

ASSEMBLY BILL NO. 368—ASSEMBLYWOMAN BENITEZ-THOMPSON

MARCH 22, 2021

Referred to Committee on Revenue

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

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

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

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

Legislative Counsel’s Digest:

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

15 **Section 1** of this bill: (1) requires the report to provide the information
16 separately for each TID unless reporting the information separately would disclose
17 or result in the disclosure of proprietary information about an individual business;
18 and (2) provides that the Department is not required to prepare and submit the
19 report if the report cannot be prepared in a manner which would not disclose or
20 result in the disclosure of proprietary information about an individual business.

21 **Section 2** of this bill makes a conforming change to make an exception to the law
22 that provides that records and files of the Department concerning the administration
23 or collection of any tax, fee, assessment or other amount required by law to be
24 collected are confidential and privileged.



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

1 **Section 1.** NRS 271A.105 is hereby amended to read as
2 follows:

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

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

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

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

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

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

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

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

30 (4) The number of full-time and part-time employees
31 employed each month by the businesses within the district.

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

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



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

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

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

9 360.255 1. Except as otherwise provided in this section and
10 NRS 239.0115, **271A.105** and 360.250, the records and files of the
11 Department concerning the administration or collection of any tax,
12 fee, assessment or other amount required by law to be collected or
13 the imposition of disciplinary action are confidential and privileged.
14 The Department, an employee of the Department and any other
15 person engaged in the administration or collection of any tax, fee,
16 assessment or other amount required by law to be collected or the
17 imposition of disciplinary action or charged with the custody of any
18 such records or files:

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

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

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

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

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

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

41 (d) Exchanges of information with the Internal Revenue Service
42 in accordance with compacts made and provided for in such cases,
43 or disclosure to any federal agency, state or local law enforcement
44 agency or local regulatory agency that requests the information for



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



1 imposed against the licensee at any time after a determination,
2 decision or order of the Executive Director or other officer of the
3 Department imposing upon the licensee disciplinary action becomes
4 final or is affirmed by the Nevada Tax Commission.

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

7 (m) With respect to an application for a registration certificate to
8 operate a medical marijuana establishment pursuant to chapter 453A
9 of NRS or a license to operate a marijuana establishment pursuant to
10 chapter 453D of NRS which was submitted on or after May 1, 2017,
11 and regardless of whether the application was ultimately approved,
12 disclosure of the following information:

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

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

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

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

23 (n) Disclosure of the name of a licensee and the jurisdiction of
24 that licensee pursuant to chapter 453A or 453D of NRS, and any
25 regulations adopted pursuant thereto.

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

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

42 5. As used in this section:

43 (a) "Applicant" means any person listed on the application for a
44 registration certificate to operate a medical marijuana establishment



1 pursuant to chapter 453A of NRS or a license to operate a marijuana
2 establishment pursuant to chapter 453D of NRS.

3 (b) "Disciplinary action" means any suspension or revocation of
4 a license, registration, permit or certificate issued by the Department
5 pursuant to this title or chapter 453A or 453D of NRS or any other
6 disciplinary action against the holder of such a license, registration,
7 permit or certificate.

8 (c) "Licensee" means a person to whom the Department has
9 issued a license, registration, permit or certificate pursuant to this
10 title or chapter 453A or 453D of NRS. The term includes, without
11 limitation, any owner, officer or board member of an entity to whom
12 the Department has issued a license.

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

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

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

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

