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FIRST REPRINT

S.B. 406

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, with limited exceptions, the pledge of the proceeds of certain taxes to finance a project within a tourism improvement district created or revised 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; prohibiting, with limited exceptions, the financing or reimbursement from the proceeds of certain taxes that are collected from any retail facilities of a retailer that, on or after July 1, 2013, locate within the boundary of 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



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6 agreements for the reimbursement of the costs of the projects. (Chapter 271A of  
7 NRS) **Section 1** of this bill prohibits, with limited exceptions, a municipality from  
8 pledging the proceeds of the Local School Support Tax to finance a project within a  
9 TID created or revised on or after July 1, 2013. **Sections 1.5, 2.3, 2.7 and 3.5** of  
10 this bill make conforming changes.

11 **Section 1** also authorizes a municipality to create a TID that includes within its  
12 boundaries any property that is included in a redevelopment area but prohibits  
13 using the financing and reimbursement mechanisms of both the TID and the  
14 redevelopment area for a project.

15 Existing law requires the Department of Taxation to prepare and submit to the  
16 Legislature and a municipality that creates a TID semiannual reports regarding  
17 businesses within the TID. (NRS 271A.105) **Section 2** of this bill requires the  
18 report to provide information separately for each TID within the municipality  
19 unless the reporting of information separately for each TID would disclose or result  
20 in the disclosure of information about an individual business, in which case **section**  
21 **2** requires the report to provide information in the aggregate. **Section 2** also  
22 provides that the Department of Taxation is not required to prepare and submit a  
23 semiannual report if the report cannot be prepared and submitted in a manner which  
24 would not disclose or lead to the disclosure of information about an individual  
25 business.

26 Existing law prohibits, with respect to a TID created on or after July 1, 2011,  
27 the financing of or reimbursement for a project that includes the relocation within  
28 the TID of a retailer from another location within 3 miles outside of the boundary  
29 of the TID. (NRS 271A.125) **Section 3** of this bill prohibits the financing of or  
30 reimbursement for a project that includes the relocation of a retailer to a TID from  
31 another location outside of the TID and within 15 miles of the boundaries of the  
32 TID if the relocation occurs within 6 months after closing the location outside of  
33 the TID. **Section 3** also prohibits any financing or reimbursement from the  
34 proceeds of the Local School Support Tax that are collected from retail facilities  
35 that, on or after July 1, 2013, locate within the boundary of the TID. **Section 3**  
36 further provides exceptions to these prohibitions if the governing body of the  
37 municipality, with respect to any district created before July 1, 2013, obtains an  
38 opinion from independent bond counsel stating that the applicability of the  
39 provision would impair an existing contract for the sale of bonds that were issued  
40 before July 1, 2013.

41 **Section 3** also requires an owner of a project to provide, upon request, to the  
42 Department of Taxation information that identifies the retail facilities which open  
43 or close within the project.

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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.



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

5 (c) For the purposes of carrying out paragraph (b), include in an  
6 ordinance adopted pursuant to paragraph (a) the pledge of a single  
7 percentage specified in the ordinance, which must not exceed 75  
8 percent, of:

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

14 (2) The amount of the proceeds of the taxes imposed  
15 pursuant to NRS 374.110 and 374.190 with regard to tangible  
16 personal property sold at retail, or stored, used or otherwise  
17 consumed, in the district during a fiscal year, after the deduction of  
18 0.75 percent of the amount of those proceeds; and

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

24 2. *The governing body of a municipality may not include in*  
25 *an ordinance adopted to create or revise the boundaries of a*  
26 *district pursuant to paragraph (a) of subsection 1 on or after*  
27 *July 1, 2013, the pledge of any proceeds described in*  
28 *subparagraph (2) of paragraph (c) of subsection 1. The provisions*  
29 *of this subsection do not apply to the governing body of a*  
30 *municipality with respect to any district created before July 1,*  
31 *2013, if the governing body obtains an opinion from independent*  
32 *bond counsel stating that the applicability of this provision would*  
33 *impair an existing contract for the sale of bonds which were*  
34 *issued before July 1, 2013.*

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

36 (a) A city must be located entirely within the boundaries of that  
37 city.

