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SECOND REPRINT **S.B. 306**

SENATE BILL NO. 306–SENATOR WASHINGTON

MARCH 24, 2005

Referred to Committee on Government Affairs

SUMMARY—Authorizes pledge of certain sales and use tax proceeds and state funding for certain projects for promotion of economic development and tourism. (BDR 21-1286)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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AN ACT relating to local governmental financing; authorizing under certain circumstances the pledge of certain sales and use tax proceeds and state funding for certain projects for the promotion of economic development and tourism; and providing other matters properly relating thereto.

WHEREAS, The State Legislature recognizes the importance of economic development and tourism to the State of Nevada and the need to compete effectively with other states in the promotion of economic development and tourism; and

WHEREAS, It is the intention of the State Legislature for the provisions of this act to be carried out for the promotion of economic development and tourism in the State of Nevada and for no other purpose; now, therefore,

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

Section 1. Title 21 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 14, inclusive, of this act.

Sec. 2. ***This chapter shall be known as the Tourism Improvement District Law.***

Sec. 3. ***Except as otherwise provided in sections 4 to 7, inclusive, of this act and unless the context otherwise requires, the words and terms defined in NRS 271.035 to 271.250, inclusive, and sections 4 to 7, inclusive, of this act have the meanings ascribed to them in those sections.***

Sec. 4. ***"District" means a tourism improvement district created pursuant to section 8 of this act.***

Sec. 5. ***"Municipality" means any county or city in this State.***

Sec. 6. ***"Project" means:***

1. Any project a municipality is authorized to acquire, improve, equip, operate and maintain pursuant to NRS 271.265;

2. With respect to a municipality which is:

(a) A city, any project the city is authorized to acquire, improve, equip, operate and maintain pursuant to NRS 268.730; or

(b) A county, any project the county is authorized to acquire, improve, equip, operate and maintain pursuant to subsections 1, 2 and 4 to 10, inclusive, of NRS 244A.057;

3. Any real or personal property suitable for retail, tourism or entertainment purposes;

4. Any real or personal property necessary, useful or desirable in connection with any of the projects set forth in this section; or

5. Any combination of the projects set forth in this section.

Sec. 7. ***"Retailer" has the meaning ascribed to it in NRS 374.060.***

Sec. 8. ***1. Except as otherwise provided in this section and section 9 of this act, the governing body of a municipality may:***

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

(b) Upon behalf of the municipality and in its name, without any election, acquire, improve, equip, operate and maintain a project within a district created pursuant to paragraph (a). The project may be owned by the municipality, another governmental entity, any other person, or any combination thereof.

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

(1) An amount equal to the proceeds of the taxes imposed pursuant to NRS 372.105 and 372.185 with regard to tangible personal property sold at retail, or stored, used or otherwise

consumed, in the district during a fiscal year, after the deduction of a sum equal to 0.75 percent of the amount of those proceeds; and

(2) The amount of the proceeds of the taxes imposed pursuant to NRS 374.110, 374.190 and 377.030 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the district during a fiscal year, after the deduction of 0.75 percent of the amount of those proceeds.

2. A district created pursuant to this section by:

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

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

3. If any property within the boundaries of a district is also included within the boundaries of any other tourism improvement district or any improvement district for which any money has been pledged pursuant to NRS 271.650, the total amount of money pledged pursuant to this section and NRS 271.650 with respect to such property by all such districts must not exceed the amount authorized pursuant to this section.

Sec. 9. ***The governing body of a municipality shall not adopt an ordinance pursuant to section 8 of this act unless:***

1. If the ordinance:

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

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

2. The governing body has made a determination that the project will benefit the district.

3. The governing body has made a determination, based upon reports from independent consultants which were addressed to both the governing body and the board of trustees of the school district in which the tourism improvement district is or will be located, as to whether the project and the financing thereof pursuant to this chapter will have a positive fiscal effect on the provision of local governmental services, after considering:

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

(b) The use of any money proposed to be pledged pursuant to section 8 of this act;

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

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

4. The governing body has, at least 45 days before making the determination required by subsection 3, provided to the board of trustees of the school district in which the tourism improvement district is or will be located:

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

(b) Each analysis prepared by or for or presented to the governing body regarding the fiscal effect of the project and the use of any money proposed to be pledged pursuant to section 8 of this act on the provision of local governmental services, including education.

