

ASSEMBLY BILL NO. 368—ASSEMBLYWOMAN BENITEZ-THOMPSON

MARCH 22, 2021

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to 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 improvement districts; revising the projects authorized to be financed within a tourism improvement district; eliminating the authority to create a tourism improvement district in certain smaller counties; revising the reporting requirements for the Department of Taxation related to tourism improvement districts; eliminating the authority to pledge certain proceeds to finance certain projects for the promotion of economic development and tourism in a local improvement district; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the governing body of any city or county to create a tourism improvement district (TID) and to pledge revenue from several sales and use taxes imposed in that district to finance certain projects within the district. (Chapter 271A of NRS) Existing law defines the term "project" to mean an art project, a tourism and entertainment project, a sports stadium and certain recreational projects. (NRS 271A.050) **Section 3.5** of this bill removes a sports stadium from the definition of a project, thereby prohibiting a municipality from pledging revenue in a district to finance a sports stadium within a TID. **Section 4** of this bill eliminates the authority of the governing body of a city in a county whose population is less than 700,000 (currently all cities other than Boulder City, the City of Henderson, the City of Las Vegas, the City of Mesquite and the City of North Las Vegas) or of a county whose population is less than 700,000 (currently all counties other than Clark County) to create a TID on or after July 1, 2021. **Section 4** therefore retains the authority of a governing body of a city in a county whose population is 700,000 or more (currently Boulder City, the City of Henderson, the City of Las Vegas, the City of Mesquite and the City of North Las Vegas) or of a county whose population is 700,000 or more (currently Clark County) to create a TID on or after July 1, 2021.



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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 6 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 6** 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 6** also requires, to the extent possible, the report to provide the information separately for each TID that includes more than one business. **Section 7** of this bill makes a conforming change to make an exception to the law that provides that records and files of the Department concerning the administration or collection of any tax, fee, assessment or other amount required by law to be collected are confidential and privileged.

Existing law authorizes under certain circumstances the pledge of certain sales and use tax proceeds by a city, county or town in a county whose population is less than 700,000 (currently all counties other than Clark County) to finance certain projects for the promotion of economic development and tourism in a local improvement district. (NRS 271.650-271.680) **Section 14** of this bill eliminates this authority. **Sections 1-3, 5 and 8-12** of this bill make conforming changes as a result of the elimination of the authority.

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

Section 1. NRS 271.265 is hereby amended to read as follows:
271.265 1. The governing body of a county, city or town, upon behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality:

- (a) A curb and gutter project;
- (b) A drainage project;
- (c) An energy efficiency improvement project;
- (d) A neighborhood improvement project;
- (e) An off-street parking project;
- (f) An overpass project;



- (g) A park project;
- (h) A public safety project;
- (i) A renewable energy project;
- (j) A sanitary sewer project;
- (k) A security wall;
- (l) A sidewalk project;
- (m) A storm sewer project;
- (n) A street project;
- (o) A street beautification project;
- (p) A transportation project;
- (q) An underpass project;
- (r) A water project;
- (s) A waterfront project;
- (t) A waterfront maintenance project; and
- (u) Any combination of such projects.

2. In addition to the power specified in subsection 1, the governing body of a city having a commission form of government as defined in NRS 267.010, upon behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality:

- (a) An electrical project;
- (b) A telephone project;
- (c) A combination of an electrical project and a telephone project;
- (d) A combination of an electrical project or a telephone project with any of the projects, or any combination thereof, specified in subsection 1; and
- (e) A combination of an electrical project and a telephone project with any of the projects, or any combination thereof, specified in subsection 1.

3. In addition to the power specified in subsections 1 and 2, the governing body of a municipality, on behalf of the municipality and in its name, without an election, may finance an underground conversion project with the approval of each service provider that owns the overhead service facilities to be converted.

