

ASSEMBLY BILL NO. 554—COMMITTEE ON WAYS AND MEANS

JUNE 2, 2003

Referred to Committee on Ways and Means

SUMMARY—Authorizes imposition of fee on certain rental cars in certain larger counties to finance professional sports stadium, performing arts center and facility for providing vocational training in culinary skills. (BDR 20-1376)

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

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to county finances; authorizing the imposition of a fee on certain rental cars in certain larger counties to finance a professional sports stadium, performing arts center and facility for providing vocational training in culinary skills; authorizing the issuance of revenue bonds for certain of those projects; providing for the collection, distribution and use of the fee; authorizing such a county to revise certain schedules of fees, rates, charges and taxes to ensure the payment of certain revenue bonds of the county; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 244A of NRS is hereby amended by
2 adding thereto the provisions set forth as sections 2 to 7, inclusive,
3 of this act.
4 **Sec. 2.** *As used in sections 2 to 5, inclusive, of this act:*
5 1. *“Department” means the Department of Taxation.*
6 2. *“Professional sports stadium project” has the meaning*
7 *ascribed to it in section 6 of this act.*



1 **Sec. 3. 1.** *Except as otherwise provided in subsection 2, the*
2 *board of county commissioners of a county whose population is*
3 *400,000 or more may by ordinance impose a fee upon the lease of*
4 *a passenger car by a short-term lessor in the county in the amount*
5 *of not more than 2 percent of the total amount for which the*
6 *passenger car was leased, excluding any taxes or other fees*
7 *imposed by a governmental entity.*
8 2. *The fee imposed pursuant to subsection 1 must not apply to*
9 *replacement vehicles. As used in this subsection, "replacement*
10 *vehicle" means a vehicle that is:*
11 (a) *Rented temporarily by or on behalf of a person or leased to*
12 *a person by a facility that repairs motor vehicles or a motor vehicle*
13 *dealer; and*
14 (b) *Used by the person in place of a motor vehicle owned by*
15 *the person that is unavailable for use because of mechanical*
16 *breakdown, repair, service, damage or loss as defined in the*
17 *owner's policy of liability insurance for the motor vehicle.*
18 3. *After reimbursement of the Department pursuant to*
19 *paragraph (a) of subsection 1 of section 4 of this act for its*
20 *expense in collecting and administering a fee imposed pursuant to*
21 *this section, the remaining proceeds of the fee which are received*
22 *by a county must be used as follows:*
23 (a) *Not more than two-thirds of the proceeds of the fee must be*
24 *used to pay the costs to acquire, improve, equip, operate and*
25 *maintain within the county a professional sports stadium project,*
26 *or to pay the principal of, interest on or other payments due with*
27 *respect to bonds issued to pay such costs, including bonds issued*
28 *to refund bonds issued to pay such costs, or any combination*
29 *thereof.*
30 (b) *Not more than one-third of the proceeds of the fee must be*
31 *used to pay the costs to acquire, improve, equip, operate and*
32 *maintain within the county a performing arts center, or to pay the*
33 *principal of, interest on or other payments due with respect to*
34 *bonds issued to pay such costs, including bonds issued to refund*
35 *bonds issued to pay such costs, or any combination thereof.*
36 4. *The board of county commissioners shall not repeal or*
37 *amend or otherwise directly or indirectly modify an ordinance*
38 *imposing a fee pursuant to subsection 1 in such a manner as to*
39 *impair any outstanding bonds issued by or other obligations*
40 *incurred by the county until all obligations for which revenue*
41 *from the ordinance have been pledged or otherwise made payable*
42 *from such revenue have been discharged in full or provision for*
43 *full payment and redemption has been made.*



1 5. As used in this section, the words and terms defined in
2 *NRS 482.053 and 482.087 have the meanings ascribed to them in*
3 *those sections.*

4 **Sec. 4.** 1. Any ordinance adopted pursuant to section 3 of
5 *this act must include a provision requiring the board of county*
6 *commissioners to enter into a contract before the effective date of*
7 *the ordinance with the Department to perform all functions*
8 *incident to the collection and administration of the fee in the*
9 *county. Such a contract must:*

10 (a) *Authorize the Department to retain 0.10 percent of the*
11 *amount of the proceeds of the fee to reimburse the Department for*
12 *its expenses in collecting and administering the fee; and*

