

SENATE BILL NO. 122—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE INTERIM STUDY CONCERNING DISTRIBUTION
AMONG LOCAL GOVERNMENTS OF REVENUE FROM
STATE AND LOCAL TAXES (NRS 218.53881))

FEBRUARY 13, 2001

Referred to Committee on Taxation

SUMMARY—Makes various changes concerning tax imposed on revenues from rental of transient lodging. (BDR 32-125)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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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; consolidating provisions governing the administration, imposition and collection of taxes on revenues from the rental of transient lodging into a single chapter; authorizing a local government responsible for the collection of a tax on transient lodging to audit and investigate an operator of a facility for transient lodging; authorizing a local government to require an operator to maintain certain records; establishing requirements for the issuance of a notice of determination of a deficiency in the payment of taxes on transient lodging; providing a method for the calculation of a tax on transient lodging for certain uses of time-share units; providing for the taxation of the lodging portion of a package program offered by an operator; providing certain exemptions from the tax on revenues from the rental of transient lodging; 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.** Title 32 of NRS is hereby amended by adding thereto a
2 new chapter to consist of the provisions set forth as sections 2 to 49,
3 inclusive, of this act.

4 **Sec. 2.** *As used in this chapter, the words and terms defined in*
5 *sections 3 to 8, inclusive, of this act have the meanings ascribed to them*
6 *in those sections.*

7 **Sec. 3.** *“Department” means the department of taxation.*

8 **Sec. 4.** *“Gross receipts” includes the total amount of the rental price*
9 *for transient lodging, which includes, without limitation, actual rent*
10 *payments, any deposits for transient lodging which are forfeited by a*



1 *transient guest and received by the operator and all revenue and fees*
2 *associated with the rental, as determined by the local government which*
3 *imposes a tax on transient lodging. The term does not include the*
4 *amount of the tax on transient lodging imposed pursuant to this chapter,*
5 *regardless of whether such amount is recouped through charges to the*
6 *transient guests.*

7 **Sec. 5.** *“Local government” means a county or incorporated city in*
8 *this state.*

9 **Sec. 6.** *“Operator” means a person who provides transient lodging,*
10 *whether or not in the capacity of owner, lessee, sub-lessee, mortgagee,*
11 *licensee or any other capacity other than an employee of an operator. If*
12 *a person uses a managing agency other than an employee to provide*
13 *transient lodging, both the person who uses the agency and the agency*
14 *are operators.*

15 **Sec. 7.** *“Transient guest” means a person who pays rent for the*
16 *right to use and possess a room or space in transient lodging pursuant to*
17 *a lease, concession, permit, right of access, license, contract or*
18 *agreement.*

19 **Sec. 8.** *“Transient lodging” includes, without limitation, a facility or*
20 *portion of a facility which is occupied, intended for occupancy or*
21 *designed for occupancy for the purpose of sleeping, dwelling or lodging*
22 *by transient guests, which includes, without limitation, a hotel, motel, bed*
23 *and breakfast, lodging house, time-share unit, vacation home, apartment*
24 *house, recreational vehicle park, campground, guest ranch and all other*
25 *similar facilities.*

26 **Sec. 9.** *The Nevada tax commission shall, by regulation not*
27 *inconsistent with the provisions of this chapter, provide for the collection*
28 *and enforcement of the taxes distributed pursuant to paragraph (a) of*
29 *subsection 1 of section 20 of this act, paragraph (a) of subsection 2 of*
30 *section 20 of this act, paragraph (a) of subsection 1 of section 31 of this*
31 *act and paragraph (a) of subsection 2 of section 31 of this act.*

32 **Sec. 10.** *In connection with any tax on transient lodging assigned or*
33 *appropriated by a local government for use in connection with NRS*
34 *244A.597 to 244A.655, inclusive, the county fair and recreation board of*
35 *any county, on behalf of the county, in addition to powers elsewhere*
36 *conferred, may:*

37 *1. Collect the proceeds of such tax from time to time, receive, control,*
38 *invest and order the expenditure of all money pertaining thereto and*
39 *prescribe a procedure therefor, including, without limitation:*

40 *(a) Enforcing the collection of any delinquent taxes and providing*
41 *penalties in connection therewith, including, without limitation, the*
42 *suspension of the business license issued by a local government to a*
43 *facility that provides transient lodging and the closure of a facility that*
44 *provides transient lodging for failure to pay the tax on transient lodging;*
45 *and*

46 *(b) Creating an office and hiring personnel therefor.*

47 *2. Defray the reasonable costs of collecting and otherwise*
48 *administering taxes on transient lodging not exceeding 10 percent of the*
49 *gross revenues so collected, excluding from this limitation and from*



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1 *those gross revenues any costs of collecting any delinquent taxes borne*
2 *by any delinquent taxpayer. The incorporated cities collectively and any*
3 *county may enter into an agreement with the county fair and recreation*
4 *board for the payment of collection fees which may be more or less than*
5 *10 percent of the gross revenues collected by a particular city or the*
6 *county, except that the total payment of collection fees to all the cities*
7 *and the county must not exceed 10 percent of the combined gross*
8 *revenues so collected.*

9 *3. Defray further with the proceeds of the taxes on transient lodging*
10 *the costs of the county fair and recreation board and of officers, agents*
11 *and employees hired thereby, and of incidentals incurred thereby, of*
12 *operating and maintaining recreational facilities under the jurisdiction*
13 *of the board, including, without limiting the generality of the foregoing,*
14 *the payment of reasonable promotional expenses pertaining thereto,*
15 *payment of reasonable expenses pertaining to the promotion of tourism*
16 *and gaming generally, both individually and through grants to the*
17 *chambers of commerce of the incorporated cities of the county or other*
18 *nonprofit groups or associations, and of improving, extending and*
19 *bettering any recreational facilities authorized by NRS 244A.597 to*
20 *244A.655, inclusive, including, without limitation, making annual grants*
21 *to the state, the county and incorporated cities in the county for capital*
22 *improvements for recreational facilities, and of constructing, purchasing*
23 *or otherwise acquiring any such recreational facilities.*

24 *4. Redeem any general obligation bonds or revenue bonds of the*
25 *county issued pursuant to NRS 244A.597 to 244A.655, inclusive,*
26 *principal, interest and any prior redemption premium, regardless of*
27 *whether such taxes are pledged as additional security for their payment.*

28 *5. Make contracts from time to time concerning taxes on transient*
29 *lodging, notwithstanding that any such contract may limit the exercise of*
30 *powers pertaining thereto, including the right of a local government from*
31 *time to time to increase, decrease or otherwise modify the tax, but no*
32 *such change may be made which prejudicially affects any pledge of tax*
33 *proceeds as additional security for the payment of bonds issued pursuant*
34 *to NRS 244A.597 to 244A.655, inclusive, and each other political*
35 *subdivision assigning or appropriating such taxes pertaining thereto*
36 *must consent to any such modification.*

37 *6. Make rules and regulations concerning taxes on transient lodging*
38 *and provide penalties for the failure to comply therewith.*

39 **Sec. 11.** *All taxes on transient lodging collected by any operator is*
40 *public money from the moment of the collection of the taxes and must be*
41 *held in trust by the operator collecting such taxes for the use and benefit*
42 *of the local government levying such taxes or for the use of the county*
43 *fair and recreation board where the revenues have been assigned or*
44 *appropriated to the county fair and recreation board.*

45 **Sec. 12.** *A local government responsible for the collection of a tax*
46 *imposed pursuant to this chapter or an agent of such local government*
47 *that has been authorized by the local government to collect a tax imposed*
48 *pursuant to this chapter, may:*



1 1. Pursuant to generally accepted standards for auditing, examine
2 and audit the books, papers, records and equipment of any operator and
3 of any person who is liable for a tax imposed pursuant to this chapter;
4 and

5 2. Investigate the transient lodging business of an operator to:

6 (a) Verify that the amount of taxes collected pursuant to this chapter
7 by the operator and reported in the tax return of the operator is correct;
8 or

9 (b) If the operator has not filed a tax return for taxes collected
10 pursuant to this chapter, determine the amount of tax that the operator
11 owes pursuant to this chapter.

12 **Sec. 13.** 1. A local government responsible for the collection of
13 taxes on transient lodging may require an operator to maintain certain
14 records relating to the rental of transient lodging and provide the records
15 to the local government upon request.

16 2. If a local government requires an operator to maintain certain
17 records pursuant to subsection 1, the operator shall maintain the records
18 for at least 4 years after the date of payment of the taxes on transient
19 lodging to the local government or the filing of the tax return which
20 includes the taxes on transient lodging with the local government,
21 whichever is later, unless the local government authorizes in writing the
22 earlier destruction of the records.

23 3. If a person fails to file a tax return or fails to obtain and maintain
24 any license required by the applicable local governments for operation of
25 a facility for transient lodging, he shall maintain all records, receipts,
26 invoices and any other information relating to the collection of a tax on
27 transient lodging for at least 8 years after those records, receipts, invoices
28 and other information are created, unless the local government
29 authorizes in writing the earlier destruction of the documents.

30 4. Except for a report filed pursuant to section 17 of this act, all
31 information concerning:

32 (a) Taxes on transient lodging levied pursuant to this chapter; and

33 (b) The business affairs or operation of any operator obtained as a
34 result of the payment of taxes on transient lodging or as the result of any
35 audit or examination of the books, records, papers and equipment of the
36 operator pursuant to section 12 of this act,

37 is confidential and must not be disclosed by any member, officer or
38 employee of the local government imposing the tax unless the disclosure
39 is authorized by the affirmative vote of a majority of the members of the
40 governing body of the local government. Continuing disclosure may be
41 authorized pursuant to an agreement with the department for the
42 exchange of information concerning taxpayers.

43 **Sec. 14.** Unless the local government provides otherwise by
44 ordinance or resolution, the taxes imposed pursuant to this chapter and
45 the forms for filing tax returns are due to the local government
46 responsible for collecting the taxes on or before the fifteenth day of the
47 month immediately following the month in which the operator collects
48 the taxes.



