
ASSEMBLY BILL NO. 571—ASSEMBLYMAN MORTENSON

MARCH 15, 1999

Referred to Committee on Taxation

SUMMARY—Increases tax on transient lodging in largest county. (BDR 20-1344)

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 taxation of receipts from transient lodging; increasing the rate of tax in certain counties; providing for the use of the additional revenue; 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.** Chapter 244 of NRS is hereby amended by adding thereto
2 a new section to read as follows:
3 ***In a county whose population is 400,000 or more, one-half of the***
4 ***proceeds of the tax imposed pursuant to NRS 244.3352, and any***
5 ***applicable penalty or interest, must be used pursuant to a county-wide***
6 ***community budget, established by the board of county commissioners, for***
7 ***the capital construction of parks, recreational facilities, museums, other***
8 ***cultural facilities, and similar projects, or as matching funds for federal***
9 ***grants for hiking trails, bicycle paths, open spaces or other recreational***
10 ***purposes, all of which must be designed to serve the permanent residents***
11 ***of the county.***
12 **Sec. 2.** NRS 244.3352 is hereby amended to read as follows:
13 244.3352 1. The board of county commissioners:
14 (a) In a county whose population is 400,000 or more, shall impose a tax
15 at a rate of ~~12~~ 4 percent; and
16 (b) In a county whose population is less than 400,000, shall impose a
17 tax at the rate of 1 percent,
18 of the gross receipts from the rental of transient lodging in that county
19 upon all persons in the business of providing lodging. This tax must be
20 imposed by the board of county commissioners in each county, regardless

1 of the existence or nonexistence of any other license fee or tax imposed on
2 the revenues from the rental of transient lodging. The ordinance imposing
3 the tax must include a schedule for the payment of the tax and the
4 provisions of subsection 4.

5 2. The tax imposed pursuant to subsection 1 must be collected and
6 administered pursuant to NRS 244.335.

7 3. The tax imposed pursuant to subsection 1 may be collected from the
8 paying guests and may be shown as an addition to the charge for the rental
9 of transient lodging. The person providing the transient lodging is liable to
10 the county for the tax whether or not it is actually collected from the
11 paying guest.

12 4. If the tax imposed pursuant to subsection 1 is not paid within the
13 time set forth in the schedule for payment, the county shall charge and
14 collect in addition to the tax:

15 (a) A penalty of not more than 10 percent of the amount due, exclusive
16 of interest, or an administrative fee established by the board of county
17 commissioners, whichever is greater; and

18 (b) Interest on the amount due at the rate of not more than 1.5 percent
19 per month or fraction thereof from the date on which the tax became due
20 until the date of payment.

21 5. As used in this section, "gross receipts from the rental of transient
22 lodging" does not include the tax imposed and collected from paying
23 guests pursuant to this section or NRS 268.096.

24 **Sec. 3.** NRS 244.3354 is hereby amended to read as follows:

25 244.3354 The proceeds of the tax imposed pursuant to NRS 244.3352
26 and any applicable penalty or interest must be distributed as follows:

27 1. In a county whose population is 400,000 or more:

28 (a) ~~Three-eighths of the first 1 percent~~ *Three thirty-seconds* of the
29 proceeds must be paid to the department of taxation for deposit with the
30 state treasurer for credit to the fund for the promotion of tourism.

31 (b) ~~The remaining~~ *Thirteen thirty-seconds of the* proceeds must be
32 transmitted to the county treasurer for deposit in the county school
33 district's fund for capital projects established pursuant to NRS 387.328, to
34 be held and expended in the same manner as other money deposited in that
35 fund.

36 (c) *One-half of the proceeds must be used pursuant to section 1 of this*
37 *act.*

38 2. In a county whose population is less than 400,000:

39 (a) Three-eighths must be paid to the department of taxation for deposit
40 with the state treasurer for credit to the fund for the promotion of tourism.

41 (b) Five-eighths must be deposited with the county fair and recreation
42 board created pursuant to NRS 244A.599 or, if no such board is created,
43 with the board of county commissioners, to be used to advertise the

resources of that county related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, and to promote special events related thereto.

Sec. 4. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

In a county whose population is 400,000 or more, one-half of the proceeds of the tax imposed pursuant to NRS 268.096, and any applicable penalty or interest, must be used pursuant to a county-wide community budget, established by the board of county commissioners, for the capital construction of parks, recreational facilities, museums, other cultural facilities, and similar projects, or as matching funds for federal grants for hiking trails, bicycle paths, open spaces or other recreational purposes, all of which must be designed to serve the permanent residents of the county.

Sec. 5. NRS 268.096 is hereby amended to read as follows:

268.096 1. The city council or other governing body of each incorporated city:

(a) In a county whose population is 400,000 or more, shall impose a tax at a rate of ~~2~~ 4 percent; and

(b) In a county whose population is less than 400,000, shall impose a tax at the rate of 1 percent, of the gross receipts from the rental of transient lodging in that city upon all persons in the business of providing lodging. This tax must be imposed by the city council or other governing body of each incorporated city, regardless of the existence or nonexistence of any other license fee or tax imposed on the revenues from the rental of transient lodging. The ordinance imposing the tax must include a schedule for the payment of the tax and the provisions of subsection 4.

2. The tax imposed pursuant to subsection 1 must be collected and administered pursuant to NRS 268.095.

3. The tax imposed pursuant to subsection 1 may be collected from the paying guests and may be shown as an addition to the charge for the rental of transient lodging. The person providing the transient lodging is liable to the city for the tax whether or not it is actually collected from the paying guest.

4. If the tax imposed pursuant to subsection 1 is not paid within the time set forth in the schedule for payment, the city shall charge and collect in addition to the tax:

(a) A penalty of not more than 10 percent of the amount due, exclusive of interest, or an administrative fee established by the governing body, whichever is greater; and

1 (b) Interest on the amount due at the rate of not more than 1.5 percent
2 per month or fraction thereof from the date on which the tax became due
3 until the date of payment.

4 5. As used in this section, "gross receipts from the rental of transient
5 lodging" does not include the tax imposed or collected from paying guests
6 pursuant to this section or NRS 244.3352.

7 **Sec. 6.** NRS 268.0962 is hereby amended to read as follows:

8 268.0962 The proceeds of the tax imposed pursuant to NRS 268.096
9 and any applicable penalty or interest must be distributed as follows:

10 1. In a county whose population is 400,000 or more:

11 (a) ~~{Three-eighths of the first 1 percent}~~ *Three thirty-seconds* of the
12 proceeds must be paid to the department of taxation for deposit with the
13 state treasurer for credit to the fund for the promotion of tourism.

14 (b) ~~{The remaining}~~ *Thirteen thirty-seconds of the* proceeds must be
15 transmitted to the county treasurer for deposit in the county school
16 district's fund for capital projects established pursuant to NRS 387.328, to
17 be held and expended in the same manner as other money deposited in that
18 fund.

19 (c) *One-half of the proceeds must be used pursuant to section 4 of this*
20 *act.*

21 2. In a county whose population is less than 400,000:

22 (a) Three-eighths must be paid to the department of taxation for deposit
23 with the state treasurer for credit to the fund for the promotion of tourism.

24 (b) Five-eighths must be deposited with the county fair and recreation
25 board created pursuant to NRS 244A.599 or, if no such board is created,
26 with the city council or other governing body of the incorporated city, to
27 be used to advertise the resources of that county or incorporated city
28 related to tourism, including available accommodations, transportation,
29 entertainment, natural resources and climate, and to promote special events
30 related thereto.