
ASSEMBLY BILL NO. 174—COMMITTEE ON TAXATION

FEBRUARY 9, 1999

(ON BEHALF OF DOUGLAS COUNTY)

Referred to Committee on Taxation

SUMMARY—Authorizes board of county commissioners of Douglas County to impose local sales and use tax and conforms similar definition provision in Carson City Charter. (BDR S-593)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: 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 finances; authorizing the board of county commissioners of Douglas County to impose a local sales and use tax for libraries, airports, facilities and services for senior citizens and parks and recreational programs and facilities; conforming a similar definition provision in the Carson City Charter; authorizing the board of county commissioners of Douglas County to issue bonds and other securities to fund libraries, airports and facilities and services for senior citizens; and providing other matters properly relating thereto.

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

- 1 **Section 1.** This act may be cited as the Douglas County Sales and Use
2 Tax Act of 1999.
- 3 **Sec. 2.** The legislature hereby finds and declares that:
- 4 1. The enactment of the Douglas County Lodgers Tax Law, chapter
5 639, Statutes of Nevada 1969, at page 1250, provided Douglas County
6 with a unique means to finance airport, recreational and combined facilities
7 by the imposition and collection of an occupancy tax;
- 8 2. The enactment of the Tahoe-Douglas Visitor's Authority Act,
9 chapter 496, Statutes of Nevada 1997, at page 2375, redirected the
10 expenditure of the revenue from the occupancy tax from airport,
11 recreational and combined facilities to the promotion of tourism and the

1 construction and operation of a convention center in the Tahoe Township
2 of Douglas County;

3 3. The Tahoe-Douglas Visitor's Authority Act made no provision for
4 an additional tax to replace the revenue from the occupancy tax needed to
5 finance airport, recreational and combined facilities in Douglas County;

6 4. A majority of the voters in Douglas County approved at the 1998
7 primary election an increase in the sales tax of one-quarter of 1 percent for
8 the acquisition, development, operation and maintenance of libraries,
9 airports and facilities and services for senior citizens and for the operation
10 and maintenance of parks and recreational programs and facilities;

11 5. The necessity for this act results from:

12 (a) The small, but growing, population of Douglas County;

13 (b) Its geographical location on the border of the densely populated
14 State of California and on a portion of Lake Tahoe;

15 (c) Its natural tourist attractions and its availability to tourists; and

16 (d) Its atypical financial problems resulting from the foregoing and
17 other singular factors;

18 6. A general law cannot be made applicable to the purposes, objects,
19 powers, rights, privileges, immunities, liabilities, duties and disabilities
20 provided in this act because of the demographic, economic and geographic
21 diversity of the local governments of this state, the unique growth patterns
22 occurring in Douglas County and the special financial conditions
23 experienced in the county related to the need to acquire, develop, operate
24 and maintain libraries, airports, and facilities and services for senior
25 citizens and to operate and maintain parks and recreational programs and
26 facilities; and

27 7. The powers, rights, privileges, immunities, liabilities, duties and
28 disabilities provided in this act comply in all respects with any requirement
29 or limitation pertaining thereto and imposed by any constitutional
30 provisions.

31 **Sec. 3.** Except as otherwise provided in this act or unless the context
32 otherwise requires, terms used or referred to in this act have the meanings
33 ascribed to them in chapter 374 of NRS, as from time to time amended, but
34 the definitions in sections 4 to 16, inclusive, of this act, unless the context
35 otherwise requires, govern the construction of this act.

36 **Sec. 4.** "Act" means the Douglas County Sales and Use Tax Act of
37 1999.

38 **Sec. 5.** "Airport" means an airport or airports and air navigation
39 facilities that are owned, acquired, developed, operated and maintained by
40 the county pursuant to chapter 496 of NRS, as from time to time amended.

41 **Sec. 6.** "Board" means the board of county commissioners of Douglas
42 County.

43 **Sec. 7.** "County" means Douglas County.

1 **Sec. 8.** “County treasurer” means the county treasurer of Douglas
2 County.

3 **Sec. 9.** “Department” means the department of taxation created
4 pursuant to NRS 360.120.

5 **Sec. 10.** “Facility for senior citizens” means personal property and
6 improvements to real property that are designed to meet the recreational,
7 cultural, leisure or nutritional needs of senior citizens, or any combination
8 thereof, and all appurtenant or customary facilities and uses associated
9 therewith.

10 **Sec. 11.** “Library” means:

11 1. A county library established, operated and maintained by the county
12 pursuant to NRS 379.010; and

13 2. A district library established, operated and maintained by the county
14 pursuant to NRS 379.021.

15 **Sec. 12.** “Park” means real property and any improvements made
16 thereon that are designed to serve the cultural, leisure, recreational and
17 outdoor needs of natural persons.

18 **Sec. 13.** “Recreational facility” means personal property and
19 improvements to real property for athletic, cultural and leisure activities
20 and all appurtenant or customary facilities and uses associated therewith.

21 **Sec. 14.** “Recreational program” means a program that is designed to
22 provide athletic, cultural or leisure activities to members of the general
23 public.