➥ After the receipt of the notice required by this subsection and before the date of the meeting at which the governing body will consider making the determination required by subsection 3, the board of trustees shall conduct a hearing regarding the fiscal effect on the school district, if any, of the project and the use of any money proposed to be pledged pursuant to section 8 of this act, and may submit to the governing body of the municipality any comments regarding that fiscal effect. The governing body shall consider those comments when making any determination pursuant to subsection 3 and may consider those comments when considering the terms of any agreement pursuant to section 12 of this act.

5. Except as otherwise provided in section 10 of this act, the board of county commissioners of the county in which the district is or will be located has determined, at a public hearing conducted at least 15 days after providing notice of the hearing by publication, that:

(a) As a result of the project:

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

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

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

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

7. The Governor has determined that the project and the use of any money proposed to be pledged pursuant to section 8 of this act will contribute significantly to economic development and tourism in this State. Before making that determination, the Governor:

(a) Must consider the fiscal effects of the pledge of money on educational funding, including any fiscal effects described in comments provided pursuant to subsection 4 by the school district in which the tourism improvement district is or will be located, and for that purpose may require the Department of Education or the Department of Taxation, or both, to provide him with an appropriate fiscal report; and

(b) If the Governor determines that the pledge of money will have a substantial adverse fiscal effect on educational funding, may require a commitment from the municipality for the provision of specified payments to the school district in which the tourism improvement district is or will be located during the term of the use of any money pledged pursuant to section 8 this act. The payments may be provided pursuant to agreements with owners of property within the district authorized by section 12 of this act or from sources other than the owners of property within the district. Such a commitment by a municipality is not subject to the limitations of subsection 1 of NRS 354.626 and, notwithstanding any other law to the contrary, is binding on the municipality for the term of the use of any money pledged pursuant to section 8 of this act.

8. If any property within the boundaries of the district is also included within the boundaries of any other tourism improvement district or any improvement district for which any money has been pledged pursuant to NRS 271.650, all the governing bodies which *created those districts have entered into an interlocal agreement providing for:*

(a) The apportionment of any money pledged pursuant to section 8 of this act and NRS 271.650 with respect to such property; and

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

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

(2) Bonds and notes issued, and agreements entered into, pursuant to section 13 of this act.

➥ Any such agreement for the priority of the application of that money may be made irrevocable during the term of any bonds issued pursuant to chapter 271 of NRS to which all or any portion of that money is pledged, or during the term of any bonds or notes issued or any agreements entered into pursuant to section 13 of this act to which all or any portion of that money is pledged.

Sec. 10. *Any determination or approval made pursuant to section 9 of this act is conclusive in the absence of fraud or gross abuse of discretion. If a district is proposed by a city and the board of county commissioners refuses to make the determinations required by subsection 5 of section 9 of this act, the governing body of the city may request the Commission on Tourism to make those determinations. The Commission on Tourism shall make those determinations if a majority of the members of the Commission on Tourism agree that the refusal was unreasonable. If those determinations are made by the Commission on Tourism pursuant to this section, those determinations are conclusive in the absence of fraud or gross abuse of discretion, and shall be deemed to satisfy the requirements of subsection 5 of section 9 of this act.*

Sec. 11. *After the adoption of an ordinance creating a district in accordance with this chapter, the governing body of the municipality and the Department of Taxation shall enter into an agreement specifying the dates and procedure for distribution to the municipality of any money pledged pursuant to section 8 of this act. The distributions must:*

1. Be made not less frequently than once each calendar quarter; and

2. Cease at the end of the fiscal year in which the 20th anniversary of the adoption of the ordinance creating the district occurs.

Sec. 12. *1. The governing body of a municipality may, except as otherwise provided in subsection 2, enter into an agreement with one or more of the owners of any interest in property within a district, pursuant to which that owner would agree to make payments to the municipality or to another local government that provides services in the district, or to both, to*

defray, in whole or in part, the cost of local governmental services during the term of the use of any money pledged pursuant to section 8 of this act. Such an agreement must specify the amount to be paid by the owner of the property interest, which may be stated as a specified amount per year or as an amount based upon any formula upon which the municipality and owner agree.

