
SENATE BILL NO. 406—SENATORS SMITH, DENIS,
WOODHOUSE, PARKS; AND ATKINSON

MARCH 18, 2013

JOINT SPONSORS: ASSEMBLYMEN KIRKPATRICK,
SPRINKLE; AND DONDERO LOOP

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing tourism improvement districts. (BDR 21-139)

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

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

AN ACT relating to tourism improvement districts; prohibiting the pledge of the proceeds of certain taxes to finance a project within a tourism improvement district created on or after July 1, 2013; revising provisions relating to certain reports prepared by the Department of Taxation; prohibiting the financing or reimbursement of certain projects that include the relocation of certain retail facilities to a tourism improvement district; making various other changes relating to tourism improvement districts; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the governing body of any city or county to create a
2 tourism improvement district (TID) and to pledge revenue from several sales and
3 use taxes imposed in that district to finance certain projects within the district. The
4 projects may be owned by the municipality, another governmental entity or any
5 person and may be financed through the issuance of bonds or the entry into
6 agreements for the reimbursement of the costs of the projects. (Chapter 271A of
7 NRS) **Section 1** of this bill prohibits a municipality from pledging the proceeds of
8 certain taxes to finance a project within a TID created on or after July 1, 2013.
9 Existing law requires the Department of Taxation to prepare and submit to the
10 Legislature and a municipality that creates a TID semiannual reports regarding
11 businesses within the TID. (NRS 271A.105) **Section 2** of this bill requires the



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12 report to provide information separately for each TID within the municipality
13 unless the reporting of information separately for each TID would disclose or result
14 in the disclosure of information about an individual business, in which case **section**
15 **2** requires the report to provide information in the aggregate. **Section 2** also
16 provides that the Department of Taxation is not required to prepare and submit a
17 semiannual report if the report cannot be prepared and submitted in a manner which
18 would not disclose or lead to the disclosure of information about an individual
19 business.

20 Existing law prohibits, with respect to a TID created on or after July 1, 2011,
21 the financing of or reimbursement for a project that includes the relocation within
22 the TID of a retailer from another location within 3 miles outside of the boundary
23 of the TID. (NRS 271A.125) **Section 3** of this bill prohibits the financing of or
24 reimbursement for a project that includes the relocation of a retailer to a TID from
25 another location within the county within 6 months after closing the location
26 outside of the TID. **Section 3** also provides an exception to this prohibition if the
27 governing body of the municipality, with respect to any district created before
28 July 1, 2013, obtains an opinion from independent bond counsel stating that the
29 applicability of the provision would impair an existing contract for the sale of
30 bonds that were issued before July 1, 2013.

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

1 **Section 1.** NRS 271A.070 is hereby amended to read as
2 follows:

3 271A.070 1. Except as otherwise provided in this section and
4 NRS 271A.080, the governing body of a municipality may:

5 (a) Create a tourism improvement district for the purposes of
6 carrying out this chapter and revise the boundaries of the district by
7 adopting an ordinance describing the boundaries of the district and
8 generally describing the types of projects which may be financed
9 within the district pursuant to this chapter.

10 (b) Without any election, acquire, improve, equip, operate and
11 maintain a project within a district created pursuant to paragraph (a).
12 The project may be owned by the municipality, another
13 governmental entity, any other person, or any combination thereof.

14 (c) For the purposes of carrying out paragraph (b), include in an
15 ordinance adopted pursuant to paragraph (a) the pledge of a single
16 percentage specified in the ordinance, which must not exceed 75
17 percent, of:

18 (1) An amount equal to the proceeds of the taxes imposed
19 pursuant to NRS 372.105 and 372.185 with regard to tangible
20 personal property sold at retail, or stored, used or otherwise
21 consumed, in the district during a fiscal year, after the deduction of
22 a sum equal to 1.75 percent of the amount of those proceeds;

23 (2) The amount of the proceeds of the taxes imposed
24 pursuant to NRS 374.110 and 374.190 with regard to tangible
25 personal property sold at retail, or stored, used or otherwise



1 consumed, in the district during a fiscal year, after the deduction of
2 0.75 percent of the amount of those proceeds; and

3 (3) The amount of the proceeds of the tax imposed pursuant
4 to NRS 377.030 with regard to tangible personal property sold at
5 retail, or stored, used or otherwise consumed, in the improvement
6 district during a fiscal year, after the deduction of 1.75 percent of
7 the amount of those proceeds.

8 2. *The governing body of a municipality may not include in*
9 *an ordinance adopted pursuant to paragraph (a) of subsection 1*
10 *on or after July 1, 2013, the pledge of any proceeds described in*
11 *subparagraph (2) of paragraph (c) of subsection 1.*

12 3. A district created pursuant to this section by:

13 (a) A city must be located entirely within the boundaries of that
14 city.

15 (b) A county must be located entirely within the boundaries of
16 that county and, when the district is created, entirely outside of the
17 boundaries of any city.

18 ~~3.1~~ 4. If any property within the boundaries of a district is also
19 included within the boundaries of any other tourism improvement
20 district or any improvement district for which any money has been
21 pledged pursuant to NRS 271.650, the total amount of money
22 pledged pursuant to this section and NRS 271.650 with respect to
23 such property by all such districts must not exceed the amount
24 authorized pursuant to this section.

