

SENATE BILL NO. 477—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 18, 1999

Referred to Committee on Taxation

SUMMARY—Raises tax on rental of transient lodging within Washoe County to pay certain costs related to promotion of tourism. (BDR 20-1641)

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; raising the tax on the rental of transient lodging within Washoe County to pay certain costs related to the promotion of tourism; requiring the Reno/Sparks Convention and Visitors Authority to grant to the Lake Tahoe Incline Village and Crystal Bay Visitors Bureau a certain percentage of the taxes collected from the rental of transient lodging in Incline Village and Crystal Bay to pay certain costs related to the promotion of tourism; authorizing the City Council of the City of Sparks to impose by ordinance a tax on the rental of transient lodging within the City of Sparks; imposing certain requirements with respect to air travel by officers and employees of certain county fair and recreation boards; and providing other matters properly relating thereto.

1 WHEREAS, The legislature hereby finds and declares that a general law
2 cannot be made applicable for all provisions of this act because of the
3 economic and geographical diversity of the local governments of this state,
4 the unique growth patterns in those local governments and the special
5 conditions experienced in Washoe County related to the need to revitalize
6 specific areas of Washoe County; now, therefore,

7
8 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
9 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

10
11 **Section 1.** 1. A tax at the rate of:

12 (a) Three percent of the gross receipts from the rental of transient
13 lodging is hereby imposed in:

- 14 (1) The unincorporated area of Washoe County; and
15 (2) Each incorporated city in Washoe County, except in the district
16 described in NRS 268.780 to 268.785, inclusive.

1 (b) Two percent of the gross receipts from the rental of transient lodging
2 is hereby imposed in the district described in NRS 268.780 to 268.785,
3 inclusive.

4 2. The tax imposed pursuant to this section must:

5 (a) Be in addition to all other taxes imposed on the revenue from the
6 rental of transient lodging in Washoe County and the incorporated cities in
7 Washoe County;

8 (b) Be collected and enforced in the same manner as provided for the
9 collection of the tax imposed by NRS 244.3352;

10 (c) Be paid to the Reno/Sparks Convention and Visitors Authority,
11 which shall distribute the proceeds from the tax in the manner set forth in
12 section 2 of this act; and

13 (d) Not be collected after the date on which the notes, bonds and other
14 obligations described in subsection 2 of section 2 of this act have been fully
15 paid.

16 3. As used in this section, "gross receipts from the rental of transient
17 lodging" does not include the tax imposed or collected from paying guests
18 pursuant to this section.

19 **Sec. 2.** The proceeds of the tax imposed pursuant to section 1 of this
20 act and any applicable penalty or interest must be distributed as follows:

21 1. An amount equal to:

22 (a) Two-thirds of the proceeds collected in:

23 (1) The incorporated area of Washoe County; and

24 (2) Each incorporated city in Washoe County, except in the district
25 described in NRS 268.780 to 268.785, inclusive; and

26 (b) All of the proceeds collected in the district described in NRS
27 268.780 to 268.785, inclusive,

28 must be used by the Reno/Sparks Convention and Visitors Authority to
29 support the expansion and remodeling of the Reno/Sparks Convention
30 Center.

31 2. The additional sum of \$1,500,000 and, beginning June 1, 2000, and
32 each year thereafter, an additional amount equal to \$1,500,000 multiplied
33 by the percentage by which the proceeds of the tax imposed pursuant to
34 section 1 of this act increased during the immediately preceding 12-month
35 period, if any, must be used as follows:

36 (a) Two-thirds for the marketing and promotion of tourism as approved
37 by the Reno/Sparks Convention and Visitors Authority; and

38 (b) One-third for the support of the National Bowling Stadium,
39 until such time as the Truckee Meadows Tourism Facility and
40 Revitalization Steering Committee identifies particular capital improvement
41 projects pursuant to section 7 of this act. After the Truckee Meadows
42 Tourism Facility and Revitalization Steering Committee identifies
43 particular capital improvement projects pursuant to section 7 of this act, the

1 money described in this subsection must, notwithstanding the provisions of
2 NRS 279.619, be used to pay the principal and interest on notes, bonds or
3 other obligations issued by the Reno Redevelopment Agency to fund the
4 acquisition, establishment, construction or expansion of the projects so
5 identified.

6 3. The remainder of the proceeds of the tax, if any, after the amounts
7 described in subsections 1 and 2 are set aside for use pursuant to those
8 subsections, must be paid to the City Council of the City of Sparks on the
9 dates and in the amounts set forth in this subsection to be used by the City
10 Council and the Sparks Tourism and Marketing Committee for the
11 marketing and promotion of tourism in the City of Sparks and for the
12 maintenance of capital improvements within redevelopment areas in the
13 City of Sparks:

14 (a) On July 1, 2000, an amount not to exceed \$100,000.

