

SENATE BILL NO. 502—COMMITTEE ON FINANCE

JUNE 2, 2011

Referred to Select Committee on Economic  
Growth and Employment

SUMMARY—Revises provisions governing local improvements.  
(BDR 21-1308)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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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 local improvements; authorizing the acquiring, improving, equipping, operating, maintaining and financing of a medical tourism and health care project within a tourism improvement district in certain counties; requiring the Commission on Tourism to adopt regulations relating to such a project; authorizing the imposition of a surcharge in certain counties on the amount charged for any items or services related to a minor league baseball stadium project or an event facility; providing for the use of the proceeds of such a surcharge; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law establishes the Tourism Improvement District Law. (Chapter 271A of NRS) **Sections 1-5** of this bill amend the Tourism Improvement District Law to authorize in a county whose population is 400,000 or more (currently Clark County) the acquiring, improving, equipping, operating, maintaining and financing of a medical tourism and health care project within a tourism improvement district. **Sections 1-5** also exempt such projects from certain provisions of the Tourism Improvement District Law. **Section 1** sets forth the definition of a "medical tourism and health care project" and includes within that definition an acute-care hospital, children's hospital, cancer hospital, medical research and education facility and such other facilities relating to medical tourism and health care as the Commission on Tourism by regulation determines appropriate. **Section 9** of this bill requires the Commission to adopt such regulations.

Existing law authorizes the board of county commissioners of a county whose population is 100,000 or more but less than 400,000 (currently Washoe County) to acquire, lease, improve, equip, operate and maintain within the county a minor league baseball stadium project and to create a stadium authority to operate the



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project. **Section 6** of this bill authorizes the stadium authority to impose a surcharge on the amount charged for any items or services related to such a project and provides for the use of the proceeds of the surcharge. **Section 7** of this bill revises the membership of a stadium authority which operates such a project. **Section 8** of this bill amends **section 6** to authorize the imposition of the same surcharge on the amount charged for any items or services related to an event facility and provides for the use of the proceeds of the surcharge for other similar projects in a measure still pending.

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

**Section 1.** Chapter 271A of NRS is hereby amended by adding thereto a new section to read as follows:

***“Medical tourism and health care project” means:***

***1. Any building or complex of buildings to accommodate or house activities as part of a multi-faceted center for medical tourism, including, without limitation, an acute-care hospital, children’s hospital, cancer hospital, medical research and education facility, and any other structures, fixtures, appurtenances and property and other incidentals which are necessary, useful or desirable for such a project and which:***

***(a) Promote a dynamic medical and health care destination where many health care needs are met in one integrated community; and***

***(b) Generate at least 2,000 new jobs.***

***2. Any other facilities relating to medical tourism and health care that are authorized for inclusion in a medical tourism and health care project in regulations adopted by the Commission on Tourism.***

**Sec. 2.** NRS 271A.020 is hereby amended to read as follows:

271A.020 ~~Except~~ ***As used in this chapter, except*** as otherwise provided in NRS 271A.030 to 271A.060, inclusive, and unless the context otherwise requires, the words and terms defined in NRS 271.035 to 271.250, inclusive, and 271A.030 to 271A.060, inclusive, ***and section 1 of this act*** have the meanings ascribed to them in those sections.

**Sec. 3.** NRS 271A.050 is hereby amended to read as follows:

271A.050 “Project” means:

1. With respect to a county whose population is 400,000 or more:

(a) An art project, as defined in NRS 271.037;

(b) A tourism and entertainment project, as defined in NRS 271.234; ~~or~~

(c) A sports stadium which can be used for the home games of a Major League Baseball or National Football League team and for



1 other purposes, including structures, buildings and other  
2 improvements and equipment therefor, parking facilities, and all  
3 other appurtenances necessary, useful or desirable for a Major  
4 League Baseball or National Football League stadium, including,  
5 without limitation, all types of property therefor and immediately  
6 adjacent facilities for retail sales, dining and entertainment **H**; or

7 ***(d) A medical tourism and health care project.***

8 2. With respect to a city in a county whose population is  
9 400,000 or more:

10 (a) A project described in paragraph (a), (b) or (c) of subsection  
11 1; or

12 (b) A recreational project, as defined in NRS 268.710.