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

41 ~~3.3~~ 4. If any property within the boundaries of a district is also  
42 included within the boundaries of any other tourism improvement  
43 district or any improvement district for which any money has been  
44 pledged pursuant to NRS 271.650, the total amount of money  
45 pledged pursuant to this section and NRS 271.650 with respect to



1 such property by all such districts must not exceed the amount  
2 authorized pursuant to this section.

3 ~~4.] 5. [The] If the~~ governing body of a municipality ~~[shall~~  
4 ~~not, after October 1, 2009, create]~~ *creates* a tourism improvement  
5 district that includes within its boundaries any property included  
6 within the boundaries of a redevelopment area established pursuant  
7 to chapter 279 of NRS ~~H~~, *the governing body or an agency shall*  
8 *not provide any financing or reimbursement related to any project*  
9 *or redevelopment project pursuant to the provisions of both NRS*  
10 *271A.120 and 279.610 to 279.685, inclusive. As used in this*  
11 *subsection:*

12 (a) *“Agency” has the meaning ascribed to it in NRS 279.386.*

13 (b) *“Redevelopment project” has the meaning ascribed to it in*  
14 *NRS 279.412.*

15 **Sec. 1.5.** NRS 271A.080 is hereby amended to read as  
16 follows:

17 271A.080 The governing body of a municipality shall not  
18 adopt an ordinance pursuant to NRS 271A.070 unless:

19 1. If the ordinance:

20 (a) Creates a district, the governing body has determined that no  
21 retailers will have maintained or will be maintaining a fixed place of  
22 business within the district on or within the 120 days immediately  
23 preceding the date of the adoption of the ordinance; or

24 (b) Amends the boundaries of the district to add any additional  
25 area, the governing body has determined that no retailers will have  
26 maintained or will be maintaining a fixed place of business within  
27 that area on or within 120 days immediately preceding the date of  
28 the adoption of the ordinance.

29 2. The governing body has made a written finding at a public  
30 hearing that the project will benefit the district.

31 3. The governing body has made a written finding at a public  
32 hearing, based upon reports from independent consultants which  
33 were addressed to the governing body ~~H~~ *and* to the board of county  
34 commissioners, if the governing body is not the board of county  
35 commissioners for the county in which the tourism improvement  
36 district is or will be located, ~~[and to the board of trustees of the~~  
37 ~~school district in which the tourism improvement district is or will~~  
38 ~~be located.]~~ as to whether the project and the financing thereof  
39 pursuant to this chapter will have a positive fiscal effect on the  
40 provision of local governmental services, after considering:

41 (a) The amount of the proceeds of all taxes and other  
42 governmental revenue projected to be received as a result of the  
43 properties and businesses expected to be located in the district;

44 (b) The use of any money proposed to be pledged pursuant to  
45 NRS 271A.070;



1 (c) Any increase in costs for the provision of local governmental  
2 services, including, without limitation, services for education,  
3 including operational and capital costs, and services for police  
4 protection and fire protection, as a result of the project and the  
5 development of land within the district; and

6 (d) Estimates of any increases in the proceeds from sales and use  
7 taxes collected by retailers located outside of the district and of any  
8 displacement of the proceeds from sales and use taxes collected by  
9 those retailers, as a result of the properties and businesses expected  
10 to be located in the district.

11 ➔ The reports required from independent consultants pursuant to  
12 this subsection must be obtained from independent consultants  
13 selected by the governing body from a list of independent  
14 consultants provided by the Commission on Tourism. For the  
15 purposes of this subsection, the Commission shall, upon the request  
16 of a governing body, provide the governing body with a list of at  
17 least three qualified independent consultants, each of whom must be  
18 located outside of this State.