- 1 **Sec. 15.** 1. *A local government that is required to impose a tax on*
2 *transient lodging pursuant to this chapter must enact or retain such*
3 *ordinances as are necessary to impose or collect the tax.*
4 2. *Ordinances of a local government that relate to the imposition of a*
5 *tax on transient lodging pursuant to this chapter may include, without*
6 *limitation:*
7 (a) *The rate of tax on transient lodging, which must be in accordance*
8 *with the rates established pursuant to this chapter;*
9 (b) *Methods of reporting taxes on transient lodging to the local*
10 *government;*
11 (c) *A requirement that each operator display, in a conspicuous place,*
12 *a sign that provides notice to transient guests that a tax on transient*
13 *lodging is being imposed;*
14 (d) *Provisions for penalties, interest and reinstatement fees for*
15 *delinquent payment of a tax on transient lodging;*
16 (e) *Procedures for resolving disputes relating to the overpayment or*
17 *underpayment of a tax on transient lodging;*
18 (f) *Provisions for an exemption from payment of tax on transient*
19 *lodging for use or occupancy of the same room or space by the same*
20 *person for a certain number of consecutive days;*
21 (g) *Provisions for assessing a tax on transient lodging on rooms*
22 *provided to a transient guest free of charge;*
23 (h) *Documents required to support a claim for exemption from a tax*
24 *on transient lodging;*
25 (i) *Provisions for the calculation of a tax on transient lodging as part*
26 *of a promotional package;*
27 (j) *Provisions for a discount for prompt payment of a tax on transient*
28 *lodging;*
29 (k) *Licensing requirements for operators; and*
30 (l) *Procedures for revoking a license of an operator for failing to*
31 *remit to the local government revenues from a tax on transient lodging in*
32 *accordance with applicable requirements for remitting such revenues.*
33 3. *A local government that is required to impose a tax on transient*
34 *lodging pursuant to this chapter shall, by ordinance:*
35 (a) *Define the term “transient” for the purposes of sections 7 and 8 of*
36 *this act; and*
37 (b) *Define the terms “dwelling” and “lodging” for the purposes of*
38 *section 8 and subsection 2 of section 49 of this act.*
39 **Sec. 16.** 1. *A local government shall not enforce an ordinance that*
40 *imposes a new or additional tax on transient lodging or makes changes*
41 *relating to the imposition or collection of a tax on transient lodging, until*
42 *at least the first day of the second calendar month after the date the local*
43 *government adopts the ordinance that imposes the tax or makes the*
44 *changes. If a local government requires an operator to be licensed,*
45 *within 30 days after adopting an ordinance that imposes a new or*
46 *additional tax on transient lodging or makes changes relating to the*
47 *imposition or collection of a tax on transient lodging, the local*
48 *government shall mail written notice of the change to all operators that*
49 *are licensed as such by the local government.*



1 2. Not more than 10 days after the effective date of any legislation
2 that changes provisions relating to the collection of a tax on transient
3 lodging, the department shall notify all entities responsible for collecting
4 the tax of the change.

5 3. The requirements for notification set forth in this section are in
6 addition to the requirements for notification set forth in chapter 237 of
7 NRS.

8 **Sec. 17.** On or before September 15 of each year, the governing body
9 of each local government shall submit a report to the department in a
10 form prescribed by the committee on local government finance that
11 states:

12 1. The rate of all taxes on transient lodging imposed within the
13 boundaries of the local government in the preceding fiscal year;

14 2. The total amount of revenue collected from all taxes on transient
15 lodging imposed within the boundaries of the local government in the
16 preceding fiscal year; and

17 3. The manner in which the revenue was used by the local
18 government in the previous fiscal year.

19 **Sec. 18.** 1. Except as otherwise provided in this section, a notice of
20 determination of a deficiency in the payment of taxes on transient
21 lodging issued by a local government must be personally served or mailed
22 within 4 years after the fifteenth day of the first calendar month
23 following the period for which the amount is proposed to be determined
24 or within 3 years after the return is filed, whichever period expires later.

25 2. A notice of determination issued for failure to make a return or a
26 claim for an additional amount must be personally served or mailed
27 within 8 years after the last day of the calendar month following the
28 period for which the amount is proposed to be determined.

29 3. This section does not apply if an operator has committed fraud or
30 intentional evasion of the provisions of this chapter or any ordinance,
31 resolution or regulation adopted pursuant thereto.

32 **Sec. 19.** 1. The board of county commissioners:

33 (a) In a county whose population is 400,000 or more, shall impose, by
34 ordinance, a tax at a rate of 2 percent; and

35 (b) In a county whose population is less than 400,000, shall impose,
36 by ordinance, a tax at the rate of 1 percent,

37 of the gross receipts from the rental of transient lodging in that county
38 upon all persons in the business of providing lodging. This tax must be
39 imposed by the board of county commissioners in each county, regardless
40 of the existence or nonexistence of any other license fee or tax imposed
41 on the revenues from the rental of transient lodging. The ordinance
42 imposing the tax must include a schedule for the payment of the tax.

43 2. A tax required pursuant to subsection 1 must be collected and
44 administered in accordance with ordinances adopted pursuant to section
45 15 of this act.

46 3. The tax imposed pursuant to subsection 1 may be collected from
47 the transient guests and may be shown as an addition to the charge for
48 the rental of transient lodging. The person providing the transient



1 *lodging is liable to the county for the tax whether or not it is actually*
2 *collected from the transient guest.*

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

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

7 *(a) Three-eighths of the first 1 percent of the proceeds must be paid to*
8 *the department for deposit with the state treasurer for credit to the fund*
9 *for the promotion of tourism.*

10 *(b) The remaining proceeds must be transmitted to the county*
11 *treasurer for deposit in the county school district's fund for capital*
12 *projects established pursuant to NRS 387.328, to be held and expended in*
13 *the same manner as other money deposited in that fund.*

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

15 *(a) Three-eighths must be paid to the department for deposit with the*
16 *state treasurer for credit to the fund for the promotion of tourism.*

17 *(b) Five-eighths must be deposited with the county fair and recreation*
18 *board created pursuant to NRS 244A.597 to 244A.655, inclusive, or, if no*
19 *such board is created, with the board of county commissioners, to be*
20 *used to advertise the resources of that county related to tourism,*
21 *including available accommodations, transportation, entertainment,*
22 *natural resources and climate, and to promote special events related*
23 *thereto.*

24 **Sec. 21.** *The proceeds of the tax imposed pursuant to section 19 of*
25 *this act must not be used:*

26 *1. As additional security for the payment of, or to redeem, any*
27 *general obligation bonds issued pursuant to NRS 244A.597 to 244A.655,*
28 *inclusive.*

29 *2. To defray the costs of collecting or administering the tax incurred*
30 *by the county fair and recreation board.*

31 *3. To operate and maintain recreational facilities under the*
32 *jurisdiction of the county fair and recreation board.*

33 *4. To improve and expand recreational facilities authorized by NRS*
34 *244A.597 to 244A.655, inclusive.*

35 *5. To construct, purchase or acquire recreational facilities described*
36 *in subsections 3 and 4.*

37 **Sec. 22.** *1. Except as otherwise provided in subsection 2 of section*
38 *28 of this act, in addition to all other taxes imposed on the revenue from*
39 *the rental of transient lodging, a board of county commissioners may, by*
40 *ordinance, but not as in a case of emergency, impose a tax at the rate of*
41 *1 percent of the gross receipts from the rental of transient lodging*
42 *pursuant to either paragraph (a) or (b) as follows:*

43 *(a) After receiving the approval of a majority of the registered voters*
44 *of the county voting on the question at a special, primary or general*
45 *election, the board of county commissioners may impose the tax*
46 *throughout the county, including its incorporated cities, upon all persons*
47 *in the business of providing transient lodging. The question may be*
48 *combined with a question submitted pursuant to NRS 278.710, 371.045*
49 *or 377A.020, or any combination thereof.*



1 (b) After receiving the approval of a majority of the registered voters
2 who reside within the boundaries of a transportation district created
3 pursuant to NRS 244A.252 voting on the question at a special, primary
4 or general district election, the board of county commissioners may
5 impose the tax within the boundaries of the transportation district upon
6 all persons in the business of providing transient lodging. The question
7 may be combined with a question submitted pursuant to NRS 278.710.

8 2. A special election may be held only if the board of county
9 commissioners determines, by a unanimous vote, that an emergency
10 exists. The determination made by the board of county commissioners is
11 conclusive unless it is shown that the board acted with fraud or a gross
12 abuse of discretion. An action to challenge the determination made by
13 the board must be commenced within 15 days after the board's
14 determination is final. As used in this subsection, "emergency" means
15 any unexpected occurrence or combination of occurrences which
16 requires immediate action by the board of county commissioners to
17 prevent or mitigate a substantial financial loss to the county or to enable
18 the board to provide an essential service to the residents of the county.

19 3. The ordinance imposing the tax must include all the matters
20 required by section 19 of this act for the mandatory tax, must be
21 administered in the same manner, and imposes the same liabilities,
22 except:

23 (a) Collection of the tax imposed pursuant to this section must not
24 commence earlier than the first day of the second calendar month after
25 adoption of the ordinance imposing the tax; and

26 (b) The governmental entity collecting the tax shall transfer all
27 collections to the county and may not retain any part of the tax as a
28 collection or administrative fee.

29 **Sec. 23.** In a county in which a tax has been imposed pursuant to
30 paragraph (a) of subsection 1 of section 22 of this act:

31 1. The proceeds of the tax and any applicable penalty or interest
32 must be:

33 (a) Remitted to the appropriate city if collected in the incorporated
34 area of any city and not within any transportation district created by the
35 county, or if collected in any transportation district created by a city; or

36 (b) Retained by the county if collected elsewhere, and used as provided
37 in this section.

