
SENATE BILL NO. 337—SENATORS CEGAVSKE AND GOICOECHEA

MARCH 18, 2013

JOINT SPONSOR: ASSEMBLYMAN OSCARSON

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to local governmental finance. (BDR 21-92)

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

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

AN ACT relating to local governmental financing; restricting the pledge of anticipated tax revenues in connection with the creation of a tourism improvement district by the governing body of a county or city in certain smaller counties of the State; removing, for those counties and cities, the prohibition against the creation of a tourism improvement district that overlaps a redevelopment area; revising the prerequisites to the creation of a tourism improvement district by the governing body of such a county or city; revising the formula for the allocation of money collected from taxes in certain redevelopment areas; revising provisions governing the payment of money received from certain pledged revenues for the benefit of a tourism improvement district; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law provides for the creation of tourism improvement districts and
2 redevelopment areas. (Chapters 271A and 279 of NRS) In establishing a tourism
3 improvement district, the governing body of a city or county is currently authorized
4 to pledge an amount equal to the proceeds of certain taxes collected in the district,
5 including the proceeds of taxes collected pursuant to the Local School Support Tax
6 Law. (NRS 271A.070) **Section 1** of this bill prohibits a governing body from
7 pledging money from local school support taxes in connection with any tourism
8 improvement district created on or after July 1, 2013, in a county whose population



* S B 3 3 7 *

9 is less than 55,000 (currently counties other than Carson City, Clark County and
10 Washoe County), or in any city in such a county.

11 Under existing law, a governing body is prohibited from creating a tourism
12 improvement district that includes within its boundaries any property that is also
13 included within a redevelopment area. (NRS 271A.070) **Section 1** removes this
14 prohibition for the counties described above and any city in such a county.

15 Existing law imposes certain conditions on the adoption of an ordinance
16 creating a tourism improvement district, including that: (1) the governing body of
17 the city or county that creates the district must determine that no retailers will have
18 maintained or will be maintaining a fixed place of business within the district for a
19 specified period preceding the adoption of the ordinance; (2) the governing body
20 must obtain certain reports from independent consultants who are selected from a
21 list of consultants provided by the Commission on Tourism; (3) the Commission
22 must determine that most of the projected increase in the proceeds from sales and
23 use taxes collected in the district will be attributable to transactions with tourists;
24 and (4) the Governor must determine that the project to be operated within the
25 district and the use of money proposed to be pledged to carry out the project will
26 contribute significantly to economic development and tourism in this State. (NRS
27 271A.080) **Section 2** of this bill modifies those conditions or makes them
28 inapplicable to a tourism improvement district created in any of the counties and
29 cities described above.

30 Under existing law, a redevelopment plan must provide for the division of
31 money collected from taxes levied by taxing agencies upon taxable property in the
32 redevelopment area. To the extent that the amount of money collected in any year
33 exceeds the amount calculated for a specified base period, the additional money
34 generally must be allocated and paid into a special fund of the redevelopment
35 agency and used to pay the costs of redevelopment. (NRS 279.676) For any
36 redevelopment plan adopted on or after July 1, 2013, by the governing body of a
37 county whose population is 55,000 or less, or the governing body of a city in such
38 a county, **section 4** of this bill exempts from this allocation any taxes levied by a
39 taxing agency for the support of the public schools in the county.

40 The governing body of a county or city that creates a tourism improvement
41 district is generally required to pay to the State Controller, at the end of each fiscal
42 year, any pledged revenues received by the governing body in excess of the amount
43 required to make current payments of principal and interest on certain bonds and
44 other obligations of the governing body. If the governing body uses the excess
45 money to prepay or retire such obligations, payment to the State Controller is not
46 required if that use of the money has previously been approved by the Commission
47 on Tourism and the Governor in connection with the creation of the district. (NRS
48 360.855) **Section 5** of this bill exempts from the prepayment provision any tourism
49 improvement district created in a county whose population is less than 55,000, or
50 any city in such a county.

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

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

3 271A.070 1. Except as otherwise provided in this section and
4 NRS 271A.080, the governing body of a municipality may:

5 (a) Create a tourism improvement district for the purposes of
6 carrying out this chapter and revise the boundaries of the district by



1 adopting an ordinance describing the boundaries of the district and
2 generally describing the types of projects which may be financed
3 within the district pursuant to this chapter.