19 4. ~~{The governing body has, at least 45 days before making the~~  
20 ~~written finding required by subsection 3, provided to the board of~~  
21 ~~trustees of the school district in which the tourism improvement~~  
22 ~~district is or will be located:~~

23 ~~—(a) Written notice of the time and place of the meeting at which~~  
24 ~~the governing body will consider making that written finding; and~~

25 ~~—(b) Each analysis prepared by or for or presented to the~~  
26 ~~governing body regarding the fiscal effect of the project and the use~~  
27 ~~of any money proposed to be pledged pursuant to NRS 271A.070 on~~  
28 ~~the provision of local governmental services, including education.~~

29 ~~➔ After the receipt of the notice required by this subsection and~~  
30 ~~before the date of the meeting at which the governing body will~~  
31 ~~consider making the written finding required by subsection 3, the~~  
32 ~~board of trustees shall conduct a hearing regarding the fiscal effect~~  
33 ~~on the school district, if any, of the project and the use of any money~~  
34 ~~proposed to be pledged pursuant to NRS 271A.070, and may submit~~  
35 ~~to the governing body of the municipality any comments regarding~~  
36 ~~that fiscal effect. The governing body shall consider those~~  
37 ~~comments when making any written finding pursuant to subsection~~  
38 ~~3 and shall consider those comments when considering the terms of~~  
39 ~~any agreement pursuant to NRS 271A.110.~~

40 ~~—5.†~~ If the governing body is not the board of county  
41 commissioners for the county in which the tourism improvement  
42 district is or will be located, the governing body has, at least 45 days  
43 before making the written finding required by subsection 3,  
44 provided to the board of county commissioners in the county in  
45 which the tourism improvement district is or will be located:



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1 (a) Written notice of the time and place of the meeting at which  
2 the governing body will consider making that written finding; and

3 (b) Each analysis prepared by or for or presented to the  
4 governing body regarding the fiscal effect of the project and the use  
5 of any money proposed to be pledged pursuant to NRS 271A.070 on  
6 the provision of local governmental services.

7 ↪ After the receipt of the notice required by this subsection and  
8 before the date of the meeting at which the governing body will  
9 consider making the written finding required by subsection 3, the  
10 board of county commissioners may conduct a hearing regarding the  
11 fiscal effect on local governmental services, if any, of the project  
12 and the use of any money proposed to be pledged pursuant to NRS  
13 271A.070, and may submit to the governing body of the  
14 municipality any comments regarding that fiscal effect. The  
15 governing body may consider those comments when making any  
16 written finding pursuant to subsection 3 and shall consider those  
17 comments when considering the terms of any agreement pursuant to  
18 NRS 271A.110.

19 ~~4-1~~ 5. The governing body has determined, at a public hearing  
20 conducted at least 15 days after providing notice of the hearing by  
21 publication, that:

22 (a) As a result of the project:

23 (1) Retailers will locate their businesses as such in the  
24 district; and

25 (2) There will be a substantial increase in the proceeds from  
26 sales and use taxes remitted by retailers with regard to tangible  
27 personal property sold at retail, or stored, used or otherwise  
28 consumed, in the district; and

29 (b) A preponderance of that increase in the proceeds from sales  
30 and use taxes will be attributable to transactions with tourists who  
31 are not residents of this State.

32 ~~4-1~~ 6. The Commission on Tourism has determined, at a  
33 public hearing conducted at least 15 days after providing notice of  
34 the hearing by publication, that a preponderance of the increase in  
35 the proceeds from sales and use taxes identified pursuant to  
36 subsection ~~4-1~~ 5 will be attributable to transactions with tourists who  
37 are not residents of this State.

38 ~~4-1~~ 8. The Governor has determined that the project and the use of  
39 any money proposed to be pledged pursuant to NRS 271A.070 will  
40 contribute significantly to economic development and tourism in  
41 this State. Before making that determination, the Governor:

42 —(a) Must consider the fiscal effects of the pledge of money on  
43 educational funding, including any fiscal effects described in  
44 comments provided pursuant to subsection 4 by the school district in  
45 which the tourism improvement district is or will be located, and for



1 ~~that purpose may require the Department of Education or the~~  
2 ~~Department of Taxation, or both, to provide an appropriate fiscal~~  
3 ~~report; and~~