38 2. Except as otherwise provided in subsection 3, if the county has
39 created one or more transportation districts, it shall use any part of the
40 money retained which is collected within the boundaries of a
41 transportation district to pay the cost of:

42 (a) Projects related to the construction and maintenance of sidewalks,
43 streets, avenues, boulevards, highways, bridges and other public rights of
44 way used primarily for vehicular or fixed guideway traffic, including,
45 without limitation, overpass projects, street projects and underpass
46 projects, as defined in NRS 244A.037, 244A.053 and 244A.055,
47 respectively, within the boundaries of the district or within 1 mile outside
48 those boundaries if the governing body finds that such projects outside



1 *the boundaries of the district will facilitate transportation within the*
2 *district;*

3 *(b) Payment of principal and interest on notes, bonds or other*
4 *obligations issued by the county to fund projects described in paragraph*
5 *(a); or*

6 *(c) Any combination of those uses.*

7 *3. In addition to those uses set forth in subsection 2, if a county has*
8 *created one or more transportation districts and all or any portion of*
9 *those districts is located in an area that is governed by an interstate*
10 *compact entered into by this state and a state that borders this state, the*
11 *county may use any part of the money retained which is collected within*
12 *the boundaries of a transportation district to pay the cost of establishing,*
13 *operating and maintaining a public transit system, including any*
14 *improvement thereto, within the boundaries of the district, or outside*
15 *those boundaries if the governing body finds that such a system outside*
16 *the boundaries of the district will facilitate transportation within the*
17 *district, or both.*

18 *4. If the county has entered into an agreement pursuant to NRS*
19 *277.080 to 277.170, inclusive, which contemplates later payment by the*
20 *other party of a portion of the cost of a project which may be funded*
21 *pursuant to subsection 2, the county may pay from retained proceeds the*
22 *principal and interest on notes, bonds or other obligations issued in*
23 *anticipation of that payment.*

24 *5. Any part of the money retained which is collected in the*
25 *unincorporated area of the county and not within any transportation*
26 *district created by the county or a city must be used for the same*
27 *purposes within the unincorporated area of the county or within 1 mile*
28 *outside that area if the board of county commissioners finds that such*
29 *projects outside that area will facilitate transportation within that area.*

30 *6. As used in this section:*

31 *(a) "Improvement" has the meaning ascribed to it in NRS 244A.033.*

32 *(b) "Public transit system" means a system designed to facilitate the*
33 *transportation of members of the general public, including:*

34 *(1) The use of motor buses, rails or any other means of conveyance,*
35 *operated by whatever type of power; and*

36 *(2) An offstreet parking project or an overpass project as defined in*
37 *NRS 244A.035 and 244A.037, respectively.*

38 **Sec. 24.** *In a transportation district in which a tax has been imposed*
39 *pursuant to paragraph (b) of subsection 1 of section 22 of this act, the*
40 *proceeds of the tax and any applicable penalty or interest must be*
41 *retained by the county and used to pay the cost of:*

42 *1. Projects related to the construction and maintenance of sidewalks,*
43 *streets, avenues, boulevards, highways and other public rights of way*
44 *used primarily for vehicular traffic, including, without limitation,*
45 *overpass projects, street projects and underpass projects, as defined in*
46 *NRS 244A.037, 244A.053 and 244A.055, respectively, within the*
47 *boundaries of the district or within such a distance outside those*
48 *boundaries as is stated in the ordinance imposing the tax, if the*



governing body finds that such projects outside the boundaries of the district will facilitate transportation within the district;

2. Payment of principal and interest on notes, bonds or other obligations issued by the county to fund projects described in subsection 1; or

3. Any combination of those uses.

Sec. 25. A board of county commissioners which, after March 25, 1991, imposes a tax pursuant to NRS 278.710, 365.203, 371.045, 373.030 or 377A.020, or section 22 of this act shall, by January 1, 2001, and every 10 years thereafter:

1. Prepare a comprehensive report which includes:

(a) A statement of the proposed uses during the following 10 years of the revenues to be collected from each tax imposed; and

(b) A projection of the principal amount of any general or special obligation bonds or other securities proposed to be issued during the following 10 years to fund projects described in paragraph (a) of subsection 2 of section 23 of this act;

2. Hold a public hearing to consider and solicit comments on the report; and

3. Provide a copy of the report to the next regular session of the legislature.

Sec. 26. 1. Any tax on transient lodging:

(a) Which is levied by a county whose population is 100,000 or more;

(b) Whose proceeds are pledged for the payment of any bonds or other obligations issued pursuant to the provisions of NRS 244A.597 to 244A.655, inclusive; and

(c) Which is being collected by the county on January 1, 1995, must continue to be levied, collected and transmitted to the county fair and recreation board created pursuant to NRS 244A.597 to 244A.655, inclusive, as long as any of the bonds or other obligations issued pursuant to the provisions of NRS 244A.597 to 244A.655, inclusive, remain outstanding and unpaid.

2. The proceeds of the tax on transient lodging must be used by the county fair and recreation board for the purposes set forth in NRS 244A.597 to 244A.655, inclusive, including the payment of any bonds or other obligations issued pursuant to those provisions, and may be irrevocably pledged by the county fair and recreation board to the payment of bonds or other obligations issued pursuant to those provisions.

Sec. 27. 1. A county whose population is less than 100,000 may by ordinance assign to a district created pursuant to chapter 318 of NRS, which has been granted the basic power of furnishing recreational facilities, all or any portion of the proceeds of any tax on the revenues from the rental of transient lodging which is imposed by the county and collected within the boundaries of the district, except the tax imposed pursuant to section 19 of this act or a tax imposed pursuant to section 22 of this act.

2. The district may use the proceeds assigned pursuant to subsection 1 for any purpose authorized pursuant to NRS 318.143.



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1 3. The district may, with the consent of the board of county
2 commissioners or as otherwise provided in NRS 268.460, irrevocably
3 pledge the proceeds assigned pursuant to subsection 1 for:
4 (a) The repayment of any bonds or short-term or medium-term
5 obligations issued pursuant to chapter 318 or 350 of NRS for any lawful
6 purpose pertaining to the furnishing of recreational facilities; or
7 (b) The refinancing of any such bonds or obligations.
8 The consent of the board of county commissioners must be given by
9 resolution. If any proceeds are pledged pursuant to this subsection, the
10 assignment of the proceeds may not be revoked until the bonds or short-
11 term or medium-term obligations for which the proceeds were pledged
12 have been completely repaid.

13 4. No assignment may be made pursuant to this section which is
14 inconsistent with an assignment made or contract entered into for the
15 purposes of NRS 244A.597 to 244A.655, inclusive.

16 5. A county which makes an assignment pursuant to this section may
17 retain an amount equal to the reasonable cost of collecting the tax, which
18 must not exceed 2 percent of the proceeds of the tax for any period of
19 collection.

20 **Sec. 28.** 1. A county whose population is 400,000 or more shall not
21 impose a new tax on transient lodging or increase the rate of an existing
22 tax on transient lodging after March 25, 1991, except pursuant to
23 sections 19 and 22 of this act.

24 2. A county whose population is 100,000 or more but less than
25 400,000 shall not impose a new tax on transient lodging or increase the
26 rate of an existing tax on transient lodging after March 25, 1991.

27 3. The legislature hereby declares that the limitation imposed by
28 subsections 1 and 2 will not be repealed or amended except to allow the
29 imposition of an increase in such a tax for the promotion of tourism or
30 for the construction or operation of tourism facilities by a convention
31 and visitors authority.

32 **Sec. 29.** 1. Any tax on transient lodging:
33 (a) Which is levied by a city located in a county whose population is
34 100,000 or more;
35 (b) Whose proceeds are pledged for the payment of any bonds or other
36 obligations issued pursuant to the provisions of NRS 244A.597 to
37 244A.655, inclusive; and
38 (c) Which is being collected by the city on January 1, 1995,
39 must continue to be levied, collected and transmitted to the county fair
40 and recreation board created pursuant to NRS 244A.599 as long as any
41 of the bonds or other obligations issued pursuant to the provisions of
42 NRS 244A.597 to 244A.655, inclusive, remain outstanding and unpaid.

43 2. The proceeds of the tax on transient lodging must be used by the
44 county fair and recreation board for the purposes set forth in NRS
45 244A.597 to 244A.655, inclusive, including the payment of any bonds or
46 other obligations issued pursuant to those provisions, and may be
47 irrevocably pledged by the county fair and recreation board to the
48 payment of bonds or other obligations issued pursuant to those
49 provisions.



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1 **Sec. 30. 1. The city council or other governing body of each**
2 **incorporated city:**

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

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

7 **of the gross receipts from the rental of transient lodging in that city upon**
8 **all persons in the business of providing lodging. This tax must be**
9 **imposed by the city council or other governing body of each incorporated**
10 **city, regardless of the existence or nonexistence of any other license fee**
11 **or tax imposed on the revenues from the rental of transient lodging. The**
12 **ordinance imposing the tax must include a schedule for the payment of**
13 **the tax.**

14 **2. The tax required pursuant to subsection 1 must be collected and**
15 **administered in accordance with ordinances adopted pursuant to section**
16 **15 of this act.**

17 **3. The tax imposed pursuant to subsection 1 may be collected from**
18 **the transient guests and may be shown as an addition to the charge for**
19 **the rental of transient lodging. The person providing the transient**
20 **lodging is liable to the city for the tax whether or not it is actually**
21 **collected from the transient guest.**

22 **Sec. 31. The proceeds of the tax imposed pursuant to section 30 of**
23 **this act and any applicable penalty or interest must be distributed as**
24 **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 for deposit with the state treasurer for credit to the fund**
28 **for the promotion of tourism.**

29 **(b) The remaining proceeds must be transmitted to the county**
30 **treasurer for deposit in the county school district's fund for capital**
31 **projects established pursuant to NRS 387.328, to be held and expended in**
32 **the same manner as other money deposited in that fund.**

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

34 **(a) Three-eighths must be paid to the department for deposit with the**
35 **state treasurer for credit to the fund for the promotion of tourism.**

36 **(b) Five-eighths must be deposited with the county fair and recreation**
37 **board created pursuant to NRS 244A.597 to 244A.655, inclusive, or, if no**
38 **such board is created, with the city council or other governing body of**
39 **the incorporated city, to be used to advertise the resources of that county**
40 **or incorporated city related to tourism, including available**
41 **accommodations, transportation, entertainment, natural resources and**
42 **climate, and to promote special events related thereto.**

43 **Sec. 32. The proceeds of the tax imposed pursuant to section 30 of**
44 **this act must not be used:**

45 **1. As additional security for the payment of, or to redeem, any**
46 **general obligation bonds issued pursuant to NRS 244A.597 to 244A.655,**
47 **inclusive.**

48 **2. To defray the costs of collecting or administering the tax incurred**
49 **by the county fair and recreation board.**



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1 3. To operate and maintain recreational facilities under the
2 jurisdiction of the county fair and recreation board.