24 **Sec. 15.** “Senior citizen” means a person who:

25 1. Is 65 years of age or older; or

26 2. Has a physical or mental limitation that restricts his ability to
27 provide for his recreational, cultural, leisure or nutritional needs.

28 **Sec. 16.** “Services for senior citizens” means services that are
29 designed to meet the recreational, cultural, leisure or nutritional needs of
30 senior citizens.

31 **Sec. 17.** 1. The board may enact an ordinance imposing a local sales
32 and use tax to:

33 (a) Acquire, develop, construct, equip, operate, maintain, improve and
34 manage libraries, airports, and facilities and services for senior citizens
35 located in the county; and

36 (b) Operate and maintain parks and recreational programs and facilities
37 located in the county.

38 2. Annually, the board shall allocate the proceeds from the tax
39 imposed pursuant to this section from the preceding fiscal year, the interest
40 and other income earned on those proceeds, and any amount carried
41 forward pursuant to subsection 3, among the uses set forth in subsection 1
42 and include those allocations in the final budget adopted by the board
43 pursuant to NRS 354.598. The proceeds from the tax, including interest

1 and other income earned thereon, must be used in accordance with those
2 allocations.

3 3. At the end of a fiscal year, the proceeds from the tax, including
4 interest and other income earned thereon, not expended or otherwise
5 obligated for the purposes set forth in this section, must be carried forward
6 and become part of the total proceeds of the tax, including interest and
7 other income earned thereon, available in the next fiscal year.

8 4. The board of county commissioners shall, before submitting to the
9 legislature any request to change the uses for the proceeds from the tax
10 authorized by this section, including interest and other income earned
11 thereon, submit an advisory question to the voters of the county pursuant
12 to NRS 293.482, asking whether the uses for the proceeds from the tax
13 should be so changed. The board shall not submit such a request to the
14 legislature if a majority of the voters in the county disapprove the proposed
15 change.

16 **Sec. 18.** An ordinance enacted pursuant to this act, except an
17 ordinance authorizing the issuance of bonds or other securities, must
18 include provisions in substance as follows:

19 1. A provision imposing a tax of not more than one-quarter of 1
20 percent of the gross receipts of any retailer from the sale of all tangible
21 personal property sold at retail or stored, used or otherwise consumed in
22 the county.

23 2. Provisions substantially identical to those contained in chapter 374
24 of NRS, insofar as applicable.

25 3. A provision that an amendment to chapter 374 of NRS enacted after
26 the effective date of the ordinance, not inconsistent with this act,
27 automatically becomes part of the ordinance imposing the tax.

28 4. A provision that the board shall contract before the effective date of
29 the ordinance with the department to perform all the functions incident to
30 the administration or operation of the tax in the county.

31 5. A provision that exempts from the tax the gross receipts from the
32 sale of tangible personal property used for the performance of a written
33 contract for the construction of an improvement to real property:

34 (a) That was entered into on or before the effective date of the tax; or

35 (b) For which a binding bid was submitted before that date if the bid
36 was afterward accepted,

37 and pursuant to the terms of the contract or bid, the contract price or bid
38 amount may not be adjusted to reflect the imposition of the tax.

39 **Sec. 19.** An ordinance amending an ordinance enacted pursuant to this
40 act, except an ordinance authorizing the issuance of bonds or other
41 securities, must include a provision in substance that the board shall amend
42 a contract made pursuant to subsection 4 of section 18 of this act by a
43 contract made between the board and the department before the effective

1 date of the amendatory ordinance, unless the board determines with the
2 written concurrence of the department that no such amendment of the
3 contract is needed.

4 **Sec. 20.** 1. All fees, taxes, interest and penalties imposed and all
5 amounts of tax required to be paid to the county pursuant to this act must
6 be paid to the department in the form of remittances payable to the
7 department.

8 2. The department shall deposit the payments with the state treasurer
9 for credit to the sales and use tax account in the state general fund.

10 3. The state controller, acting upon the collection data furnished by the
11 department, shall monthly:

12 (a) Transfer from the sales and use tax account to the appropriate
13 account in the state general fund a percentage of all fees, taxes, interest and
14 penalties collected pursuant to this act during the preceding month as
15 compensation to the state for the cost of collecting the tax. The percentage
16 to be transferred pursuant to this paragraph must be the same percentage as
17 the percentage of proceeds transferred pursuant to paragraph (a) of
18 subsection 3 of NRS 374.785, but the percentage must be applied to the
19 proceeds collected pursuant to this act only.

20 (b) Determine the amount equal to all fees, taxes, interest and penalties
21 collected in or for the county pursuant to this act during the preceding
22 month, less the amount transferred to the state general fund pursuant to
23 paragraph (a).

24 (c) Transfer the amount determined pursuant to paragraph (b) to the
25 intergovernmental fund and remit the money to the county treasurer.

26 **Sec. 21.** The department may redistribute any proceeds from the tax,
27 interest or penalty collected pursuant to this act which is determined to be
28 improperly distributed, but no such redistribution may be made as to
29 amounts originally distributed more than 6 months before the date on
30 which the department obtains knowledge of the improper distribution.