4 ~~—(b) If the Governor determines that the pledge of money will~~  
5 ~~have a substantial adverse fiscal effect on educational funding, may~~  
6 ~~require a commitment from the municipality for the provision of~~  
7 ~~specified payments to the school district in which the tourism~~  
8 ~~improvement district is or will be located during the term of the use~~  
9 ~~of any money pledged pursuant to NRS 271A.070. The payments~~  
10 ~~may be provided pursuant to agreements with owners of property~~  
11 ~~within the district authorized by NRS 271A.110 or from sources~~  
12 ~~other than the owners of property within the district. Such a~~  
13 ~~commitment by a municipality is not subject to the limitations of~~  
14 ~~subsection 1 of NRS 354.626 and, notwithstanding any other law to~~  
15 ~~the contrary, is binding on the municipality for the term of the use of~~  
16 ~~any money pledged pursuant to NRS 271A.070.~~

17 ~~—9.1 7.~~ If any property within the boundaries of the district is  
18 also included within the boundaries of any other tourism  
19 improvement district or any improvement district for which any  
20 money has been pledged pursuant to NRS 271.650, all of the  
21 governing bodies which created those districts have entered into an  
22 interlocal agreement providing for:

23 (a) The apportionment of any money pledged pursuant to NRS  
24 271.650 and 271A.070 with respect to such property; and

25 (b) The priority of the application of that money between:

26 (1) Bonds issued pursuant to chapter 271 of NRS; and

27 (2) Bonds and notes issued, and agreements entered into,  
28 pursuant to NRS 271A.120.

29 ↪ Any such agreement for the priority of the application of that  
30 money may be made irrevocable during the term of any bonds  
31 issued pursuant to chapter 271 of NRS to which all or any portion of  
32 that money is pledged, or during the term of any bonds or notes  
33 issued or any agreements entered into pursuant to NRS 271A.120 to  
34 which all or any portion of that money is pledged.

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

36 271A.105 1. On or before September 1 of each year, the  
37 governing body of a municipality that creates a district before, on or  
38 after July 1, 2011, shall prepare and submit to the Director of the  
39 Legislative Counsel Bureau for submission to the Legislature, or to  
40 the Legislative Commission when the Legislature is not in regular  
41 session, an annual report containing:

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



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

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

6 (a) On or before April 1 and October 1 of each year, *except as*  
7 *otherwise provided in subsection 3*, prepare and submit to the  
8 Director of the Legislative Counsel Bureau for submission to the  
9 Legislature, or to the Legislative Commission when the Legislature  
10 is not in regular session, and to the governing body of the  
11 municipality a semiannual report which states:

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

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

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

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

22 *↳ The report must provide the information separately for each*  
23 *district in the municipality unless reporting the information*  
24 *separately would disclose or result in the disclosure of information*  
25 *about an individual business, in which case the report must*  
26 *provide the information in the aggregate.*

27 (b) Require each business within the district to report to the  
28 Department of Taxation, at such times as the Department may  
29 specify on a form provided by the Department, such information as  
30 the Department determines to be necessary to carry out the  
31 provisions of paragraph (a).

32 3. ~~{Except as otherwise provided in subsection 2 or another~~  
33 ~~specific statute, the} The Department of Taxation ~~{shall not disclose~~~~  
34 ~~any information reported to the Department pursuant to subsection~~  
35 ~~2-} is not required to prepare and submit a report pursuant to~~  
36 ~~paragraph (a) of subsection 2 if the report cannot be prepared in a~~  
37 ~~manner which would not disclose or result in the disclosure of~~  
38 ~~information about an individual business.~~

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

41 **Sec. 2.3.** NRS 271A.110 is hereby amended to read as  
42 follows:

43 271A.110 1. The governing body of a municipality may,  
44 except as otherwise provided in subsection 2, enter into an  
45 agreement with one or more of the owners of any interest in





1 property within a district, pursuant to which that owner would agree  
2 to make payments to the municipality or to another local  
3 government that provides services in the district, or to both, to  
4 defray, in whole or in part, the cost of local governmental services  
5 during the term of the use of any money pledged pursuant to NRS  
6 271A.070. Such an agreement must specify the amount to be paid  
7 by the owner of the property interest, which may be stated as a  
8 specified amount per year or as an amount based upon any formula  
9 upon which the municipality and owner agree.