25 ~~4.1~~ 5. The governing body of a municipality shall not, after
26 October 1, 2009, create a tourism improvement district that includes
27 within its boundaries any property included within the boundaries of
28 a redevelopment area established pursuant to chapter 279 of NRS.

29 **Sec. 2.** NRS 271A.105 is hereby amended to read as follows:

30 271A.105 1. On or before September 1 of each year, the
31 governing body of a municipality that creates a district before, on or
32 after July 1, 2011, shall prepare and submit to the Director of the
33 Legislative Counsel Bureau for submission to the Legislature, or to
34 the Legislative Commission when the Legislature is not in regular
35 session, an annual report containing:

36 (a) A statement of the status of each project located or expected
37 to be located in the district, and of any changes in that status since
38 the last annual report.

39 (b) An assessment of the financial impact of the district on the
40 provision of local governmental services, including, without
41 limitation, services for police protection and fire protection.

42 2. If the governing body of a municipality creates a district
43 before, on or after July 1, 2011, the Department of Taxation shall:

44 (a) On or before April 1 and October 1 of each year, *except as*
45 *otherwise provided in subsection 3*, prepare and submit to the



1 Director of the Legislative Counsel Bureau for submission to the
2 Legislature, or to the Legislative Commission when the Legislature
3 is not in regular session, and to the governing body of the
4 municipality a semiannual report which states:

5 (1) The amount of revenue from the taxable sales made each
6 month by ~~feach business~~ *the businesses* within the district;

7 (2) To the extent that the pertinent information is available,
8 the portion of that revenue which is attributable to persons who are
9 not residents of this State;

10 (3) The amount of the wages paid each month by ~~feach~~
11 ~~business~~ *the businesses* within the district; and

12 (4) The number of full-time and part-time employees
13 employed each month by ~~feach business~~ *the businesses* within the
14 district.

15 *↪ The report must provide the information separately for each*
16 *district in the municipality unless reporting the information*
17 *separately would disclose or result in the disclosure of information*
18 *about an individual business, in which case the report must*
19 *provide the information in the aggregate.*

20 (b) Require each business within the district to report to the
21 Department of Taxation, at such times as the Department may
22 specify on a form provided by the Department, such information as
23 the Department determines to be necessary to carry out the
24 provisions of paragraph (a).

25 3. ~~Except as otherwise provided in subsection 2 or another~~
26 ~~specific statute, the~~ *The* Department of Taxation ~~shall not disclose~~
27 ~~any information reported to the Department pursuant to subsection~~
28 ~~2-~~ *is not required to prepare and submit a report pursuant to*
29 *paragraph (a) of subsection 2 if the report cannot be prepared in a*
30 *manner which would not disclose or result in the disclosure of*
31 *information about an individual business.*

32 4. As used in this section, "taxable sales" means any sales that
33 are taxable pursuant to chapter 372 of NRS.

34 **Sec. 3.** NRS 271A.125 is hereby amended to read as follows:

35 271A.125 ~~The~~

36 1. *The* governing body of a municipality:

37 ~~H-~~ *(a)* Shall require the review of each claim submitted
38 pursuant to any contract or other agreement made with the
39 governing body to provide any financing or reimbursement pursuant
40 to NRS 271A.120, by an independent auditor.

41 ~~2-~~ *(b)* Shall not ~~-, with respect to any district created on or~~
42 ~~after July 1, 2011,~~ provide any financing or reimbursement
43 pursuant to NRS 271A.120 for:

44 ~~(a)~~ *(1)* Any legal fees, accounting fees, costs of insurance,
45 fees for legal notices or costs to amend any ordinances.



1 ~~{(b)}~~ (2) Any project that includes the relocation ~~{on or after~~
2 ~~{July 1, 2011,}~~ to the district of any retail facilities of a retailer from
3 another location outside of ~~{and within 3 miles of}~~ the boundary of
4 the district ~~{}~~ *and within the county in which the district is located*
5 *if the relocation occurs within 6 months after the facilities located*
6 *outside of the boundary of the district are closed.* Each pledge of
7 money pursuant to NRS 271A.070 shall be deemed to exclude any
8 amounts attributable to any tangible personal property sold at retail,
9 or stored, used or otherwise consumed, in the district during a fiscal
10 year by a retailer who, on or after July 1, ~~{2011,}~~ 2013, relocates any
11 of its retail facilities to the district from another location outside of
12 ~~{and within 3 miles of}~~ the boundary of the district ~~{}~~ *and within*
13 *the county where the district is located.*

14 2. *The provisions of subparagraph (2) of paragraph (b) of*
15 *subsection 1 do not apply to the governing body of a municipality*
16 *with respect to any district created before July 1, 2013, if the*
17 *governing body obtains an opinion from independent bond*
18 *counsel stating that the applicability of the provisions of*
19 *paragraph (b) of subsection 1 would impair an existing contract*
20 *for the sale of bonds that were issued before July 1, 2013.*

21 **Sec. 4.** This act becomes effective on July 1, 2013.

