

## Amendment No. 436

Senate Amendment to Senate Bill No. 406

(BDR 21-139)

**Proposed by:** Senate Committee on Government Affairs**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date	
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

HAC/BJE



Date: 4/21/2013

S.B. No. 406—Revises provisions governing tourism improvement districts.

(BDR 21-139)



SENATE BILL NO. 406—SENATORS SMITH, DENIS,  
WOODHOUSE, PARKS; AND ATKINSON

MARCH 18, 2013

JOINT SPONSORS: ASSEMBLYMEN KIRKPATRICK,  
SPRINKLE; AND DONDERO LOOP

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing tourism improvement districts.  
(BDR 21-139)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to tourism improvement districts; prohibiting , with limited exceptions, the pledge of the proceeds of certain taxes to finance a project within a tourism improvement district created or revised on or after July 1, 2013; revising provisions relating to certain reports prepared by the Department of Taxation; prohibiting the financing or reimbursement of certain projects that include the relocation of certain retail facilities to a tourism improvement district; prohibiting, with limited exceptions, the financing or reimbursement from the proceeds of certain taxes that are collected from any retail facilities of a retailer that, on or after July 1, 2013, locate within the boundary of a tourism improvement district; making various other changes relating to tourism improvement districts; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

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. The projects may be owned by the municipality, another governmental entity or any person and may be financed through the issuance of bonds or the entry into agreements for the reimbursement of the costs of the projects. (Chapter 271A of NRS) **Section 1** of this bill prohibits , with limited exceptions, a municipality from pledging the proceeds of ~~certain taxes~~ the Local School Support Tax to finance a project within a TID created or revised on or after July 1, 2013. Sections 1.5, 2.3, 2.7 and 3.5 of this bill make conforming changes.

**Section 1** also authorizes a municipality to create a TID that includes within its boundaries any property that is included in a redevelopment area but prohibits using

**the financing and reimbursement mechanisms of both the TID and the redevelopment area for a project.**

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

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

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

---

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

**Section 1.** NRS 271A.070 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

~~3-4~~ 4. If any property within the boundaries of a district is also included within the boundaries of any other tourism improvement district or any improvement district for which any money has been pledged pursuant to NRS 271.650, the total amount of money pledged pursuant to this section and NRS 271.650 with respect to such property by all such districts must not exceed the amount authorized pursuant to this section.

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

(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. 1.5. 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 ~~4-4~~ 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, ~~and to the board of trustees of the school district in which the tourism improvement district is or will be located,~~ as to whether the

project and the financing thereof pursuant to this chapter will have a positive fiscal effect on the provision of local governmental services, after considering:

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

(b) The use of any money proposed to be pledged pursuant to 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 least three qualified independent consultants, each of whom must be located outside of this State.

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

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

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

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

~~—5—~~ 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, the governing body has, at least 45 days before making the written finding required by subsection 3, provided to the board of county commissioners in the county in which the tourism improvement district is or will be located:

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

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

➤ After the receipt of the notice required by this subsection and before the date of the meeting at which the governing body will consider making the written finding required by subsection 3, the board of county commissioners may conduct a hearing regarding the fiscal effect on local governmental services, if any, of the

project and the use of any money proposed to be pledged pursuant to NRS 271A.070, and may submit to the governing body of the municipality any comments regarding that fiscal effect. The governing body may consider those comments when making any written finding pursuant to subsection 3 and shall consider those comments when considering the terms of any agreement pursuant to NRS 271A.110.

~~6-1~~ 5. The governing body has determined, at a public hearing conducted at least 15 days after providing notice of the hearing by publication, that:

(a) As a result of the project:

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

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

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

~~7-1~~ 6. The Commission on Tourism has determined, at a public hearing conducted at least 15 days after providing notice of the hearing by publication, that a preponderance of the increase in the proceeds from sales and use taxes identified pursuant to subsection ~~6-1~~ 5 will be attributable to transactions with tourists who are not residents of this State.