13 (b) *Require the distribution of the remaining amount of the*
14 *proceeds of the fee to the county at such a time and in such a*
15 *manner as the parties determine, which must be not less*
16 *frequently than once each calendar quarter.*

17 2. Any ordinance amending an ordinance adopted pursuant
18 *to section 3 of this act must include a provision in substance that*
19 *the county shall amend the contract made pursuant to subsection*
20 *1 by a contract made between the county and the Department,*
21 *before the effective date of the amendatory ordinance, unless the*
22 *county determines with the written concurrence of the Department*
23 *that no such amendment of the contract is necessary or desirable.*

24 **Sec. 5.** 1. A board of county commissioners that adopts an
25 *ordinance imposing a fee pursuant to section 3 of this act shall*
26 *create a stadium authority to operate the professional sports*
27 *stadium project. The stadium authority must consist of:*

28 (a) *One member of the board of county commissioners*
29 *appointed by the board;*

30 (b) *Two members from the governing body of the largest*
31 *incorporated city in the county, appointed by that governing body;*

32 (c) *One member of the governing body of the second largest*
33 *incorporated city in the county, appointed by the governing body;*

34 (d) *One member of the governing body of the third largest*
35 *incorporated city in the county appointed by that governing body;*
36 *and*

37 (e) *If the stadium authority enters into an agreement with a*
38 *professional sports team pursuant to which the team agrees to play*
39 *its home games in the stadium, one person appointed by the owner*
40 *of the team.*

41 2. The members of the stadium authority serve at the pleasure
42 *of the governmental entity or person who appointed them to serve*
43 *in that capacity. The member, if any, appointed pursuant to*
44 *paragraph (e) of subsection 1 serves as a nonvoting member.*

45 3. The stadium authority shall:



1 (a) Be responsible for the normal operations of the
2 professional sports baseball stadium project; and

3 (b) Enter into an agreement with the board of county
4 commissioners that sets forth the specific rights, obligations and
5 duties of the stadium authority regarding those operations.

6 **Sec. 6.** "Professional sports stadium project" means a
7 stadium which can be used for the home games of a professional
8 sports team and for other purposes, including structures, buildings
9 and other improvements and equipment therefor, parking
10 facilities, and all other appurtenances necessary, useful or
11 desirable for a professional sports stadium, including, without
12 limitation, all types of property therefor.

13 **Sec. 7. 1.** A board that has adopted an ordinance imposing
14 a fee pursuant to section 3 of this act may, on behalf of the county
15 and in its name:

16 (a) Acquire, improve, equip, operate and maintain within the
17 county a professional sports stadium project or a performing arts
18 center, or both.

19 (b) Pursuant to the provisions of chapter 350 of NRS, issue
20 revenue bonds of the county to acquire, improve or equip, or any
21 combination thereof, within the county a professional sports
22 stadium project or a performing arts center, or both.

23 2. Bonds issued pursuant to this section for a professional
24 sports stadium project must be payable from the portion of the
25 proceeds of the fee imposed by the county pursuant to section 3 of
26 this act set forth in paragraph (a) of subsection 3 of section 3 of
27 this act that are and may be additionally secured by and payable
28 from the gross or net revenues of the professional sports stadium
29 project, including, without limitation, amounts received from any
30 professional sports team pursuant to a contract with that team,
31 fees, rates and charges for the use of the stadium by a professional
32 sports team or any other uses of the stadium, and related uses,
33 including, without limitation, parking and concessions,
34 surcharges on tickets in an amount approved by the board, grants,
35 whether conditional or unconditional, made for the payment of
36 debt service or otherwise for the purposes of the professional
37 sports stadium project, and any and all other sources of revenue
38 attributable to the professional sports stadium project as provided
39 by the board in the ordinance authorizing the issuance of bonds or
40 any instrument supplemental or appertaining thereto.

41 3. Bonds issued pursuant to this section for a performing arts
42 center must be payable from the portion of the proceeds of the fee
43 imposed by the county pursuant to section 3 of this act set forth in
44 paragraph (b) of subsection 3 of section 3 of this act that are and



1 *may be additionally secured by and payable from the gross or net*
2 *revenues of the performing arts center.*

3 **Sec. 8.** NRS 244A.011 is hereby amended to read as follows:
4 244A.011 NRS 244A.011 to 244A.065, inclusive, *and sections*
5 *6 and 7 of this act* shall be known as the County Bond Law.

