



STATE OF NEVADA  
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As you may be aware, in 2013 the Nevada Legislature passed Senate Bill 516 ("SB 516"), which amended Nevada Revised Statutes ("NRS") Chapters 370 and 370A. This letter serves as a reminder of the provisions affecting tribal tobacco sales in the State of Nevada.

Initially, SB 516 amended the definition of "Units Sold" under NRS 370A.120 for calculating escrow payments to include "cigarette" sales on tribal land.

NRS 370A.153 and 370A.157 expand the potential uses for escrow principal and escrow interest or other appreciation. Under NRS 370A.153(1), a manufacturer may assign to the State of Nevada the interest or other appreciation accrued by the funds the manufacturer deposited in escrow. Any assignment made under this section is irrevocable. NRS 370A.153(2). In addition, NRS 370A.157 permits the State to enter into a compact with a tribe for the release of not more than 50 percent of the amounts deposited into an escrow fund for cigarettes sold on or after January 1, 2015, in a retail transaction to a consumer on tribal land of the tribe if certain statutory conditions are met.

To allow for the release of these funds, NRS 370A.157(5) requires each manufacturer to amend its escrow agreement to provide the Nevada Attorney General with authority to withdraw this money from escrow if a release to a tribe is authorized under the law. The Nevada Attorney General will provide each manufacturer with a proposed amendment to its escrow agreement to allow for this withdrawal.

At this time, it is important to note that any released escrow will be based on **retail** tobacco sales on tribal land. The tribal retailer will be responsible for tracking these sales to ensure accurate reporting of cigarette sales made. The Nevada Attorney General's Office will be forwarding additional information during the First Quarter of 2015 detailing what will be required of tribal retailers in order to be eligible for an escrow release pursuant to NRS 370A.157. If you are interested in receiving additional information, please provide your contact information, by February 13, 2015, including both a physical and e-mail address, to Deputy Attorney General Hillary Bunker and Compliance Investigator Ursula Sindlinger and indicate you would like to be placed on the tribal tobacco contact list. You can contact them at [hbunker@ag.nv.gov](mailto:hbunker@ag.nv.gov) and [usindlinger@ag.nv.gov](mailto:usindlinger@ag.nv.gov).

Once again, this letter simply serves to call attention to tobacco related tribal retail changes that were made in SB 516. Our Office encourages all tribal retailers to read SB 516 in its entirety and the amended NRS Chapters. Please feel free to contact our Office with any questions.

Sincerely,  
CATHERINE CORTEZ MASTO  
Attorney General

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