

ASSEMBLY BILL NO. 554—COMMITTEE ON TAXATION

MARCH 15, 1999

Referred to Committee on Taxation

SUMMARY—Requires certain cities and counties to continue to levy and collect certain license taxes which are pledged for payment of certain obligations and authorizes pledge of certain license and other excise taxes to payment of revenue bonds. (BDR 20-1654)

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 ~~for omitted material~~ is material to be omitted.

AN ACT relating to local government finance; requiring certain cities and counties to continue to levy and collect certain license taxes which are pledged for the payment of certain bonds and other obligations and to transmit those taxes to the county fair and recreation board; authorizing the pledge of certain license or other excise taxes to the payment of revenue bonds; making various other changes governing obligations of county fair and recreational boards; 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.** NRS 244.33503 is hereby amended to read as follows:
2 244.33503 1. Any license tax:
3 (a) Which is levied by a county whose population is ~~400,000~~ **100,000**
4 or more against any lawful trade, calling, industry, occupation, profession
5 or business conducted in the county and located in an unincorporated area
6 within the county;
7 (b) Whose proceeds are pledged for the payment of any bonds or other
8 obligations issued pursuant to the provisions of NRS 244A.597 to
9 244A.655, inclusive; and
10 (c) Which is being collected by the county on January 1, 1995,
11 must continue to be levied, collected and transmitted to the county fair and
12 recreation board created pursuant to NRS 244A.599 as long as any of the
13 bonds or other obligations issued pursuant to the provisions of NRS
14 244A.597 to 244A.655, inclusive, remain outstanding and unpaid.

2. The proceeds of the license tax must be used by the county fair and recreation board for the purposes set forth in NRS 244A.597 to 244A.655, inclusive, including the payment of any bonds or other obligations issued pursuant to those provisions, and may be irrevocably pledged by the county fair and recreation board to the payment of bonds or other obligations issued pursuant to those provisions.

Sec. 2. NRS 244A.637 is hereby amended to read as follows:

244A.637 1. For the acquisition of any recreational facilities authorized in NRS 244A.597 to 244A.655, inclusive, the county fair and recreation board, at any time or from time to time ~~[, in the name and on the]~~ **may:**

(a) In the name of and on behalf of the county ~~[may:~~
~~—(a) Issue:]~~ **, issue:**

(1) General obligation bonds, payable from taxes; and

(2) General obligation bonds, payable from taxes, which payment is additionally secured by a pledge of gross or net revenues derived from the operation of such recreational facilities, and, if so determined by the board, further secured by a pledge of such other gross or net revenues as may be derived from any other income-producing project of the county or from any license or other excise taxes levied for revenue by the county, or otherwise, as may be legally made available for their payment;

(b) ~~[Issue revenue bonds payable solely]~~ In the name of and on behalf of the county fair and recreation board, issue revenue bonds:

(1) Payable from the net revenues to be derived from the operation of such recreational facilities ~~[, as the board may decide;]~~ ;

(2) Secured by a pledge of revenues from any tax on the rental of transient lodging levied for revenue by the county or a city;

(3) Secured by any other revenue that may be legally made available for their payment; or

(4) Payable or secured by any combination of subparagraph (1), (2) or (3); and

(c) Make a contract with the United States of America, or any agency or instrumentality thereof, or any other person or agency, public or private, creating an indebtedness if a question authorizing such contract is submitted to and approved by ~~[majorities]~~ **a majority** of the qualified electors of the county in the manner provided in NRS 350.020 to 350.070, inclusive. ***This paragraph does not apply to contracts for the prepayment of rent or other similar obligations.***

2. ~~[The election board shall make its returns to the secretary of the county fair and recreation board either directly or indirectly through the county clerk, as the county fair and recreation board may provide.]~~

Revenue bonds issued pursuant to this section must be authorized by

resolution of the county fair and recreation board, and no further approval by any person, board or commission is required.