~~4. In addition to the power specified in subsections 1, 2 and 3, if the governing body of a municipality in a county whose population is less than 700,000 complies with the provisions of NRS 271.650, the governing body of the municipality, on behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality:~~

~~—(a) An art project; and~~



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~~—(b) A tourism and entertainment project.~~

~~—5.]~~ In addition to the power specified in this section, if a qualified project is located within the jurisdiction of the municipality, the governing body of the municipality, on behalf of the municipality and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, within or without the municipality, or both within and without the municipality, an electrical project for the qualified project, a fire protection project for the qualified project or a rail project for the qualified project.

~~[6.]~~ 5. As used in this section, “qualified project” has the meaning ascribed to it in NRS 360.888 or 360.940.

Sec. 2. NRS 271.431 is hereby amended to read as follows:

271.431 As used in NRS 271.431 to 271.434, inclusive, “revenue” means any money pledged wholly or in part for crediting to or payment of assessments, subject to any existing pledges or other contractual limitations and may include:

1. Moneys derived from one, all or any combination of revenue resources appertaining to any facilities of the municipality, financed in whole or in part with the proceeds of assessments levied pursuant to the assessment ordinance, including, but not limited to, use and service charges, rents, fees and any other income derived from the operation or ownership of, from the use or services of, or from the availability of or services appertaining to, the lease of, any sale or other disposal of, any contract or other arrangement, or otherwise derived in connection with such facilities or all or any part of any property appertaining to the facilities.

2. Any loans, grants or contributions to the municipality from the Federal Government, the State or any public body for the payment of all or any portion of the cost of the project for which the assessments were levied.

3. The proceeds of any excise taxes levied and collected by the municipality or otherwise received by it and authorized by law to be pledged for the payment of the project for which the assessments were levied or for the payment of the assessments levied to finance the cost of the project but excluding the proceeds of any general (ad valorem) taxes.

~~[4.—Any money pledged pursuant to an assessment ordinance adopted in accordance with NRS 271.650.]~~

Sec. 3. NRS 271.4315 is hereby amended to read as follows:

271.4315 1. The governing body may apply any revenues to the payment of assessments and in so doing may pledge the revenue to such payment. The revenues must be credited in the proportion which each individual assessment or installment of principal bears to the total of all individual assessments in the assessment to which



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the revenues are to be credited. The application of revenues must be made pursuant to the provisions set forth in the assessment ordinance.

2. If an individual assessment, or any installment of principal and interest has been paid in cash, the credit must be returned in cash to the person or persons paying the same upon their furnishing satisfactory evidence of payment. Where all or any part of an individual assessment remains unpaid and is payable in installments of principal, the credit must be applied to the installment, and if after the payment of the installment there remains an unused portion of the credit, the unused portion must be applied to the payment of interests, and if after the payment of such principal and interest there remains an unused portion of the credit, the unused portion must be

~~§~~
~~—(a) Except as otherwise provided in paragraph (b),~~ applied to the next ensuing installment or installments of principal and interest ~~§ or~~

~~—(b) If the credit is derived from money pledged pursuant to an assessment ordinance adopted in accordance with NRS 271.650, remitted to the State Controller for distribution in the manner set forth in subsection 2 of NRS 360.850,~~ until the credit is applied in its entirety.

Sec. 3.5. NRS 271A.050 is hereby amended to read as follows:

271A.050 “Project” means:

1. With respect to a county whose population is 700,000 or more:

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

(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 other purposes, including structures, buildings and other improvements and equipment therefor, parking facilities, and all other appurtenances necessary, useful or desirable for a Major League Baseball or National Football League stadium, including, without limitation, all types of property therefor and immediately adjacent facilities for retail sales, dining and entertainment.~~

2. With respect to a city in a county whose population is 700,000 or more:

(a) A project described in paragraph (a) ~~§~~ **or** (b) ~~for (c)~~ of subsection 1; or

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

3. With respect to a municipality other than a municipality described in subsection 1 or 2, any project that the municipality is



1 authorized to acquire, improve, equip, operate and maintain
2 pursuant to subsections 1, 2, 3 and 5 to 10, inclusive, of NRS
3 244A.057 or NRS 268.730 or 271.265, as applicable.

