant transacts or intends to transact business, or if the applicant is an entity organized pursuant to this title and on file with the Secretary of State, the exact name on file with the Secretary of State, the entity number as assigned by the Secretary of State, if known, and the location in this State of his place or places of business;

(c) Be accompanied by a fee in the amount of ~~1\$200.1~~ **\$100**; and

(d) Include any other information that the Secretary of State deems necessary.

↳ If the applicant is an entity organized pursuant to this title and on file with the Secretary of State and the applicant has no location in this State of its place of business, the address of its registered agent shall be deemed to be the location in this State of its place of business.

3. The application must be signed pursuant to NRS 239.330 by:

(a) The owner of a business that is owned by a natural person.

(b) A member or partner of an association or partnership.

(c) A general partner of a limited partnership.

(d) A managing partner of a limited-liability partnership.

(e) A manager or managing member of a limited-liability company.

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

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

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



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

- (a) Is organized pursuant to this title, other than a business organized pursuant to chapter 82 or 84 of NRS;
- (b) Has an office or other base of operations in this State;
- (c) Has a registered agent in this State; or
- (d) Pays wages or other remuneration to a natural person who performs in this State any of the duties for which he is paid.

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

Sec. 44.7. Section 14 of this act is hereby amended to read as follows:

Sec. 14. 1. A person who applies for renewal of a state business license shall submit a fee in the amount of ~~1\$2001~~ **\$100** to the Secretary of State:

(a) If the person is an entity required to file an annual list with the Secretary of State pursuant to this title, at the time the person submits the annual list to the Secretary of State, unless the person submits a certificate or other form evidencing the dissolution of the entity; or

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

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

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

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

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



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

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

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

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

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

Section 12.7 of chapter 449, Statutes of Nevada 2011, at page 2696:

Sec. 12.7. NRS 362.120 is hereby amended to read as follows:

362.120 1. The Department shall, from the statement filed pursuant to NRS 362.110 and from all obtainable data, evidence and reports, compute in dollars and cents the gross yield and net proceeds of the calendar year immediately preceding the year in which the statement is filed.

2. The gross yield must include the value of any mineral extracted which was:

- (a) Sold;
- (b) Exchanged for any thing or service;
- (c) Removed from the State in a form ready for use or sale; or
- (d) Used in a manufacturing process or in providing a service,
↳ during that period.

3. The net proceeds are ascertained and determined by subtracting from the gross yield the following deductions for costs incurred during that period, and none other:



(a) The actual cost of extracting the mineral, which is limited to direct costs for activities performed in the State of Nevada.

(b) The actual cost of transporting the mineral to the place or places of reduction, refining and sale.

(c) The actual cost of reduction, refining and sale.

(d) The actual cost of delivering the mineral.

(e) The actual cost of maintenance and repairs of:

(1) All machinery, equipment, apparatus and facilities used in the mine.

(2) All milling, refining, smelting and reduction works, plants and facilities.

(3) All facilities and equipment for transportation except those that are under the jurisdiction of the Public Utilities Commission of Nevada or the Nevada Transportation Authority.

(f) Depreciation of the original capitalized cost of the machinery, equipment, apparatus, works, plants and facilities mentioned in paragraph (e). The annual depreciation charge consists of amortization of the original cost in a manner prescribed by regulation of the Nevada Tax Commission and approved by the Mining Oversight and Accountability Commission created by section 5 of this act. The probable life of the property represented by the original cost must be considered in computing the depreciation charge.

(g) *All money expended for premiums for industrial insurance, and the actual cost of hospital and medical attention and accident benefits and group insurance for employees actually engaged in mining operations within the State of Nevada.*

(h) All money paid as contributions or payments under the unemployment compensation law of the State of Nevada, as contained in chapter 612 of NRS, all money paid as contributions under the Social Security Act of the Federal Government, and all money paid to either the State of Nevada or the Federal Government under any amendment to either or both of the statutes mentioned in this paragraph.

~~(h)~~ (i) The costs of employee travel which occurs within the State of Nevada and which is directly related to mining operations within the State of Nevada.

~~(i)~~ (j) The costs of Nevada-based corporate services relating to paragraphs (e) to ~~(h)~~ (i), inclusive.

~~(j)~~ (k) The actual cost of developmental work in or about the mine or upon a group of mines when operated as a



unit, which is limited to work that is necessary to the operation of the mine or group of mines.

~~(k)~~ (l) The costs of reclamation work in the years the reclamation work occurred, including, without limitation, costs associated with the remediation of a site.

~~(j)~~ (m) All money paid as royalties by a lessee or sublessee of a mine or well, or by both, in determining the net proceeds of the lessee or sublessee, or both.

4. Royalties deducted by a lessee or sublessee constitute part of the net proceeds of the minerals extracted, upon which a tax must be levied against the person to whom the royalty has been paid.

5. Every person acquiring property in the State of Nevada to engage in the extraction of minerals and who incurs any of the expenses mentioned in subsection 3 shall report those expenses and the recipient of any royalty to the Department on forms provided by the Department. The Department shall report annually to the Mining Oversight and Accountability Commission the expenses and deductions of each mining operation in the State of Nevada.

6. The several deductions mentioned in subsection 3 do not include any expenditures for salaries, or any portion of salaries, of any person not actually engaged in:

- (a) The working of the mine;
- (b) The operating of the mill, smelter or reduction works;
- (c) The operating of the facilities or equipment for transportation;
- (d) Superintending the management of any of those operations;
- (e) The State of Nevada, in office, clerical or engineering work necessary or proper in connection with any of those operations; or

(f) Nevada-based corporate services.

7. The following expenses are specifically excluded from any deductions from the gross yield:

- (a) The costs of employee housing.
- (b) Except as otherwise provided in paragraph ~~(h)~~ (i) of subsection 3, the costs of employee travel.
- (c) The costs of severing the employment of any employees.
- (d) Any dues paid to a third-party organization or trade association to promote or advertise a product.
- (e) Expenses relating to governmental relations or to compensate a natural person or entity to influence legislative decisions.



- (f) The costs of mineral exploration.
- (g) Any federal, state or local taxes.

8. As used in this section, "Nevada-based corporate services" means corporate services which are performed in the State of Nevada from an office located in this State and which directly support mining operations in this State, including, without limitation, accounting functions relating to mining operations at a mine site in this State such as payroll, accounts payable, production reporting, cost reporting, state and local tax reporting and recordkeeping concerning property.

Section 17.5 of chapter 449, Statutes of Nevada 2011, at page 2701:

Sec. 17.5. The amendatory provisions of section 12.7 of this act:

1. Do not apply to or affect any determination of gross yield or net proceeds required pursuant to NRS 362.100 to 362.240, inclusive, for the calendar year 2013.

2. Apply for the purposes of estimating and determining gross yield and net proceeds pursuant to NRS 362.100 to 362.240, inclusive, for the calendar year 2014 and each calendar year thereafter.

