

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; 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 a district

16 described in NRS 268.780 to 268.785, inclusive, in which a 1 percent tax is

1 imposed on the gross receipts from the rental of transient lodging for
2 railroad grade separation projects.

3 (b) Two percent of the gross receipts from the rental of transient lodging
4 is hereby imposed in a district described in NRS 268.780 to 268.785,
5 inclusive, in which a 1 percent tax is imposed on the gross receipts from the
6 rental of transient lodging for railroad grade separation projects.

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

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

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

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

16 (d) Not be collected after the date on which the notes, bonds and other
17 obligations described in subsections 1 and 2 of section 2 of this act have
18 been fully paid.

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

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

24 1. An amount equal to:

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

26 (1) The unincorporated area of Washoe County; and

27 (2) Each incorporated city in Washoe County, except in a district
28 described in NRS 268.780 to 268.785, inclusive, in which a 1 percent tax is
29 imposed on the gross receipts from the rental of transient lodging for
30 railroad grade separation projects; and

31 (b) All of the proceeds collected in a district described in NRS 268.780
32 to 268.785, inclusive, in which a 1 percent tax is imposed on the gross
33 receipts from the rental of transient lodging for railroad grade separation
34 projects,

35 must be used by the Reno/Sparks Convention and Visitors Authority to
36 reconstruct, expand, improve, equip, operate and maintain the Reno/Sparks
37 Convention Center, including, but not limited to, parking and facilities
38 ancillary to the Reno/Sparks Convention Center and the acquisition of real
39 property and other appurtenances therefor. The Reno/Sparks Convention
40 and Visitors Authority may irrevocably pledge and use any money received
41 from the proceeds of the tax pursuant to this subsection, together with the
42 proceeds of other tax revenues and facilities revenues received by the
43 Reno/Sparks Convention and Visitors Authority legally available therefor,

1 for the payment of general and special obligations issued for the purpose of
2 reconstructing, expanding, improving and equipping the Reno/Sparks
3 Convention Center, including, but not limited to, parking and facilities
4 ancillary to the Reno/Sparks Convention Center and the acquisition of real
5 property and other appurtenances therefor.

6 2. From the remaining one-third of the proceeds collected in the area
7 described in subparagraphs (1) and (2) of paragraph (a) of subsection 1, the
8 sum of \$1,500,000 and, beginning June 1, 2000, and each year thereafter,
9 an additional amount equal to \$1,500,000 multiplied by the percentage by
10 which the proceeds of the tax imposed pursuant to section 1 of this act
11 increased during the immediately preceding 12-month period, if any, must
12 be used as follows:

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

15 (b) One-third for the support of the National Bowling Stadium,
16 until such time as the Truckee Meadows Tourism Facility and
17 Revitalization Steering Committee identifies particular capital improvement
18 projects pursuant to section 6 of this act. After the Truckee Meadows
19 Tourism Facility and Revitalization Steering Committee identifies
20 particular capital improvement projects pursuant to section 6 of this act, the
21 money described in this subsection must, notwithstanding the provisions of
22 NRS 279.619, be used to acquire, establish, construct, expand and equip
23 such projects, and to pay the principal and interest on notes, bonds or other
24 obligations issued by the Reno Redevelopment Agency to fund the
25 acquisition, establishment, construction or expansion of the projects so
26 identified.

27 3. From the remaining one-third of the proceeds collected in the area
28 described in subparagraphs (1) and (2) of paragraph (a) of subsection 1, if
29 any, after the amount described in subsection 2 is set aside for use pursuant
30 to that subsection, the amounts set forth in this subsection must be paid to
31 the City Council of the City of Sparks on the dates set forth in this
32 subsection to be used by the City Council and the Sparks Tourism and
33 Marketing Committee for the marketing and promotion of tourism in the
34 City of Sparks and for the operation and maintenance of capital
35 improvements within redevelopment areas in the City of Sparks:

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

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

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

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

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

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

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

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

6 4. The remainder of the one-third of the proceeds collected in the area
7 described in subparagraphs (1) and (2) of paragraph (a) of subsection 1, if
8 any, after the amounts described in subsections 2 and 3 are set aside for use
9 pursuant to those subsections, must be distributed in the following manner:

10 (a) Two-thirds to the Reno/Sparks Convention and Visitors Authority to
11 reconstruct, expand, improve, equip, operate and maintain the Reno/Sparks
12 Convention Center, including, but not limited to, parking and facilities
13 ancillary to the Reno/Sparks Convention Center and the acquisition of real
14 property and other appurtenances therefor and the payment of general and
15 special obligations issued for those purposes.

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

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

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

25 (b) The marketing and promotion of tourism in Incline Village and
26 Crystal Bay.

27 2. The provisions of subsection 1 apply only to those proceeds from a
28 tax imposed previously on the revenue from the rental of transient lodging
29 which are available to the Reno/Sparks Convention and Visitors Authority
30 to carry out its operations, including, without limitation, advertising and the
31 promotion of tourism. The provisions of subsection 1 do not apply to those
32 proceeds from a tax imposed on the revenue from the rental of transient
33 lodging which is imposed pursuant to section 1 of this act or which the
34 Reno/Sparks Convention and Visitors Authority is required by law before
35 March 1, 1999, to:

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

38 (b) Expend, pledge, use for or commit to a different purpose,
39 or that the Reno/Sparks Convention and Visitors Authority expends for or
40 pledges to notes, bonds or other obligations payable from the rental of
41 transient lodging which are issued by or on behalf of the Reno/Sparks
42 Convention and Visitors Authority.