10 2. The governing body of a municipality shall not enter into an  
11 agreement pursuant to subsection 1 unless ~~f~~:

12 ~~—(a) The~~ *the* governing body has made a written finding pursuant  
13 to subsection 3 of NRS 271A.080 that the project and the use of any  
14 money pledged pursuant to NRS 271A.070 will not have a positive  
15 fiscal effect on the provision of local governmental services. ~~f~~ ~~or~~

16 ~~—(b) The Governor requires a commitment from the municipality~~  
17 ~~for the provision of specified payments to the school district in~~  
18 ~~which the district is located during the term of the use of any money~~  
19 ~~pledged pursuant to NRS 271A.070.~~

20 **Sec. 2.7.** NRS 271A.120 is hereby amended to read as  
21 follows:

22 271A.120 1. Except as otherwise provided in this section, if  
23 the governing body of a municipality adopts an ordinance pursuant  
24 to NRS 271A.070, the municipality may:

25 (a) Issue, at one time or from time to time, bonds or notes as  
26 special obligations under the Local Government Securities Law to  
27 finance or refinance projects for the benefit of the district. Any such  
28 bonds or notes may be secured by a pledge of, and be payable from,  
29 any money pledged pursuant to NRS 271A.070 and received by the  
30 municipality with respect to the district, any revenue received by the  
31 municipality from any revenue-producing projects in the district, or  
32 any combination thereof.

33 (b) Enter into an agreement with one or more governmental  
34 entities or other persons to reimburse that entity or person for the  
35 cost of acquiring, improving or equipping, or any combination  
36 thereof, any project, which may contain such terms as are  
37 determined to be desirable by the governing body of the  
38 municipality, including the payment of reasonable interest and other  
39 financing costs incurred by such entity or other person. Any such  
40 reimbursements may be secured by a pledge of, and be payable  
41 from, any money pledged pursuant to NRS 271A.070 and received  
42 by the municipality with respect to the district, any revenue received  
43 by the municipality from any revenue-producing projects in the  
44 district, or any combination thereof. Such an agreement is not  
45 subject to the limitations of subsection 1 of NRS 354.626 and may,



1 at the option of the governing body, be binding on the municipality  
2 beyond the fiscal year in which it was made, only if the agreement  
3 pertains solely to one or more projects that are owned by the  
4 municipality or another governmental entity.

5 2. The governing body of a municipality shall not, with respect  
6 to any district created before, on or after July 1, 2011, provide any  
7 financing or reimbursement pursuant to this section:

8 (a) Except as otherwise provided in this paragraph, to any  
9 governmental entity for any project within the district if any  
10 nongovernmental entity is or was entitled to receive any financing  
11 or reimbursement from the municipality pursuant to this section  
12 under the original financing agreements for the initial projects  
13 within the district. This paragraph does not prohibit the provision of  
14 such financing or reimbursement to ~~f~~:

15 ~~— (1) A school district; or~~

16 ~~— (2) A~~ **a** governmental entity that is or was entitled to receive  
17 such financing or reimbursement under the original financing  
18 agreements for the initial projects within the district.

19 (b) To any person or other entity for any project within the  
20 district, other than a person or other entity that is or was entitled to  
21 receive such financing or reimbursement from the municipality  
22 under the original financing agreements for the initial projects  
23 within the district, without the consent of all the persons and other  
24 entities that were entitled to receive such financing or  
25 reimbursement under the original financing agreements for the  
26 initial projects within the district.

27 3. Before the issuance of any bonds or notes pursuant to this  
28 section, the municipality must obtain the results of a feasibility  
29 study, commissioned by the municipality, which shows that a  
30 sufficient amount will be generated from money pledged pursuant to  
31 NRS 271A.070 to make timely payment on the bonds or notes,  
32 taking into account the revenue from any other revenue-producing  
33 projects also pledged for the payment of the bonds or notes, if any.  
34 A failure to make payments of any amounts due:

35 (a) With respect to any bonds or notes issued pursuant to  
36 subsection 1; or

37 (b) Under any agreements entered into pursuant to subsection 1,  
38 **↳** because of any insufficiency in the amount of money pledged  
39 pursuant to NRS 271A.070 to make those payments shall be deemed  
40 not to constitute a default on those bonds, notes or agreements.