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

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

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

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

10 271A.070 1. Except as otherwise provided in this section and
11 NRS 271A.080, the governing body of a municipality may:

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

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

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

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

30 (2) The amount of the proceeds of the taxes imposed
31 pursuant to NRS 374.110 and 374.190 with regard to tangible
32 personal property sold at retail, or stored, used or otherwise
33 consumed, in the district during a fiscal year, after the deduction of
34 0.75 percent of the amount of those proceeds; and

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

40 2. The governing body of a municipality may not include in an
41 ordinance adopted to create or revise the boundaries of a district
42 pursuant to paragraph (a) of subsection 1 on or after July 1, 2013,
43 the pledge of any proceeds described in subparagraph (2) of
44 paragraph (c) of subsection 1. The provisions of this subsection do
45 not apply to the governing body of a municipality with respect to



any district created before July 1, 2013, if the governing body obtains an opinion from independent bond counsel stating that the applicability of this provision would impair an existing contract for the sale of bonds which were issued before July 1, 2013.

3. 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.

4. If any property within the boundaries of a district is also included within the boundaries of any other tourism improvement district, ~~for 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.

5. If the governing body of a municipality creates a tourism improvement district:

(a) On or before October 1, 2009, that includes within its boundaries any property included within the boundaries of a redevelopment area established pursuant to chapter 279 of NRS, the governing body and agency may provide financing or reimbursement related to a project or redevelopment project pursuant to the provisions of both NRS 271A.120 and 279.610 to 279.685, inclusive.

(b) After October 1, 2009, that includes within its boundaries any property included within the boundaries of a redevelopment area established pursuant to chapter 279 of NRS, the governing body and an agency:

(1) May provide financing or reimbursement related to a project or redevelopment project pursuant to the provisions of NRS 271A.120 or 279.610 to 279.685, inclusive, whichever is applicable.

(2) Shall not provide such financing or reimbursement related to the project or redevelopment project pursuant to the provisions of both NRS 271A.120 and 279.610 to 279.685, inclusive.

6. A governing body of a municipality in a county whose population is less than 700,000 may not create a tourism improvement district on or after July 1, 2021.

7. As used in this section:

(a) "Agency" has the meaning ascribed to it in NRS 279.386.

(b) "Redevelopment project" has the meaning ascribed to it in NRS 279.412.



Sec. 5. NRS 271A.080 is hereby amended to read as follows:
271A.080 The governing body of a municipality shall not adopt an ordinance pursuant to NRS 271A.070 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 written finding at a public hearing that the project will benefit the district.

3. The governing body has made a written finding at a public hearing, based upon reports from independent consultants which were addressed to the governing body and to the board of county commissioners, if the governing body is not the board of county commissioners for the county 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 NRS 271A.070;

(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.

➤ The reports required from independent consultants pursuant to this subsection must be obtained from independent consultants selected by the governing body from a list of independent consultants provided by the Commission on Tourism. For the purposes of this subsection, the Commission shall, upon the request of a governing body, provide the governing body with a list of at



1 least three qualified independent consultants, each of whom must be
2 located outside of this State.

3 4. If the governing body is not the board of county
4 commissioners for the county in which the tourism improvement
5 district is or will be located, the governing body has, at least 45 days
6 before making the written finding required by subsection 3,
7 provided to the board of county commissioners in the county in
8 which the tourism improvement district is or will be located:

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

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

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

27 5. The governing body has determined, at a public hearing
28 conducted at least 15 days after providing notice of the hearing by
29 publication, that:

30 (a) As a result of the project:

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

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

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

40 6. The Commission on Tourism has determined, at a public
41 hearing conducted at least 15 days after providing notice of the
42 hearing by publication, that a preponderance of the increase in the
43 proceeds from sales and use taxes identified pursuant to subsection
44 5 will be attributable to transactions with tourists who are not
45 residents of this State.



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

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

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

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

~~— (2) Bonds~~ **bonds** and notes issued, and agreements entered into, pursuant to NRS 271A.120.

~~Any~~ 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 NRS 271A.120 to which all or any portion of that money is pledged.

