

SENATE BILL NO. 255—SENATORS RAGGIO, TOWNSEND,
JACOBSEN, WASHINGTON AND MATHEWS

FEBRUARY 25, 1999

JOINT SPONSORS: ASSEMBLYMEN GIBBONS, ANDERSON, BROWER, GUSTAVSON,
EVANS, HUMKE, ANGLE, FREEMAN AND LESLIE

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing funding for railroad suppression and grade separation projects and ratifies and clarifies construction of certain actions of Washoe County and City of Reno. (BDR S-1187)

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 financial administration; revising the provisions governing the imposition and use of a portion of the taxes on the rental of transient lodging and sales and use taxes in certain counties; providing for the administration and collection of the sales and use taxes by the department of taxation; ratifying certain actions of the Board of County Commissioners of Washoe County concerning the imposition of a portion of the sales and use taxes; clarifying the construction of certain commitments made by the City of Reno; and providing other matters properly relating thereto.

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

Section 1. Section 21 of Chapter 506, Statutes of Nevada 1997, as added by section 1 of chapter 439, Statutes of Nevada 1997, at page 1553, is hereby amended to read as follows:

Sec. 21. 1. In a county whose population is 100,000 or more but less than 400,000, the governing body of an incorporated city within the county that has created a district pursuant to NRS 268.781 may by ordinance impose within that district a tax at the rate of not more than 1 percent of the gross receipts from the rental of transient lodging throughout the district.

1 2. A tax imposed pursuant to this section may be imposed in
2 addition to all other taxes imposed on the revenue from the rental of
3 transient lodging.

4 3. Collection of the tax imposed pursuant to this section must
5 not commence earlier than the first day of the second calendar
6 month after adoption of the ordinance imposing the tax.

7 4. The proceeds of the tax and any applicable penalty or
8 interest must be ~~retained by the city and used for the payment of~~
9 ~~principal and interest on notes, bonds or other obligations issued by~~
10 ~~the city~~ *used* to fund the acquisition, establishment, construction or
11 expansion of one or more railroad grade separation projects ~~[-]~~,
12 *including the payment and prepayment of principal and interest*
13 *on notes, bonds or other obligations issued to fund such projects.*

14 5. A tax imposed by this section must be collected and enforced
15 in the same manner as provided for the collection of the tax
16 imposed by NRS 268.096.

17 **Sec. 2.** Section 24 of Chapter 506, Statutes of Nevada 1997, as
18 amended by section 2 of chapter 439, Statutes of Nevada 1997, at page
19 1554, is hereby amended to read as follows:

20 Sec. 24. 1. The board of county commissioners of Washoe
21 County may by ordinance, but not as in a case of emergency,
22 impose a tax upon the retailers at the rate of not more than one-
23 eighth of 1 percent of the gross receipts of any retailer from the sale
24 of all tangible personal property sold at retail, or stored, used or
25 otherwise consumed in the county if:

26 (a) The City of Reno imposes a tax on the rental of transient
27 lodging pursuant to section 21 of this act in the maximum amount
28 allowed by that section; and

29 (b) The board receives a written commitment from one or more
30 ~~other~~ sources for the expenditure of not less than one-half of the
31 total cost of a project for the acquisition, establishment,
32 construction or expansion of railroad grade separation projects in
33 Washoe County ~~[-]~~, *including the estimated proceeds of the tax*
34 *imposed pursuant to paragraph (a).*

35 2. An ordinance enacted pursuant to subsection 1 may not
36 become effective before a question concerning the imposition of the
37 tax is approved by a two-thirds majority of the members of the
38 board of county commissioners.

39 3. An ordinance enacted pursuant to subsection 1 must specify
40 the date on which the tax must first be imposed which must occur
41 on the first day of the first month of the next calendar quarter that is
42 at least 60 days after the date on which a two-thirds majority of the
43 board of county commissioners approved the question.

1 4. An ordinance enacted pursuant to subsection 1 must include
2 provisions in substance as follows:

3 (a) Provisions substantially identical to those contained in
4 chapter 374 of NRS, insofar as applicable.

5 (b) A provision that all amendments to chapter 374 of NRS after
6 the date of enactment of the ordinance, not inconsistent with this
7 section, automatically become a part of an ordinance enacted
8 pursuant to subsection 1.

9 (c) A provision stating the specific purpose for which the
10 proceeds of the tax must be expended.

11 (d) ~~{A provision that the county shall contract before the~~
12 ~~effective date of the ordinance with the department of taxation to~~
13 ~~perform all functions incident to the administration or operation of~~
14 ~~the tax in the county.~~

15 ~~—(e)}~~ A provision that exempts from the tax the gross receipts
16 from the sale of, and the storage, use or other consumption in a
17 county of, tangible personal property used for the performance of a
18 written contract:

19 (1) Entered into on or before the effective date of the tax; or

20 (2) For the construction of an improvement to real property
21 for which a binding bid was submitted before the effective date of
22 the tax if the bid was afterward accepted,
23 if under the terms of the contract or bid the contract price or bid
24 amount cannot be adjusted to reflect the imposition of the tax.

