

ASSEMBLY BILL NO. 368—ASSEMBLYWOMAN BENITEZ-THOMPSON

MARCH 22, 2021

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to tourism improvement districts. (BDR 22-17)

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 tourism improvement districts; revising the reporting requirements for the Department of Taxation related to tourism improvement districts; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires, with certain exceptions, the Department of Taxation to prepare and submit a semiannual report to the Director of the Legislative Counsel Bureau and the governing body of a municipality related to a tourism improvement district (TID) that states: (1) the amount of revenue from the taxable sales made each month by the businesses within a TID; (2) the portion of revenue which is attributable to persons who are not residents of this State; (3) the amount of the wages paid each month by the businesses within the TID; and (4) the number of full-time and part-time employees employed each month by businesses within the TID. The report must provide the information separately for each TID in the municipality unless reporting the information separately would disclose or result in the disclosure of information about an individual business. Further, the Department is not required to prepare and submit the report if the report cannot be prepared in a manner which would not disclose or result in the disclosure of information about an individual business. (NRS 271A.105)

**Section 1** of this bill additionally requires the report to state: (1) the name and geographic location of the TID; (2) the total amount of money pledged and distributed to the municipality; and (3) the remaining number of payments, and the amount of those payments, on any bonds or notes issued by the municipality.

**Section 1** requires the Department to report alternate information if the Department determines that reporting the prescribed information for a district which includes more than one business would disclose or result in the disclosure of proprietary information about an individual business. **Section 1** also requires, to the extent possible, the report to provide the information separately for each TID that includes more than one business. **Section 2** of this bill makes a conforming change to make an exception to the law that provides that records and files of the Department



26 concerning the administration or collection of any tax, fee, assessment or other  
27 amount required by law to be collected are confidential and privileged.

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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.105 is hereby amended to read as  
2 follows:

3     271A.105 1. On or before September 1 of each year, the  
4 governing body of a municipality that creates a district before, on or  
5 after July 1, 2011, shall prepare and submit to the Director of the  
6 Legislative Counsel Bureau for submission to the Legislature, or to  
7 the Legislative Commission when the Legislature is not in regular  
8 session, an annual report containing:

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

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

15     2. If the governing body of a municipality creates a district  
16 before, on or after July 1, 2011, the Department of Taxation shall ~~1:~~  
17 ~~—(a) On~~ on or before April 1 and October 1 of each year, except  
18 as otherwise provided in ~~{subsection 3,}~~ *subsections 3 and 5,*  
19 prepare and submit to the Director of the Legislative Counsel  
20 Bureau for submission to the Legislature, or to the Legislative  
21 Commission when the Legislature is not in regular session, and to  
22 the governing body of the municipality a semiannual report which  
23 states ~~1:~~

24 ~~—(1) the name and geographic location of the district and:~~

25     (a) The amount of revenue from the taxable sales made each  
26 month by the businesses within the district;

27     ~~{(2)}~~ (b) To the extent that the pertinent information is  
28 available, the portion of that revenue which is attributable to persons  
29 who are not residents of this State;

30     ~~{(3)}~~ (c) *The total amount of money pledged pursuant to*  
31 *NRS 271A.070 and distributed to the municipality;*

32     (d) *The remaining number of payments, and the amounts of*  
33 *those payments, on any bonds or notes issued by the municipality*  
34 *pursuant to NRS 271A.120;*

35     (e) The amount of the wages paid each month by the businesses  
36 within the district; and

37     ~~{(4)}~~ (f) The number of full-time and part-time employees  
38 employed each month by the businesses within the district.



1   ↪ The report must provide the information separately for each  
2 district in the municipality unless reporting the information  
3 separately would disclose or result in the disclosure of *proprietary*  
4 information about an individual business, in which case ~~the report~~  
5 ~~must provide~~ the information *may be provided* in the aggregate ~~[-~~  
6 ~~—(b) Require each]~~ *for two or more districts in the municipality*  
7 *in a manner that does not result in the disclosure of proprietary*  
8 *information about an individual business. To the extent possible,*  
9 *the report must provide the information separately for each district*  
10 *which includes more than one business.*

11     3. *Except as otherwise provided in subsection 5, if the*  
12 *Department of Taxation determines that reporting the information*  
13 *set forth in paragraphs (a) to (f), inclusive, of subsection 2 for a*  
14 *district that includes more than one business would disclose or*  
15 *result in the disclosure of proprietary information about an*  
16 *individual business, the Department shall provide the following*  
17 *information for that district:*