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

(a) The governing body has determined pursuant to subsection 3 of section 9 of this act that the project and the use of any money pledged pursuant to section 8 of this act will not have a positive fiscal effect on the provision of local governmental services; or

(b) The Governor requires a commitment from the municipality for the provision of specified payments to the school district in which the district is located during the term of the use of any money pledged pursuant to section 8 of this act.

Sec. 13. ***1. Except as otherwise provided in this section, if the governing body of a municipality adopts an ordinance pursuant to section 8 of this act, the municipality may:***

(a) Issue at one time or from time to time, bonds or notes as special obligations under the Local Government Securities Law to finance or refinance projects for the benefit of the district. Any such bonds or notes may be secured by a pledge of, and be payable from, any money pledged pursuant to section 8 of this act and received by the municipality with respect to the district, any revenue received by the municipality from any revenue-producing projects in the district, or any combination thereof.

(b) Enter into an agreement with one or more governmental entities or other persons to reimburse that entity or person for the cost of acquiring, improving or equipping, or any combination thereof, any project, which may contain such terms as are determined to be desirable by the governing body of the municipality, including the payment of reasonable interest and other financing costs incurred by such entity or other person. Any such reimbursements may be secured by a pledge of, and be payable from, any money pledged pursuant to section 8 of this act and received by the municipality with respect to the district, any revenue received by the municipality from any revenue-producing projects in the district, or any combination thereof. Such an agreement is not subject to the limitations of subsection 1 of NRS 354.626 and may, at the option of the governing body, be binding on the municipality beyond the fiscal year in which it was made, only if the agreement pertains solely to one or more projects that are owned by the municipality or another governmental entity.

2. Before the issuance of any bonds or notes pursuant to this section, the municipality must obtain the results of a feasibility study, commissioned by the municipality, which shows that a sufficient amount will be generated from money pledged pursuant to section 8 of this act to make timely payment on the bonds or notes, taking into account the revenue from any other revenue-producing projects also pledged for the payment of the bonds or notes, if any. A failure to make payments of any amounts due:

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

(b) Under any agreements entered into pursuant to subsection 1,

➥ because of any insufficiency in the amount of money pledged pursuant to section 8 of this act to make those payments shall be deemed not to constitute a default on those bonds, notes or agreements.

3. No bond, note or other agreement issued or entered into pursuant to this section may be secured by or payable from the general fund of the municipality, the power of the municipality to levy ad valorem property taxes, or any source other than any money pledged pursuant to section 8 of this act and received by the municipality with respect to the district, any revenue received by the municipality from any revenue-producing projects in the district, or any combination thereof. No bond, note or other agreement issued or entered into pursuant to this section may ever become a general obligation of the municipality or a charge against its general credit or taxing powers, nor may any such bond, note or other agreement become a debt of the municipality for purposes of any limitation on indebtedness.

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

Sec. 14. *Notwithstanding any other law to the contrary, any contract or other agreement relating to or providing for the construction, other acquisition, improvement, equipment, operation or maintenance of any project financed in whole or in part pursuant to this chapter is exempt from any law requiring competitive bidding or otherwise specifying procedures for the award of contracts for construction or other contracts, or specifying procedures for the procurement of goods or services.*

Sec. 15. NRS 271.650 is hereby amended to read as follows:

271.650 1. Except as otherwise provided in ~~[subsection 2,]~~ ***this section,*** the governing body of a municipality in a county whose population is less than 400,000 may include in an assessment ordinance for a project the pledge of a single percentage specified in the ordinance, which must not exceed 75 percent, of:

(a) An amount equal to the proceeds of the taxes imposed pursuant to NRS 372.105 and 372.185 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the improvement district during a fiscal year, after the deduction of a sum equal to 0.75 percent of the amount of those proceeds; and

(b) The amount of the proceeds of the taxes imposed pursuant to NRS 374.110, 374.190 and 377.030 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the improvement district during a fiscal year, after the deduction of 0.75 percent of the amount of those proceeds.