25 5. No ordinance imposing a tax which is enacted pursuant to
26 subsection 1 may be repealed or amended or otherwise directly or
27 indirectly modified in such a manner as to impair any outstanding
28 bonds or other obligations which are payable from or secured by a
29 pledge of a tax enacted pursuant to subsection 1 until those bonds
30 or other obligations have been discharged in full.

31 6. All fees, taxes, interest and penalties imposed and all
32 amounts of tax required to be paid to the county pursuant to this
33 section must be paid to the department of taxation in the form of
34 remittances payable to the department of taxation.

35 7. The department of taxation shall deposit the payments with
36 the state treasurer for credit to the sales and use tax account in the
37 state general fund.

38 8. The state controller, acting upon the collection data
39 furnished by the department of taxation, shall monthly:

40 (a) Transfer from the sales and use tax account to the appropriate
41 account in the state general fund a percentage of all fees, taxes,
42 interest and penalties collected pursuant to this section during the
43 preceding month as compensation to the state for the cost of

1 collecting the taxes. The percentage to be transferred pursuant to
2 this paragraph must be the same percentage as the percentage of
3 proceeds transferred pursuant to paragraph (a) of subsection 3 of
4 NRS 374.785 but the percentage must be applied to the proceeds
5 collected pursuant to this section only.

6 (b) Determine for the county an amount of money equal to any
7 fees, taxes, interest and penalties collected in or for the county
8 pursuant to this section during the preceding month, less the amount
9 transferred to the state general fund pursuant to paragraph (a).

10 (c) Transfer the amount determined for the county to the
11 intergovernmental fund and remit the money to the county treasurer.

12 9. The county treasurer shall deposit the money received
13 pursuant to subsection 8 in the county treasury for credit to a fund
14 to be known as the railroad grade separation projects fund. The
15 railroad grade separation projects fund must be accounted for as a
16 separate fund and not as a part of any other fund.

17 10. The money in the railroad grade separation projects fund,
18 including interest and any other income from the fund must ~~only be~~
19 ~~expended~~ *be used* by the board of county commissioners ~~for the~~
20 ~~payment of principal and interest on notes, bonds or other securities~~
21 ~~issued to provide money~~ for the cost of the acquisition,
22 establishment, construction or expansion of one or more railroad
23 grade separation projects ~~[-], including the payment and~~
24 ~~prepayment of principal and interest on notes, bonds or other~~
25 ~~obligations issued to fund such projects.~~

26 **Sec. 3.** 1. The actions of the Board of County Commissioners of
27 Washoe County in adopting Ordinance No. 1047 imposing the 1/4-cent
28 sales and use tax in accordance with the provisions of chapters 439 and
29 506, Statutes of Nevada 1997, are hereby ratified, validated, approved and
30 confirmed. Any commitment which has been provided by the City of Reno
31 pursuant to section 24 of chapter 506, Statutes of Nevada 1997, as
32 amended by section 2 of chapter 439, Statutes of Nevada 1997, shall be
33 interpreted in accordance with the amendments made by sections 1 and 2 of
34 this act and shall be construed as providing only the commitment required
35 by the provisions of section 24 of chapter 506, Statutes of Nevada 1997, as
36 amended by section 2 of chapter 439, Statutes of Nevada 1997, and by
37 sections 1 and 2 of this act.

38 2. Notwithstanding the provisions of subsection 5 of NRS 377B.110,
39 for the one-eighth of 1 percent sales and use tax imposed pursuant to NRS
40 377B.110 and the one-eighth of 1 percent sales and use tax imposed
41 pursuant to section 24 of chapter 506, Statues of Nevada 1997, as amended

1 by section 2 of chapter 439, Statutes of Nevada 1997, and section 2 of this
2 act, Washoe County need not enter into a contract with the Department of
3 Taxation to perform all functions incident to the administration or
4 operation of the taxes in the county.

5 3. Washoe County shall pay to the Department of Taxation the
6 administrative expenses of the collection of the sales and use taxes imposed
7 by Ordinance No. 1047 in the amount equal to the percentage of the
8 proceeds of the tax retained by the Department of Taxation pursuant to
9 paragraph (a) of subsection 3 of NRS 374.785 through a deduction from
10 the gross revenue derived from the tax imposed by Ordinance No. 1047.

11 4. The Department of Taxation shall perform all functions incident to
12 the administration or operation of the taxes imposed by Ordinance No.
13 1047 and shall transfer to the Railroad Grade Separation Fund of Washoe
14 County each month one-half of the net revenue derived from the taxes
15 imposed by Ordinance No. 1047 and shall transfer to the Washoe County
16 Infrastructure Fund each month the other one-half of the net revenue
17 derived from the taxes imposed by Ordinance No. 1047.

18 **Sec. 4.** This act becomes effective upon passage and approval.