6 **Sec. 9.** NRS 244A.013 is hereby amended to read as follows:
7 244A.013 Except where the context otherwise requires, the
8 definitions in NRS 244A.015 to 244A.056, inclusive, *and section 6*
9 *of this act* govern the construction hereof.

10 **Sec. 10.** NRS 244A.063 is hereby amended to read as follows:
11 244A.063 In order to insure the payment, wholly or in part, of
12 the general obligation bonds *or revenue bonds* of the county the
13 payment of which bonds is additionally secured by a pledge of the
14 revenues derived from any such income-producing project and from
15 any such excise taxes, the board may establish and maintain, and the
16 board may from time to time revise, a schedule or schedules of fees,
17 rates and charges for services or facilities, or both services and
18 facilities, rendered by or through the project, within the corporate
19 limits of the county, and a schedule or schedules of license or other
20 excise taxes, in an amount sufficient for that purpose and also
21 sufficient to discharge any covenant in the proceedings of the board
22 authorizing the issuance of any of such bonds, including any
23 covenant for the establishment of reasonable reserve funds.

24 **Sec. 11.** NRS 360.417 is hereby amended to read as follows:
25 360.417 Except as otherwise provided in NRS 360.232 and
26 360.320, and unless a different penalty or rate of interest is
27 specifically provided by statute, any person who fails to pay any tax
28 provided for in chapter 362, 364A, 369, 370, 372, 374, 377, 377A,
29 444A or 585 of NRS, or ~~the~~ *any* fee provided for in NRS 482.313,
30 to the State or a county within the time required, shall pay a penalty
31 of not more than 10 percent of the amount of the tax or fee which is
32 owed, as determined by the Department, in addition to the tax or fee,
33 plus interest at the rate of 1 percent per month, or fraction of a
34 month, from the last day of the month following the period for
35 which the amount or any portion of the amount should have been
36 reported until the date of payment. The amount of any penalty
37 imposed must be based on a graduated schedule adopted by the
38 Nevada Tax Commission which takes into consideration the length
39 of time the tax or fee remained unpaid.

40 **Sec. 12.** NRS 482.313 is hereby amended to read as follows:
41 482.313 1. Upon the lease of a passenger car by a short-term
42 lessor in this state, the short-term lessor:

43 (a) Shall charge and collect from the short-term lessee ~~fe~~ :



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1 (1) A governmental services fee of 6 percent of the total
2 amount for which the passenger car was leased, excluding the items
3 described in subsection 7 ~~[1]~~; and

4 (2) *Any fee required pursuant to section 3 of this act; and*

5 (b) May charge and collect from the short-term lessee a recovery
6 surcharge not to exceed ~~[3.5]~~ 4 percent of the total amount for which
7 the passenger car was leased, excluding the items described in
8 subsection 8, as reimbursement for vehicle licensing fees and taxes
9 paid by the short-term lessor.
10 The amount of any fee charged pursuant to this subsection must be
11 indicated in the lease agreement.

12 2. The ~~[governmental services]~~ fees due from a short-term
13 lessor to the Department of Taxation pursuant to ~~[this]~~ subsection 1
14 are due on the last day of each calendar quarter. On or before the
15 last day of the month following each calendar quarter, the short-term
16 lessor shall:

17 (a) File with the Department of Taxation, on a form prescribed
18 by the Department of Taxation, a report indicating the total amount
19 of:

20 (1) ~~[Governmental services]~~ *Each of the* fees collected by
21 the short-term lessor pursuant to paragraph (a) of subsection 1
22 during the immediately preceding calendar quarter;

23 (2) Recovery surcharges, if any, collected by the short-term
24 lessor pursuant to paragraph (b) of subsection 1 during the
25 immediately preceding calendar quarter; and

26 (3) Vehicle licensing fees and taxes paid by the short-term
27 lessor pursuant to this chapter during the immediately preceding
28 calendar quarter .

29 (b) Remit to the Department of Taxation, the ~~[governmental
30 services]~~ fees collected by the short-term lessor pursuant to
31 paragraph (a) of subsection 1 during the immediately preceding
32 calendar quarter.

33 3. ~~[The]~~ *Except as otherwise provided in a contract made
34 pursuant to section 4 of this act, the* Department of Taxation shall
35 deposit all money received from short-term lessors pursuant to the
36 provisions of this section with the State Treasurer for credit to the
37 State General Fund.