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

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

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

17 (2) ~~The~~ *Except as otherwise provided in subsection 2, the*
18 amount of the proceeds of the taxes imposed pursuant to NRS
19 374.110 and 374.190 with regard to tangible personal property sold
20 at retail, or stored, used or otherwise consumed, in the district
21 during a fiscal year, after the deduction of 0.75 percent of the
22 amount of those proceeds; and

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

28 2. *For any district created on or after July 1, 2013, in a*
29 *county whose population is less than 55,000, the governing body*
30 *of a municipality may not pledge the amount of the proceeds of the*
31 *taxes described in subparagraph (2) of paragraph (c) of*
32 *subsection 1.*

33 3. A district created pursuant to this section by:

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

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

39 ~~3-~~ 4. If any property within the boundaries of a district is also
40 included within the boundaries of any other tourism improvement
41 district or any improvement district for which any money has been
42 pledged pursuant to NRS 271.650, the total amount of money
43 pledged pursuant to this section and NRS 271.650 with respect to
44 such property by all such districts must not exceed the amount
45 authorized pursuant to this section.



~~4. The~~

5. *Except in a county whose population is less than 55,000, the* governing body of a municipality shall not, after October 1, 2009, create 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.

Sec. 2. NRS 271A.080 is hereby amended to read as follows:
271A.080 ~~The~~

1. *Except as otherwise provided in subsection 2, the* governing body of a municipality shall not adopt an ordinance pursuant to NRS 271A.070 unless:

~~1~~ (a) If the ordinance:

~~1~~ (1) 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

~~1~~ (2) 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.

~~1~~ (b) The governing body has made a written finding at a public hearing that the project will benefit the district.

~~1~~ (c) 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, 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:

~~1~~ (1) 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;

~~1~~ (2) The use of any money proposed to be pledged pursuant to NRS 271A.070;

~~1~~ (3) 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

~~1~~ (4) Estimates of any increases in the proceeds from sales and use taxes collected by retailers located outside of the district and



1 of any displacement of the proceeds from sales and use taxes
2 collected by those retailers, as a result of the properties and
3 businesses expected to be located in the district.

4 ➤ The reports required from independent consultants pursuant to
5 this ~~{subsection}~~ **paragraph** must be obtained from independent
6 consultants selected by the governing body from a list of
7 independent consultants provided by the Commission on Tourism.
8 For the purposes of this ~~{subsection}~~ **paragraph**, the Commission
9 shall, upon the request of a governing body, provide the governing
10 body with a list of at least three qualified independent consultants,
11 each of whom must be located outside of this State.

12 ~~{4}~~ **(d)** The governing body has, at least 45 days before making
13 the written finding required by ~~{subsection 3}~~ **paragraph (c)**,
14 provided to the board of trustees of the school district in which the
15 tourism improvement district is or will be located:

16 ~~{a}~~ **(1)** Written notice of the time and place of the meeting at
17 which the governing body will consider making that written finding;
18 and

19 ~~{b}~~ **(2)** Each analysis prepared by or for or presented to the
20 governing body regarding the fiscal effect of the project and the use
21 of any money proposed to be pledged pursuant to NRS 271A.070 on
22 the provision of local governmental services, including education.

23 ➤ After the receipt of the notice required by this ~~{subsection}~~
24 **paragraph** and before the date of the meeting at which the
25 governing body will consider making the written finding required by
26 ~~{subsection 3}~~ **paragraph (c)**, the board of trustees shall conduct a
27 hearing regarding the fiscal effect on the school district, if any,
28 of the project and the use of any money proposed to be pledged
29 pursuant to NRS 271A.070, and may submit to the governing body
30 of the municipality any comments regarding that fiscal effect. The
31 governing body shall consider those comments when making any
32 written finding pursuant to ~~{subsection 3}~~ **paragraph (c)** and shall
33 consider those comments when considering the terms of any
34 agreement pursuant to NRS 271A.110.

35 ~~{5}~~ **(e)** If the governing body is not the board of county
36 commissioners for the county in which the tourism improvement
37 district is or will be located, the governing body has, at least 45 days
38 before making the written finding required by ~~{subsection 3}~~
39 **paragraph (c)**, provided to the board of county commissioners in
40 the county in which the tourism improvement district is or will be
41 located:

42 ~~{a}~~ **(1)** Written notice of the time and place of the meeting at
43 which the governing body will consider making that written finding;
44 and



1 ~~{(b)}~~ (2) Each analysis prepared by or for or presented to the
2 governing body regarding the fiscal effect of the project and the use
3 of any money proposed to be pledged pursuant to NRS 271A.070 on
4 the provision of local governmental services.