Sec. 6. NRS 271A.105 is hereby amended to read as follows:

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

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

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

2. If the governing body of a municipality creates a district before, on or after July 1, 2011, the Department of Taxation shall ~~the~~ **on** or before April 1 and October 1 of each year, except as otherwise provided in ~~subsection 3,~~ **subsections 3 and 5,** prepare and submit to the Director of the Legislative Counsel Bureau for submission to the Legislature, or to the Legislative Commission when the Legislature is not in regular session, and to the governing body of the municipality a semiannual report which states ~~the~~

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

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



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

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

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

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

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

↪ The report must provide the information separately for each district in the municipality unless reporting the information separately would disclose or result in the disclosure of *proprietary* information about an individual business, in which case ~~{the report must provide}~~ the information *may be provided* in the aggregate ~~{(b) Require each}~~ *for two or more districts in the municipality in a manner that does not result in the disclosure of proprietary information about an individual business. To the extent possible, the report must provide the information separately for each district which includes more than one business.*

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

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

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

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

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

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



~~13.1~~ 5. The Department of Taxation is not required to prepare and submit a report pursuant to ~~paragraph (a) of~~ subsection 2 if the report cannot be prepared in a manner which would not disclose or result in the disclosure of *proprietary* information about an individual business.

~~14.1~~ 6. As used in this section, "taxable sales" means any sales that are taxable pursuant to chapter 372 of NRS.

Sec. 7. NRS 360.255 is hereby amended to read as follows:

360.255 1. Except as otherwise provided in this section and NRS 239.0115, *271A.105* and 360.250, the records and files of the Department concerning the administration or collection of any tax, fee, assessment or other amount required by law to be collected or the imposition of disciplinary action are confidential and privileged. The Department, an employee of the Department and any other person engaged in the administration or collection of any tax, fee, assessment or other amount required by law to be collected or the imposition of disciplinary action or charged with the custody of any such records or files:

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

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

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

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

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

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

(d) Exchanges of information with the Internal Revenue Service in accordance with compacts made and provided for in such cases, or disclosure to any federal agency, state or local law enforcement agency, including, without limitation, the Cannabis Compliance Board, or local regulatory agency that requests the information for



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1 the use of the agency in a federal, state or local prosecution or
2 criminal, civil or regulatory investigation.

3 (e) Disclosure in confidence to the Governor or his or her agent
4 in the exercise of the Governor's general supervisory powers, or to
5 any person authorized to audit the accounts of the Department in
6 pursuance of an audit, or to the Attorney General or other legal
7 representative of the State in connection with an action or
8 proceeding relating to a taxpayer or licensee, or to any agency of
9 this or any other state charged with the administration or
10 enforcement of laws relating to workers' compensation,
11 unemployment compensation, public assistance, taxation, labor or
12 gaming.

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

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

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

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

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

44 (k) Disclosure of the identity of a licensee against whom
45 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 regardless of whether the application was ultimately approved, disclosure of the following information:

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

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

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

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

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

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

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

5. As used in this section:



(a) "Applicant" means any person listed on the 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.

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

(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. 8. 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.



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(c) Transfer the total amount of fees, taxes, interest and penalties collected pursuant to this chapter during the preceding month, less the amount transferred pursuant to paragraphs (a) and (b) and excluding any ~~{amounts}~~ **amount** required to be remitted pursuant to NRS ~~[360.850 and]~~ 360.855, to the State Education Fund.

Sec. 9. 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,]~~ 360.855, 377.055 and 377.057, monthly transfer from the Sales and Use Tax Account 1.75 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. 10. NRS 377.055 is hereby amended to read as follows:

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

1. 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

2. 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]~~ 360.855, deposit the money in the Local Government Tax Distribution Account created by NRS 360.660 for credit to the respective subaccounts of each county.

Sec. 11. 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~~ **amount** required to be remitted pursuant to NRS ~~360.850 and~~ 360.855 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) of subsection 1 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. 12. NRS 387.1212 is hereby amended to read as follows:

387.1212 1. The State Education Fund is hereby created as a special revenue fund to be administered by the Superintendent of Public Instruction for the purpose of supporting the operation of the public schools in this State. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund.