1 **Sec. 4.** 1. The Sparks Tourism and Marketing Committee, consisting
2 of three members, is hereby created. The membership of the Committee
3 consists of:

4 (a) Two members of the City Council of the City of Sparks, appointed
5 by the City Council of the City of Sparks.

6 (b) One member who is a member of the Nevada Resort Association
7 who represents a property in the City of Sparks, appointed by the City
8 Council of the City of Sparks from a list submitted by the Nevada Resort
9 Association.

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

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

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

15 5. Members of the Committee serve without compensation, except that
16 while engaged in the business of the Committee, each member may be paid
17 the per diem allowance and travel expenses provided for state officers and
18 employees generally, as the budget of the Committee allows.

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

22 (a) Three persons appointed by the Board of Directors of the
23 Reno/Sparks Convention and Visitors Authority, one of whom must be a
24 member of the Nevada Resort Association who represents properties
25 outside a district described in NRS 268.780 to 268.785, inclusive, in which
26 a 1 percent tax is imposed on the gross receipts from the rental of transient
27 lodging for railroad grade separation projects, and two of whom must
28 represent the interests of Sparks, Washoe County, the motel industry or
29 general business.

30 (b) Three members of the Reno Redevelopment Agency, appointed by
31 the Chairman of the Agency.

32 (c) Three persons appointed by the Nevada Resort Association from
33 those members of the Association whose properties are located in a district
34 described in NRS 268.780 to 268.785, inclusive, in which a 1 percent tax is
35 imposed on the gross receipts from the rental of transient lodging for
36 railroad grade separation projects.

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 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 Reno Redevelopment Agency
3 allows.

4 **Sec. 6.** 1. The Truckee Meadows Tourism Facility and
5 Revitalization Steering Committee shall develop a master plan which
6 identifies:

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

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

11 2. Capital improvement projects identified pursuant to this section
12 must be:

13 (a) Approved by a two-thirds vote of the members of the Committee;
14 and

15 (b) Located in a district described in NRS 268.780 to 268.785,
16 inclusive, in which a 1 percent tax is imposed on the gross receipts from the
17 rental of transient lodging for railroad grade separation projects.

18 **Sec. 7.** NRS 244A.601 is hereby amended to read as follows:

19 244A.601 1. In [any](#) county whose population is 100,000 or more, and
20 less than 400,000, the county fair and recreation board consists of 12
21 members who are appointed as follows:

22 (a) Two members by the board of county commissioners.

23 (b) Two members by the governing body of the largest incorporated city
24 in the county.

25 (c) One member by the governing body of the next largest incorporated
26 city in the county.

27 (d) Except as otherwise provided in subsection 2, seven members by the
28 members appointed pursuant to paragraphs (a), (b) and (c). The members
29 entitled to vote shall select:

30 (1) One member who is a representative of air service interests from a
31 list of nominees submitted by the Airport Authority of Washoe County. The
32 nominees must not be elected officers.

33 (2) One member who is a representative of motel operators from a list
34 of nominees submitted by one or more associations that represent the motel
35 industry.

36 (3) One member who is a representative of banking or other financial
37 interests from a list of nominees submitted by the chamber of commerce of
38 the largest incorporated city in the county.

39 (4) One member who is a representative of other business or
40 commercial interests from a list of nominees submitted by the chamber of
41 commerce of the largest incorporated city in the county.

42 (5) Three members who are representatives of the association of
43 gaming establishments whose membership collectively paid the most gross

1 revenue fees to the state pursuant to NRS 463.370 in the county in the
2 preceding year, from a list of nominees submitted by the association. If
3 there is no such association, the three appointed members must be
4 representative of gaming.

5 If the members entitled to vote find the nominees on a list of nominees
6 submitted pursuant to this paragraph unacceptable, they shall request a new
7 list of nominees.

8 2. The terms of members appointed pursuant to paragraphs (a), (b) and
9 (c) of subsection 1 are coterminous with their terms of office. The members
10 appointed pursuant to paragraph (d) of subsection 1 must be appointed for
11 2-year terms. Any vacancy occurring on the board must be filled by the
12 authority entitled to appoint the member whose position is vacant. Each
13 member appointed pursuant to paragraph (d) of subsection 1 may succeed
14 himself only once.

15 3. If a member ceases to be engaged in the business or occupation
16 which he was appointed to represent, he ceases to be a member, and
17 another person engaged in that business or occupation must be appointed
18 for the unexpired term.

19 4. Any member appointed by the board of county commissioners or a
20 governing body of a city must be a member of the appointing board or
21 body.

22 *5. If the duties of an officer or employee of the county fair and*
23 *recreation board require the officer or employee to travel by air, the*
24 *board:*

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

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

32 **Sec. 8.** This act becomes effective upon passage and approval for the
33 purpose of authorizing any actions that are necessary to prepare for the
34 collection of the taxes imposed and authorized by this act, and on June 1,
35 1999, for all other purposes.

36 **Sec. 9.** If any provision of this act, or the application thereof to any
37 person, thing or circumstance is held invalid, such invalidity shall not affect
38 the provisions or applications of this act which can be given effect without
39 the invalid provision or application, and to this end the provisions of this
40 act are hereby declared to be severable.