38 4. To ensure compliance with this section, the Department of
39 Taxation may audit the records of a short-term lessor.

40 5. The provisions of this section do not limit or affect the
41 payment of any taxes or fees imposed pursuant to the provisions of
42 this chapter.

43 6. The Department of Motor Vehicles shall, upon request,
44 provide to the Department of Taxation any information in its records
45 relating to a short-term lessor that the Department of Taxation



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1 considers necessary to collect the ~~[fee required by this section.] fees~~
2 *described in subsection 1.*

3 7. For the purposes of charging and collecting the
4 governmental services fee described in *subparagraph (1) of*
5 paragraph (a) of subsection 1, the following items must not be
6 included in the total amount for which the passenger car was leased:

7 (a) The amount of any recovery surcharge charged and collected
8 pursuant to paragraph (b) of subsection 1;

9 (b) The amount of any charge for fuel used to operate the
10 passenger car;

11 (c) The amount of any fee or charge for the delivery,
12 transportation or other handling of the passenger car;

13 (d) The amount of any fee or charge for insurance, including,
14 without limitation, personal accident insurance, extended coverage
15 or insurance coverage for personal property; ~~[and]~~

16 (e) The amount of any charges assessed against a short-term
17 lessee for damages for which the short-term lessee is held
18 responsible ~~[; and]~~

19 *(f) The amount of any fee charged and collected pursuant to*
20 *subparagraph (2) of paragraph (a) of subsection 1.*

21 8. For the purposes of charging and collecting the recovery
22 surcharge described in paragraph (b) of subsection 1, the following
23 items must not be included in the total amount for which the
24 passenger car was leased:

25 (a) The amount of the ~~[governmental services fee]~~ *fees* charged
26 and collected pursuant to paragraph (a) of subsection 1;

27 (b) The amount of any charge for a collision damage waiver or a
28 similar instrument that acts as a waiver of the short-term lessor's
29 right to collect from the short-term lessee for any damage to the
30 passenger car;

31 (c) The amount of any charge for fuel used to operate the
32 passenger car;

33 (d) The amount of any fee or charge for the delivery,
34 transportation or other handling of the passenger car;

35 (e) The amount of any fee or charge for insurance, including,
36 without limitation, personal accident insurance, extended coverage
37 or insurance coverage for personal property;

38 (f) The amount of any charges assessed against a short-term
39 lessee for damages for which the short-term lessee is held
40 responsible; and

41 (g) The amount of any concession fee or charge that the short-
42 term lessor:

43 (1) Is required to pay to do business at an airport, if
44 applicable; and

45 (2) Passes on to the short-term lessee of the passenger car.



1 9. The Executive Director of the Department of Taxation shall:
2 (a) Adopt such regulations as he determines are necessary to
3 carry out the provisions of this section; and

4 (b) Upon the request of the Director of the Department of Motor
5 Vehicles, provide to the Director of the Department of Motor
6 Vehicles a copy of any record or report described in this section.

7 10. As used in this section, "vehicle licensing fees and taxes"
8 means:

9 (a) The fees paid by a short-term lessor for the registration of,
10 and the issuance of certificates of title for, the passenger cars leased
11 by him; and

12 (b) The basic and supplemental governmental services taxes
13 paid by the short-term lessor with regard to those passenger cars.

14 **Sec. 13.** Notwithstanding the provisions of section 3 of this
15 act, the Board of County Commissioners of Clark County shall
16 distribute the initial \$3,000,000 collected from the fee imposed
17 pursuant to section 3 of this act to the Culinary and Hospitality
18 Academy of Las Vegas for the planning and design of a facility for
19 vocational training in Southern Nevada.

20 **Sec. 14.** The authorization to impose a fee pursuant to section
21 3 of this act expires by limitation on June 30 of the later of the fiscal
22 year that is 20 years after the fiscal year in which the ordinance
23 imposing the fee is adopted or the fiscal year in which all bonds
24 issued pursuant to section 7 of this act, including, without limitation,
25 any bonds issued to refund bonds issued pursuant to section 7 of this
26 act, are fully paid as to all principal, interest and any other amounts
27 due.

28 **Sec. 15.** This act becomes effective upon passage and
29 approval.