2. Money which must be deposited for credit to the State Education Fund includes, without limitation:

(a) All money derived from interest on the State Permanent School Fund, as provided in NRS 387.030;

(b) The proceeds of the tax imposed pursuant to NRS 244.33561 and any applicable penalty or interest, less any amount retained by the county treasurer for the actual cost of collecting and administering the tax;

(c) The proceeds of the tax imposed pursuant to subsection 1 of NRS 387.195;

(d) The portion of the money in each special account created pursuant to subsection 1 of NRS 179.1187 which is identified in paragraph (d) of subsection 2 of NRS 179.1187;

(e) The money identified in subsection 1 of NRS 328.450;

(f) The money identified in subsection 1 of NRS 328.460;

~~(g) The money identified in paragraph (a) of subsection 2 of NRS 360.850;~~

~~(h)~~ The money identified in paragraph (a) of subsection 2 of NRS 360.855;

~~(i)~~ ~~(h)~~ The money required to be paid over to the State Treasurer for deposit to the credit of the State Education Fund pursuant to subsection 4 of NRS 362.170;

~~(j)~~ ~~(i)~~ The portion of the proceeds of the tax imposed pursuant to subsection 1 of NRS 372A.290 identified in paragraph (b) of subsection 4 of NRS 372A.290;

~~(k)~~ ~~(j)~~ The proceeds of the tax imposed pursuant to subsection 3 of NRS 372A.290;

~~(l)~~ ~~(k)~~ The proceeds of the fees, taxes, interest and penalties imposed pursuant to chapter 374 of NRS, as transferred pursuant to subsection 3 of NRS 374.785;

~~(m)~~ ~~(l)~~ The money identified in paragraph (b) of subsection 3 of NRS 678B.390;



~~(m)~~ (m) The portion of the proceeds of the excise tax imposed pursuant to subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS 463.385;

~~(n)~~ (n) The money required to be distributed to the State Education Fund pursuant to subsection 3 of NRS 482.181;

~~(o)~~ (o) The portion of the net profits of the grantee of a franchise, right or privilege identified in NRS 709.110;

~~(p)~~ (p) The portion of the net profits of the grantee of a franchise identified in NRS 709.230;

~~(q)~~ (q) The portion of the net profits of the grantee of a franchise identified in NRS 709.270; and

~~(r)~~ (r) The direct legislative appropriation from the State General Fund required by subsection 3.

3. In addition to money from any other source provided by law, support for the State Education Fund must be provided by direct legislative appropriation from the State General Fund in an amount determined by the Legislature to be sufficient to fund the operation of the public schools in this State for kindergarten through grade 12 for the next ensuing biennium for the population reasonably estimated for that biennium. Money in the State Education Fund does not revert to the State General Fund at the end of a fiscal year, and the balance in the State Education Fund must be carried forward to the next fiscal year.

4. Money in the Fund must be paid out on claims as other claims against the State are paid.

5. The Superintendent of Public Instruction may create one or more accounts in the State Education Fund for the purpose of administering any money received from the Federal Government for the support of education and any State money required to be administered separately to satisfy any requirement imposed by the Federal Government. The money in any such account must not be considered when calculating the statewide base per pupil funding amount or appropriating money from the State Education Fund pursuant to NRS 387.1214. The interest and income earned on the money in any such account, after deducting any applicable charges, must be credited to the account.

Sec. 13. 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. 14. NRS 271.650, 271.660, 271.670, 271.680 and 360.850 are hereby repealed.

Sec. 15. This act becomes effective on July 1, 2021.



LEADLINES OF REPEALED SECTIONS

271.650 Pledge of sales or use tax proceeds in assessment ordinance for project in certain counties: Amount; required determinations; interlocal agreements; conclusiveness of determinations.

271.660 Agreement with Department of Taxation regarding distribution of pledged amounts.

271.670 Agreement with owner of property interest in district to defray cost of local governmental services during term of pledge: Contents; determination by governing body of municipality; notice to and hearing by board of trustees of school district; conclusiveness of governing body's determination.

271.680 Limitations on issuance of bonds.

360.850 Distribution of money pledged pursuant to NRS 271.650; distribution and use of excess amounts; adoption of regulations by Nevada Tax Commission for collection and distribution of pledged money.