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

17 ~~{6.}~~ (f) The governing body has determined, at a public hearing
18 conducted at least 15 days after providing notice of the hearing by
19 publication, that:

20 ~~{(a)}~~ (I) As a result of the project:

21 ~~{(1)}~~ (I) Retailers will locate their businesses as such in the
22 district; and

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

27 ~~{(b)}~~ (2) A preponderance of that increase in the proceeds from
28 sales and use taxes will be attributable to transactions with tourists
29 who are not residents of this State.

30 ~~{7.}~~ (g) The Commission on Tourism has determined, at a
31 public hearing conducted at least 15 days after providing notice of
32 the hearing by publication, that a preponderance of the increase in
33 the proceeds from sales and use taxes identified pursuant to
34 ~~{subsection 6.}~~ *paragraph (f)* will be attributable to transactions with
35 tourists who are not residents of this State.

36 ~~{8.}~~ (h) The Governor has determined that the project and the
37 use of any money proposed to be pledged pursuant to NRS
38 271A.070 will contribute significantly to economic development
39 and tourism in this State. Before making that determination, the
40 Governor:

41 ~~{(a)}~~ (I) Must consider the fiscal effects of the pledge of money
42 on educational funding, including any fiscal effects described in
43 comments provided pursuant to ~~{subsection 4.}~~ *paragraph (d)* by the
44 school district in which the tourism improvement district is or will
45 be located, and for that purpose may require the Department of



1 Education or the Department of Taxation, or both, to provide an
2 appropriate fiscal report; and

3 ~~(b)~~ (2) If the Governor determines that the pledge of money
4 will have a substantial adverse fiscal effect on educational funding,
5 may require a commitment from the municipality for the provision
6 of specified payments to the school district in which the tourism
7 improvement district is or will be located during the term of the use
8 of any money pledged pursuant to NRS 271A.070. The payments
9 may be provided pursuant to agreements with owners of property
10 within the district authorized by NRS 271A.110 or from sources
11 other than the owners of property within the district. Such a
12 commitment by a municipality is not subject to the limitations of
13 subsection 1 of NRS 354.626 and, notwithstanding any other law to
14 the contrary, is binding on the municipality for the term of the use of
15 any money pledged pursuant to NRS 271A.070.

16 ~~(1)~~ (i) If any property within the boundaries of the district is
17 also included within the boundaries of any other tourism
18 improvement district or any improvement district for which any
19 money has been pledged pursuant to NRS 271.650, all of the
20 governing bodies which created those districts have entered into an
21 interlocal agreement providing for:

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

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

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

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

28 ➤ Any such agreement for the priority of the application of that
29 money may be made irrevocable during the term of any bonds
30 issued pursuant to chapter 271 of NRS to which all or any portion of
31 that money is pledged, or during the term of any bonds or notes
32 issued or any agreements entered into pursuant to NRS 271A.120 to
33 which all or any portion of that money is pledged.

34 2. *For an ordinance adopted pursuant to NRS 271A.070 by*
35 *the governing body of a municipality in any county whose*
36 *population is less than 55,000:*

37 (a) *The requirements of paragraphs (a), (g) and (h) of*
38 *subsection 1 are not applicable.*

39 (b) *The requirement of paragraph (c) of subsection 1 that the*
40 *reports described in that paragraph be obtained from independent*
41 *consultants who are selected from a list of consultants provided by*
42 *the Commission on Tourism is not applicable.*

43 **Sec. 3.** NRS 271A.110 is hereby amended to read as follows:

44 271A.110 1. The governing body of a municipality may,
45 except as otherwise provided in subsection 2, enter into an



1 agreement with one or more of the owners of any interest in
2 property within a district, pursuant to which that owner would agree
3 to make payments to the municipality or to another local
4 government that provides services in the district, or to both, to
5 defray, in whole or in part, the cost of local governmental services
6 during the term of the use of any money pledged pursuant to NRS
7 271A.070. Such an agreement must specify the amount to be paid
8 by the owner of the property interest, which may be stated as a
9 specified amount per year or as an amount based upon any formula
10 upon which the municipality and owner agree.

