

SENATE BILL NO. 110—SENATOR LEE

PREFILED FEBRUARY 2, 2011

Referred to Committee on Government Affairs

SUMMARY—Requires the establishment of a centralized licensing office for business licenses in each county in this State. (BDR 20-820)

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

~

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

AN ACT relating to businesses; requiring each board of county commissioners to establish a centralized licensing office to issue business licenses in the county; requiring each city and town to cooperate with the board of county commissioners in operating the centralized licensing office and to assign certain proceeds of the city’s or town’s license taxes to the operating costs of the office; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law authorizes counties, cities and towns to issue business licenses and  
2 permits to operate a business within the limits of the county, city or town and to  
3 collect taxes on those licenses. (NRS 244.335, 266.355, 268.095, 269.170) **Section**  
4 **1** of this bill requires each board of county commissioners to establish a centralized  
5 licensing office within the county where a person may apply for and obtain all the  
6 business licenses and permits required by the county, city or town in which the  
7 business will operate. **Section 2** of this bill requires each city council or other  
8 governing body of a city to cooperate with the board of county commissioners of  
9 the county in which the city is located in operating the centralized licensing office  
10 and further requires the city, if requested by the board of county commissioners, to  
11 contribute money to defray a portion of the operating and maintenance costs of the  
12 office.

13 Existing law provides several uses to which a city may put the license taxes it  
14 collects on business licenses. (NRS 268.095) **Section 3** of this bill expands that list  
15 to include supporting the operating and maintenance costs of the centralized  
16 licensing office. **Section 4** of this bill requires each town board of an  
17 unincorporated town to cooperate with the board of county commissioners of the  
18 county in which the town is located in operating the centralized licensing office and  
19 further requires the town, if requested by the board of county commissioners, to



\* S B 1 1 0 \*

20 contribute money to defray a portion of the operating and maintenance costs of the  
21 office.

---

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

1     **Section 1.** Chapter 244 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3     1. *The board of county commissioners in each county shall*  
4 *establish a centralized licensing office where a person may apply*  
5 *for and obtain a business license and any other permit required by*  
6 *the county license board, a city licensing agency or any other*  
7 *licensing authority in the county, city or town in which the*  
8 *business will operate.*

9     2. *The centralized licensing office must meet the standards*  
10 *and requirements established by the Secretary of State pursuant to*  
11 *NRS 75.100 as necessary to participate in the state business portal.*

12     3. *The centralized licensing office shall provide upon request*  
13 *an application for a state business license pursuant to chapter 76*  
14 *of NRS.*

15     **Sec. 2.** Chapter 268 of NRS is hereby amended by adding  
16 thereto a new section to read as follows:

17     *The city council or other governing body of each incorporated*  
18 *city in this State, whether organized under general law or special*  
19 *charter, shall:*

20     1. *Cooperate with the board of county commissioners of the*  
21 *county within which the city is situated in operating the*  
22 *centralized licensing office established in that county pursuant to*  
23 *section 1 of this act; and*

24     2. *If requested by that board of county commissioners,*  
25 *contribute money to assist the board of county commissioners in*  
26 *defraying a portion of the costs of operating and maintaining the*  
27 *centralized licensing office from the proceeds of license taxes*  
28 *collected by the city pursuant to NRS 268.095.*

29     **Sec. 3.** NRS 268.095 is hereby amended to read as follows:

30     268.095 1. Except as otherwise provided in subsection 4, the  
31 city council or other governing body of each incorporated city in  
32 this State, whether organized under general law or special charter,  
33 may:

34     (a) Except as otherwise provided in subsection 2 and NRS  
35 268.0968 and 576.128, fix, impose and collect for revenues or for  
36 regulation, or both, a license tax on all character of lawful trades,  
37 callings, industries, occupations, professions and businesses  
38 conducted within its corporate limits.