2. ***If any property within the boundaries of an improvement district for which any money is pledged pursuant to this section is also included within the boundaries of any other improvement district for which any money is pledged pursuant to this section or any tourism improvement district for which any money is pledged pursuant to section 8 of this act, the total amount of money pledged pursuant to this section and section 8 of this act with respect to such property by all such districts must not exceed the amount authorized pursuant to this section.***

3. The governing body of a municipality shall not include a pledge authorized by subsection 1 in an assessment ordinance for a project unless:

(a) The governing body determines that no retailers have maintained a fixed place of business in the improvement district at any time from the first day of the fiscal year in which the assessment ordinance is adopted until the date of the adoption of the ordinance ***.*** ~~**[;]**~~

(b) Except as otherwise provided in subsection ~~[3,]~~ ***4,*** the board of county commissioners of each county in which the improvement district is located determines, at a public hearing conducted at least 15 days after providing notice of the hearing by publication, that:

(1) As a result of the project:

(I) Retailers will locate their businesses as such in the improvement district; and

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

(2) A preponderance of that increase in the proceeds from sales and use taxes will be attributable to transactions with tourists who are not residents of this State **.** **[**~~;~~**]**

(c) The Commission on Tourism determines, at a public hearing conducted at least 15 days after providing notice of the hearing by publication, that a preponderance of the increase in the proceeds from sales and use taxes identified pursuant to paragraph (b) will be attributable to transactions with tourists who are not residents of this State **.** **[**~~; and~~**]**

(d) The Governor determines that the project and the pledge of money authorized by subsection 1 will contribute significantly to economic development and tourism in this State. Before making that determination, the Governor:

(1) Must consider the fiscal effects of the pledge of money on educational funding, including any fiscal effects described in comments provided pursuant to NRS 271.670 by the school district in which the improvement district is located, and for that purpose may require the Department of Education or the Department of Taxation, or both, to provide him with an appropriate fiscal report; and

(2) If the Governor determines that the pledge of money will have a substantial adverse fiscal effect on educational funding, may require a commitment from the municipality for the provision of specified payments to the school district in which the improvement district is located during the term of the pledge of money. The payments may be provided pursuant to agreements authorized by NRS 271.670 or from sources other than the owners of property within the improvement district. Such a commitment by a municipality is not subject to the limitations of subsection 1 of NRS 354.626 and, notwithstanding any other law to the contrary, is binding on the municipality for the term of the pledge of money authorized by subsection 1.

(e) If any property within the boundaries of the improvement district is also included within the boundaries of any other improvement district for which any money has been pledged pursuant to this section or any tourism improvement district for which any money has been pledged pursuant to section 8 of this act, all the governing bodies which created those districts have entered into an interlocal agreement providing for:

(1) The apportionment of any money pledged pursuant to this section and section 8 of this act with respect to such property; and

(2) The priority of the application of that money between:

(I) Bonds issued pursuant to this chapter; and

(II) Bonds and notes issued, and agreements entered into, pursuant to section 13 of this act.

➥ Any such agreement for the priority of the application of that money may be made irrevocable during the term of any bonds issued pursuant to this chapter to which all or any portion of that money is pledged, or during the term of any bonds or notes issued or any agreements entered into pursuant to section 13 of this act to which all or any portion of that money is pledged.

~~[3.]~~ ***4.*** Any determination or approval made pursuant to subsection ~~[2]~~ ***3*** is conclusive in the absence of fraud or gross abuse of discretion. If an improvement district is created by a municipality that is not a county and the board of county commissioners refuses to make the determinations required by paragraph (b) of subsection ~~[2,]~~ ***3,*** the governing body of the municipality may request the Commission on Tourism to make those determinations. The Commission on Tourism shall make those determinations if a majority of the members of the Commission on Tourism agree that the refusal was unreasonable. If those determinations are made by the Commission on Tourism pursuant to this subsection, those determinations shall be deemed to be as conclusive as determinations made by the board of county commissioners pursuant to paragraph (b) of subsection ~~[2,]~~ ***3,*** and to satisfy the requirements of that paragraph.

~~[4.]~~ ***5.*** As used in this section, "retailer" has the meaning ascribed to it in NRS 374.060.

Sec. 16. NRS 237.060 is hereby amended to read as follows:

237.060 1. "Rule" means:

(a) An ordinance by the adoption of which the governing body of a local government exercises legislative powers; and

(b) An action taken by the governing body of a local government that imposes, increases or changes the basis for the calculation of a fee that is paid in whole or in substantial part by businesses.