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

13 (a) The governing body has made a written finding pursuant to
14 ~~subsection 3~~ *paragraph (c) of subsection 1* of NRS 271A.080 that
15 the project and the use of any money pledged pursuant to NRS
16 271A.070 will not have a positive fiscal effect on the provision of
17 local governmental services; or

18 (b) The Governor requires a commitment from the municipality
19 for the provision of specified payments to the school district in
20 which the district is located during the term of the use of any money
21 pledged pursuant to NRS 271A.070.

22 **Sec. 4.** NRS 279.676 is hereby amended to read as follows:

23 279.676 1. Any redevelopment plan may contain a provision
24 that taxes, if any, levied upon taxable property in the redevelopment
25 area each year by or for the benefit of the State, any city, county,
26 district or other public corporation, after the effective date of the
27 ordinance approving the redevelopment plan, must be divided as
28 follows:

29 (a) That portion of the taxes which would be produced by the
30 rate upon which the tax is levied each year by or for each of the
31 taxing agencies upon the total sum of the assessed value of
32 the taxable property in the redevelopment area as shown upon the
33 assessment roll used in connection with the taxation of the property
34 by the taxing agency, last equalized before the effective date of the
35 ordinance, must be allocated to and when collected must be paid
36 into the funds of the respective taxing agencies as taxes by or for
37 such taxing agencies on all other property are paid. To allocate taxes
38 levied by or for any taxing agency or agencies which did not include
39 the territory in a redevelopment area on the effective date of the
40 ordinance but to which the territory has been annexed or otherwise
41 included after the effective date, the assessment roll of the county
42 last equalized on the effective date of the ordinance must be used in
43 determining the assessed valuation of the taxable property in the
44 redevelopment area on the effective date. If property which was
45 shown on the assessment roll used to determine the amount of taxes



1 allocated to the taxing agencies is transferred to the State and
2 becomes exempt from taxation, the assessed valuation of the exempt
3 property as shown on the assessment roll last equalized before the
4 date on which the property was transferred to the State must be
5 subtracted from the assessed valuation used to determine the amount
6 of revenue allocated to the taxing agencies.

7 (b) Except as otherwise provided in paragraphs (c) , ~~and~~ (d)
8 *and (e)* and NRS 540A.265, that portion of the levied taxes each
9 year in excess of the amount set forth in paragraph (a) must be
10 allocated to and when collected must be paid into a special fund of
11 the redevelopment agency to pay the costs of redevelopment and to
12 pay the principal of and interest on loans, money advanced to, or
13 indebtedness, whether funded, refunded, assumed, or otherwise,
14 incurred by the redevelopment agency to finance or refinance, in
15 whole or in part, redevelopment. Unless the total assessed valuation
16 of the taxable property in a redevelopment area exceeds the total
17 assessed value of the taxable property in the redevelopment area as
18 shown by the assessment roll last equalized before the effective date
19 of the ordinance approving the redevelopment plan, less the
20 assessed valuation of any exempt property subtracted pursuant to
21 paragraph (a), all of the taxes levied and collected upon the taxable
22 property in the redevelopment area must be paid into the funds of
23 the respective taxing agencies. When the redevelopment plan is
24 terminated pursuant to the provisions of NRS 279.438 and 279.439
25 and all loans, advances and indebtedness, if any, and interest
26 thereon, have been paid, all money thereafter received from taxes
27 upon the taxable property in the redevelopment area must be paid
28 into the funds of the respective taxing agencies as taxes on all other
29 property are paid.

30 (c) That portion of the taxes in excess of the amount set forth in
31 paragraph (a) that is attributable to a tax rate levied by a taxing
32 agency to produce revenues in an amount sufficient to make annual
33 repayments of the principal of, and the interest on, any bonded
34 indebtedness that was approved by the voters of the taxing agency
35 on or after November 5, 1996, must be allocated to and when
36 collected must be paid into the debt service fund of that taxing
37 agency.

38 (d) That portion of the taxes in excess of the amount set forth in
39 paragraph (a) that is attributable to a new or increased tax rate levied
40 by a taxing agency and was approved by the voters of the taxing
41 agency on or after November 5, 1996, must be allocated to and
42 when collected must be paid into the appropriate fund of the taxing
43 agency.