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

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

~~— (b) If the Governor determines that the pledge of money will have a substantial adverse fiscal effect on educational funding, may require a commitment from the municipality for the provision of specified payments to the school district in which the tourism improvement district is or will be located during the term of the use of any money pledged pursuant to NRS 271A.070. The payments may be provided pursuant to agreements with owners of property within the district authorized by NRS 271A.110 or from sources other than the owners of property within the district. Such a commitment by a municipality is not subject to the limitations of subsection 1 of NRS 254.626 and, notwithstanding any other law to the contrary, is binding on the municipality for the term of the use of any money pledged pursuant to NRS 271A.070.~~

~~9-1~~ 7. If any property within the boundaries of the district is also included within the boundaries of any other tourism improvement district or any improvement district for which any money has been pledged pursuant to NRS 271.650, all 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:

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

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

➤ 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

1 NRS to which all or any portion of that money is pledged, or during the term of any  
2 bonds or notes issued or any agreements entered into pursuant to NRS 271A.120 to  
3 which all or any portion of that money is pledged.

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

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

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

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

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

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

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

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

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

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

30 *➤ The report must provide the information separately for each district in the*  
31 *municipality unless reporting the information separately would disclose or result*  
32 *in the disclosure of information about an individual business, in which case the*  
33 *report must provide the information in the aggregate.*

34 (b) Require each business within the district to report to the Department of  
35 Taxation, at such times as the Department may specify on a form provided by the  
36 Department, such information as the Department determines to be necessary to  
37 carry out the provisions of paragraph (a).

38 3. ~~Except as otherwise provided in subsection 2 or another specific statute,~~  
39 ~~the~~ *The* Department of Taxation ~~shall not disclose any information reported to the~~  
40 ~~Department pursuant to subsection 2.~~ *is not required to prepare and submit a*  
41 *report pursuant to paragraph (a) of subsection 2 if the report cannot be prepared*  
42 *in a manner which would not disclose or result in the disclosure of information*  
43 *about an individual business.*

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

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

47 271A.110 1. The governing body of a municipality may, except as  
48 otherwise provided in subsection 2, enter into an agreement with one or more of the  
49 owners of any interest in property within a district, pursuant to which that owner  
50 would agree to make payments to the municipality or to another local government  
51 that provides services in the district, or to both, to defray, in whole or in part, the  
52 cost of local governmental services during the term of the use of any money  
53 pledged pursuant to NRS 271A.070. Such an agreement must specify the amount to

1 be paid by the owner of the property interest, which may be stated as a specified  
2 amount per year or as an amount based upon any formula upon which the  
3 municipality and owner agree.

4 2. The governing body of a municipality shall not enter into an agreement  
5 pursuant to subsection 1 unless ~~+~~

6 ~~(a) The~~ the governing body has made a written finding pursuant to subsection  
7 3 of NRS 271A.080 that the project and the use of any money pledged pursuant to  
8 NRS 271A.070 will not have a positive fiscal effect on the provision of local  
9 governmental services. ~~+~~ ~~or~~

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

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

14 271A.120 1. Except as otherwise provided in this section, if the governing  
15 body of a municipality adopts an ordinance pursuant to NRS 271A.070, the  
16 municipality may:

17 (a) Issue, at one time or from time to time, bonds or notes as special  
18 obligations under the Local Government Securities Law to finance or refinance  
19 projects for the benefit of the district. Any such bonds or notes may be secured by a  
20 pledge of, and be payable from, any money pledged pursuant to NRS 271A.070 and  
21 received by the municipality with respect to the district, any revenue received by  
22 the municipality from any revenue-producing projects in the district, or any  
23 combination thereof.

24 (b) Enter into an agreement with one or more governmental entities or other  
25 persons to reimburse that entity or person for the cost of acquiring, improving or  
26 equipping, or any combination thereof, any project, which may contain such terms  
27 as are determined to be desirable by the governing body of the municipality,  
28 including the payment of reasonable interest and other financing costs incurred by  
29 such entity or other person. Any such reimbursements may be secured by a pledge  
30 of, and be payable from, any money pledged pursuant to NRS 271A.070 and  
31 received by the municipality with respect to the district, any revenue received by  
32 the municipality from any revenue-producing projects in the district, or any  
33 combination thereof. Such an agreement is not subject to the limitations of  
34 subsection 1 of NRS 354.626 and may, at the option of the governing body, be  
35 binding on the municipality beyond the fiscal year in which it was made, only if the  
36 agreement pertains solely to one or more projects that are owned by the  
37 municipality or another governmental entity.

