

ASSEMBLY BILL NO. 158--ASSEMBLYMAN PARKS

FEBRUARY 15, 2001

Referred to Committee on Taxation

SUMMARY—Increases tax on transient lodging to fund artistic and cultural programs.  
(BDR 18-1001)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: 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; increasing the mandatory tax on the rental of transient lodging; providing for the use of the additional revenue for artistic and cultural programs; creating the account for artistic and cultural programs; 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 233C of NRS is hereby amended by adding thereto  
2 a new section to read as follows:

3     ***1. The account for artistic and cultural programs is hereby created in***  
4 ***the state general fund. The director of the council shall administer the***  
5 ***account. The council shall allocate money in the account for appropriate***  
6 ***artistic and cultural programs and for no other purpose.***

7     ***2. The money in the account must not be used to replace or supplant***  
8 ***funding available from other sources. The money in the account does not***  
9 ***lapse to the state general fund at the end of any fiscal year.***

10    **Sec. 2.** NRS 244.3352 is hereby amended to read as follows:

11    244.3352 1. The board of county commissioners:

12    (a) In a county whose population is 400,000 or more, shall impose a tax  
13 at a rate of ~~2~~ **3** percent; and

14    (b) In a county whose population is less than 400,000, shall impose a  
15 tax at the rate of ~~1~~ **2** percent,

16 of the gross receipts from the rental of transient lodging in that county  
17 upon all persons in the business of providing lodging. This tax must be  
18 imposed by the board of county commissioners in each county, regardless  
19 of the existence or nonexistence of any other license fee or tax imposed on  
20 the revenues from the rental of transient lodging. The ordinance imposing



1 the tax must include a schedule for the payment of the tax and the  
2 provisions of subsection 4.

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

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

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

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

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

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

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

23 244.3354 The proceeds of the tax imposed pursuant to NRS 244.3352  
24 and any applicable penalty or interest must be distributed as follows:

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

26 (a) Three-eighths of the first 1 percent of the proceeds must be paid to  
27 the department of taxation for deposit with the state treasurer for credit to  
28 the fund for the promotion of tourism.

29 (b) *Except as otherwise provided in this paragraph, one-third of the*  
30 *proceeds must be paid to the department of taxation for deposit with the*  
31 *state treasurer for credit to the account for artistic and cultural programs*  
32 *created pursuant to section 1 of this act. Before paying the money to the*  
33 *department of taxation pursuant to this paragraph, the county treasurer*  
34 *shall deduct and retain 5 percent of the money for deposit in the county*  
35 *general fund as a commission for collecting the tax.*

36 (c) The remaining proceeds must be transmitted to the county treasurer  
37 for deposit in the county school district's fund for capital projects  
38 established pursuant to NRS 387.328, to be held and expended in the same  
39 manner as other money deposited in that fund.

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

41 (a) ~~Three-eighths~~ *Three-sixteenths of the proceeds* must be paid to  
42 the department of taxation for deposit with the state treasurer for credit to  
43 the fund for the promotion of tourism.

44 (b) ~~Five-eighths~~ *Five-sixteenths of the proceeds* must be deposited  
45 with the county fair and recreation board created pursuant to NRS  
46 244A.599 or, if no such board is created, with the board of county  
47 commissioners, to be used to advertise the resources of that county related  
48 to tourism, including available accommodations, transportation,



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1 entertainment, natural resources and climate, and to promote special events  
2 related thereto.

3 *(c) Thirty-nine eightieths of the proceeds must be paid to the*  
4 *department of taxation for deposit with the state treasurer for credit to*  
5 *the account for artistic and cultural programs.*

6 *(d) One-eightieth of the proceeds must be deducted and retained by*  
7 *the county treasurer for deposit in the county general fund as a*  
8 *commission for collecting the tax.*

9 **Sec. 4.** NRS 244.3359 is hereby amended to read as follows:

10 244.3359 1. A county whose population is 400,000 or more shall not  
11 impose a new tax on the rental of transient lodging or increase the rate of  
12 an existing tax on the rental of transient lodging after March 25, 1991,  
13 except pursuant to NRS 244.3351 and 244.3352.