3 4. To improve and expand recreational facilities authorized by NRS
4 244A.597 to 244A.655, inclusive.

5 5. To construct, purchase or acquire such recreational facilities.

6 **Sec. 33.** 1. Except as otherwise provided in sections 30 and 36 to
7 43, inclusive, of this act, a city located in a county whose population is
8 400,000 or more shall not impose a new tax on transient lodging or
9 increase the rate of an existing tax on transient lodging after March 25,
10 1991.

11 2. Except as otherwise provided in section 35 of this act, a city
12 located in a county whose population is 100,000 or more but less than
13 400,000 shall not impose a new tax on transient lodging or increase the
14 rate of an existing tax on transient lodging after March 25, 1991.

15 3. The legislature hereby declares that the limitation imposed by
16 subsections 1 and 2 will not be repealed or amended except to allow the
17 imposition of an increase in such a tax for:

18 (a) The promotion of tourism;

19 (b) The construction or operation of tourism facilities by a convention
20 and visitors authority; or

21 (c) The acquisition, establishment, construction or expansion of one
22 or more railroad grade separation projects.

23 **Sec. 34.** 1. Except as otherwise provided in subsection 2, a city that
24 has created one or more transportation districts shall use any part of the
25 money received pursuant to the provisions of section 22 of this act which
26 is collected within the boundaries of a transportation district to pay the
27 cost of:

28 (a) Projects related to the construction and maintenance of sidewalks,
29 streets, avenues, boulevards, highways and other public rights of way
30 used primarily for vehicular or fixed guideway traffic, including, without
31 limitation, overpass projects, street projects and underpass projects, as
32 defined in NRS 244A.037, 244A.053 and 244A.055, respectively, within
33 the boundaries of the district or within 1 mile outside those boundaries if
34 the governing body finds that such projects outside the boundaries of the
35 district will facilitate transportation within the district;

36 (b) Payment of principal and interest on notes, bonds or other
37 obligations issued by the city to fund projects described in paragraph (a);
38 or

39 (c) Any combination of those uses.

40 2. In addition to those uses set forth in subsection 1, if a city has
41 created one or more transportation districts and all or any portion of
42 those districts is located in an area that is governed by an interstate
43 compact entered into by this state and a state that borders this state, the
44 city may use any part of the money received pursuant to the provisions of
45 section 22 of this act which is collected within the boundaries of a
46 transportation district to pay the cost of establishing, operating and
47 maintaining a public transit system within the boundaries of the district,
48 or outside those boundaries if the governing body finds that such a



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1 system outside the boundaries of the district will facilitate transportation
2 within the district, or both.

3 3. A city shall use any part of the money received from such a tax
4 which is not collected within the boundaries of a transportation district
5 for the same purposes within the incorporated boundaries of the city or
6 within 1 mile outside those boundaries if the governing body finds that
7 such projects outside those boundaries will facilitate transportation
8 within the incorporated area.

9 4. As used in this section, "public transit system" means a system
10 employing motor buses, rails or any other means of conveyance, by
11 whatever type of power, that is operated for the conveyance of members
12 of the general public.

13 **Sec. 35.** 1. In a county whose population is 100,000 or more but
14 less than 400,000, the governing body of an incorporated city within the
15 county that has created a district pursuant to NRS 268.781 may by
16 ordinance impose within that district a tax at the rate of not more than 1
17 percent of the gross receipts from the rental of transient lodging
18 throughout the district.

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

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

25 4. The proceeds of the tax and any applicable penalty or interest
26 must be used to fund the acquisition, establishment, construction or
27 expansion of one or more railroad grade separation projects, including
28 the payment and prepayment of principal and interest on notes, bonds or
29 other obligations issued to fund such projects.

30 5. A tax imposed by this section must be collected and enforced in the
31 same manner as provided for the collection of the tax imposed by section
32 30 of this act.

33 **Sec. 36.** As used in sections 36 to 43, inclusive, of this act, unless the
34 context otherwise requires, "district" means a district created to defray
35 the cost of improving a central business area.

36 **Sec. 37.** 1. The governing body of an incorporated city whose
37 population is 200,000 or more may by ordinance create a district.

38 2. Not more than one district may be created in each such city.

39 3. A district is not entitled to receive any distribution of supplemental
40 city-county relief tax.

41 **Sec. 38.** 1. The governing body of a city which creates a district
42 shall establish the boundaries of the district and, except as otherwise
43 provided by subsection 3 of section 42 of this act, may alter those
44 boundaries by ordinance. The area included within a district may be
45 contiguous or noncontiguous but must not include any area which is
46 located more than 4 blocks from the project the city expects to construct
47 with the tax collected or the bonds issued pursuant to sections 36 to 43,
48 inclusive.



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1 2. The boundaries of a district must not be established or altered to
2 include any territory outside the boundaries of the city, but detachments
3 of territory from the city occurring after the effective date of the
4 ordinance creating or altering the boundaries of a district do not affect
5 its boundaries.

6 **Sec. 39.** 1. In addition to all other taxes imposed on the revenues
7 from the rental of transient lodging, the governing body may by
8 ordinance impose a tax upon all persons in the business of providing
9 transient lodging within the boundaries of the district at a rate not to
10 exceed 2 percent of the gross receipts from the rental of transient
11 lodging.

12 2. The tax may be waived or imposed at different rates in certain
13 areas or for a particular business if:

14 (a) The governing body determines that certain areas will receive less
15 benefits from the project constructed with the proceeds of the tax or any
16 obligations payable therefrom.

17 (b) The governing body determines that a business does not have
18 sufficient rooms dedicated to providing transient lodging for it to benefit
19 equally from the project constructed with the proceeds of the tax or any
20 obligations payable therefrom.

21 3. The determinations made by the governing body pursuant to
22 subsection 2 are conclusive unless it is shown that the governing body
23 acted with fraud or a gross abuse of discretion.

24 4. A tax imposed pursuant to this section must be collected and
25 enforced in the same manner as provided for the collection of the tax
26 imposed by section 30 of this act.

27 5. The collection of the tax imposed pursuant to this section must
28 cease upon the final payment of:

29 (a) The bonds initially issued to which the tax imposed pursuant to
30 this section is pledged; or

31 (b) Any bonds refunding those initially issued bonds, but any such
32 refunding bonds may not have a final payment date that is later than the
33 final payment date of the bonds initially issued.

34 **Sec. 40.** 1. In a district that imposes a tax pursuant to section 39 of
35 this act, the proceeds of the tax and any applicable penalty or interest
36 must be retained by the city and used by the city or its redevelopment
37 agency to pay the cost of:

38 (a) Constructing, acquiring, improving, operating or maintaining
39 urban projects, or any combination thereof, including, without
40 limitation, recreational facilities and other projects designed to
41 encourage tourism or to improve the aesthetic environment of the central
42 business area located within the boundaries of the district;

43 (b) Paying the principal and interest on notes, bonds or other
44 obligations issued by the city to fund such projects; or

45 (c) Any combination of those uses.

46 2. The city or its redevelopment agency may enter into contracts for
47 management services and the operation and maintenance of any project
48 financed pursuant to subsection 1. Those contracts must be treated as
49 professional services contracts and are not subject to the limitations of



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1 subsection 1 of NRS 354.626. The terms of those contracts may extend
2 beyond the terms of office of the members of the governing body.

3 **Sec. 41.** 1. A city may pledge any money received from a tax
4 imposed pursuant to section 39 of this act or any combination of that
5 money with revenue derived from the projects financed with the proceeds
6 of the obligations for whose payment the money and revenue are
7 pledged, with revenues of other revenue-producing projects of the city,
8 including any existing or future extensions or enlargements of any of
9 those projects, and with any revenues received by the city as grants under
10 an interlocal agreement with any other entity in the county in which the
11 city is located, or otherwise, for payment of general or special obligations
12 of the city issued for projects described in section 40 of this act.

13 2. Any money pledged by the city pursuant to subsection 1 may be
14 treated as pledged revenues of the project for the purposes of subsection
15 3 of NRS 350.020.

16 **Sec. 42.** 1. Except as otherwise provided by subsection 3, the
17 governing body of a city that creates a district may by ordinance change:

18 (a) The rate of tax in an amount not to exceed the maximum amount
19 authorized by section 39.

20 (b) The number of rooms used to determine the rate of tax.

21 2. Any changes made pursuant to this section may be challenged in
22 the manner set forth in section 43 of this act.

23 3. If general or special obligations are issued for the purposes of
24 sections 36 to 43, inclusive, of this act the governing body must not
25 change:

26 (a) The boundaries of the district;

27 (b) The rate of tax; or

28 (c) The boundaries of the areas in which a different rate of tax is
29 charged,

30 in a manner which would materially impair the security for the bonds.

31 **Sec. 43.** 1. A person who is subject to or has a legally recognizable
32 interest in:

33 (a) An ordinance that creates a district;

34 (b) An ordinance that imposes a tax pursuant to section 39 of this act;
35 or

36 (c) A project that will be constructed with the proceeds from the
37 tax,

38 may commence an appropriate proceeding in the district court of the
39 county in which the district is located to challenge the validity of the
40 ordinance, tax or project. No such proceeding may be commenced more
41 than 15 days after the effective date of the ordinance.

42 2. The court shall affirm the ordinance, tax and project unless it
43 determines that the approval of the ordinance, tax or project was the
44 result of fraud or a gross abuse of discretion.

