

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,

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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. All decisions, and any deliberations leading to those decisions, that
20 are made by any body, including, without limitation, the Reno/Sparks
21 Convention and Visitors Authority, the Truckee Meadows Tourism Facility
22 and Revitalization Steering Committee and the Sparks Tourism and
23 Marketing Committee, concerning the expenditure, commitment or other
24 use of money derived from the proceeds of the tax imposed pursuant to this
25 section must be made at a public meeting that complies with the provisions
26 of chapter 241 of NRS, whether or not the body is determined to be a
27 public body to which that chapter is applicable.

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

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

33 1. An amount equal to:

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

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

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

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

1 must be used by the Reno/Sparks Convention and Visitors Authority to
2 reconstruct, expand, improve, equip, operate and maintain 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. The Reno/Sparks Convention
6 and Visitors Authority may irrevocably pledge and use any money received
7 from the proceeds of the tax pursuant to this subsection, together with the
8 proceeds of other tax revenues and facilities revenues received by the
9 Reno/Sparks Convention and Visitors Authority legally available therefor,
10 for the payment of general and special obligations issued for the purpose of
11 reconstructing, expanding, improving and equipping 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.

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

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

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

36 3. From the remaining one-third of the proceeds collected in the area
37 described in subparagraphs (1) and (2) of paragraph (a) of subsection 1, if
38 any, after the amount described in subsection 2 is set aside for use pursuant
39 to that subsection, the amounts set forth in this subsection must be paid to
40 the City Council of the City of Sparks on the dates set forth in this
41 subsection to be used by the City Council and the Sparks Tourism and
42 Marketing Committee for the marketing and promotion of tourism in the

1 City of Sparks and for the operation and maintenance of capital
2 improvements within redevelopment areas in the City of Sparks:

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

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

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

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

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

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

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

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

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

19 (a) Two-thirds to the Reno/Sparks Convention and Visitors Authority to
20 reconstruct, expand, improve, equip, operate and maintain the Reno/Sparks
21 Convention Center, including, but not limited to, parking and facilities
22 ancillary to the Reno/Sparks Convention Center and the acquisition of real
23 property and other appurtenances therefor and the payment of general and
24 special obligations issued for those purposes.

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

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

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

34 (b) The marketing and promotion of tourism in Incline Village and
35 Crystal Bay.

36 2. The provisions of subsection 1 apply only to those proceeds from a
37 tax imposed previously on the revenue from the rental of transient lodging
38 which are available to the Reno/Sparks Convention and Visitors Authority
39 to carry out its operations, including, without limitation, advertising and the
40 promotion of tourism. The provisions of subsection 1 do not apply to those
41 proceeds from a tax imposed on the revenue from the rental of transient
42 lodging which is imposed pursuant to section 1 of this act or which the

1 Reno/Sparks Convention and Visitors Authority is required by law before
2 March 1, 1999, to:

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

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

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

13 (a) Two members of the City Council of the City of Sparks, appointed
14 by the City Council of the City of Sparks.

15 (b) One member who is a member of the Nevada Resort Association
16 who represents a property in the City of Sparks, appointed by the City
17 Council of the City of Sparks from a list submitted by the Nevada Resort
18 Association.

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

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

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

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

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

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

39 (b) Three members of the Reno Redevelopment Agency, appointed by
40 the Chairman of the Agency.

41 (c) Three persons appointed by the Nevada Resort Association from
42 those members of the Association whose properties are located in a district
43 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 2. The Committee shall elect a chairman from among its members.

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

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

8 5. Members of the Committee serve without compensation, except that
9 while engaged in the business of the Committee, each member may be paid
10 the per diem allowance and travel expenses provided for state officers and
11 employees generally, as the budget of the Reno Redevelopment Agency
12 allows.

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

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

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

20 2. Capital improvement projects identified pursuant to this section
21 must be:

22 (a) Approved by a two-thirds vote of the members of the Committee;
23 and

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

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

28 244A.601 1. In [any](#) county whose population is 100,000 or more, and
29 less than 400,000, the county fair and recreation board consists of 12
30 members who are appointed as follows:

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

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

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

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

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

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

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

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

10 (5) Three members who are representatives of the association of
11 gaming establishments whose membership collectively paid the most gross
12 revenue fees to the state pursuant to NRS 463.370 in the county in the
13 preceding year, from a list of nominees submitted by the association. If
14 there is no such association, the three appointed members must be
15 representative of gaming.

16 If the members entitled to vote find the nominees on a list of nominees
17 submitted pursuant to this paragraph unacceptable, they shall request a new
18 list of nominees.

19 2. The terms of members appointed pursuant to paragraphs (a), (b) and
20 (c) of subsection 1 are coterminous with their terms of office. The members
21 appointed pursuant to paragraph (d) of subsection 1 must be appointed for
22 2-year terms. Any vacancy occurring on the board must be filled by the
23 authority entitled to appoint the member whose position is vacant. Each
24 member appointed pursuant to paragraph (d) of subsection 1 may succeed
25 himself only once.

26 3. If a member ceases to be engaged in the business or occupation
27 which he was appointed to represent, he ceases to be a member, and
28 another person engaged in that business or occupation must be appointed
29 for the unexpired term.

30 4. Any member appointed by the board of county commissioners or a
31 governing body of a city must be a member of the appointing board or
32 body.

33 ***5. If the duties of an officer or employee of the county fair and***
34 ***recreation board require the officer or employee to travel by air, the***
35 ***board:***

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

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

42 **Sec. 8.** 1. This act becomes effective upon passage and approval for
43 the purpose of authorizing any actions that are necessary to prepare for the

1 collection of the taxes imposed and authorized by this act, and on June 1,
2 1999, for all other purposes.

3 2. Section 7 of this act expires by limitation on June 30, 2001.

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

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