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Office of Governor Steve Sisolak

June 10, 2021

The Honorable Barbara K. Cegavske Secretary of State 101 N. Carson Street, Suite 3 Carson City, Nevada 89701

Re: Assembly Bill 368 of the 81st Legislative Session

Dear Secretary Cegavske:

I am forwarding to you, for filing within the time limit set forth in the Nevada Constitution and without my approval, Assembly Bill 368 (AB 368), which is titled as follows:

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.

AB 368 would require additional reporting on taxes collected from businesses within tourism improve districts. Improved reporting is a laudable goal, which I wholly support. However, AB 368 would also prohibit all cities and counties outside of Clark County from creating tourism improvement districts after July 1, 2021.

Tourism improvement districts ("TIDs") are currently used to help these smaller counties and municipalities finance projects suitable for retail, tourism, or entertainment. These projects include infrastructure and improvements such as flood control, streets, parking, utilities like electrical and natural gas, and fire protection. *See* NRS 271A.050. These projects are designed and intended to attract more businesses to Nevada and in turn create more jobs for our residents.

Nevada was hit especially hard by the COVID-19 pandemic, resulting in business closures and thousands of people losing their jobs. My office and all members of the Legislature have worked very hard to build Nevada back up and get people back to work.

However, AB 368 is contrary to the goals of restarting our economy, improving our infrastructure, and creating jobs. When many Nevadans are still struggling, now is not the time to remove any of the tools that local governments can use to encourage and generate economic development.

For these reasons, I veto this bill and return it without my signature or approval.

Respectfully submitted,

Governor Steve Sisolak State of Nevada

cc: The Honorable Jason Frierson, Speaker of the Assembly
The Honorable Nicole Cannizzaro, Majority Leader of the Senate