45 **Sec. 44.** 1. If the governing body of a local government which is
46 responsible for collecting a tax on transient lodging determines that any
47 tax on transient lodging assigned to it, or penalty or interest thereon, has
48 been paid more than once or has been erroneously or illegally collected
49 or computed, the governing body shall, subject to the conditions specified



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1 *in this section, refund to the person or corporation or its successors,*
2 *administrators, executors or assigns the excess amount collected or paid.*
3 *In lieu of a refund, the governing body may grant a credit to the operator*
4 *against payments of a tax on transient lodging.*

5 2. *A refund or credit must not be allowed unless a claim therefor is*
6 *filed with the governing body within 2 years after the last date that the*
7 *overpayment was made. Each claim must be in writing and must state the*
8 *specific grounds upon which the claim is founded.*

9 3. *Failure to file a claim within the time prescribed constitutes a*
10 *waiver of any demand against the local government imposing the tax on*
11 *transient lodging.*

12 4. *Within 30 days after disallowing any claim, in whole or in part,*
13 *the governing body shall serve notice of its action on the claimant.*

14 **Sec. 45.** 1. *If a tax imposed pursuant to an ordinance enacted in*
15 *accordance with this chapter is not paid within the time set forth in the*
16 *schedule for payment established by the local government, the local*
17 *government which is responsible for collecting the tax shall charge and*
18 *collect in addition to the tax:*

19 (a) *A penalty of not more than 10 percent of the amount due,*
20 *exclusive of interest, or an administrative fee established by the local*
21 *government, whichever is greater; and*

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

25 2. *The local government that is responsible for collection of a tax on*
26 *transient lodging may relieve an operator of all or part of any interest or*
27 *penalty, or both, imposed pursuant to this section if the operator's failure*
28 *to pay taxes in a timely manner:*

29 (a) *Is the result of circumstances beyond the control of the operator;*
30 *and*

31 (b) *Did not occur because the operator failed to exercise ordinary care*
32 *or because the operator intended to avoid payment.*

33 **Sec. 46.** 1. *A tax on transient lodging levied pursuant to this*
34 *chapter, constitutes a lien upon the real and personal property of the*
35 *transient lodging business upon which the tax was levied until the tax is*
36 *paid. The lien has the same priority as a lien for general taxes. The lien*
37 *must be enforced in the following manner:*

38 (a) *By recording in the office of the county recorder, within 6 months*
39 *after the date on which the tax became delinquent or was otherwise*
40 *determined to be due and owing, a notice of the tax lien containing the*
41 *following:*

42 (1) *The amount of tax due and the appropriate year;*

43 (2) *The name of the record owner of the property;*

44 (3) *A description of the property sufficient for identification; and*

45 (4) *A verification by the oath of any member of the board of county*
46 *commissioners or the county fair and recreation board; and*

47 (b) *By an action for foreclosure against the property in the same*
48 *manner as an action for foreclosure of any other lien, commenced within*



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1 2 years after the date of recording of the notice of the tax lien, and
2 accompanied by appropriate notice to other lienholders.

3 2. If a local government requires a person to obtain and maintain a
4 license to operate transient lodging and if an operator who is delinquent
5 on payment of a tax imposed pursuant to this chapter fails to pay all
6 taxes, interest and penalties for which he is liable pursuant to this
7 chapter within a period established by the local government by
8 ordinance, the local government may automatically revoke the license of
9 the operator until he pays the full amount that he owes and takes all
10 steps required by the local government for reinstatement of the license.
11 After an operator whose license has been revoked pursuant to this
12 section pays all taxes, interest and penalties and takes all steps required
13 by the local government for reinstating a license to be an operator, the
14 local government shall reinstate the license of the operator.

15 3. A local government may delegate the authority to enforce liens
16 from taxes levied for the purposes of NRS 244A.597 to 244A.655,
17 inclusive, to the county fair and recreation board. If the authority is so
18 delegated and if the local government issues licenses for operators, the
19 governing body shall suspend the license of the operator upon
20 certification by the local government responsible for collecting the tax
21 that the tax on transient lodging has become delinquent, and may not
22 reinstate the license until the tax is paid.

23 **Sec. 47.** Unless otherwise provided by ordinance or resolution of the
24 local government responsible for collecting taxes on transient lodging,
25 the calculation of a tax on transient lodging for the use of a time-share
26 unit must be applied as follows:

27 1. A tax on transient lodging is applicable to all gross receipts on the
28 rental of a time-share unit by transient guests, including, without
29 limitation, rental fees, commissions, charges for the service of allowing
30 owners of time-share units to trade intervals at one affiliated property
31 with intervals at other affiliated properties, and assessments for pro-rata
32 shares of operating expenses charged to transient guests. Except as
33 otherwise provided in subsection 2, use of a time-share unit by the person
34 who owns the time-share unit or a part of the time-share unit in fee shall
35 be exempt from a tax on transient lodging imposed by this chapter.

36 2. A tax on transient lodging is applicable to all gross receipts on the
37 rental of a time-share unit by a person who owns the time-share unit or a
38 part of the time-share unit in fee where such rental is in addition to the
39 use to which his ownership interest entitles him.

40 **Sec. 48.** Unless otherwise provided by ordinance, resolution or
41 regulation of the local government that is responsible for the imposition
42 and collection of taxes on transient lodging, transient lodging that is
43 included as part of a package program offered by an operator must be
44 taxed on a prorated basis only on the value of the lodging component of
45 the package. The local government responsible for collecting the tax
46 may, by ordinance, establish a minimum value for a lodging component
47 of a package for purposes of applying a tax on transient lodging
48 pursuant to this section. The minimum value established by a local



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1 *government pursuant to this section may only be used if the value of the*
2 *lodging component of a package cannot be readily determined.*

3 **Sec. 49.** *A tax on transient lodging must not be imposed upon:*

4 *1. Rent paid directly by the United States, this state and foreign*
5 *diplomats who are properly registered with the State Department of the*
6 *United States.*

7 *2. Rent paid for a room that is not used for sleeping, dwelling or*
8 *lodging, such as rent paid on a room to be used for conducting a*
9 *meeting.*

10 *3. An exemption created by a local government pursuant to section*
11 *15 of this act.*

12 **Sec. 50.** NRS 244.335 is hereby amended to read as follows:

13 244.335 1. Except as otherwise provided in subsection 2, the board
14 of county commissioners may:

15 (a) Regulate all character of lawful trades, callings, industries,
16 occupations, professions and business conducted in its county outside of
17 the limits of incorporated cities and towns.

18 (b) Except as otherwise provided in NRS ~~244.3359 and~~ 576.128, fix,
19 impose and collect a license tax for revenue or for regulation, or for both
20 revenue and regulation, on such trades, callings, industries, occupations,
21 professions and business.

22 *(c) Except as otherwise provided in section 28 of this act, fix, impose*
23 *and collect a tax on revenue from the rental of transient lodging*
24 *pursuant to the provisions of sections 2 to 49, inclusive, of this act.*

25 2. The county license boards have the exclusive power in their
26 respective counties to regulate entertainers employed by an entertainment
27 by referral service and the business of conducting a dancing hall, escort
28 service, entertainment by referral service or gambling game or device
29 permitted by law, outside of an incorporated city. The county license
30 boards may fix, impose and collect license taxes for revenue or for
31 regulation, or for both revenue and regulation, on such employment and
32 businesses.

33 3. No license to engage in any type of business may be granted unless
34 the applicant for the license signs an affidavit affirming that the business
35 has complied with the provisions of chapter 364A of NRS. The county
36 license board shall provide upon request an application for a business
37 license pursuant to chapter 364A of NRS.

38 4. No license to engage in business as a seller of tangible personal
39 property may be granted unless the applicant for the license presents
40 written evidence that:

41 (a) The department of taxation has issued or will issue a permit for this
42 activity, and this evidence clearly identifies the business by name; or

43 (b) Another regulatory agency of the state has issued or will issue a
44 license required for this activity.

45 5. Any license tax levied for the purposes of NRS ~~244.3358 or~~
46 244A.597 to 244A.655, inclusive, constitutes a lien upon the real and
47 personal property of the business upon which the tax was levied until the
48 tax is paid. The lien has the same priority as a lien for general taxes. The
49 lien must be enforced in the following manner:



- 1 (a) By recording in the office of the county recorder, within 6 months
2 after the date on which the tax became delinquent or was otherwise
3 determined to be due and owing, a notice of the tax lien containing the
4 following:
- 5 (1) The amount of tax due and the appropriate year;
 - 6 (2) The name of the record owner of the property;
 - 7 (3) A description of the property sufficient for identification; and
 - 8 (4) A verification by the oath of any member of the board of county
9 commissioners or the county fair and recreation board; and
- 10 (b) By an action for foreclosure against the property in the same manner
11 as an action for foreclosure of any other lien, commenced within 2 years
12 after the date of recording of the notice of the tax lien, and accompanied by
13 appropriate notice to other lienholders.
- 14 6. The board of county commissioners may delegate the authority to
15 enforce liens from taxes levied for the purposes of NRS 244A.597 to
16 244A.655, inclusive, to the county fair and recreation board. If the
17 authority is so delegated, the board of county commissioners shall revoke
18 or suspend the license of a business upon certification by the county fair
19 and recreation board that the license tax has become delinquent, and shall
20 not reinstate the license until the tax is paid. ~~Except as otherwise provided~~
21 ~~in NRS 244.3357, all~~ **All** information concerning license taxes levied by
22 an ordinance authorized by this section or other information concerning the
23 business affairs or operation of any licensee obtained as a result of the
24 payment of such license taxes or as the result of any audit or examination
25 of the books by any authorized employee of a county fair and recreation
26 board of the county for any license tax levied for the purpose of NRS
27 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed
28 by any member, officer or employee of the county fair and recreation board
29 or the county imposing the license tax unless the disclosure is authorized
30 by the affirmative action of a majority of the members of the appropriate
31 county fair and recreation board. Continuing disclosure may be so
32 authorized under an agreement with the department of taxation for the
33 exchange of information concerning taxpayers.
- 34 **Sec. 51.** NRS 244A.252 is hereby amended to read as follows:
35 244A.252 1. A board of county commissioners may by ordinance,
36 but not as in a case of emergency, create one or more transportation
37 districts in the unincorporated area of the county. The board of county
38 commissioners is ex officio the governing body of any district created
39 pursuant to this section and may:
- 40 (a) Organize and maintain the district.
 - 41 (b) Establish, by ordinance, regulations:
 - 42 (1) For the administration of its internal affairs.
 - 43 (2) For the employment of professional, technical, clerical and other
44 personnel necessary to carry out its duties.
 - 45 (3) For the establishment and alteration of the boundaries of the
46 district.
 - 47 (4) Providing for the use of revenue received by the district.
 - 48 (c) Hold meetings as the governing body of a district in conjunction
49 with its meetings as the board of county commissioners without posting a



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1 separate agenda or posting additional notices of the meetings within the
2 district.