15 (b) On July 1, 2001, an amount not to exceed \$100,000.

16 (c) On July 1, 2002, an amount not to exceed \$200,000.

17 (d) On July 1, 2003, an amount not to exceed \$200,000.

18 (e) On July 1, 2004, an amount not to exceed \$250,000.

19 (f) On July 1, 2005, an amount not to exceed \$250,000.

20 (g) On July 1, 2006, an amount not to exceed \$350,000.

21 (h) On July 1, 2007, and each year thereafter, an amount equal to the
22 sum of \$350,000 plus an additional amount equal to \$350,000 multiplied
23 by the percentage by which the proceeds of the tax imposed pursuant to
24 section 1 of this act increased during the immediately preceding 12-month
25 period, if any.

26 4. The remainder of the proceeds of the tax, if any, after the amounts
27 described in subsections 1, 2 and 3 are set aside for use pursuant to those
28 subsections, must be distributed in the following manner:

29 (a) Two-thirds to the Reno/Sparks Convention and Visitors Authority to
30 support the expansion and remodeling of Reno/Sparks Convention Center.

31 (b) One-third to be used as set forth in subsection 2.

32 **Sec. 3.** 1. Except as otherwise provided in subsection 2, the
33 Reno/Sparks Convention and Visitors Authority shall, until the date on
34 which the notes, bonds and other obligations described in subsection 2 of
35 section 2 of this act have been fully paid, grant 50 percent of the proceeds it
36 receives from a tax imposed on the revenue from the rental of transient
37 lodging which are collected in Incline Village and Crystal Bay to the Lake
38 Tahoe Incline Village and Crystal Bay Visitors Bureau to be used for:

39 (a) The operation and maintenance of facilities; and

40 (b) The marketing and promotion of tourism in Incline Village and
41 Crystal Bay.

42 2. The provisions of subsection 1 apply only to those proceeds from a
43 tax imposed previously on the revenue from the rental of transient lodging

1 which are available to the Reno/Sparks Convention and Visitors Authority
2 to carry out its operations, including, without limitation, advertising and the
3 promotion of tourism. The provisions of subsection 1 do not apply to those
4 proceeds from a tax imposed on the revenue from the rental of transient
5 lodging which the Reno/Sparks Convention and Visitors Authority is
6 required by law to:

7 (a) Pay over or otherwise distribute to, in whole or in part, to another
8 governmental entity; or

9 (b) Expend, pledge, use for or commit to a different purpose.

10 **Sec. 4.** 1. The City Council of the City of Sparks may by ordinance
11 impose a tax at the rate of not more than 1 percent of the gross receipts
12 from the rental of transient lodging in the City of Sparks.

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

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

19 4. The proceeds of a tax imposed pursuant to this section and any
20 applicable penalty or interest must be paid to the City Council of the City
21 of Sparks to be used by the City Council and the Sparks Tourism and
22 Marketing Committee for the marketing and promotion of tourism in the
23 City of Sparks and for the maintenance of capital improvements within
24 redevelopment areas in the City of Sparks.

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

28 **Sec. 5.** 1. The Sparks Tourism and Marketing Committee, consisting
29 of three members, is hereby created. The membership of the Committee
30 consists of:

31 (a) Two members of the City Council of the City of Sparks, appointed
32 by the City Council of the City of Sparks.

33 (b) One member who is a member of the Nevada Resort Association
34 who represents a property in the City of Sparks, appointed by the City
35 Council of the City of Sparks from a list submitted by the Nevada Resort
36 Association.

37 2. The Committee shall elect a chairman from among its members.

38 3. A vacancy on the Committee must be filled in the same manner as
39 the original appointment.

40 4. The Committee shall meet at least quarterly or by a call of the
41 chairman or a majority of the members of the Committee.

42 5. Members of the Committee serve without compensation, except that
43 while engaged in the business of the Committee, each member may be paid

1 the per diem allowance and travel expenses provided for state officers and
2 employees generally, as the budget of the Committee allows.

3 **Sec. 6.** 1. The Truckee Meadows Tourism Facility and
4 Revitalization Steering Committee, consisting of nine members, is hereby
5 created. The membership of the Committee consists of:

6 (a) Three persons appointed by the Board of Directors of the
7 Reno/Sparks Convention and Visitors Authority, one of whom must be a
8 member of the Nevada Resort Association who represents properties
9 outside the district described in NRS 268.780 to 268.785, inclusive, and
10 two of whom must represent the interests of Sparks, Washoe County, the
11 motel industry or general business.

12 (b) Three members of the Reno Redevelopment Agency, appointed by
13 the Chairman of the Agency.

14 (c) Three persons appointed by the Nevada Resort Association from
15 those members of the Association whose properties are located in the
16 district described in NRS 268.780 to 268.785, inclusive.