31 **Sec. 22.** 1. The county treasurer shall deposit money received from
32 the state controller pursuant to paragraph (c) of subsection 3 of section 20
33 of this act into the county treasury for credit to the fund created for the use
34 of the proceeds from the tax authorized by this act.

35 2. The fund of the county created for the use of the proceeds from the
36 tax authorized by this act must be accounted for as a separate fund and not
37 as a part of any other fund.

38 **Sec. 23.** 1. Money to acquire, develop, construct, equip, improve
39 and manage libraries, airports, and facilities and services for senior citizens
40 located in the county may be obtained:

41 (a) By the issuance of bonds and other securities as provided in
42 subsection 3, subject to any pledges, liens and other contractual limitations
43 made pursuant to this act;

1 (b) By direct distribution from the fund created pursuant to section 22
2 of this act; or

3 (c) By both the issuance of such securities and by direct distribution,
4 as the board may determine appropriate.

5 2. Money to operate and maintain libraries, airports, facilities and
6 services for senior citizens, parks and recreational programs and facilities
7 located in the county may be obtained by direct distribution from the fund
8 created pursuant to section 22 of this act.

9 3. The board may, after the enactment of the ordinance imposing the
10 tax, from time to time, issue bonds and other securities, which are general
11 or special obligations of the county and that may be secured as to principal
12 and interest by a pledge of the proceeds from the tax authorized by this act.

13 4. An ordinance authorizing the issuance of such a bond or other
14 security must describe the purpose for which the bond or other security is
15 issued.

16 **Sec. 24.** 1. To acquire, develop, construct, equip, improve and
17 manage libraries, airports, and facilities and services for senior citizens
18 located in the county, the board may issue:

19 (a) General obligation bonds;

20 (b) General obligation bonds for which payment is additionally secured
21 by a pledge of the proceeds of the tax imposed pursuant to this act, and if
22 so determined by the board, further secured by a pledge of the gross or net
23 revenues derived from the operation of libraries, airports or facilities and
24 services for senior facilities or any other project of the county which
25 produces income, or from any license fees or other excise taxes imposed
26 for revenue by the county, or otherwise, as may be legally made available
27 for payment of the bonds;

28 (c) Revenue bonds for which payment is solely secured by a pledge of
29 the proceeds of the tax imposed pursuant to this act, and if so determined
30 by the board, further secured by a pledge of the gross or net revenues
31 derived from the operation of the libraries, airports or facilities for senior
32 citizens or any other project of the county which produces income, or from
33 any license fees or other excise taxes imposed for revenue by the county,
34 or otherwise, as may be legally made available for payment of the bonds;
35 and

36 (d) Medium-term obligations pursuant to NRS 350.085 to 350.095,
37 inclusive.

38 2. Money pledged to the payment of bonds or other securities pursuant
39 to subsection 1 may be treated for the purposes of subsection 3 of NRS
40 350.020 as pledged revenue for the uses authorized by this act.

41 **Sec. 25.** The board shall not repeal or amend or otherwise directly or
42 indirectly modify the ordinance imposing the tax authorized by this act in
43 such a manner as to impair an outstanding bond issued pursuant to this act,

1 or other obligations incurred pursuant to this act, until all obligations for
2 which revenue from an ordinance have been pledged or otherwise made
3 payable from such revenue pursuant to this act have been discharged in full
4 or provision for full payment and redemption has been made.

5 **Sec. 26.** In a proceeding arising from an ordinance imposing a tax
6 pursuant to this act, the department may act for and on behalf of the
7 county.

8 **Sec. 27.** 1. The powers conferred by this act are in addition and
9 supplemental to, and not in substitution for, the powers conferred by any
10 other law and the limitations imposed by this act do not affect the powers
11 conferred by any other law.

12 2. This act must not be construed to prevent the exercise of any power
13 granted by any other law to the county or any officer, agent or employee of
14 the county.

15 3. This act must not be construed to repeal or otherwise affect any
16 other law or part thereof.

17 4. This act is intended to provide a separate method of accomplishing
18 the objectives of the act, but not an exclusive method.

19 5. If any provision of this act, or application thereof to any person,
20 thing or circumstance is held invalid, the invalidity shall not affect the
21 provisions or application of this act which can be given effect without the
22 invalid provision or application, and to this end the provisions of this act
23 are declared to be severable.

24 **Sec. 28.** Section 8A.010 of the charter of Carson City, being chapter
25 213, Statutes of Nevada 1969, as amended by chapter 16, Statutes of
26 Nevada 1997, at page 42, is hereby amended to read as follows:

27 Sec. 8A.010 Definitions. Except as otherwise provided in
28 this article or where the context otherwise requires, terms used or
29 referred to in this article have the meanings ascribed to them in
30 chapter ~~372~~ 374 of NRS, as from time to time amended; but the
31 definitions in sections 8A.020 to 8A.060, inclusive, except where
32 the context otherwise requires, govern the construction of this
33 article.

34 **Sec. 29.** This act becomes effective upon passage and approval.