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PROPOSED AMENDMENT BY THE CITY OF SPARKS  
DATED APRIL 29, 2003

TO

ASSEMBLY BILL NO. 205 – COMMITTEE ON TAXATION  
FEBRUARY 26, 2003

SUMMARY – Increases tax on rental of transient lodging within City of Sparks to pay certain costs related to promotion of tourism. (BDR S- 256)

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

EXPLANATION -- Matter in (1) italics is new language in the original bill; (2) matter in *bold italics* is new language proposed by this amendment, (3) matter ~~stricken out~~ is deleted from original bill by this amendment.

AN ACT relating to taxation; increasing the tax on the rental of transient lodging within the City of Sparks to pay for certain projects and capital improvements that are intended to attract and expand tourism; and providing for other matters properly relating thereto.

WHEREAS, the Legislature hereby finds and declares that a general law cannot be made applicable for all provisions of this act because of the economic and geographical diversity of the local governments of this state, the unique growth patterns in those local governments and the special conditions experienced in the City of Sparks, and Washoe County related to the disparate tax structures and the need to revitalize specific areas to promote tourism; now, therefore,

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

Section 1. Chapter 432, Statutes of Nevada 1999, at page 2011, is hereby amended by adding thereto new sections to be designated as sections 6.7 and 6.9 immediately preceding section 7 to read as follows:

*Sec. 6.7 1. A tax at the rate of 2 ½ per cent of the gross receipts from the rental of transient lodging is hereby imposed in the City of Sparks.*

*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 the City of Sparks and Washoe County;*

*(b) Be collected and enforced in the same manner as provided for the collection of the tax imposed by NRS 244.3352, subject to the limitations set forth in NRS 244.3356, except that the proceeds of the tax may be used to defray the costs of enforcing any applicable tax liens incurred by the Reno/Sparks Convention and Visitors Authority; and*

*(c) Be paid to the Reno/Sparks Convention and Visitors Authority, which shall distribute the proceeds from the tax to the City Council of the City of Sparks.*

*(d) Not be collected after the date on which the general or special obligations described in this subsection 1 (b) (5) 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 City Council of the City of Sparks, and the Sparks Tourism Facility and Revitalization Steering 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 public meetings that comply 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.**

**3- 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. 2**

**Sec. 6.9 1. The City Council of the City of Sparks after obtaining the advice and recommendations of the Sparks Tourism Facility and Revitalization Steering Committee may expend the proceeds of the tax imposed pursuant to section 6.7 of this act, and any applicable penalty or interest. The proceeds of the tax and any applicable penalty or interest:**

*(a) Must be used to develop, acquire, establish, improve and construct projects and capital improvements that are intended to attract and expand tourism and are, at the time the proceeds from the tax are expended, located in or to be located in*

*(1) That portion of the Sparks Town Center Project which is identified as*

*Victorian Square; or*

*(2) Any other portion of the Sparks Town Center Project, if the project or capital improvement provides a direct benefit to a project or capital improvement located within Victorian Square, as determined by the City Council of the City of Sparks upon obtaining the advice and recommendations of the Sparks Tourism Facility and Revitalization Steering Committee.*

*(b) May be used to acquire, lease, rent and develop land, interests in land, including, without limitation, easements, reversionary estates, licenses and dedications, and improvements to land, that will be used for projects and capital improvements described in paragraph (a).*

*(c) May be used to demolish any improvements, rehabilitate existing capital improvements or construct new improvements described in paragraph (a).*

*(d) May be used to maintain and repair capital improvements acquired or constructed pursuant to paragraphs (b) and (c).*

*(e) May be irrevocably pledged, by an ordinance adopted by the City of Sparks, for the payment of general and special obligations issued for the purposes set forth in this subsection and may be treated as pledged revenues for the purposes of subsection 3 of NRS 350.020.*

*(f) May be used for advertising, promotion, operating costs or expenses not related to maintenance for land, improvements, events or general government operations associated with the projects and capital improvements described in paragraph (a).*

*(g) Must not be used to pay administrative costs associated with projects and capital improvements described in paragraph (a), except those administrative costs related to developing, constructing and financing such projects and capital improvements and costs related to the issuance of any general or special obligations.*

*2. The City Council of the City of Sparks shall, before expending any proceeds of the tax pursuant to this section, obtain the advice and recommendations of the Sparks Tourism and Marketing Committee Facility and Revitalization Steering Committee created pursuant to section 4 3 of this act concerning the expenditure the expenditure of those proceeds.*