3 (d) Cause a special or general district election to be held in the same
4 manner as provided for other such elections in Title 24 of NRS for the
5 purpose of submitting a question pursuant to paragraph (b) of subsection 1
6 of ~~NRS 244.3351~~ *section 22 of this act* or paragraph (b) of subsection 1
7 of NRS 278.710, or both, or cause the question or questions to be
8 submitted at a primary or general state election.

9 2. A special election may be held only if the board of county
10 commissioners determines, by a unanimous vote, that an emergency exists.
11 The determination made by the board is conclusive unless it is shown that
12 the board acted with fraud or a gross abuse of discretion. An action to
13 challenge the determination made by the board must be commenced within
14 15 days after the board's determination is final. As used in this subsection,
15 "emergency" means any unexpected occurrence or combination of
16 occurrences which requires immediate action by the board of county
17 commissioners to prevent or mitigate a substantial financial loss to the
18 district or county or to enable the board to provide an essential service to
19 the residents of the county.

20 3. The budget of a district created pursuant to this section must comply
21 with the provisions of NRS 354.470 to 354.626, inclusive.

22 4. All persons employed to perform the functions of a district are
23 employees of the county for all purposes.

24 **Sec. 52.** NRS 244A.256 is hereby amended to read as follows:

25 244A.256 1. A county may pledge any money received from the
26 proceeds of taxes imposed pursuant to paragraph (a) of subsection 1 of
27 ~~NRS 244.3351~~ *section 22 of this act* or paragraph (a) of subsection 1 of
28 NRS 278.710 or pursuant to NRS 371.045 or, with the consent of the
29 regional transportation commission, received from the proceeds of the tax
30 imposed pursuant to NRS 377A.020, or any combination of money from
31 those sources with revenue derived from the project financed with the
32 proceeds of the obligations for whose payment those taxes are pledged,
33 including any existing or future extensions or enlargements thereof, for the
34 payment of general or special obligations issued for projects described in
35 paragraph (a) of subsection 2 of NRS ~~244.33512~~ *section 23 of this act*, if
36 the project for which the securities are issued could be directly funded with
37 the taxes whose proceeds are pledged for the payment of the securities.

38 2. A county may pledge any money received from the proceeds of
39 taxes imposed pursuant to paragraph (b) of subsection 1 of ~~NRS~~
40 ~~244.3351~~ *section 22 of this act* or paragraph (b) of subsection 1 of NRS
41 278.710, or any combination of money from those taxes with revenue
42 derived from the project financed with the proceeds of the obligations for
43 whose payment those taxes are pledged, including any existing or future
44 extensions or enlargements thereof, for the payment of general or special
45 obligations issued for projects described in subsection 1 of ~~NRS~~
46 ~~244.33514~~ *section 24 of this act*, if the project for which the securities are
47 issued could be directly funded with the taxes whose proceeds are pledged
48 for the payment of the securities.



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1 3. Any money pledged by the county pursuant to subsection 1 or 2
2 may be treated as pledged revenues of the project for the purposes of
3 subsection 3 of NRS 350.020.

4 **Sec. 53.** NRS 268.095 is hereby amended to read as follows:

5 268.095 1. The city council or other governing body of each
6 incorporated city in this state, whether organized under general law or
7 special charter, may:

8 (a) Except as otherwise provided in NRS ~~268.0968 and~~ 576.128, fix,
9 impose and collect for revenues or for regulation, or both, a license tax on
10 all character of lawful trades, callings, industries, occupations, professions
11 and businesses conducted within its corporate limits.

12 (b) Assign the proceeds of any one or more of such license taxes to the
13 county within which the city is situated for the purpose or purposes of
14 making the proceeds available to the county:

15 (1) As a pledge as additional security for the payment of any general
16 obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

17 (2) For redeeming any general obligation bonds issued pursuant to
18 NRS 244A.597 to 244A.655, inclusive;

19 (3) For defraying the costs of collecting or otherwise administering
20 any such license tax so assigned, of the county fair and recreation board
21 and of officers, agents and employees hired thereby, and of incidentals
22 incurred thereby;

23 (4) For operating and maintaining recreational facilities under the
24 jurisdiction of the county fair and recreation board;

25 (5) For improving, extending and bettering recreational facilities
26 authorized by NRS 244A.597 to 244A.655, inclusive; and

27 (6) For constructing, purchasing or otherwise acquiring such
28 recreational facilities.

29 (c) *Except as otherwise provided in section 33 of this act, impose and*
30 *collect a tax on revenue from the rental of transient lodging pursuant to*
31 *the provisions of sections 2 to 49, inclusive, of this act.*

32 (d) Pledge the proceeds of any tax imposed on the revenues from the
33 rental of transient lodging pursuant to this section for the payment of any
34 general obligations issued by the city for a purpose authorized by the City
35 Bond Law, NRS 268.672 to 268.740, inclusive.

36 ~~(d)~~ (e) Use the proceeds of any tax imposed pursuant to this section on
37 the revenues from the rental of transient lodging:

38 (1) To pay the principal, interest or any other indebtedness on any
39 general or special obligations issued by the city pursuant to the City Bond
40 Law, NRS 268.672 to 268.740, inclusive;

41 (2) For the expense of operating or maintaining, or both, any facilities
42 of the city; and

43 (3) For any other purpose for which other money of the city may be
44 used.

45 2. The proceeds of any tax imposed pursuant to this section that are
46 pledged for the repayment of general obligations may be treated as
47 "pledged revenues" for the purposes of NRS 350.020.

48 3. No license to engage in any type of business may be granted unless
49 the applicant for the license signs an affidavit affirming that the business



1 has complied with the provisions of chapter 364A of NRS. The city
2 licensing agency shall provide upon request an application for a business
3 license pursuant to chapter 364A of NRS.

4 4. No license to engage in business as a seller of tangible personal
5 property may be granted unless the applicant for the license presents
6 written evidence that:

7 (a) The department of taxation has issued or will issue a permit for this
8 activity, and this evidence clearly identifies the business by name; or

9 (b) Another regulatory agency of the state has issued or will issue a
10 license required for this activity.

11 5. Any license tax levied under the provisions of this section
12 constitutes a lien upon the real and personal property of the business upon
13 which the tax was levied until the tax is paid. The lien has the same priority
14 as a lien for general taxes. The lien must be enforced in the following
15 manner:

16 (a) By recording in the office of the county recorder, within 6 months
17 following the date on which the tax became delinquent or was otherwise
18 determined to be due and owing, a notice of the tax lien containing the
19 following:

20 (1) The amount of tax due and the appropriate year;

21 (2) The name of the record owner of the property;

22 (3) A description of the property sufficient for identification; and

23 (4) A verification by the oath of any member of the board of county
24 commissioners or the county fair and recreation board; and

25 (b) By an action for foreclosure against such property in the same
26 manner as an action for foreclosure of any other lien, commenced within 2
27 years after the date of recording of the notice of the tax lien, and
28 accompanied by appropriate notice to other lienholders.

29 6. The city council or other governing body of each incorporated city
30 may delegate the power and authority to enforce such liens to the county
31 fair and recreation board. If the authority is so delegated, the governing
32 body shall revoke or suspend the license of a business upon certification by
33 the board that the license tax has become delinquent, and shall not reinstate
34 the license until the tax is paid. ~~Except as otherwise provided in NRS~~
35 ~~268.0966, all~~ ~~all~~ ~~information concerning license taxes levied by an~~
36 ~~ordinance authorized by this section or other information concerning the~~
37 ~~business affairs or operation of any licensee obtained as a result of the~~
38 ~~payment of those license taxes or as the result of any audit or examination~~
39 ~~of the books of the city by any authorized employee of a county fair and~~
40 ~~recreation board for any license tax levied for the purpose of NRS~~
41 ~~244A.597 to 244A.655, inclusive, is confidential and must not be disclosed~~
42 ~~by any member, official or employee of the county fair and recreation~~
43 ~~board or the city imposing the license tax unless the disclosure is~~
44 ~~authorized by the affirmative action of a majority of the members of the~~
45 ~~appropriate county fair and recreation board. Continuing disclosure may be~~
46 ~~so authorized under an agreement with the department of taxation for the~~
47 ~~exchange of information concerning taxpayers.~~

48 7. The powers conferred by this section are in addition and
49 supplemental to, and not in substitution for, and the limitations imposed by



1 this section do not affect the powers conferred by, any other law. No part
2 of this section repeals or affects any other law or any part thereof, it being
3 intended that this section provide a separate method of accomplishing its
4 objectives, and not an exclusive one.

5 **Sec. 54.** NRS 268.460 is hereby amended to read as follows:

6 268.460 1. Any license tax levied by any county against any lawful
7 trade, calling, industry, occupation, profession or business conducted in the
8 county and located in an unincorporated area therein, the proceeds of
9 which are pledged before or after the incorporation of the area as a city or
10 town for the repayment of any bonds or other obligations issued pursuant
11 to the provisions of NRS ~~244.3358 or~~ 244A.597 to 244A.655, inclusive,
12 **or section 27 of this act**, must, after the incorporation of the area as a city
13 or town, continue to be levied by the city or town and must be collected by
14 the officer of the city or town charged by law with the collection of its
15 license taxes.

16 2. If the proceeds of the license tax levied pursuant to subsection 1 are
17 pledged before or after the incorporation of the area as a city or town for
18 the payment of any bonds or other obligations issued pursuant to the
19 provisions of ~~NRS 244.3358;~~ **section 27 of this act**:

20 (a) The city or town shall, after the incorporation of the area as a city or
21 town, transmit the proceeds of that license tax to the district to which the
22 proceeds are assigned, so long as any of the bonds or other obligations
23 remain outstanding and unpaid, both as to principal and interest, in
24 accordance with their terms; and

25 (b) The district to which the proceeds are assigned may, after the
26 incorporation of the city or town, irrevocably pledge those proceeds for the
27 repayment or refinancing of any bonds or short-term or medium-term
28 obligations issued pursuant to the provisions of chapter 318 or 350 of NRS,
29 if the governing body of the city or town consents to the assignment by
30 resolution in lieu of the consent of the board of county commissioners
31 required pursuant to the provisions of ~~NRS 244.3358;~~ **section 27 of this**
32 **act**.