41 4. No bond, note or other agreement issued or entered into  
42 pursuant to this section may be secured by or payable from the  
43 general fund of the municipality, the power of the municipality to  
44 levy ad valorem property taxes, or any source other than any money  
45 pledged pursuant to NRS 271A.070 and received by the



1 municipality with respect to the district, any revenue received by the  
2 municipality from any revenue-producing projects in the district, or  
3 any combination thereof. No bond, note or other agreement issued  
4 or entered into pursuant to this section may ever become a general  
5 obligation of the municipality or a charge against its general credit  
6 or taxing powers, nor may any such bond, note or other agreement  
7 become a debt of the municipality for purposes of any limitation on  
8 indebtedness.

9 5. Any bond or note issued pursuant to this section, including  
10 any bond or note issued to refund any such bond or note, must  
11 mature on or before, and any agreement entered pursuant to this  
12 section must automatically terminate on or before, the end of the  
13 fiscal year in which the 20th anniversary of the adoption of the  
14 ordinance creating the district occurs.

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

16 271A.125 ~~{The}~~

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

18 ~~{H}~~ **(a)** Shall require the review of each claim submitted  
19 pursuant to any contract or other agreement made with the  
20 governing body to provide any financing or reimbursement pursuant  
21 to NRS 271A.120, by an independent auditor.

22 ~~{2} (b) Shall not ~~be~~, with respect to any district created on or~~  
23 ~~after July 1, 2011, provide} :~~

24 **(1) Provide** any financing or reimbursement pursuant to NRS  
25 271A.120 for:

26 ~~{(a) Any}~~

27 **(I) With respect to any district created on or after July 1,**  
28 **2011, any** legal fees, accounting fees, costs of insurance, fees for  
29 legal notices or costs to amend any ordinances.

30 ~~{(b)}~~ **(II)** Any project that includes the relocation ~~on or after~~  
31 ~~July 1, 2011,~~ to the district of any retail facilities of a retailer from  
32 another location outside of and within ~~{3} 15~~ miles of the boundary  
33 of the district ~~{H}~~ **if the relocation occurs within 6 months after the**  
34 **facilities located outside of the boundary of the district are closed.**

35 Each pledge of money pursuant to NRS 271A.070 shall be deemed  
36 to exclude any amounts attributable to any tangible personal  
37 property sold at retail, or stored, used or otherwise consumed, in the  
38 district during a fiscal year by a retailer who, on or after July 1,  
39 ~~{2011,} 2013,~~ relocates any of its retail facilities to the district from  
40 another location outside of and within ~~{3} 15~~ miles of the boundary  
41 of the district ~~{H}~~ **if the relocation occurs within 6 months after**  
42 **the facilities located outside of the boundary of the district are**  
43 **closed.**

44 **(2) Provide any financing or reimbursement pursuant to**  
45 **NRS 271A.120 from the proceeds of the taxes described in**



1 *subparagraph (2) of paragraph (c) of subsection 1 of NRS*  
2 *271A.070 that are collected from any retail facilities of a retailer*  
3 *which, on or after July 1, 2013, locates within the boundary of a*  
4 *district.*

5 *2. The provisions of sub-subparagraph (II) of subparagraph*  
6 *(1) of paragraph (b) of subsection 1 and subparagraph (2) of*  
7 *paragraph (b) of subsection 1 do not apply to the governing body*  
8 *of a municipality with respect to any district created before July 1,*  
9 *2013, if the governing body obtains an opinion from independent*  
10 *bond counsel stating that the applicability of those provisions*  
11 *would impair an existing contract for the sale of bonds that were*  
12 *issued before July 1, 2013.*

13 *3. The owner of a project shall, upon request, provide to the*  
14 *Department of Taxation information that identifies the retail*  
15 *facilities that open or close within the project.*

