
SENATE BILL NO. 472—COMMITTEE ON FINANCE

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 25, 2013

Referred to Committee on Revenue and Economic Development

SUMMARY—Requires the Office of the Attorney General to reimburse the Department of Taxation for certain costs. (BDR 32-1129)

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 the Master Settlement Agreement; requiring the Office of the Attorney General to reimburse the Department of Taxation for certain costs incurred by the Department in the performance of certain duties relating to the Master Settlement Agreement; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 In 1998, leading United States tobacco product manufacturers and the State of
2 Nevada entered into a settlement agreement, entitled the “Master Settlement
3 Agreement,” which obligates the manufacturers, in part, to pay substantial sums to
4 the State in return for a release from certain present and future claims against them.
5 In 1999, the Nevada Legislature enacted provisions requiring all manufacturers of
6 tobacco products sold in this State to participate in the Master Settlement
7 Agreement or to place certain money in escrow and provisions establishing the
8 Office of the Attorney General as the agency responsible for enforcing compliance
9 by manufacturers. (Chapter 370A of NRS) In 2005, the Nevada Legislature enacted
10 certain other provisions to aid the Office of the Attorney General in the
11 enforcement of the provisions governing manufacturers of tobacco products,
12 including the creation of the Account for Tobacco Enforcement. (NRS 370.600-
13 370.705) This bill requires the Office of the Attorney General to reimburse the
14 Department of Taxation from the Account for the costs incurred by the Department
15 in carrying out certain duties relating to the Master Settlement Agreement and the
16 deposits into escrow by manufacturers that do not participate in the Agreement.



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

1 **Section 1.** Chapter 370 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *The Office of the Attorney General shall reimburse the*
4 *Department of Taxation from the Account for Tobacco*
5 *Enforcement created by NRS 370.692 for any costs or expenses*
6 *which are incurred by the Department in enforcing or otherwise*
7 *ensuring compliance with the Master Settlement Agreement or*
8 *with requirements for the deposit of money by a nonparticipating*
9 *manufacturer into a qualified escrow fund pursuant to the*
10 *provisions of this chapter and chapter 370A of NRS.*

11 **Sec. 2.** NRS 370.600 is hereby amended to read as follows:

12 370.600 The Legislature finds that:

13 1. Violations of the provisions of chapter 370A of NRS
14 threaten the integrity of the Master Settlement Agreement, the fiscal
15 soundness of the State and public health.

16 2. The enactment of the procedural enhancements set forth in
17 NRS 370.600 to 370.705, inclusive, *and section 1 of this act* will
18 aid in the enforcement of the provisions of chapter 370A of NRS
19 and thereby safeguard the Master Settlement Agreement, the fiscal
20 soundness of the State and public health.

21 **Sec. 3.** NRS 370.605 is hereby amended to read as follows:

22 370.605 As used in NRS 370.600 to 370.705, inclusive, *and*
23 *section 1 of this act*, unless the context otherwise requires, the
24 words and terms defined in NRS 370.610 to 370.660, inclusive,
25 have the meanings ascribed to them in those sections.

26 **Sec. 4.** NRS 370.692 is hereby amended to read as follows:

27 370.692 1. The Account for Tobacco Enforcement is hereby
28 created in the State General Fund. The Attorney General shall
29 administer the Account.

30 2. The money in the Account must only be used to enforce the
31 provisions of NRS 370.600 to 370.705, inclusive, *and section 1 of*
32 *this act* and to pay the *costs and* expenses incurred by ~~the~~:

33 (a) *The Attorney General* in the discharge of his or her duties,
34 including, without limitation, *costs and* expenses relating to the
35 provision of training and the payment of the salaries and benefits of
36 employees ~~H~~; *and*

37 (b) *The Department of Taxation as provided by section 1 of*
38 *this act.*

39 3. Money in the Account must remain in the Account and
40 does not revert to the State General Fund at the end of any fiscal
41 year.



1 **Sec. 5.** This act becomes effective on July 1, 2013.

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