33 3. If the proceeds of the license tax levied pursuant to subsection 1 are
34 pledged before or after the incorporation of the area as a city or town for
35 the repayment of any bonds or other obligations issued pursuant to the
36 provisions of NRS 244A.597 to 244A.655, inclusive, the proceeds must be
37 transmitted to the county officer required by law to collect the license tax,
38 so long as any of the bonds or other obligations remain outstanding and
39 unpaid, both as to principal and interest.

40 **Sec. 55.** NRS 278.710 is hereby amended to read as follows:

41 278.710 1. A board of county commissioners may by ordinance, but
42 not as in a case of emergency, impose a tax for the improvement of
43 transportation on the privilege of new residential, commercial, industrial
44 and other development pursuant to paragraph (a) or (b) as follows:

45 (a) After receiving the approval of a majority of the registered voters of
46 the county voting on the question at a special election or the next primary
47 or general election, the board of county commissioners may impose the tax
48 throughout the county, including any such development in incorporated
49 cities in the county. A county may combine this question with a question



1 submitted pursuant to NRS ~~244.3351,~~ 371.045 or 377A.020, *or section*
2 *22 of this act* or any combination thereof.

3 (b) After receiving the approval of a majority of the registered voters
4 who reside within the boundaries of a transportation district created
5 pursuant to NRS 244A.252, voting on the question at a special or general
6 district election or primary or general state election, the board of county
7 commissioners may impose the tax within the boundaries of the district. A
8 county may combine this question with a question submitted pursuant to
9 ~~NRS 244.3351,~~ *section 22 of this act.*

10 2. A special election may be held only if the board of county
11 commissioners determines, by a unanimous vote, that an emergency exists.
12 The determination made by the board of county commissioners is
13 conclusive unless it is shown that the board acted with fraud or a gross
14 abuse of discretion. An action to challenge the determination made by the
15 board must be commenced within 15 days after the board's determination
16 is final. As used in this subsection, "emergency" means any unexpected
17 occurrence or combination of occurrences which requires immediate action
18 by the board of county commissioners to prevent or mitigate a substantial
19 financial loss to the county or to enable the board of county commissioners
20 to provide an essential service to the residents of the county.

21 3. The tax imposed pursuant to this section must be at such a rate and
22 based on such criteria and classifications as the board of county
23 commissioners determines to be appropriate. Each such determination is
24 conclusive unless it constitutes an arbitrary and capricious abuse of
25 discretion, but the tax imposed must not exceed \$500 per single-family
26 dwelling unit of new residential development, or the equivalent thereof as
27 determined by the board of county commissioners, or 50 cents per square
28 foot on other new development. If so provided in the ordinance, a newly
29 developed lot for a mobile home shall be considered a single-family
30 dwelling unit of new residential development.

31 4. The tax imposed pursuant to this section must be collected before
32 the time a certificate of occupancy for a building or other structure
33 constituting new development is issued, or at such other time as is
34 specified in the ordinance imposing the tax. If so provided in the ordinance,
35 no certificate of occupancy may be issued by any local government unless
36 proof of payment of the tax is filed with the person authorized to issue the
37 certificate of occupancy. Collection of the tax imposed pursuant to this
38 section must not commence earlier than the first day of the second calendar
39 month after adoption of the ordinance imposing the tax.

40 5. In a county in which a tax has been imposed pursuant to paragraph
41 (a) of subsection 1, the revenue derived from the tax must be used
42 exclusively to pay the cost of:

43 (a) Projects related to the construction and maintenance of sidewalks,
44 streets, avenues, boulevards, highways and other public rights of way used
45 primarily for vehicular traffic, including, without limitation, overpass
46 projects, street projects and underpass projects, as defined in NRS
47 244A.037, 244A.053 and 244A.055, *respectively*, within the boundaries of
48 the county or within 1 mile outside those boundaries if the board of county



1 commissioners finds that such projects outside the boundaries of the county
2 will facilitate transportation within the county;

3 (b) The principal and interest on notes, bonds or other obligations
4 incurred to fund projects described in paragraph (a); or

5 (c) Any combination of those uses.

6 6. In a transportation district in which a tax has been imposed pursuant
7 to paragraph (b) of subsection 1, the revenue derived from the tax must be
8 used exclusively to pay the cost of:

9 (a) Projects related to the construction and maintenance of sidewalks,
10 streets, avenues, boulevards, highways and other public rights of way used
11 primarily for vehicular traffic, including, without limitation, overpass
12 projects, street projects and underpass projects, as defined in NRS
13 244A.037, 244A.053 and 244A.055, *respectively*, within the boundaries of
14 the district or within such a distance outside those boundaries as is stated in
15 the ordinance imposing the tax, if the board of county commissioners finds
16 that such projects outside the boundaries of the district will facilitate
17 transportation within the district;

18 (b) The principal and interest on notes, bonds or other obligations
19 incurred to fund projects described in paragraph (a); or

20 (c) Any combination of those uses.

21 7. The county may expend the proceeds of the tax authorized by this
22 section, or any borrowing in anticipation of the tax, pursuant to an
23 interlocal agreement between the county and the regional transportation
24 commission of the county with respect to the projects to be financed with
25 the proceeds of the tax.

26 8. The provisions of chapter 278B of NRS and any action taken
27 pursuant to that chapter do not limit or in any other way apply to any tax
28 imposed pursuant to this section.

29 **Sec. 56.** NRS 371.045 is hereby amended to read as follows:

30 371.045 1. A board of county commissioners may by ordinance, but
31 not as in a case of emergency, after receiving the approval of a majority of
32 the registered voters voting on the question at a primary, general or special
33 election, impose a supplemental privilege tax of not more than 1 cent on
34 each \$1 of valuation of the vehicle for the privilege of operating upon the
35 public streets, roads and highways of the county on each vehicle based in
36 the county except:

37 (a) A vehicle exempt from the motor vehicle privilege tax pursuant to
38 this chapter; or

39 (b) A vehicle subject to NRS 706.011 to 706.861, inclusive, which is
40 engaged in interstate or intercounty operations.

41 2. A county may combine this question with questions submitted
42 pursuant to NRS ~~244.3351~~ 278.710 or 377A.020, *or section 22 of this*
43 *act* or any combination thereof.

44 3. A special election may be held only if the board of county
45 commissioners determines, by a unanimous vote, that an emergency exists.
46 The determination made by the board is conclusive unless it is shown that
47 the board acted with fraud or a gross abuse of discretion. An action to
48 challenge the determination made by the board must be commenced within
49 15 days after the board's determination is final. As used in this subsection,



1 “emergency” means any unexpected occurrence or combination of
2 occurrences which requires immediate action by the board of county
3 commissioners to prevent or mitigate a substantial financial loss to the
4 county or to enable the board to provide an essential service to the
5 residents of the county.

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

9 5. Except as otherwise provided in subsection 6 and NRS 371.047, the
10 county shall use the proceeds of the tax to pay the cost of:

11 (a) Projects related to the construction and maintenance of sidewalks,
12 streets, avenues, boulevards, highways and other public rights of way used
13 primarily for vehicular traffic, including, without limitation, overpass
14 projects, street projects or underpass projects, as defined in NRS 244A.037,
15 244A.053 and 244A.055, within the boundaries of the county or within 1
16 mile outside those boundaries if the board of county commissioners finds
17 that such projects outside the boundaries of the county will facilitate
18 transportation within the county;

19 (b) Payment of principal and interest on notes, bonds or other
20 obligations incurred to fund projects described in paragraph (a); or

21 (c) Any combination of those uses.

22 6. The county may expend the proceeds of the supplemental privilege
23 tax authorized by this section and NRS 371.047, or any borrowing in
24 anticipation of that tax, pursuant to an interlocal agreement between the
25 county and the regional transportation commission of the county with
26 respect to the projects to be financed with the proceeds of the tax.

27 7. As used in this section, “based” has the meaning ascribed to it in
28 NRS 482.011.

29 **Sec. 57.** NRS 377A.020 is hereby amended to read as follows:

30 377A.020 1. The board of county commissioners of any county may
31 enact an ordinance imposing a tax for a public transit system or for the
32 construction, maintenance and repair of public roads, or both, pursuant to
33 NRS 377A.030. The board of county commissioners of any county whose
34 population is less than 400,000 may enact an ordinance imposing a tax to
35 promote tourism pursuant to NRS 377A.030.

36 2. An ordinance enacted pursuant to this chapter may not become
37 effective before a question concerning the imposition of the tax is approved
38 by a majority of the registered voters of the county voting upon the
39 question which the board may submit to the voters at any general election.
40 A county may combine the questions for a public transit system and for the
41 construction, maintenance and repair of public roads with questions
42 submitted pursuant to NRS ~~244.3351~~ 278.710 or 371.045, *or section 22*
43 *of this act* or any combination thereof. The board shall also submit to the
44 voters at a general election any proposal to increase the rate of the tax or
45 change the previously approved uses for the proceeds of the tax.

46 3. Any ordinance enacted pursuant to this section must specify the date
47 on which the tax must first be imposed or on which an increase in the rate
48 of the tax becomes effective, which must not be earlier than the first day of



1 the second calendar month following the approval of the question by the
2 voters.

3 **Sec. 58.** NRS 387.328 is hereby amended to read as follows:

4 387.328 1. The board of trustees of each school district shall
5 establish a fund for capital projects for the purposes set forth in subsection
6 1 of NRS 387.335. The money in the fund for capital projects may be
7 transferred to the debt service fund to pay the cost of the school district's
8 debt service.

9 2. The board of trustees may accumulate money in the fund for capital
10 projects for a period not to exceed 20 years.

11 3. That portion of the vehicle privilege tax whose allocation to the
12 school district pursuant to NRS 482.180 is based on the amount of the
13 property tax levy attributable to its debt service must be deposited in the
14 county treasury to the credit of the fund established under subsection 1 or
15 the school district's debt service fund.

16 4. No money in the fund for capital projects at the end of the fiscal
17 year may revert to the county school district fund, nor may the money be a
18 surplus for any other purpose than those specified in subsection 1.

19 5. The proceeds of the taxes deposited in the fund for capital projects
20 pursuant to NRS ~~1244.3354, 268.0962 and~~ 375.070 *and sections 20 and*
21 *31 of this act* may be pledged to the payment of the principal and interest
22 on bonds or other obligations issued for one or more of the purposes set
23 forth in NRS 387.335. The proceeds of such taxes so pledged may be
24 treated as pledged revenues for the purposes of subsection 3 of NRS
25 350.020, and the board of trustees of a school district may issue bonds for
26 those purposes in accordance with the provisions of chapter 350 of NRS.