2. "Rule" does not include:

(a) An action taken by the governing body of a local government that imposes, increases or changes the basis for the calculation of:

(1) Special assessments imposed pursuant to chapter 271 of NRS;

(2) Impact fees imposed pursuant to chapter 278B of NRS;

(3) Fees for remediation imposed pursuant to chapter 540A of NRS;

(4) Taxes ad valorem;

(5) Sales and use taxes; or

(6) A fee that has been negotiated pursuant to a contract between a business and a local government.

(b) An action taken by the governing body of a local government that approves, amends or augments the annual budget of the local government.

(c) An ordinance adopted by the governing body of a local government pursuant to a provision of chapter 271, 278, 278A, 278B or 350 of NRS ~~[.]~~ ***or sections 2 to 14, inclusive, of this act.***

(d) An ordinance adopted by or action taken by the governing body of a local government that authorizes or relates to the issuance of bonds or other evidence of debt of the local government.

Sec. 17. Chapter 360 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The State Controller, acting upon the collection data furnished by the Department, shall remit to the governing body of a municipality that adopts an ordinance pursuant to section 8 of this act, in the manner provided pursuant to an agreement made pursuant to section 11 of this act:

(a) From the State General Fund the amount of money pledged pursuant to the ordinance in accordance with subparagraph (1) of paragraph (c) of subsection 1 of section 8 of this act, which amount is hereby appropriated for that purpose; and

(b) From the Sales and Use Tax Account in the State General Fund the amount of the proceeds pledged pursuant to the ordinance in accordance with subparagraph (2) of paragraph (c) of subsection 1 of section 8 of this act.

2. Except as otherwise provided in subsection 3, the governing body of a municipality that adopts an ordinance pursuant to section 8 of this act shall at the end of each fiscal year remit to the State Controller any amount received pursuant to this section in excess of the amount required to make payments due during that fiscal year of the principal of, interest on, and other payments or security-related costs with respect to, any bonds or notes issued pursuant section 13 of this act and payments due during that fiscal year under any agreements made pursuant to section 13 of this act. The State Controller shall deposit any money received from a governing body of a municipality pursuant to this subsection in the appropriate account in the State General Fund for distribution and use as if the money had not been pledged by an ordinance adopted pursuant to section 8 of this act, in the following order of priority:

(a) First, to the credit of the county school district fund for the county in which the improvement district is located to the extent that the money would have been transferred to that fund, if not for

the pledge of the money pursuant to that ordinance, pursuant to paragraph (e) of subsection 3 of NRS 374.785 for the fiscal year in which the State Controller receives the money;

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

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

3. The provisions of subsection 2 do not require a governing body to remit to the State Controller any money received pursuant to this section and expended for the purpose of prepaying, defeasing or otherwise retiring all or a portion of any bonds or notes issued pursuant to section 13 of this act or of prepaying amounts due under any agreements entered into pursuant to section 13 of this act, or any combination thereof, with respect to a tourism improvement district if that use of the money has been:

(a) Authorized by the governing body in the ordinance creating the district pursuant to section 8 of this act, or in an amendment thereto; and

(b) Approved by the board of county commissioners, Commission on Tourism and Governor in the manner required to satisfy the requirements of subsections 5, 6 and 7 of section 9 of this act and, if applicable, section 10 of this act,

➥ and after the provision of notice to and an opportunity to make comments by the board of trustees of the school district in which the tourism improvement district is located in accordance with subsection 4 of section 9 of this act.

4. The Nevada Tax Commission may adopt such regulations as it deems appropriate to ensure the proper collection and distribution of any money pledged by an ordinance adopted pursuant to section 8 of this act.

Sec. 18. NRS 374.785 is hereby amended to read as follows:

374.785 1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid to counties under this chapter must be paid to the Department in the form of remittances payable to the Department.

2. The Department shall deposit the payments in the State Treasury to the credit of the Sales and Use Tax Account in the State General Fund.

3. The State Controller, acting upon the collection data furnished by the Department, shall, each month, from the Sales and Use Tax Account in the State General Fund:

(a) Transfer .75 percent of all fees, taxes, interest and penalties collected in each county during the preceding month to the appropriate account in the State General Fund as compensation to the State for the costs of collecting the tax.

(b) Transfer .75 percent of all fees, taxes, interest and penalties collected during the preceding month from out-of-state businesses not maintaining a fixed place of business within this State to the appropriate account in the State General Fund as compensation to the State for the costs of collecting the tax.