14 2. A county whose population is 100,000 or more but less than  
15 400,000 shall not impose a new tax on the rental of transient lodging or  
16 increase the rate of an existing tax on the rental of transient lodging after  
17 March 25, 1991 ~~+~~, *except pursuant to NRS 244.3352.*

18 3. The legislature hereby declares that the limitation imposed by  
19 subsection 2 will not be repealed or amended except to allow the  
20 imposition of an increase in such a tax for ~~the~~ :

21 *(a) The promotion of tourism* ~~for for the~~ ;

22 *(b) The construction or operation of tourism facilities by a convention*  
23 *and visitors authority* ~~+~~ ; *or*

24 *(c) The promotion of artistic and cultural programs.*

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

26 268.096 1. The city council or other governing body of each  
27 incorporated city:

28 (a) In a county whose population is 400,000 or more, shall impose a tax  
29 at a rate of ~~2~~ 3 percent; and

30 (b) In a county whose population is less than 400,000, shall impose a  
31 tax at the rate of ~~1~~ 2 percent,

32 of the gross receipts from the rental of transient lodging in that city upon  
33 all persons in the business of providing lodging. This tax must be imposed  
34 by the city council or other governing body of each incorporated city,  
35 regardless of the existence or nonexistence of any other license fee or tax  
36 imposed on the revenues from the rental of transient lodging. The  
37 ordinance imposing the tax must include a schedule for the payment of the  
38 tax and the provisions of subsection 4.

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

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

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



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

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

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

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

11 268.0962 The proceeds of the tax imposed pursuant to NRS 268.096  
12 and any applicable penalty or interest must be distributed as follows:

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

14 (a) Three-eighths of the first 1 percent of the proceeds must be paid to  
15 the department of taxation for deposit with the state treasurer for credit to  
16 the fund for the promotion of tourism.

17 (b) *Except as otherwise provided in this paragraph, one-third of the*  
18 *proceeds must be paid to the department of taxation for deposit with the*  
19 *state treasurer for credit to the account for artistic and cultural programs*  
20 *created pursuant to section 1 of this act. Before paying the money to the*  
21 *department of taxation pursuant to this paragraph, the city treasurer*  
22 *shall deduct and retain 5 percent of the money for deposit in the city*  
23 *general fund as a commission for collecting the tax.*

24 (c) The remaining proceeds must be transmitted to the county treasurer  
25 for deposit in the county school district's fund for capital projects  
26 established pursuant to NRS 387.328, to be held and expended in the same  
27 manner as other money deposited in that fund.

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

29 (a) ~~Three-eighths~~ *Three-sixteenths of the proceeds* must be paid to  
30 the department of taxation for deposit with the state treasurer for credit to  
31 the fund for the promotion of tourism.

32 (b) ~~Five-eighths~~ *Five-sixteenths of the proceeds* must be deposited  
33 with the county fair and recreation board created pursuant to NRS  
34 244A.599 or, if no such board is created, with the city council or other  
35 governing body of the incorporated city, to be used to advertise the  
36 resources of that county or incorporated city related to tourism, including  
37 available accommodations, transportation, entertainment, natural resources  
38 and climate, and to promote special events related thereto.

39 (c) *Thirty-nine eightieths of the proceeds must be paid to the*  
40 *department of taxation for deposit with the state treasurer for credit to*  
41 *the account for artistic and cultural programs.*

42 (d) *One-eightieth of the proceeds must be deducted and retained by*  
43 *the city treasurer for deposit in the city general fund as a commission for*  
44 *collecting the tax.*

45 **Sec. 7.** NRS 268.0968 is hereby amended to read as follows:

46 268.0968 1. Except as otherwise provided in NRS 268.096 and  
47 268.801 to 268.808, inclusive, a city located in a county whose population  
48 is 400,000 or more shall not impose a new tax on the rental of transient



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1 lodging or increase the rate of an existing tax on the rental of transient  
2 lodging after March 25, 1991.

3 2. Except as otherwise provided in NRS *268.096 and* 268.7845, a city  
4 located in a county whose population is 100,000 or more but less than  
5 400,000 shall not impose a new tax on the rental of transient lodging or  
6 increase the rate of an existing tax on the rental of transient lodging after  
7 March 25, 1991.

8 3. The legislature hereby declares that the limitation imposed by  
9 subsection 2 will not be repealed or amended except to allow the  
10 imposition of an increase in such a tax for:

11 (a) The promotion of tourism;

12 (b) The construction or operation of tourism facilities by a convention  
13 and visitors authority; ~~to~~

14 (c) The acquisition, establishment, construction or expansion of one or  
15 more railroad grade separation projects ~~to~~ ; or

16 *(d) The promotion of artistic and cultural programs.*

17 **Sec. 8.** This act becomes effective on July 1, 2001.