Sec. 3. NRS 244A.645 is hereby amended to read as follows:

244A.645 In connection with any license taxes assigned or appropriated by any city, town or county, or any combination thereof, for use in connection with NRS 244A.597 to 244A.655, inclusive, the county fair and recreation board of any county, upon behalf of the county, in addition to powers elsewhere conferred, may:

1. Collect the proceeds of such taxes from time to time, receive, control, invest and order the expenditure of all money pertaining thereto, prescribe a procedure therefor, including, but not limited to:

(a) Enforcing the collection of any delinquent taxes and providing penalties in connection therewith, including, without limitation, the suspension of the business license issued by a county, city or town to a transient lodging facility and the closure of a transient lodging facility for failure to pay the tax on transient lodging; and

(b) Creating an office and hiring personnel therefor.

2. Defray the reasonable costs of collecting and otherwise administering such taxes from not exceeding 10 percent of the gross revenues so collected, excluding from this limitation and from those gross revenues any costs of collecting any delinquent taxes borne by any delinquent taxpayer. The incorporated cities collectively and any county may enter into an agreement with the board for the payment of collection fees which may be more or less than 10 percent of the gross revenues collected by a particular city or the county, except that the total payment of collection fees to all the cities and the county must not exceed 10 percent of the combined gross revenues so collected.

3. Defray further with the proceeds of any such tax the costs of the county fair and recreation board and of officers, agents and employees hired thereby, and of incidentals incurred thereby, of operating and maintaining recreational facilities under the jurisdiction of the board, including, without limiting the generality of the foregoing, the payment of reasonable promotional expenses pertaining thereto, payment of reasonable expenses pertaining to the promotion of tourism and gaming generally, both individually and through grants to the chambers of commerce of the incorporated cities of the county or other nonprofit groups or associations, and of improving, extending and bettering any recreational facilities authorized by NRS 244A.597 to 244A.655, inclusive, including, but not limited to, making annual grants to the state, the county and incorporated cities in the county for capital improvements for recreational facilities, and of constructing, purchasing or otherwise acquiring any such recreational facilities.

1 4. Redeem any general obligation bonds *or revenue bonds* of the
2 county issued pursuant to NRS 244A.597 to 244A.655, inclusive, principal,
3 interest and any prior redemption premium, regardless of whether such
4 taxes are pledged as additional security for their payment.

5 5. Make contracts from time to time concerning any such license taxes,
6 notwithstanding any such contract may limit the exercise of powers
7 pertaining thereto, including the right of any city, town or the county from
8 time to time to increase, decrease or otherwise modify the tax, ~~it~~ but no
9 such change may be made which prejudicially affects any pledge of tax
10 proceeds as additional security for the payment of bonds issued pursuant to
11 NRS 244A.597 to 244A.655, inclusive, and each other political subdivision
12 assigning or appropriating such taxes pertaining thereto must consent to any
13 such modification.

14 6. Make rules and regulations concerning such license taxes, and
15 provide penalties for the failure to comply therewith.

16 **Sec. 4.** NRS 268.0953 is hereby amended to read as follows:

17 268.0953 1. Any license tax:

18 (a) Which is levied by a city located in a county whose population is
19 ~~1400,000~~ *100,000* or more against any lawful trade, calling, industry,
20 occupation, profession or business conducted in that city;

21 (b) Whose proceeds are pledged for the payment of any bonds or other
22 obligations issued pursuant to the provisions of NRS 244A.597 to
23 244A.655, inclusive; and

24 (c) Which is being collected by the city on January 1, 1995,
25 must continue to be levied, collected and transmitted to the county fair and
26 recreation board created pursuant to NRS 244A.599 as long as any of the
27 bonds or other obligations issued pursuant to the provisions of NRS
28 244A.597 to 244A.655, inclusive, remain outstanding and unpaid.

29 2. The proceeds of the license tax must be used by the county fair and
30 recreation board for the purposes set forth in NRS 244A.597 to 244A.655,
31 inclusive, including the payment of any bonds or other obligations issued
32 pursuant to those provisions, and may be irrevocably pledged by the county
33 fair and recreation board to the payment of bonds or other obligations
34 issued pursuant to those provisions.

35 **Sec. 5.** This act becomes effective upon passage and approval.