(c) Determine for each county the amount of money equal to the fees, taxes, interest and penalties collected in the county pursuant to this chapter during the preceding month, less the amount transferred pursuant to paragraph (a).

(d) Transfer the total amount of taxes collected pursuant to this chapter during the preceding month from out-of-state businesses not maintaining a fixed place of business within this State, less the amount transferred pursuant to paragraph (b) and excluding any amounts required to be remitted pursuant to NRS 360.850 ~~[,]~~ ***and section 17 of this act,*** to the State Distributive School Account in the State General Fund.

(e) Except as otherwise provided in NRS 387.528 or as required to carry out NRS 360.850 ~~[,]~~ ***and section 17 of this act,*** transfer the amount owed to each county to the Intergovernmental Fund and remit the money to the credit of the county school district fund.

4. For the purpose of the distribution required by this section, the occasional sale of a vehicle shall be deemed to take place in the county to which the governmental services tax payable by the buyer upon that vehicle is distributed.

Sec. 19. NRS 377.050 is hereby amended to read as follows:

377.050 1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid to counties under this chapter must be paid to the Department in the form of remittances made payable to the Department.

2. The Department shall deposit the payments with the State Treasurer for credit to the Sales and Use Tax Account in the State General Fund.

3. The State Controller, acting upon the collection data furnished by the Department, shall, before making the distributions required by NRS 360.850, 377.055 and 377.057 ~~[,]~~ ***and section 17 of this act,*** monthly transfer from the Sales and Use Tax Account .75 percent of all fees, taxes, interests and penalties collected pursuant to this chapter during the preceding month to the

appropriate account in the State General Fund as compensation to the State for the cost of collecting the tax.

Sec. 20. NRS 377.055 is hereby amended to read as follows:

377.055 1. The Department shall monthly determine for each county an amount of money equal to the sum of:

(a) Any fees and any taxes, interest and penalties which derive from the basic city-county relief tax collected in that county pursuant to this chapter during the preceding month, less the corresponding amount transferred to the State General Fund pursuant to subsection 3 of NRS 377.050; and

(b) That proportion of the total amount of taxes which derive from that portion of the tax levied at the rate of one-half of 1 percent collected pursuant to this chapter during the preceding month from out-of-state businesses not maintaining a fixed place of business within this State, less the corresponding amount transferred to the State General Fund pursuant to subsection 3 of NRS 377.050, which the population of that county bears to the total population of all counties which have in effect a city-county relief tax ordinance,

➥ and, except as otherwise required to carry out NRS 360.850 ~~[,]~~ ***and section 17 of this act,*** deposit the money in the Local Government Tax Distribution Account created by NRS 360.660 for credit to the respective subaccounts of each county.

2. For the purpose of the distribution required by this section, the occasional sale of a vehicle shall be deemed to take place in the county to which the governmental services tax payable by the buyer upon that vehicle is distributed.

Sec. 21. NRS 377.057 is hereby amended to read as follows:

377.057 1. The State Controller, acting upon the relevant information furnished by the Department, shall distribute monthly from the fees, taxes, interest and penalties which derive from the supplemental city-county relief tax collected in all counties and from out-of-state businesses during the preceding month, excluding any amounts required to be remitted pursuant to NRS 360.850 ***and section 17 of this act,*** and except as otherwise provided in subsection 2, to:

(a) Douglas, Esmeralda, Eureka, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey and White Pine counties, an amount equal to one-twelfth of the amount distributed in the immediately preceding fiscal year multiplied by one plus:

(1) The percentage change in the total receipts from the supplemental city-county relief tax for all counties and from out-of-state businesses, from the fiscal year 2 years preceding the immediately preceding fiscal year to the fiscal year preceding the immediately preceding fiscal year; or

(2) Except as otherwise provided in this paragraph, the percentage change in the population of the county, as certified by the Governor pursuant to NRS 360.285, added to the percentage change in the Consumer Price Index for the year ending on December 31 next preceding the year of distribution,

➥ whichever is less, except that the amount distributed to the county must not be less than the amount specified in subsection 5. If the Bureau of the Census of the United States Department of Commerce issues population totals that conflict with the totals certified by the Governor pursuant to NRS 360.285, the percentage change calculated pursuant to subparagraph (2) for the ensuing fiscal year must be an estimate of the change in population for the calendar year, based upon the population totals issued by the Bureau of the Census.