16 **Sec. 3.5.** NRS 360.855 is hereby amended to read as follows:

17 360.855 1. The State Controller, acting upon the collection  
18 data furnished by the Department, shall remit to the governing body  
19 of a municipality that adopts an ordinance pursuant to NRS  
20 271A.070, in the manner provided pursuant to an agreement made  
21 pursuant to NRS 271A.100:

22 (a) From the State General Fund the amount of money pledged  
23 pursuant to the ordinance in accordance with subparagraph (1) of  
24 paragraph (c) of subsection 1 of NRS 271A.070, which amount is  
25 hereby appropriated for that purpose; and

26 (b) From the Sales and Use Tax Account in the State General  
27 Fund the amount of the proceeds pledged pursuant to the ordinance  
28 in accordance with subparagraphs (2) and (3) of paragraph (c) of  
29 subsection 1 of NRS 271A.070.

30 2. Except as otherwise provided in subsection 3, the governing  
31 body of a municipality that adopts an ordinance pursuant to NRS  
32 271A.070 shall at the end of each fiscal year remit to the State  
33 Controller any amount received pursuant to this section in excess of  
34 the amount required to make payments due during that fiscal year of  
35 the principal of, interest on, and other payments or security-related  
36 costs with respect to, any bonds or notes issued pursuant to NRS  
37 271A.120 and payments due during that fiscal year under any  
38 agreements made pursuant to NRS 271A.120. The State Controller  
39 shall deposit any money received from a governing body of a  
40 municipality pursuant to this subsection in the appropriate account  
41 in the State General Fund for distribution and use as if the money  
42 had not been pledged by an ordinance adopted pursuant to NRS  
43 271A.070, in the following order of priority:

44 (a) First, to the credit of the county school district fund for the  
45 county in which the improvement district is located to the extent that



1 the money would have been transferred to that fund, if not for the  
2 pledge of the money pursuant to that ordinance, pursuant to  
3 paragraph (e) of subsection 3 of NRS 374.785 for the fiscal year in  
4 which the State Controller receives the money;

5 (b) Second, to the State General Fund to the extent that the  
6 money would not have been appropriated, if not for the pledge of  
7 the money pursuant to that ordinance, pursuant to paragraph (a) of  
8 subsection 1 for the fiscal year in which the State Controller  
9 receives the money; and

10 (c) Third, to the credit of any other funds and accounts to which  
11 the money would have been distributed, if not for the pledge of the  
12 money pursuant to that ordinance, for the fiscal year in which the  
13 State Controller receives the money.

14 3. The provisions of subsection 2 do not require a governing  
15 body to remit to the State Controller any money received pursuant to  
16 this section and expended for the purpose of prepaying, defeasing or  
17 otherwise retiring all or a portion of any bonds or notes issued  
18 pursuant to NRS 271A.120 or of prepaying amounts due under any  
19 agreements entered into pursuant to NRS 271A.120, or any  
20 combination thereof, with respect to a tourism improvement district  
21 if that use of the money has been:

22 (a) Authorized by the governing body in the ordinance creating  
23 the district pursuant to NRS 271A.070, or in an amendment thereto;  
24 and

25 (b) Approved by the governing body ~~and the~~ *and the* Commission on  
26 Tourism ~~and Governor~~ in the manner required to satisfy the  
27 requirements of subsections *5 and 6* ~~7 and 8~~ of NRS 271A.080,  
28 ~~and after the provision of notice to and an opportunity to make~~  
29 ~~comments by the board of trustees of the school district in which~~  
30 ~~the tourism improvement district is located in accordance with~~  
31 ~~subsection 4 of NRS 271A.080 and, if applicable,~~ *by the board of*  
32 *county commissioners of the county in which the tourism*  
33 *improvement district is located in accordance with subsection* ~~4~~ *4*  
34 *of NRS 271A.080.*

35 4. The Nevada Tax Commission may adopt such regulations  
36 as it deems appropriate to ensure the proper collection and  
37 distribution of any money pledged by an ordinance adopted pursuant  
38 to NRS 271A.070.

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