*3. For the purposes of this section, a project or capital improvement shall be deemed to be intended to attract and expand tourism if it is used for retail, entertainment,*

*recreational, scientific, cultural, historic or artistic purposes as determined by the City Council of the City of Sparks upon obtaining the advice and recommendations of the Sparks Tourism Facility and Revitalization Steering Committee.*

*4. As used in this section:*

*(a) "Capital improvement" includes*

*(1) Buildings, parking lots, parking structures, landscape facilities, privately owned facilities or devices to enhance the protection of persons or property, and capital equipment for any of the foregoing;*

*(2) Off-street parking projects, park projects, security walls, service facilities, sidewalk projects, street beautification projects, telephone projects, and transportation projects, as defined, respectively, in NRS 271.150, 271.160, 271.203, 271.204, 271.205, 271.233, 271.232 and 271.237;*

*(3) recreational facilities, amusement facilities and public display facilities; and*

*(4) Infrastructure designed to serve capital improvements that are intended to attract and expand tourism, including, without limitation, curb and gutter projects, drainage projects, electrical projects, sanitary sewer projects, storm sewer projects, street projects and water projects as defined, respectively, in NRS 271.090, 271.095, 271.097, 271.200, 271.215, 271.225 and 271.250, and projects to install or move gas transmission facilities.*

*(b) "Sparks Town Center Project" means the Sparks Town Center Project No. 1 described in the Sparks Town Center 2000 Amended Redevelopment Plan adopted by the City Council of the City of Sparks in Ordinance 2071 on May 8, 2000.*

***Sec 3. 1. The Sparks Tourism Facility and Revitalization Steering Committee, consisting of five members, is hereby created. The membership of the Committee consists of:***

***(a) Two persons appointed by the Board of Directors of the Reno/ Sparks Convention and Visitors Authority, one of whom must be a member of the Nevada Resort Association who represents properties outside the City of Sparks, and one of whom must represent the interests of Reno, Sparks, Washoe County, the motel industry or general business.***

***(b) Two members of the City Council (including the mayor) of the City of***

*Sparks appointed by the City Council of the City of Sparks.*

*(c) One person appointed by the Nevada Resort Association who must be a member who represents properties inside the City of Sparks.*

- 2. The Committee shall elect a chairman from among its members.*
- 3. A vacancy on the Committee must be filled in the same manner as the original appointment.*
- 4. The Committee shall meet at least quarterly or by a call of the chairman or majority of the members of the Committee.*
- 5. Members of the Committee serve without compensation.*

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

*(a) Proposed projects or capital improvements that the Committee determines to be advisable to promote tourism in Washoe County; and*

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

*2. Capital improvement projects identified in the master plan pursuant to this section must be:*

*(a) Approved by a two thirds majority vote of all of the members of the Committee; and*

*(b) Located in that portion of the Sparks Town Center Project which is identified as Victorian Square or any other portion of the Sparks Town Center Project as determined by the Sparks Tourism Facility and Revitalization Steering Committee.*

*Sec. 5 Section 2 of chapter 432, Statutes of Nevada 1999, at page 2012 is hereby amended to read:*

**Sec. 2. Distribution and use of proceeds, penalties and interest.** The proceeds of the taxes imposed pursuant to section 1 of this act and any applicable penalty or interest must be distributed as follows:

1. \*\*
2. \*\*

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

- (a) On July 1, 2000, an amount not to exceed \$100,000.
- (b) On July 1, 2001, an amount not to exceed \$100,000.
- (c) On July 1, 2002, an amount not to exceed \$200,000.
- (d) On July 1, 2003, an amount not to exceed \$200,000.
- (e) On July 1, 2004, *and on July 1 of each year thereafter* an amount not to exceed ~~\$250,000.~~ *\$200,000*
- ~~(f) On July 1, 2005, an amount not to exceed \$250,000.~~
- ~~(g) On July 1, 2006, an amount not to exceed \$350,000.~~
- ~~(h) On July 1, 2007, and each year thereafter, an amount equal to the sum of \$350,000 plus an additional amount equal to \$350,000 multiplied by the percentage by which the proceeds of the taxes imposed pursuant to paragraphs (a) and (b) of subsection 1 of section 1 of this act increased during the immediately preceding 12-month period, if any.~~

Sec. 2 6 This act becomes effective upon passage and approval.