\* S B 1 1 0 \*

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

4 (1) As a pledge as additional security for the payment of any  
5 general obligation bonds issued pursuant to NRS 244A.597 to  
6 244A.655, inclusive;

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

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

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

15 (5) For improving, extending and bettering recreational  
16 facilities authorized by NRS 244A.597 to 244A.655, inclusive;  
17 ~~and~~

18 (6) For constructing, purchasing or otherwise acquiring such  
19 recreational facilities ~~and~~; *and*

20 (7) *For operating and maintaining the centralized licensing*  
21 *office established pursuant to section 1 of this act.*

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

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

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

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

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

35 2. The city council or other governing body of an incorporated  
36 city shall not require that a person who is licensed as a contractor  
37 pursuant to chapter 624 of NRS obtain more than one license to  
38 engage in the business of contracting or pay more than one license  
39 tax related to engaging in the business of contracting, regardless of  
40 the number of classifications or subclassifications of licensing for  
41 which the person is licensed pursuant to chapter 624 of NRS.

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



1 4. The city council or other governing body of an incorporated  
2 city shall not require a person to obtain a license or pay a license tax  
3 on the sole basis that the person is a professional. No license to  
4 engage in any type of business may be granted unless the applicant  
5 for the license signs an affidavit affirming that the business has  
6 complied with the provisions of chapter 76 of NRS. The city  
7 licensing agency shall provide upon request an application for a  
8 business license pursuant to chapter 76 of NRS. As used in this  
9 subsection, "professional" means a person who:

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

14 (b) Practices his or her profession for any type of compensation  
15 as an employee.

16 5. No license to engage in business as a seller of tangible  
17 personal property may be granted unless the applicant for the license  
18 presents written evidence that:

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

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

24 6. Any license tax levied under the provisions of this section  
25 constitutes a lien upon the real and personal property of the business  
26 upon which the tax was levied until the tax is paid. The lien has the  
27 same priority as a lien for general taxes. The lien must be enforced:

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

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

35 and  
36 (4) A verification by the oath of any member of the board of  
37 county commissioners or the county fair and recreation board; and

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

43 7. The city council or other governing body of each  
44 incorporated city may delegate the power and authority to enforce  
45 such liens to the county fair and recreation board. If the authority is



1 so delegated, the governing body shall revoke or suspend the license  
2 of a business upon certification by the board that the license tax has  
3 become delinquent, and shall not reinstate the license until the tax is  
4 paid. Except as otherwise provided in NRS 239.0115 and 268.0966,  
5 all information concerning license taxes levied by an ordinance  
6 authorized by this section or other information concerning the  
7 business affairs or operation of any licensee obtained as a result of  
8 the payment of those license taxes or as the result of any audit or  
9 examination of the books of the city by any authorized employee of  
10 a county fair and recreation board for any license tax levied for the  
11 purpose of NRS 244A.597 to 244A.655, inclusive, is confidential  
12 and must not be disclosed by any member, official or employee of  
13 the county fair and recreation board or the city imposing the license  
14 tax unless the disclosure is authorized by the affirmative action of a  
15 majority of the members of the appropriate county fair and  
16 recreation board. Continuing disclosure may be so authorized under  
17 an agreement with the Department of Taxation or the Secretary of  
18 State for the exchange of information concerning taxpayers.

19 8. The powers conferred by this section are in addition and  
20 supplemental to, and not in substitution for, and the limitations  
21 imposed by this section do not affect the powers conferred by, any  
22 other law. No part of this section repeals or affects any other law or  
23 any part thereof, it being intended that this section provide a  
24 separate method of accomplishing its objectives, and not an  
25 exclusive one.

26 **Sec. 4.** Chapter 269 of NRS is hereby amended by adding  
27 thereto a new section to read as follows:

28 *In an unincorporated town with a town board form of*  
29 *government, the town board shall:*

30 *1. Cooperate with the board of county commissioners of the*  
31 *county within which the town is situated in operating the*  
32 *centralized licensing office established in that county pursuant to*  
33 *section 1 of this act; and*

34 *2. If requested by that board of county commissioners,*  
35 *contribute money to assist the board of county commissioners in*  
36 *defraying a portion of the costs of operating and maintaining the*  
37 *centralized licensing office from the proceeds of license taxes*  
38 *collected by the town pursuant to NRS 269.170.*

39 **Sec. 5.** This act becomes effective upon passage and approval.