18     (a) *The taxable sales and the amount of money pledged*  
19 *pursuant to NRS 271A.070 from the taxable sales in a manner*  
20 *that reports the number of businesses, taxable sales and pledged*  
21 *money in ranges of taxable sales and does not result in the*  
22 *disclosure of proprietary information about individual businesses*  
23 *in the district;*

24     (b) *The number of businesses in the district;*

25     (c) *The amount of revenue from taxable sales made each*  
26 *month in the district; and*

27     (d) *The amount of money pledged pursuant to NRS 271A.070*  
28 *and distributed to the municipality.*

29     4. *Each* business within the district ~~to~~ *shall* report to the  
30 Department of Taxation, at such times as the Department may  
31 specify on a form provided by the Department, such information as  
32 the Department determines to be necessary to carry out the  
33 provisions of ~~paragraph (a)-]~~ *subsections 2 and 3.*

34     ~~[3-]~~ 5. The Department of Taxation is not required to prepare  
35 and submit a report pursuant to ~~paragraph (a) of]~~ subsection 2 if the  
36 report cannot be prepared in a manner which would not disclose or  
37 result in the disclosure of *proprietary* information about an  
38 individual business.

39     ~~[4-]~~ 6. As used in this section, “taxable sales” means any sales  
40 that are taxable pursuant to chapter 372 of NRS.

41     **Sec. 2.** NRS 360.255 is hereby amended to read as follows:

42     360.255 1. Except as otherwise provided in this section and  
43 NRS 239.0115 , **271A.105** and 360.250, the records and files of the  
44 Department concerning the administration or collection of any tax,  
45 fee, assessment or other amount required by law to be collected or



1 the imposition of disciplinary action are confidential and privileged.  
2 The Department, an employee of the Department and any other  
3 person engaged in the administration or collection of any tax, fee,  
4 assessment or other amount required by law to be collected or the  
5 imposition of disciplinary action or charged with the custody of any  
6 such records or files:

7 (a) Shall not disclose any information obtained from those  
8 records or files; and

9 (b) May not be required to produce any of the records or files for  
10 the inspection of any person or governmental entity or for use in any  
11 action or proceeding.

12 2. The records and files of the Department concerning the  
13 administration and collection of any tax, fee, assessment or other  
14 amount required by law to be collected or the imposition of  
15 disciplinary action are not confidential and privileged in the  
16 following cases:

17 (a) Testimony by a member or employee of the Department and  
18 production of records, files and information on behalf of the  
19 Department or a person in any action or proceeding before  
20 the Nevada Tax Commission, the State Board of Equalization, the  
21 Department, a grand jury or any court in this State if that testimony  
22 or the records, files or information, or the facts shown thereby, are  
23 directly involved in the action or proceeding.

24 (b) Delivery to a person or his or her authorized representative  
25 of a copy of any document filed by the person pursuant to the  
26 provisions of any law of this State.

27 (c) Publication of statistics so classified as to prevent the  
28 identification of a particular business or document.

29 (d) Exchanges of information with the Internal Revenue Service  
30 in accordance with compacts made and provided for in such cases,  
31 or disclosure to any federal agency, state or local law enforcement  
32 agency, including, without limitation, the Cannabis Compliance  
33 Board, or local regulatory agency that requests the information for  
34 the use of the agency in a federal, state or local prosecution or  
35 criminal, civil or regulatory investigation.

36 (e) Disclosure in confidence to the Governor or his or her agent  
37 in the exercise of the Governor's general supervisory powers, or to  
38 any person authorized to audit the accounts of the Department in  
39 pursuance of an audit, or to the Attorney General or other legal  
40 representative of the State in connection with an action or  
41 proceeding relating to a taxpayer or licensee, or to any agency of  
42 this or any other state charged with the administration or  
43 enforcement of laws relating to workers' compensation,  
44 unemployment compensation, public assistance, taxation, labor or  
45 gaming.



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(f) Exchanges of information pursuant to an agreement between the Nevada Tax Commission and any county fair and recreation board or the governing body of any county, city or town.

(g) Upon written request made by a public officer of a local government, disclosure of the name and address of a taxpayer or licensee who must file a return with the Department. The request must set forth the social security number of the taxpayer or licensee about which the request is made and contain a statement signed by the proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. Except as otherwise provided in NRS 239.0115, the information obtained by the local government is confidential and privileged and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The Executive Director may charge a reasonable fee for the cost of providing the requested information.