13 3. With respect to a municipality other than a municipality  
14 described in subsection 1 or 2, any project that the municipality is  
15 authorized to acquire, improve, equip, operate and maintain  
16 pursuant to subsections 1, 2, 3 and 5 to 10, inclusive, of NRS  
17 244A.057 or NRS 268.730 or 271.265, as applicable.

18 4. Any real or personal property suitable for retail, tourism or  
19 entertainment purposes.

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

22 6. Any combination of the projects set forth in this section.

23 **Sec. 4.** NRS 271A.070 is hereby amended to read as follows:

24 271A.070 1. Except as otherwise provided in this section and  
25 NRS 271A.080, the governing body of a municipality may:

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

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

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

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

44 (2) The amount of the proceeds of the taxes imposed  
45 pursuant to NRS 374.110 and 374.190 with regard to tangible



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1 personal property sold at retail, or stored, used or otherwise  
2 consumed, in the district during a fiscal year, after the deduction of  
3 0.75 percent of the amount of those proceeds; and

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

9 2. A district created pursuant to this section by:

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

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

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

22 4. ~~[The]~~ *Except with respect to a medical tourism and health*  
23 *care project, the* governing body of a municipality shall not, after  
24 October 1, 2009, create a tourism improvement district that includes  
25 within its boundaries any property included within the boundaries of  
26 a redevelopment area established pursuant to chapter 279 of NRS.

27 **Sec. 5.** NRS 271A.080 is hereby amended to read as follows:

28 271A.080 The governing body of a municipality shall not  
29 adopt an ordinance pursuant to NRS 271A.070 unless:

30 1. If the ordinance:

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

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

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

42 3. The governing body has made a written finding at a public  
43 hearing, based upon reports from independent consultants which  
44 were addressed to the governing body, to the board of county  
45 commissioners, if the governing body is not the board of county



1 commissioners for the county in which the tourism district is or will  
2 be located, and to the board of trustees of the school district in  
3 which the tourism improvement district is or will be located, as to  
4 whether the project and the financing thereof pursuant to this  
5 chapter will have a positive fiscal effect on the provision of local  
6 governmental services, after considering:

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

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

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

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

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

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

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

32 ➤ After the receipt of the notice required by this subsection and  
33 before the date of the meeting at which the governing body will  
34 consider making the written finding required by subsection 3, the  
35 board of trustees shall conduct a hearing regarding the fiscal effect  
36 on the school district, if any, of the project and the use of any money  
37 proposed to be pledged pursuant to NRS 271A.070, and may submit  
38 to the governing body of the municipality any comments regarding  
39 that fiscal effect. The governing body shall consider those  
40 comments when making any written finding pursuant to subsection  
41 3 and shall consider those comments when considering the terms of  
42 any agreement pursuant to NRS 271A.110.

43 5. If the governing body is not the board of county  
44 commissioners for the county in which the tourism district is or will  
45 be located, the governing body has, at least 45 days before making



1 the written finding required by subsection 3, provided to the board  
2 of county commissioners in the county in which the tourism  
3 improvement district is or will be located:

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

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

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

22 6. The governing body has determined, at a public hearing  
23 conducted at least 15 days after providing notice of the hearing by  
24 publication, that:

25 (a) As a result of the project:

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

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

32 (b) ~~[A]~~ *Except with respect to a medical tourism and health*  
33 *care project, a* preponderance of that increase in the proceeds from  
34 sales and use taxes will be attributable to transactions with tourists  
35 who are not residents of this State.