17 2. The Committee shall elect a chairman from among its members.

18 3. A vacancy on the Committee must be filled in the same manner as
19 the original appointment.

20 4. The Committee shall meet at least quarterly or by a call of the
21 chairman or majority of the members of the Committee.

22 5. Members of the Committee serve without compensation, except that
23 while engaged in the business of the Committee, each member may be paid
24 the per diem allowance and travel expenses provided for state officers and
25 employees generally, as the budget of the Reno Redevelopment Agency
26 allows.

27 **Sec. 7.** 1. The Truckee Meadows Tourism Facility and
28 Revitalization Steering Committee shall develop a master plan which
29 identifies:

30 (a) Proposed capital improvement projects that the Committee
31 determines to be advisable to promote tourism in Washoe County; and

32 (b) The method or methods pursuant to which the proposed capital
33 improvement projects identified in paragraph (a) will be financed.

34 2. Capital improvement projects identified pursuant to this section
35 must be:

36 (a) Approved by a two-thirds vote of the members of the Committee;
37 and

38 (b) Located in the district described in NRS 268.780 to 268.785,
39 inclusive.

40 **Sec. 8.** NRS 244A.601 is hereby amended to read as follows:

41 244A.601 1. In [any](#) county whose population is 100,000 or more, and
42 less than 400,000, the county fair and recreation board consists of 12
43 members who are appointed as follows:

- 1 (a) Two members by the board of county commissioners.
- 2 (b) Two members by the governing body of the largest incorporated city
3 in the county.
- 4 (c) One member by the governing body of the next largest incorporated
5 city in the county.
- 6 (d) Except as otherwise provided in subsection 2, seven members by the
7 members appointed pursuant to paragraphs (a), (b) and (c). The members
8 entitled to vote shall select:
 - 9 (1) One member who is a representative of air service interests from a
10 list of nominees submitted by the Airport Authority of Washoe County. The
11 nominees must not be elected officers.
 - 12 (2) One member who is a representative of motel operators from a list
13 of nominees submitted by one or more associations that represent the motel
14 industry.
 - 15 (3) One member who is a representative of banking or other financial
16 interests from a list of nominees submitted by the chamber of commerce of
17 the largest incorporated city in the county.
 - 18 (4) One member who is a representative of other business or
19 commercial interests from a list of nominees submitted by the chamber of
20 commerce of the largest incorporated city in the county.
 - 21 (5) Three members who are representatives of the association of
22 gaming establishments whose membership collectively paid the most gross
23 revenue fees to the state pursuant to NRS 463.370 in the county in the
24 preceding year, from a list of nominees submitted by the association. If
25 there is no such association, the three appointed members must be
26 representative of gaming.
- 27 If the members entitled to vote find the nominees on a list of nominees
28 submitted pursuant to this paragraph unacceptable, they shall request a new
29 list of nominees.
- 30 2. The terms of members appointed pursuant to paragraphs (a), (b) and
31 (c) of subsection 1 are coterminous with their terms of office. The members
32 appointed pursuant to paragraph (d) of subsection 1 must be appointed for
33 2-year terms. Any vacancy occurring on the board must be filled by the
34 authority entitled to appoint the member whose position is vacant. Each
35 member appointed pursuant to paragraph (d) of subsection 1 may succeed
36 himself only once.
- 37 3. If a member ceases to be engaged in the business or occupation
38 which he was appointed to represent, he ceases to be a member, and
39 another person engaged in that business or occupation must be appointed
40 for the unexpired term.
- 41 4. Any member appointed by the board of county commissioners or a
42 governing body of a city must be a member of the appointing board or
43 body.

1 **5. If the duties of an officer or employee of the county fair and**
2 **recreation board require the officer or employee to travel by air, the**
3 **board:**

4 **(a) Shall pay only the cost required for the officer or employee to**
5 **travel to and from the required destination on the regularly scheduled**
6 **commercial air carrier having the lowest cost, in the class of service**
7 **having the lowest cost.**

8 **(b) Shall not pay for the travel of a relative or spouse of the officer or**
9 **employee or any other person who is not an officer or employee traveling**
10 **as part of the duties of his position.**

11 **Sec. 9.** This act becomes effective upon passage and approval for the
12 purpose of authorizing any actions that are necessary to prepare for the
13 collection of the taxes imposed and authorized by this act, including,
14 without limitation, the adoption of the ordinance authorized by section 4 of
15 this act, and on June 1, 1999, for all other purposes.

16 **Sec. 10.** If any provision of this act, or the application thereof to any
17 person, thing or circumstance is held invalid, such invalidity shall not affect
18 the provisions or applications of this act which can be given effect without
19 the invalid provision or application, and to this end the provisions of this
20 act are hereby declared to be severable.