27 **Sec. 59.** Section 37 of chapter 19, Statutes of Nevada 1991, at page
28 45, is hereby amended to read as follows:

29 Sec. 37. 1. The legislature hereby declares that:

30 (a) Washoe County contains many diverse areas for which tourism
31 is an important economic factor including mountain peaks, mountain
32 lakes, valley lakes and old and new "downtown" business districts;

33 (b) A unique National Automobile Museum is located in Washoe
34 County for which the City of Reno may choose to become responsible
35 for, among other reasons, its ability to draw tourists to the area;

36 (c) In the past, many tourists have been attracted to the area as
37 participants in or spectators of national bowling tournaments although
38 a permanent facility in which to hold the tournaments is not currently
39 available in Washoe County;

40 (d) Because of Washoe County's fragile economy and the need to
41 develop a stable tourist trade, it is important that tourist-related
42 businesses are able to depend on a tax that will remain at a constant
43 rate and be used for projects that have a history of drawing tourists to
44 Washoe County; and

45 (e) A general law cannot be made applicable to the situation
46 because of these unique circumstances and special conditions, and the
47 provisions of this section are therefore necessary.



2. Notwithstanding the provisions of sections 3.7 and 13.5 of this act, the Board of County Commissioners of Washoe County, in addition to all other taxes imposed on the revenues from the rental of transient lodging, shall impose a tax at the rate of 1 percent of the gross receipts from the rental of transient lodging in that county upon all persons in the business of providing lodging throughout the county, including its incorporated cities.

3. The ordinance imposing the tax must include all the matters required by ~~NRS 244.3352~~ *section 19 of this act* for the mandatory tax, must be administered in the same manner, and imposes the same liabilities, except that collection of the tax by the Reno-Sparks Convention and Visitors Authority must commence on July 1, 1991. The Reno-Sparks Convention and Visitors Authority:

(a) Shall remit all proceeds of the tax imposed on or before June 30, 1992, and any penalty and interest attributable thereto, to the City of Reno 30 days after receipt; and

(b) May not retain any part of the tax, interest or penalties as collection or administrative fee.

4. The proceeds of the tax imposed pursuant to subsection 2:

(a) From July 1, 1991, through June 30, 1992, and any penalties and interest attributable thereto must be used to pay the costs of operation or debt service, or both, of the National Automobile Museum; and

(b) After June 30, 1992, and any penalties and interest attributable thereto must be used to pay the cost of the construction and operation of a multi-purpose bowling facility, including parking and space for other functions ancillary to such a facility.

5. If the Reno-Sparks Convention and Visitors Authority does not approve the construction of the bowling facility on or before June 30, 1992, the collection of the tax must be suspended until such action is taken or June 30, 1993, whichever is earlier. If the collection of the tax is suspended on June 30, 1993, the board of county commissioners shall repeal the ordinance imposing the tax and shall not impose any further taxes pursuant to this section.

6. The county, acting by and through the Reno-Sparks Convention and Visitors Authority, may pledge any money received from the proceeds of the tax imposed pursuant to this section with revenue derived from the project that is described in paragraph (b) of subsection 4, including any existing or future extensions or enlargements thereof, for the payment of general or special obligations issued for the project. A pledge pursuant to this subsection may include the tax authorized by this section and other taxes imposed on the rental of transient lodging that are available for pledge by the Reno-Sparks Convention and Visitors Authority. Any money pledged by the county pursuant to this subsection may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.



1 **Sec. 60.** Section 24 of Chapter 506, Statutes of Nevada 1997, as last
2 amended by chapter 28, Statutes of Nevada 1999, at page 64, is hereby
3 amended to read as follows:

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

10 (a) The city of Reno imposes a tax on the rental of transient
11 lodging pursuant to ~~NRS 268.7845~~ *section 35 of this act* in the
12 maximum amount allowed by that section; and

13 (b) The board receives a written commitment from one or more
14 sources for the expenditure of not less than one-half of the total cost
15 of a project for the acquisition, establishment, construction or
16 expansion of railroad grade separation projects in Washoe County,
17 including the estimated proceeds of the tax described in paragraph (a).

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

22 3. An ordinance enacted pursuant to subsection 1 must specify the
23 date on which the tax must first be imposed which must occur on the
24 first day of the first month of the next calendar quarter that is at least
25 60 days after the date on which a two-thirds majority of the board of
26 county commissioners approved the question.

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

29 (a) Provisions substantially identical to those contained in chapter
30 374 of NRS, insofar as applicable.

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

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

37 (d) A provision that exempts from the tax the gross receipts from
38 the sale of, and the storage, use or other consumption in a county of,
39 tangible personal property used for the performance of a written
40 contract:

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

42 (2) For the construction of an improvement to real property for
43 which a binding bid was submitted before the effective date of the tax
44 if the bid was afterward accepted,
45 if under the terms of the contract or bid the contract price or bid
46 amount cannot be adjusted to reflect the imposition of the tax.

47 5. No ordinance imposing a tax which is enacted pursuant to
48 subsection 1 may be repealed or amended or otherwise directly or
49 indirectly modified in such a manner as to impair any outstanding



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bonds or other obligations which are payable from or secured by a pledge of a tax enacted pursuant to subsection 1 until those bonds or other obligations have been discharged in full.

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

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

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

(a) Transfer from the sales and use tax account to the appropriate account in the state general fund a percentage of all fees, taxes, interest and penalties collected pursuant to this section during the preceding month as compensation to the state for the cost of collecting the taxes. The percentage to be transferred pursuant to this paragraph must be the same percentage as the percentage of proceeds transferred pursuant to paragraph (a) of subsection 3 of NRS 374.785 but the percentage must be applied to the proceeds collected pursuant to this section only.

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

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

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

10. The money in the railroad grade separation projects fund, including interest and any other income from the fund must be used by the board of county commissioners for the cost of the acquisition, establishment, construction or expansion of one or more railroad grade separation projects, including the payment and prepayment of principal and interest on notes, bonds or other obligations issued to fund such projects.

Sec. 61. Section 1 of chapter 432, Statutes of Nevada 1999, at page 2012, is hereby amended to read as follows:

Section 1. 1. A tax at the rate of:

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

(1) The unincorporated area of Washoe County; and

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



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

2. The tax imposed pursuant to this section must:

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

(b) Be collected and enforced in the same manner as provided for the collection of the tax imposed by ~~NRS 244.3352;~~ *section 19 of this act;*

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

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

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

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

Sec. 62. If any provision of this act conflicts with the provisions of a resolution or ordinance which:

1. Authorizes the issuance of bonds or securities that are outstanding on January 1, 2002;

2. Authorizes the issuance of bonds or securities issued after January 1, 2002; or

3. Authorizes or provides any matters pertaining to a tax pledged to secure any outstanding or refunding bonds or securities, the provisions of the resolutions or ordinances are controlling.

Sec. 63. NRS 244.3351, 244.33512, 244.33514, 244.33516, 244.3352, 244.3354, 244.3356, 244.33565, 244.3357, 244.3358, 244.3359, 268.0195, 268.096, 268.0962, 268.0964, 268.0966, 268.0968, 268.446, 268.448, 268.7845, 268.801, 268.802, 268.803, 268.804, 268.805, 268.806, 268.807, 268.808 and 364.125 are hereby repealed.

Sec. 64. This act becomes effective on January 1, 2002.



LEADLINES OF REPEALED SECTIONS

244.3351 Optional tax on revenues from rental of transient lodging: Imposition and administration.

244.33512 Optional tax on revenues from rental of transient lodging: Distribution and use of proceeds of tax imposed throughout county.

244.33514 Optional tax on revenues from rental of transient lodging: Use of proceeds of tax imposed within boundaries of transportation district.

244.33516 Optional tax on revenues from rental of transient lodging: Periodic reports to legislature.

244.3352 Mandatory tax on revenues from rental of transient lodging: Imposition and collection; schedule for payment; penalty and interest for late payment.

244.3354 Mandatory tax on revenues from rental of transient lodging: Distribution of proceeds.

244.3356 Mandatory tax on revenues from rental of transient lodging: Prohibited uses of proceeds.

244.33565 Taxes on revenues from rental of transient lodging: Adoption of ordinance defining “transient lodging.”

244.3357 Taxes on revenues from rental of transient lodging: Annual report to department of taxation.

244.3358 Taxes on revenues from rental of transient lodging: Assignment of certain proceeds by certain counties to general improvement district furnishing recreational facilities; use of proceeds assigned; pledge of proceeds prohibits revocation of assignment.

244.3359 Taxes on rental of transient lodging: Limitations on imposition of new tax and on increase in rate of existing tax; legislative declaration.

268.0195 Duty to establish definition of “transient lodging” by ordinance.

268.096 Tax on revenues from rental of transient lodging: Imposition and collection; schedule for payment; penalty and interest for late payment.

268.0962 Tax on revenues from rental of transient lodging: Distribution of proceeds, penalty and interest.

268.0964 Tax on revenues from rental of transient lodging: Prohibited uses of proceeds.

268.0966 Tax on revenues from rental of transient lodging: Annual report to department of taxation.

268.0968 Tax on revenues from rental of transient lodging: Limitations on imposition of new tax and on increase in rate of existing tax; legislative declaration.



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268.446 Use of money received from optional tax on revenues from rental of transient lodging.

268.448 Pledge of money for payment of obligations issued for certain projects.

268.7845 Tax on revenue from rental of transient lodging located within taxing district; imposition by ordinance; collection; use of proceeds.

268.801 “District” defined.

268.802 Creation of district by ordinance; district not entitled to distribution of supplemental city-county relief tax.

268.803 Establishment of boundaries of district.

268.804 Tax on revenues from rental of transient lodging located within district: Imposition and collection; waiver; cessation.

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268.806 Tax on revenues from rental of transient lodging located within district: Pledging of proceeds by city.

268.807 Tax on revenues from rental of transient lodging within district: Change in rate.

268.808 Legal action challenging validity of creation of district, imposition of tax or construction of project with proceeds of tax.

364.125 Regulations for collection and enforcement of tax.