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

41 (a) Except as otherwise provided in this paragraph, to any governmental entity  
42 for any project within the district if any nongovernmental entity is or was entitled to  
43 receive any financing or reimbursement from the municipality pursuant to this  
44 section under the original financing agreements for the initial projects within the  
45 district. This paragraph does not prohibit the provision of such financing or  
46 reimbursement to ~~+~~

47 ~~(1) A school district; or~~

48 ~~(2) A~~ a governmental entity that is or was entitled to receive such  
49 financing or reimbursement under the original financing agreements for the initial  
50 projects within the district.

51 (b) To any person or other entity for any project within the district, other than a  
52 person or other entity that is or was entitled to receive such financing or  
53 reimbursement from the municipality under the original financing agreements for

the initial projects within the district, without the consent of all the persons and other entities that were entitled to receive such financing or reimbursement under the original financing agreements for the initial projects within the district.

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

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

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

4. No bond, note or other agreement issued or entered into pursuant to this section may be secured by or payable from the general fund of the municipality, the power of the municipality to levy ad valorem property taxes, or any source other than any money pledged pursuant to NRS 271A.070 and received by the municipality with respect to the district, any revenue received by the municipality from any revenue-producing projects in the district, or any combination thereof. No bond, note or other agreement issued or entered into pursuant to this section may ever become a general obligation of the municipality or a charge against its general credit or taxing powers, nor may any such bond, note or other agreement become a debt of the municipality for purposes of any limitation on indebtedness.

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

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

271A.125 ~~1. The~~

~~1. The~~ governing body of a municipality:

~~1.1~~ (a) Shall require the review of each claim submitted pursuant to any contract or other agreement made with the governing body to provide any financing or reimbursement pursuant to NRS 271A.120, by an independent auditor.

~~1.2~~ (b) Shall not ~~1. with respect to any district created on or after July 1, 2011;~~ ~~provide~~;

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

~~(a) 1. Any~~

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

~~(b) 2. Any~~ (II) Any project that includes the relocation ~~on or after July 1, 2011;~~ to the district of any retail facilities of a retailer from another location outside of and within ~~15~~ 15 miles of the boundary of the district ~~and within the county in which the district is located~~ if the relocation occurs within 6 months after the facilities located outside of the boundary of the district are closed. Each pledge of money pursuant to NRS 271A.070 shall be deemed to exclude any amounts attributable to any tangible personal property sold at retail, or stored, used or otherwise consumed, in the district during a fiscal year by a retailer who, on or after July 1, ~~2011;~~ 2013, relocates any of its retail facilities to the district from

another location outside of ~~and within 15 miles of~~ the boundary of the district ~~and within the county where the district is located, if the relocation occurs within 6 months after the facilities located outside of the boundary of the district are closed.~~

(2) Provide any financing or reimbursement pursuant to NRS 271A.120 from the proceeds of the taxes described in subparagraph (2) of paragraph (c) of subsection 1 of NRS 271A.070 that are collected from any retail facilities of a retailer which, on or after July 1, 2013, locates within the boundary of a district.

2. The provisions of sub-subparagraph (II) of subparagraph (1) of paragraph (b) of subsection 1 and subparagraph (2) of paragraph (b) of subsection 1 do 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 ~~the~~ those provisions ~~of paragraph (b) of subsection 1~~ would impair an existing contract for the sale of bonds that were issued before July 1, 2013.

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

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

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

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

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

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

(a) First, to the credit of the county school district fund for the county in which the improvement district is located to the extent that the money would have been transferred to that fund, if not for the pledge of the money pursuant to that ordinance, pursuant to paragraph (e) of subsection 3 of NRS 374.785 for the fiscal year in which the State Controller receives the money;

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

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

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

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

10        (b) Approved by the governing body, ~~and the~~ and the Commission on Tourism ~~and~~  
11 ~~Governor~~ in the manner required to satisfy the requirements of subsections 5 and 6  
12 ~~, 7 and 8~~ of NRS 271A.080,

13 ~~and after the provision of notice to and an opportunity to make comments by the~~  
14 ~~board of trustees of the school district in which the tourism improvement district is~~  
15 ~~located in accordance with subsection 4 of NRS 271A.080 and, if applicable,~~  
16 by the board of county commissioners of the county in which the tourism improvement  
17 district is located in accordance with subsection ~~4~~ 4 of NRS 271A.080.

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

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