(h) Disclosure of information as to amounts of any unpaid tax or amounts of tax required to be collected, interest and penalties to successors, receivers, trustees, executors, administrators, assignees and guarantors, if directly interested.

(i) Disclosure of relevant information as evidence in an appeal by the taxpayer from a determination of tax due if the Nevada Tax Commission has determined the information is not proprietary or confidential in a hearing conducted pursuant to NRS 360.247.

(j) Disclosure of the identity of a person and the amount of tax assessed and penalties imposed against the person at any time after a determination, decision or order of the Executive Director or other officer of the Department imposing upon the person a penalty for fraud or intent to evade a tax imposed by law becomes final or is affirmed by the Nevada Tax Commission.

(k) Disclosure of the identity of a licensee against whom disciplinary action has been taken and the type of disciplinary action imposed against the licensee at any time after a determination, decision or order of the Executive Director or other officer of the Department imposing upon the licensee disciplinary action becomes final or is affirmed by the Nevada Tax Commission.

(l) Disclosure of information pursuant to subsection 2 of NRS 370.257.

(m) With respect to an application for a registration certificate to operate a medical marijuana establishment pursuant to chapter 453A of NRS, as that chapter existed on June 30, 2020, or a license to operate a marijuana establishment pursuant to chapter 453D of NRS, as that chapter existed on June 30, 2020, which was submitted on or after May 1, 2017, and on or before June 30, 2020, and



1 regardless of whether the application was ultimately approved,  
2 disclosure of the following information:

3 (1) The identity of an applicant, including, without  
4 limitation, any owner, officer or board member of an applicant;

5 (2) The contents of any tool used by the Department to  
6 evaluate an applicant;

7 (3) The methodology used by the Department to score and  
8 rank applicants and any documentation or other evidence showing  
9 how that methodology was applied; and

10 (4) The final ranking and scores of an applicant, including,  
11 without limitation, the score assigned to each criterion in the  
12 application that composes a part of the total score of an applicant.

13 (n) Disclosure of the name of a licensee and the jurisdiction of  
14 that licensee pursuant to chapter 453A or 453D of NRS, as those  
15 chapters existed on June 30, 2020, and any regulations adopted  
16 pursuant thereto.

17 3. The Executive Director shall periodically, as he or she  
18 deems appropriate, but not less often than annually, transmit to the  
19 Administrator of the Division of Industrial Relations of the  
20 Department of Business and Industry a list of the businesses of  
21 which the Executive Director has a record. The list must include the  
22 mailing address of the business as reported to the Department.

23 4. The Executive Director may request from any other  
24 governmental agency or officer such information as the Executive  
25 Director deems necessary to carry out his or her duties with respect  
26 to the administration or collection of any tax, fee, assessment or  
27 other amount required by law to be collected or the imposition of  
28 disciplinary action. If the Executive Director obtains any  
29 confidential information pursuant to such a request, he or she shall  
30 maintain the confidentiality of that information in the same manner  
31 and to the same extent as provided by law for the agency or officer  
32 from whom the information was obtained.

33 5. As used in this section:

34 (a) “Applicant” means any person listed on the application for a  
35 registration certificate to operate a medical marijuana establishment  
36 pursuant to chapter 453A of NRS, as that chapter existed on  
37 June 30, 2020, or a license to operate a marijuana establishment  
38 pursuant to chapter 453D of NRS, as that chapter existed on  
39 June 30, 2020.

40 (b) “Disciplinary action” means any suspension or revocation of  
41 a license, registration, permit or certificate issued by the Department  
42 pursuant to this title or chapter 453A or 453D of NRS, as those  
43 chapters existed on June 30, 2020, or any other disciplinary action  
44 against the holder of such a license, registration, permit or  
45 certificate.



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(c) "Licensee" means a person to whom the Department has issued a license, registration, permit or certificate pursuant to this title or chapter 453A or 453D of NRS, as those chapters existed on June 30, 2020. The term includes, without limitation, any owner, officer or board member of an entity to whom the Department has issued a license.

(d) "Records" or "files" means any records and files related to an investigation or audit or a disciplinary action, financial information, correspondence, advisory opinions, decisions of a hearing officer in an administrative hearing and any other information specifically related to a taxpayer or licensee.

(e) "Taxpayer" means a person who pays any tax, fee, assessment or other amount required by law to the Department.

**Sec. 3.** The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

**Sec. 4.** This act becomes effective upon passage and approval.