36 7. ~~[The]~~ *Except with respect to a medical tourism and health*  
37 *care project, the* Commission on Tourism has determined, at a  
38 public hearing conducted at least 15 days after providing notice of  
39 the hearing by publication, that a preponderance of the increase in  
40 the proceeds from sales and use taxes identified pursuant to  
41 subsection 6 will be attributable to transactions with tourists who are  
42 not residents of this State.

43 8. The Governor has determined that the project and the use of  
44 any money proposed to be pledged pursuant to NRS 271A.070 will



1 contribute significantly to economic development and tourism in  
2 this State. Before making that determination, the Governor:

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

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

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

29 (a) The apportionment of any money pledged pursuant to NRS  
30 271.650 and 271A.070 with respect to such property; and

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

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

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

35 ➤ Any such agreement for the priority of the application of that  
36 money may be made irrevocable during the term of any bonds  
37 issued pursuant to chapter 271 of NRS to which all or any portion of  
38 that money is pledged, or during the term of any bonds or notes  
39 issued or any agreements entered into pursuant to NRS 271A.120 to  
40 which all or any portion of that money is pledged.

41 **Sec. 6.** Chapter 244A of NRS is hereby amended by adding  
42 thereto a new section to read as follows:

43 ***1. A stadium authority created pursuant to NRS 244A.830 to***  
44 ***operate a minor league baseball stadium project may, by a***  
45 ***majority vote of the members of the stadium authority present,***



1 *impose a surcharge of not more than 12 percent on the amount*  
2 *charged for any items or services related to the minor league*  
3 *baseball stadium project. Any proceeds from a surcharge imposed*  
4 *pursuant to this section must be paid to and collected by the*  
5 *county and must be used solely to pay the costs to acquire, lease,*  
6 *improve, equip, operate and maintain the minor league baseball*  
7 *stadium project, or to pay the principal of, interest on or other*  
8 *payments due with respect to bonds issued to pay such costs,*  
9 *including, without limitation, bonds issued to refund bonds issued*  
10 *to pay such costs, or any combination thereof.*

11 *2. As used in this section, "minor league baseball stadium*  
12 *project" has the meaning ascribed to it in NRS 244A.0344.*

13 **Sec. 7.** NRS 244A.830 is hereby amended to read as follows:

14 244A.830 1. A board of county commissioners that adopts an  
15 ordinance imposing a fee pursuant to NRS 244A.810 shall create a  
16 stadium authority to operate the minor league baseball stadium  
17 project. The stadium authority must consist of:

18 (a) ~~One member~~ *Two members* of the board of county  
19 commissioners appointed by the board;

20 (b) One member from the governing body of ~~each~~ *the* city in  
21 ~~the county whose population is 60,000 or more,~~ *which the minor*  
22 *league stadium is located,* appointed by that governing body; and

23 (c) ~~If the stadium authority enters into an agreement with an~~  
24 ~~AA or AAA minor league baseball team pursuant to which the team~~  
25 ~~agrees to play its home games in the stadium, two~~ *Two* persons  
26 appointed by the owner of the *minor league baseball* team ~~that~~  
27 *agrees to play its home games in the stadium.*

28 2. The members of the stadium authority serve at the pleasure  
29 of the governmental entity or person who appointed them to serve in  
30 that capacity.

31 3. ~~The stadium authority shall:~~

32 ~~—(a) Be responsible for the normal operations of the minor league~~  
33 ~~baseball stadium project; and~~

34 ~~—(b) Enter into an agreement with the board of county~~  
35 ~~commissioners that sets forth the specific rights, obligations and~~  
36 ~~duties of the stadium authority regarding those operations.]~~ *A*  
37 *meeting of the stadium authority must be scheduled if any two or*  
38 *more members of the stadium authority request a meeting of the*  
39 *stadium authority.*

40 **Sec. 8.** Section 6 of this act is hereby amended to read as  
41 follows:

42 Sec. 6. Chapter 244A of NRS is hereby amended by  
43 adding thereto a new section to read as follows:

44 1. A stadium authority created pursuant to NRS  
45 244A.830 to operate a minor league baseball stadium project





1 may, by a majority vote of the members of the stadium  
2 authority present, impose a surcharge of not more than 12  
3 percent on the amount charged for any items or services  
4 related to the minor league baseball stadium project. Any  
5 proceeds from a surcharge imposed pursuant to this section  
6 must be paid to and collected by the county and must be used  
7 solely to pay the costs to acquire, lease, improve, equip,  
8 operate and maintain the minor league baseball stadium  
9 project, or to pay the principal of, interest on or other  
10 payments due with respect to bonds issued to pay such costs,  
11 including, without limitation, bonds issued to refund bonds  
12 issued to pay such costs, or any combination thereof.

13 2. *The owners of an event facility project within an*  
14 *event facility district created pursuant to section 9 of Senate*  
15 *Bill No. 501 of this session may, by a vote of a majority of*  
16 *the ownership interest of the event facility project, impose a*  
17 *surcharge of not more than 12 percent on the amount*  
18 *charged for any items or services related to the event*  
19 *facility.*

20 3. *The owners of an event facility project within an*  
21 *event facility district created pursuant to section 10 of*  
22 *Senate Bill No. 501 of this session may, by a vote of a*  
23 *majority of the ownership interest of the event facility*  
24 *project, impose a surcharge of not more than 12 percent on*  
25 *the amount charged for any items or services related to the*  
26 *event facility. Any proceeds from a surcharge imposed*  
27 *pursuant to this section must be paid to and collected by the*  
28 *owners of the event facility project and must be used solely*  
29 *to pay the costs to acquire, lease, improve, equip, operate*  
30 *and maintain the event facility, or to pay the principal of,*  
31 *interest on or other payments due with respect to bonds*  
32 *issued by a local government to pay such costs, including,*  
33 *without limitation, bonds issued to refund bonds issued to*  
34 *pay such costs, or any combination thereof.*

35 4. *The Board of Regents of the University of Nevada*  
36 *may, by a majority vote of the members of the Board of*  
37 *Regents present, impose a surcharge of not more than 12*  
38 *percent on the amount charged for any items or services*  
39 *related to an event facility within an event facility district*  
40 *created pursuant to section 32 of Senate Bill No. 501 of this*  
41 *session. Any proceeds from a surcharge imposed pursuant*  
42 *to this section must be paid to and collected by the Board of*  
43 *Regents and must be used solely to pay the costs to acquire,*  
44 *lease, improve, equip, operate and maintain the event*  
45 *facility, or to pay the principal of, interest on or other*



1 *payments due with respect to bonds issued by a local*  
2 *government to pay such costs, including, without limitation,*  
3 *bonds issued to refund bonds issued to pay such costs, or*  
4 *any combination thereof.*

5 5. As used in this section [~~“minor”~~]:

6 (a) *“Event facility” has the meaning ascribed to it in*  
7 *section 6 of Senate Bill No. 501 of this session.*

8 (b) *“Event facility project” has the meaning ascribed to*  
9 *it in section 7 of Senate Bill No. 501 of this session.*

10 (c) *“Minor league baseball stadium project” has the*  
11 *meaning ascribed to it in NRS 244A.0344.*

12 **Sec. 9.** The Commission on Tourism shall, on or before  
13 September 1, 2011, adopt regulations in accordance with the  
14 provisions of subsection 2 of section 1 of this act authorizing the  
15 inclusion in a medical tourism and health care project of such other  
16 facilities relating to medical tourism and health care as the  
17 Commission determines appropriate.

18 **Sec. 10.** 1. This section and sections 1 to 7, inclusive, and 9  
19 of this act become effective on July 1, 2011.

20 2. Section 8 of this act becomes effective on July 1, 2011, if,  
21 and only if, Senate Bill No. 501 of this session is enacted by the  
22 Legislature and becomes effective.