(b) All other counties, the amount remaining after making the distributions required by paragraph (a) to each of these counties in the proportion that the amount of supplemental city-county relief tax collected in the county for the month bears to the total amount of supplemental city-county relief tax collected for that month in the counties whose distribution will be determined pursuant to this paragraph.

2. If the amount of supplemental city-county relief tax collected in a county listed in paragraph (a) of subsection 1 for the 12 most recent months for which information concerning the actual amount collected is available on February 15 of any year exceeds by more than 10 percent the amount distributed pursuant to paragraph (a) to that county for the same period, the State Controller shall distribute that county's portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (b) of subsection 1 in all subsequent fiscal years, unless a waiver is granted pursuant to subsection 3.

3. A county which, pursuant to subsection 2, is required to have its portion of the proceeds from the supplemental city-county relief tax distributed pursuant to paragraph (b) of subsection 1 may file a request with the Nevada Tax Commission for a waiver of the requirements of subsection 2. The request must be filed on or before February 20 next preceding the fiscal year for which the county will first receive its portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (b) of subsection 1 and must be accompanied by evidence which supports the granting of the waiver. The Commission shall grant or deny a request for a waiver on or before March 10 next following the timely filing of the request. If the Commission determines that the increase in the amount of supplemental city-county relief tax collected in the county was primarily caused by:

(a) Nonrecurring taxable sales, it shall grant the request.

(b) Normal or sustainable growth in taxable sales, it shall deny the request.

➥ A county which is granted a waiver pursuant to this subsection is not required to obtain a waiver in any subsequent fiscal year to continue to receive its portion of the proceeds from the supplemental city-county relief tax pursuant to paragraph (a) of subsection 1 unless the amount of supplemental city-county relief tax collected in the county in a fiscal year again exceeds the threshold established in subsection 2.

4. The amount apportioned to each county must be deposited in the Local Government Tax Distribution Account created by NRS 360.660 for credit to the respective accounts of each county.

5. The minimum amount which may be distributed to the following counties in a month pursuant to paragraph (a) of subsection 1 is as follows:

Douglas	$580,993
Esmeralda	53,093
Lander	155,106
Lincoln	72,973
Lyon	356,858
Mineral	118,299
Nye	296,609
Pershing	96,731
Storey	69,914
White Pine	158,863

6. As used in this section, unless the context otherwise requires:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Special district" has the meaning ascribed to it in NRS 360.650.

Sec. 22. NRS 387.1235 is hereby amended to read as follows:

387.1235 1. Except as otherwise provided in subsection 2, local funds available are the sum of:

(a) The amount computed by multiplying 0.0025 times the assessed valuation of the school district as certified by the Department of Taxation for the concurrent school year; and

(b) The proceeds of the local school support tax imposed by chapter 374 of NRS, excluding any amounts required to be remitted pursuant to NRS 360.850 ~~[.]~~ ***and section 17 of this act.*** The

Department of Taxation shall furnish an estimate of these proceeds to the Superintendent of Public Instruction on or before July 15 for the fiscal year then begun, and the Superintendent shall adjust the final apportionment of the current school year to reflect any difference between the estimate and actual receipts.

2. The amount computed under subsection 1 that is attributable to any assessed valuation attributable to the net proceeds of minerals must be held in reserve and may not be considered as local funds available until the succeeding fiscal year.

Sec. 23. The amendatory provisions of section 15 of this act do not apply to or in any manner affect any pledge of money effected pursuant to NRS 271.650 before July 1, 2005.

Sec. 24. Notwithstanding any other provision of this act and the terms of any ordinance adopted pursuant to section 8 of this act, the provisions of this act do not require the distribution of any money remitted to the State before July 1, 2006, unless the Department of Taxation determines that it is reasonably feasible to make such a distribution.

Sec. 25. The governing body of a municipality which before January 1, 2009, pledges any money by an ordinance adopted pursuant to section 8 of this act shall, on or before February 1, 2009, submit to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature a written report regarding:

1. The project for which the money was pledged; and

2. The fiscal effect of the project and the pledge of money on the provision of local governmental services, including education, within the county in which the municipality is located.

Sec. 26. This act becomes effective on July 1, 2005.

30