44 *(e) For any redevelopment plan adopted on or after July 1,*
45 *2013, by a legislative body in a county whose population is less*



1 *than 55,000, that portion of the taxes in excess of the amount set*
2 *forth in paragraph (a) which is levied by a taxing agency for the*
3 *support of the public schools in the county must be allocated to,*
4 *and when collected must be paid into, the appropriate fund of the*
5 *taxing agency.*

6 2. Except as otherwise provided in subsection 3, in any fiscal
7 year, the total revenue paid to a redevelopment agency must not
8 exceed:

9 (a) In a county whose population is 100,000 or more or a city
10 whose population is 150,000 or more, an amount equal to the
11 combined tax rates of the taxing agencies for that fiscal year
12 multiplied by 10 percent of the total assessed valuation of the
13 municipality.

14 (b) In a county whose population is 30,000 or more but less than
15 100,000 or a city whose population is 25,000 or more but less than
16 150,000, an amount equal to the combined tax rates of the taxing
17 agencies for that fiscal year multiplied by 15 percent of the total
18 assessed valuation of the municipality.

19 (c) In a county whose population is less than 30,000 or a city
20 whose population is less than 25,000, an amount equal to the
21 combined tax rates of the taxing agencies for that fiscal year
22 multiplied by 20 percent of the total assessed valuation of the
23 municipality.

24 ➤ If the revenue paid to a redevelopment agency must be limited
25 pursuant to paragraph (a), (b) or (c) and the redevelopment agency
26 has more than one redevelopment area, the redevelopment agency
27 shall determine the allocation to each area. Any revenue which
28 would be allocated to a redevelopment agency but for the provisions
29 of this section must be paid into the funds of the respective taxing
30 agencies.

31 3. The taxing agencies shall continue to pay to a
32 redevelopment agency any amount which was being paid before
33 July 1, 1987, and in anticipation of which the agency became
34 obligated before July 1, 1987, to repay any bond, loan, money
35 advanced or any other indebtedness, whether funded, refunded,
36 assumed or otherwise incurred.

37 4. For the purposes of this section, the assessment roll last
38 equalized before the effective date of the ordinance approving the
39 redevelopment plan is the assessment roll in existence on March 15
40 immediately preceding the effective date of the ordinance.

41 **Sec. 5.** NRS 360.855 is hereby amended to read as follows:

42 360.855 1. The State Controller, acting upon the collection
43 data furnished by the Department, shall remit to the governing body
44 of a municipality that adopts an ordinance pursuant to



1 NRS 271A.070, in the manner provided pursuant to an agreement
2 made pursuant to NRS 271A.100:

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

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

11 2. Except as otherwise provided in subsection 3, the governing
12 body of a municipality that adopts an ordinance pursuant to NRS
13 271A.070 shall at the end of each fiscal year remit to the State
14 Controller any amount received pursuant to this section in excess of
15 the amount required to make payments due during that fiscal year of
16 the principal of, interest on, and other payments or security-related
17 costs with respect to, any bonds or notes issued pursuant to NRS
18 271A.120 and payments due during that fiscal year under any
19 agreements made pursuant to NRS 271A.120. The State Controller
20 shall deposit any money received from a governing body of a
21 municipality pursuant to this subsection in the appropriate account
22 in the State General Fund for distribution and use as if the money
23 had not been pledged by an ordinance adopted pursuant to NRS
24 271A.070, in the following order of priority:

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

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

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

40 3. The provisions of subsection 2 do not require a governing
41 body to remit to the State Controller any money received pursuant to
42 this section and expended for the purpose of prepaying, defeasing or
43 otherwise retiring all or a portion of any bonds or notes issued
44 pursuant to NRS 271A.120 or of prepaying amounts due under any
45 agreements entered into pursuant to NRS 271A.120, or any



1 combination thereof, with respect to a tourism improvement district
2 if that use of the money has been:

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

6 (b) Approved by the governing body ~~†~~ *and, except for a*
7 *tourism improvement district created by the governing body of a*
8 *municipality in a county whose population is less than 55,000, the*
9 Commission on Tourism and *the* Governor in the manner required
10 to satisfy the requirements of ~~subsections 6, 7 and 8~~ *paragraphs*
11 *(f), (g) and (h) of subsection 1* of NRS 271A.080,

12 ~~and~~ and after the provision of notice to and an opportunity to make
13 comments by the board of trustees of the school district in which the
14 tourism improvement district is located in accordance with
15 ~~subsection 4~~ *paragraph (d) of subsection 1* of NRS 271A.080 and,
16 if applicable, by the board of county commissioners of the county in
17 which the tourism improvement district is located in accordance
18 with ~~subsection 5~~ *paragraph (e) of subsection 1* of
19 NRS 271A.080.

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

24 **Sec. 6.** This act becomes effective on July 1, 2013.

